

# Large Filing Separator Sheet

Case Number : 07-1285-GA-EXM

File Date : 3/17/2008

Section : 3 of 5

Number of Pages : 200

Description of Document : Transcript

1           **V.     ANNUAL FINANCIAL AUDIT**

2   **Q.     Will there be an annual financial audit during the SSO/SCO Phases?**

3   **A.     Yes.**

4   **Q.     Please describe the annual financial audit process.**

5   **A.     An annual financial audit, replacing the current GCR financial audit, will be**  
6           **conducted by VEDO's independent financial auditors in a docketed case**  
7           **before the Commission.**

8   **Q.     Please describe what will be reviewed as part of the annual financial**  
9           **audit.**

10  **A.     All ETC Rider costs and revenues and Large General Transportation**  
11           **Service customer cashouts will be subject to review as part of the annual**  
12           **audit. Also, the Uncollectible Expense Rider, formerly reviewed as part of**  
13           **the annual GCR financial audit, will be audited on the same schedule as**  
14           **this new annual audit.**

15  **Q.     When will the annual financial audit be conducted?**

16  **A.     The annual financial audit will be conducted after each SSO/SCO term**  
17           **has expired.**

18  **Q.     Will the GCR management performance audit and GCR financial**  
19           **audit still need to be performed?**

1 A. No. The elimination of the GCR also eliminates the need for the GCR  
2 management performance audit and the GCR financial audit. The new  
3 annual financial audit replaces these audits.

4 **VI. PERIODIC REPORTING**

5 **Q. Will VEDO periodically report to the Commission on the status of the**  
6 **SSO/SCO Phase?**

7 A. Yes.

8 **Q. Please describe what will be reported to the Commission on a**  
9 **monthly basis?**

10 A. VEDO will provide the following SSO/SCO Phase statistics:

- 11 1. SSO/SCO Rider Rate,
- 12 2. Number of SSO/SCO and Choice customers,
- 13 3. SSO/SCO and Choice volumes by rate schedule,
- 14 4. SSO/SCO participation rates by rate schedule,
- 15 5. Number of SSO/SCO Suppliers,
- 16 6. Market share of each SSO/SCO Supplier, and
- 17 7. Any other information desired by the Commission.

18 **Q. Please describe what will be reported to the Commission on a**  
19 **quarterly basis?**

20 A. VEDO will file quarterly reports that contain an assessment of supplier  
21 performance based on the following criteria:

- 1 1. Targeted deliveries compared to nominated volumes,
- 2 2. Targeted deliveries compared to billed volumes,
- 3 3. Comparable capacity required compared to comparable capacity
- 4 demonstrated,
- 5 4. Impact of any supplier defaults, and
- 6 5. Storage use and system balancing performance.

7 **Q. Does this conclude your prepared direct testimony?**

8 **A. Yes, it does.**

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of	)	
Vectren Energy Delivery of Ohio, Inc.	)	
for Approval of a General Exemption of	)	
Certain Natural Gas Commodity Sales	)	
Services or Ancillary Services from	)	Case No. -GA-EXM
Chapters 4905, 4909, and 4935 except	)	
Sections 4905.10, 4935.01, and 4935.03,	)	
and from specified sections of Chapter 4933	)	
of the Revised Code.	)	

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**PREPARED DIRECT TESTIMONY  
OF MICHAEL F. ROEDER  
ON BEHALF OF  
VECTREN ENERGY DELIVERY OF OHIO, INC.**

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Gretchen J. Hummel, Esq.  
Trial Attorney  
McNees Wallace & Nurick LLC  
FifthThird Center  
21 East State Street  
17<sup>th</sup> Floor  
Columbus, Ohio 43215  
Telephone: (614) 469-8000  
Telecopier: (614) 469-4653  
[ghummel@mwncmh.com](mailto:ghummel@mwncmh.com)

and

Robert E. Heidorn, Esq.  
Vice President and General Counsel  
Vectren Corporation  
PO Box 209  
Evansville, IN 47709-0209  
Telephone: (812) 491-4203  
Telecopier: (812) 491-4238  
[rheidorn@vectren.com](mailto:rheidorn@vectren.com)

December 21, 2007

**Attorneys for Vectren Energy  
Delivery of Ohio, Inc.**

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of	)	
Vectren Energy Delivery of Ohio, Inc.	)	
for Approval of a General Exemption of	)	
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Services or Ancillary Services from	)	Case No. -GA-EXM
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Sections 4905.10, 4935.01, and 4935.03,	)	
and from specified sections of Chapter 4933	)	
of the Revised Code.	)	

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**PREPARED DIRECT TESTIMONY  
OF MICHAEL F. ROEDER**

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1    **Q.    Please state your name and business address.**

2    A.    Michael F. Roeder, One Vectren Square, Evansville, Indiana, 47708.

3    **Q.    By whom are you employed?**

4    A.    I am Director of Corporate Communications/Lobbyist for Vectren  
5          Corporation.

6    **Q.    Please describe your educational background.**

7    A.    I hold a Bachelor of Arts in communications from the University of  
8          Southern Indiana and a Masters in public relations from Ball State  
9          University.

10   **Q.    Please describe your professional experience.**

11   A.    I have more than 18 years of public relations and government affairs  
12          experience; first as a staff member for the Indiana House of

1 Representatives, and later, seven years as communications director for  
2 the Indiana Association of Cities and Towns. I have been in my present  
3 role with Vectren since March of 2000. I oversee both external and  
4 internal communications issues and often serve as the company  
5 spokesperson.

6 **Q. What is the purpose of your testimony in this proceeding?**

7 A. The purpose of my testimony is to explain the customer awareness and  
8 education efforts and associated market research efforts associated with  
9 VEDO's Merchant Exit Transition plan.

10 **Q. How is your testimony organized?**

11 A. My testimony is organized as follows:

12 I. Customer Education Process

13 II. Customer Education Budget

14 **I. CUSTOMER EDUCATION PROCESS**

15 **Q. Please summarize the process used to develop the customer**  
16 **awareness portion of this filing.**

17 A. As a part of the larger Merchant exit working group, I have led an  
18 education subgroup focused on customer awareness messaging  
19 opportunities associated with this transition plan. The team is made up of  
20 communications and marketing professionals from the OCC, PUCO and a  
21 number of competitive retail natural gas suppliers (please see list below).

### Merchant Function Education Team

Mike Roeder	Vectren	812.491.4143	<a href="mailto:mroeder@vectren.com">mroeder@vectren.com</a>
Lynda Walls			
Rominski	OCC	(614) 466-9571	<a href="mailto:rominski@occ.state.oh.us">rominski@occ.state.oh.us</a>
Karen			
Shallcross	Direct Energy	(614) 799-4882	<a href="mailto:Karen.shallcross@directenergy.com">Karen.shallcross@directenergy.com</a>
Jennifer Mullins	Shelton Communications	(865) 524-8385	<a href="mailto:jmullins@sheltoncom.com">jmullins@sheltoncom.com</a>
Shana	Communications Chief,		
Eiselstein	Office of Public Affairs	(614) 466-7750	<a href="mailto:Shana.Eiselstein@puc.state.oh.us">Shana.Eiselstein@puc.state.oh.us</a>
Teresa Lewis	Vectren	812.491.	<a href="mailto:tlewis@vectren.com">tlewis@vectren.com</a>
Vincent A.			
Parisi	IGS	(614) 734-2649	<a href="mailto:vparisi@igsenergy.com">vparisi@igsenergy.com</a>
Neil Collins	IGS		<a href="mailto:ncollins@igsenergy.com">ncollins@igsenergy.com</a>
Doug Austin	IGS		<a href="mailto:daustin@igsenergy.com">daustin@igsenergy.com</a>
Rick Maas	Vectren Source	812 491 5119	<a href="mailto:rmaas@vectren.com">rmaas@vectren.com</a>
Scott Blake	PUCO	(614) 995-5476	<a href="mailto:Scott.Blake@puc.state.oh.us">Scott.Blake@puc.state.oh.us</a>
Erin Biehl	OCC		<a href="mailto:BIEHL@occ.state.oh.us">BIEHL@occ.state.oh.us</a>
Barbara			
Bossart	PUCO		<a href="mailto:barbara.bossart@puc.state.oh.us">barbara.bossart@puc.state.oh.us</a>
Gretchen			
Hummel			<a href="mailto:ghummel@mwncmh.com">ghummel@mwncmh.com</a>
Lynda Hoffman	VEDO	937-225-5302	<a href="mailto:lhoffman@vectren.com">lhoffman@vectren.com</a>

1    **Q.    What has this group worked on to date?**

2    **A.    This working group has met several times via conference call, including**  
3    **the last scheduled session on August 21, 2007. We have focused our**  
4    **discussion on the need to make customers aware of the options available**  
5    **and have talked about the messages required to make this transition plan**  
6    **successful. We have also talked about the necessary budget to penetrate**  
7    **the message overload our busy customers in the Miami Valley face daily.**

8    **We have also initiated field research to help determine customer**  
9    **awareness on each of these phases. Previous research combined with**  
10    **new focus groups will help us guide the education working group on**  
11    **message and channel for delivery.**



1 Q. Will this group have a continuing role during the transition process?

2 A. Yes, I envision that this group will continue to work collaboratively and  
3 meet periodically to assess the effectiveness of the awareness campaign  
4 and to determine what, if any, message refinement or changes in  
5 approach are appropriate.

6 II. CUSTOMER EDUCATION BUDGET

7 Q. How did you develop the budget outlined in the proposal?

8 A. In cooperation with our current advertising agency, The Shelton Group, we  
9 believe a budget of \$1 million for phase 1 and another \$1 million for phase  
10 1.5 is a reasonable expectation to promote effective customer awareness  
11 of competitive alternatives and to ensure that customers understand the  
12 implications of this transition plan. The budget will include newspaper, on-  
13 line advertising, television and direct mail. Phases 1 and 1.5 represent  
14 measured and incremental steps to an eventual goal of exiting the  
15 merchant function. It is incumbent upon VEDO to provide meaningful,  
16 useful and candid information to its customers about the envisioned  
17 transition plan.

18 Q. Does this conclude your testimony?

19 A. Yes.

# **SSO Phase Tariff Sheets**

## **TARIFF SHEET INDEX**

<b><u>Tariff Sheet</u></b>	<b><u>Description</u></b>	<b><u>Revision</u></b>	<b><u>Effective Date</u></b>
1	Title Page	Original	April 13, 2005
2	Tariff Sheet Index		
3	Locations Served	Original	April 13, 2005
4-9	Reserved for Future Use		
<b>RATE SCHEDULES</b>			
10	Rate 310 Residential Sales Service	Second	
11	Rate 315 Residential Transportation Service	Third	
12	Rate 320 General Sales Service	Second	
13	Rate 325 General Transportation Service	Third	
14	Rate 330 Large General Sales Service	Second	
15	Rate 340 Interruptible Sales Service	Second	
16	Rate 341 Dual Fuel Sales Service	Second	
17	Rate 345 Large General Transportation Service	Second	
18-19	Reserved for Future Use		
20	Rate 380 Pooling Service (Large General)	Original	April 13, 2005
21	Rate 385 Pooling Service (Residential & General)	First	
22	Rate 395 SSO Supplier Service	Original	
23-29	Reserved for Future Use		
<b>RIDERS</b>			
30	Miscellaneous Charges	First	August 1, 2006
31	Gas Cost Recovery Rider (Suspended)		
32	Reserved for Future Use		
33	Reserved for Future Use		
34	Gas Cost Recovery Reconciliation Rider	Fifth	September 1, 2007
35	Migration Cost Rider (Suspended)	First	
36	Balancing Cost Rider (Suspended)	Fourth	
37	Gross Receipts Excise Tax Rider	Original	April 13, 2005
38	Standard Sales Offer Rider	Original	
39	Uncollectible Expense Rider	Third	August 1, 2007
40	Percentage of Income Payment Plan Rider	First	February 5, 2007
41	Exit Transition Cost Rider	Original	
42	S.B. 287 Excise Tax Rider	Original	April 13, 2005
43	Sales Reconciliation Rider	Original	October 1, 2006
44-49	Reserved for Future Use		

Filed pursuant to the Finding and Order dated \_\_\_\_\_ in Case No. \_\_\_\_\_ of The Public Utilities Commission of Ohio.

Issued \_\_\_\_\_

Issued by Jerrold L. Ulrey, Vice-President

Effective \_\_\_\_\_

## **TARIFF SHEET INDEX**

<b><u>Tariff Sheet</u></b>	<b><u>Description</u></b>	<b><u>Revision</u></b>	<b><u>Effective Date</u></b>
<b>TRANSPORTATION PROVISIONS</b>			
50	Transportation Terms and Conditions (Large General)	First	
51	Nomination and Balancing Provisions (Large General and Pool Operator)	Third	
52	Pooling Service Terms and Conditions (Residential and General)	First	
53	Reserved for Future Use		
54	Unaccounted for Gas Percentage	First	
55	SSO Supplier Terms and Conditions	Original	
56-58	Reserved for Future Use		
<b>GENERAL TERMS AND CONDITIONS</b>			
59	Definitions	First	
60	Application and Contract for Service	Original	April 13, 2005
61	Credit Requirements of Customer	Original	April 13, 2005
62	Billing and Payment for Gas Service	Original	April 13, 2005
63	Disconnection-Reconnection of Service	First	November 10, 2005
64	Meters and Metering Equipment-Location and Installation	Original	April 13, 2005
65	Service Pipe-Location and Installation	Original	April 13, 2005
66	Equipment on Customer's Premises	Original	April 13, 2005
67	Use and Character of Service	Original	April 13, 2005
68	Extensions of Gas Distribution Mains	Original	April 13, 2005
69	Extensions of Gas Facilities to House Trailer Parks	Original	April 13, 2005
70	Curtailment Procedures	Second	
71	Operational Flow Orders	First	
72	Affiliate Code of Conduct	Original	
73-78	Reserved for Future Use		
79	Amendments	Original	

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Issued \_\_\_\_\_

Issued by Jerrold L. Ulrey, Vice-President

Effective \_\_\_\_\_

## **RATE 310**

### **RESIDENTIAL SALES SERVICE**

#### **APPLICABILITY**

This Rate Schedule shall be available to any Residential Customer electing service hereunder when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers. [Successor Rate Schedule to Small Gas Sales Service, for Residential Customers.]

#### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Sales Service. Gas Service provided hereunder shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises.

#### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

**Customer Charge:**

\$7.00 per meter

**Distribution Charge:**

\$0.11986 per Ccf for the first 50 Ccf, plus

\$0.10442 per Ccf for all Ccf over 50 Ccf

**Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 38 – Standard Sales Offer Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

**Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

#### **TERMS AND CONDITIONS**

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and Commission's Regulations.

## **RATE 315**

### **RESIDENTIAL TRANSPORTATION SERVICE**

#### **APPLICABILITY**

This Rate Schedule shall be available to any Residential Customer electing service hereunder when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers. However, this Rate Schedule shall not be available to any Customer whose utility service account is past due at the time Customer desires to initiate this service unless Customer has discharged, or entered into a payment arrangement to discharge all existing arrearages owed the Company. This Rate Schedule is also applicable to customers currently enrolled in the Company's Percentage of Income Payment Plan (PIPP) in the event that Company bids out the provision of commodity supply for the PIPP Customers as a Single Pool. [Successor Rate Schedule to Small Gas Transportation Service, for Residential Customers.]

#### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Transportation Service. Gas Service provided hereunder shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises.

Customer, except for PIPP Pool Customers, must enter into a contract for firm gas supplies with a Choice Supplier who meets the requirements for participation in Pooling Service (Residential and General) under Rate 385. Company will maintain and make available a list of Choice Suppliers participating in the Pooling Program. Such list shall be available by request and through the Company's website.

#### **DEFINITIONS**

Terms used in this Rate Schedule are defined in the Definitions section of Pooling Service Terms and Conditions (Residential and General) on Sheet No. 52.

#### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

**Customer Charge:**

\$7.00 per meter

**Distribution Charge:**

\$0.11986 per Ccf for the first 50 Ccf, plus

\$0.10442 per Ccf for all Ccf over 50 Ccf

**Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider

## **RATE 315**

### **RESIDENTIAL TRANSPORTATION SERVICE**

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

**Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

**BILLING**

Company shall bill Customer for all Gas Services provided by the Company. Choice Suppliers have the option of either: (1) Company providing billing for Choice Suppliers' services to Customer, or (2) the Choice Supplier may bill for those services independently.

**TERMS AND CONDITIONS**

**Choice Supplier Selection:**

In order to receive Gas Service under this Rate Schedule, Customer must join a Pool of a Choice Supplier participating in the Company's Pooling Program. When Company receives appropriate notification of Customer's request to participate in the Pooling Program, the change shall become effective with Customer's next on-cycle meter reading after the Customer's Enrollment Processing Period.

**Transfer to Sales Service Upon Choice Supplier Default**

As set forth in Sheet No. 52, if Customer's Choice Supplier defaults and Customer is not assigned to a non-defaulting Choice Supplier, Customer will transfer to Sales Service.

**Disconnection for Non-Payment of Choice Bill:**

Non-payment of the Choice Supplier gas commodity portion of the bill shall subject Customer currently receiving Gas Service under this Rate Schedule to disconnection as explained in Section 4 of the General Terms and Conditions.

**Customer Usage Information Release:**

When Company receives a request from a Customer for its historic usage information, the usage information for the most recent twelve (12) months and payment information for the most recent twenty-four (24) months, if available, shall be provided to Customer.

**Regulations:**

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and the Commission's Regulations.

## **RATE 320**

### **GENERAL SALES SERVICE**

#### **APPLICABILITY**

This Rate Schedule shall be available to any Non-Residential Customer electing service hereunder whose Annual Usage is less than 150,000 Ccf when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers. [Successor Rate Schedule to Small Gas and General Gas Sales Services, for Non-Residential Customers.]

#### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Sales Service. Gas Service provided hereunder shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises.

#### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

**Customer Charge:**

\$10.00 per Group 1 Meter, or  
\$25.00 per Group 2 Meter

**Distribution Charge:**

\$0.12879 per Ccf for the first 50 Ccf, plus  
\$0.10497 per Ccf for all Ccf over 50 Ccf

**Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 38 – Standard Sales Offer Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

**Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.



## **RATE 320** **GENERAL SALES SERVICE**

### **CURTAILMENT**

Customer shall limit gas usage as directed by Company pursuant to the Curtailment Procedures of Company's General Terms and Conditions. Except in emergencies, Company will endeavor to give four hours advance notice of such Curtailment. Company shall not be liable in damages or otherwise to Customer for any loss of production or because of the lack of advance notice to Customer.

If Customer uses gas in excess of the volume authorized during any Curtailment Period, an Unauthorized Gas Usage Charge as set forth in Sheet No. 30, Miscellaneous Charges, shall be assessed to Customer.

In the event Customer fails to comply with Company's direction to curtail, Company reserves the right to discontinue Gas Service to Customer.

### **TERMS AND CONDITIONS**

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and Commission's Regulations.

## **RATE 325**

### **GENERAL TRANSPORTATION SERVICE**

#### **APPLICABILITY**

This Rate Schedule shall be available to any Non-Residential Customer electing service hereunder whose Annual Usage is less than 150,000 Ccf when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers. However, this Rate Schedule shall not be available to any Customer whose utility service account is past due at the time Customer desires to initiate this service unless Customer has discharged, or entered into a payment arrangement to discharge all existing arrearages owed the Company. [Successor Rate Schedule to Small Gas and General Gas Transportation Services, for Non-Residential Customers.]

#### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Transportation Service. Gas Service provided hereunder shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises.

Customer must enter into a contract for firm gas supplies with a Choice Supplier who meets the Company's requirements for participation in Pooling Service (Residential and General) under Rate 385. Company will maintain and make available a list of Choice Suppliers participating in the Pooling Program. Such list shall be available by request and through the Company's website.

#### **DEFINITIONS**

Terms used in this Rate Schedule are defined in the Definitions section of the Pooling Service Terms and Conditions (Residential and General) on Sheet No. 52.

#### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

**Customer Charge:**

\$10.00 per Group 1 Meter, or  
\$25.00 per Group 2 Meter

**Distribution Charge:**

\$0.12879 per Ccf for the first 50 Ccf, plus  
\$0.10497 per Ccf for all Ccf over 50 Ccf

**Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider

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Issued

Issued by Jerrold L. Ulrey, Vice-President      Effective

## **RATE 325**

### **GENERAL TRANSPORTATION SERVICE**

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

**Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

**BILLING**

Company shall bill Customer for all services provided by the Company. Choice Suppliers have the option of either: (1) Company providing billing to Customer for Choice Suppliers' services, or (2) the Choice Supplier may bill for those services independently.

**TERMS AND CONDITIONS**

**Choice Supplier Selection:**

In order to receive Gas Service under this Rate Schedule, Customer must join a Pool of a Choice Supplier participating in the Company's Pooling Program. When Company receives appropriate notification of Customer's request to participate in the Pooling Program, the change shall become effective with Customer's next on-cycle meter reading after the Customer's Enrollment Processing Period.

**Transfer to Sales Service Upon Choice Supplier Default**

As set forth in Sheet No. 52, if Customer's Choice Supplier defaults and Customer is not assigned to a non-defaulting Choice Supplier, Customer will transfer to Sales Service.

**Disconnection for Non-Payment of Choice Bill:**

Non-payment of the Choice Supplier gas commodity portion of the bill shall subject Customers currently receiving Gas Service under this Rate Schedule, to disconnection as explained in Section 4 of the General Terms and Conditions.

**Customer Usage Information Release:**

When Company receives a request from Customer for its historic usage information, the usage information for the most recent twelve (12) months and the payment information for the most recent twenty-four (24) months, if available, shall be provided to Customer.

## **RATE 325**

### **GENERAL TRANSPORTATION SERVICE**

**Metering:**

If Company determines that remote meter reading equipment is needed to monitor Customer's usage on a daily basis in order to ensure reasonable accuracy for Company's forecast of the Peak Design Day Demand, Expected Demand, and corresponding Directed Delivery Quantity of the Pool containing such Customer, then Company shall install such remote meter reading equipment and provide the necessary interface with its meters. Customer shall be responsible for the installation and operating and maintenance costs of electric and telephone services, as specified by Company. The availability of the necessary electric and telephone service equipment must be present at Customer's meter location prior to the installation of Company's remote meter reading equipment. Failure by Customer to adequately install and maintain the necessary electric and telephone service will result in termination of its Gas Service under this Rate Schedule.

**Regulations:**

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and Commission's Regulations.

**CURTAILMENT**

Customer shall limit gas usage as directed by Company pursuant to the Curtailment Procedures of Company's General Terms and Conditions. Except in emergencies, Company will endeavor to give four hours advance notice of such Curtailment. Company shall not be liable in damages or otherwise to Customer for any loss of production or because of the lack of advance notice to Customer.

If Customer uses gas in excess of the volume authorized during any Curtailment Period, an Unauthorized Gas Usage Charge as set forth in Sheet No. 30, Miscellaneous Charges, shall be assessed to Customer.

In the event Customer fails to comply with Company's direction to curtail, Company reserves the right to discontinue Gas Service to Customer.

## **RATE 330**

### **LARGE GENERAL SALES SERVICE**

#### **APPLICABILITY**

This Rate Schedule shall be available to any Non-Residential Customer electing service hereunder whose Annual Usage is 150,000 Ccf or more when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers [Successor Rate Schedule to Large Gas Sales Service]. This Rate Schedule shall no longer be available to existing or new Customers as of the termination date of the SSO Service phase.

#### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Sales Service. Gas Service provided hereunder shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises.

#### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

**Customer Charge:**

\$100.00 per Meter

**Distribution Charge:**

\$0.12990 per Ccf for the first 1000 Ccf, plus  
\$0.11062 per Ccf for the next 14,000 Ccf, plus  
\$0.07691 per Ccf for all Ccf over 15,000 Ccf

**Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 38 – Standard Sales Offer Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

**Miscellaneous Charges:**

Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

## **RATE 330**

### **LARGE GENERAL SALES SERVICE**

#### **CONTRACT**

Customer must contract for Gas Service under this Rate Schedule for an initial term of one (1) year, or longer if necessary in the judgment of Company to justify the construction costs required to supply Gas Service. At the expiration of its initial term such contract shall continue from year to year thereafter, unless such contract is cancelled by either party by six (6) months prior written notice.

#### **CURTAILMENT**

Customer shall limit gas usage as directed by Company pursuant to the Curtailment Procedures of Company's General Terms and Conditions. Except in emergencies, Company will endeavor to give four hours advance notice of such Curtailment. Company shall not be liable in damages or otherwise to Customer for any loss of production or because of the lack of advance notice to Customer.

If Customer uses gas in excess of the volume authorized during any Curtailment Period, an Unauthorized Gas Usage Charge as set forth in Sheet No. 30, Miscellaneous Charges, shall be assessed to Customer.

In the event Customer fails to comply with Company's direction to curtail, Company reserves the right to discontinue Gas Service to Customer.

#### **TERMS AND CONDITIONS**

##### ***Transfer from a Transportation Service:***

If Customer voluntarily transfers to this Sales Service from a Transportation Service, all incremental gas procurement and upstream transportation and storage costs incurred in order to transfer Customer to Sales Service may be charged to Customer.

##### ***Regulations:***

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and Commission's Regulations.

## **RATE 340**

### **INTERRUPTIBLE SALES SERVICE**

#### **APPLICABILITY**

This Rate Schedule is available to any Non-Residential Customer electing service hereunder when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers. This Rate Schedule shall no longer be available to existing or new Customers as of the termination date of the SSO Service Phase.

#### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Interruptible Sales Service. The delivery pressure shall be that which is available at Customer's Premises.

#### **RATES AND CHARGES**

The Monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

**Customer Charge:**

\$100.00 per meter

**Distribution Charge:**

\$0.04977 per Ccf for all Ccf

**Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 38 – Standard Sales Offer Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider

**Minimum Monthly Charge:**

For the billing months of June, July, August, September, and October, the Minimum Monthly Charge shall be \$2000.00, plus the Standard Sales Offer Rider Charge computed on the gas actually metered during such month. For all other billing months, the Minimum Monthly Charge shall be the Customer Charge.

**Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

## **RATE 340**

### **INTERRUPTIBLE SALES SERVICE**

#### **CONTRACT**

Customer must contract for Gas Service under this Rate Schedule for an initial term of one (1) year, or longer if necessary in the judgment of Company to justify the construction costs required to supply Gas Service. At the expiration of its initial term such contract shall continue from year to year thereafter, unless such contract is cancelled by either party by six (6) months prior written notice.

#### **CURTAILMENT**

Customer shall limit gas usage as directed by Company pursuant to the Curtailment Procedures of Company's General Terms and Conditions. Except in emergencies, Company will endeavor to give four hours advance notice of such Curtailment. Company shall not be liable in damages or otherwise to Customer for any loss of production or because of the lack of advance notice to Customer.

If Customer uses gas in excess of the volume authorized during any Curtailment Period, an Unauthorized Gas Usage Charge as set forth in Sheet No. 30, Miscellaneous Charges, shall be assessed to Customer.

In the event Customer fails to comply with Company's Curtailment, Company reserves the right to discontinue Gas Service to Customer.

#### **TERMS AND CONDITIONS**

Gas Service rendered under this Rate Schedule shall be subject to the Company's General Terms and Conditions and Commission's Regulations.



## **RATE 341**

### **DUAL FUEL SALES SERVICE**

#### **APPLICABILITY**

This Rate Schedule is available to any Non-Residential Customer electing service hereunder whose Spaceheating equipment has a rated input in excess of 2,500,000 Btu per hour when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers.

#### **CHARACTER OF SERVICE**

This Rate Schedule is applicable to the provision of Dual Fuel Sales Service, as described in the Dual Fuel Terms and Conditions below. Gas Service under this Rate Schedule shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises. Customer, and owner if other than Customer, shall enter into and comply with the terms and conditions of a contract with Company.

#### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

**Customer Charge:**

\$30.00 per meter

**Distribution Charge:**

\$0.06050 per Ccf for all Ccf of Process or Base Deliveries (as defined below), plus  
\$0.02687 per Ccf for all Ccf of Dual Fuel Deliveries (as defined below)

**Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 38 – Standard Sales Offer Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S. B. 287 Excise Tax Rider

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

**Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

## **RATE 341**

### **DUAL FUEL SALES SERVICE**

#### **PROCESS OR BASE DELIVERIES**

1. The process or base deliveries for billing purposes shall mean Customer's average monthly use during the four consecutive summer billing months beginning with the June billing month.
2. Process or base deliveries for billing purposes shall be recalculated annually. In the case of a Customer whose process or base gas using equipment was not operated during the preceding summer process or base delivery period in a manner representative of its requirements in the remaining eight months, a process or base use value shall be estimated by Company.

#### **DUAL FUEL DELIVERIES**

Dual fuel deliveries for billing purposes shall mean all deliveries in excess of Customer's process or base deliveries, and shall be limited to deliveries made during the eight consecutive billing months following the close of Customer's summer process or base delivery period.

#### **CONTRACT**

Customer must contract for Gas Service under this Rate Schedule for an initial term of one (1) year, or longer if necessary in the judgment of Company to justify the construction costs required to supply Gas Service. At the expiration of its initial term such contract shall continue from year to year thereafter, unless such contract is cancelled by either party by six (6) months prior written notice.

#### **DUAL FUEL TERMS AND CONDITIONS**

Upon written application, any gas Customer whose Spaceheating equipment for any single structure or occupancy unit has a rated input in excess of 2,500,000 Btu per hour will be authorized, subject to the conditions set forth below, to use gas in Spaceheating equipment which is designed to use natural gas supplied by Company for Spaceheating during the warmer weather of the winter and an alternate fuel (either liquefied petroleum (propane) gas or oil) during the colder weather of the winter and which equipment will be switched from one fuel to the other automatically by a temperature control actuated by outside temperature.

- A. Before natural gas supplied by Company may be used by Customer for Spaceheating under Company's Dual Fuel Rate Schedule:
  1. Customer must have installed storage facilities and must maintain therein a quantity of alternate fuel, which will be sufficient, in the opinion of Company, to supply Customer's spaceheating requirements on a dual fuel basis for each heating season.
  2. Customer must have installed dual fuel Spaceheating equipment of a type approved by Company.
  3. Customer must have installed automatic outside temperature control equipment to be sealed by the Company, of a type approved by Company and at a point selected by Company, and set to switch automatically Customer's Spaceheating equipment from natural gas to an alternate fuel when the outside temperature is below a certain predetermined temperature to be established by Company, and to switch such Spaceheating equipment from such alternate fuel to natural gas when the outside temperature is approximately five degrees above such predetermined temperature.

## **RATE 341**

### **DUAL FUEL SALES SERVICE**

4. All such dual fuel Spaceheating and outside temperature control equipment, storage facilities and necessary piping shall be installed in such a manner as to comply with the requirements of all applicable state and local laws, ordinances and codes and shall have been approved under all applicable state and local inspection laws, ordinances, rules and regulations.
- B. Customer will maintain and keep in proper operating condition such Spaceheating and temperature control equipment, and Company will not be responsible for the proper operation of the same.
- C. Customer will not, without the consent of Company, change, manipulate, or tamper with such Spaceheating and temperature control equipment in such a way that the Spaceheating equipment is not automatically switched to and from the alternate fuel at the predetermined temperatures.
- D. In the event that Customer's control equipment shall fail, because of mechanical failure, human interference, or otherwise, to switch Customer's Spaceheating equipment from and to natural gas supplied by Company, Customer may be charged by Company for all Gas Service until the next heating season under the Company's otherwise applicable Sales Service Rate Schedule instead of this Rate Schedule.
- E. Upon breach by Customer of any of the above covenants and conditions relating to the use of natural gas for Spaceheating, Company shall have the right to cancel such approval for the use of gas for Spaceheating on a dual fuel basis at said Premises and upon such cancellation all Gas Service to Customer at said location shall be paid for at the applicable Sales Service Rate Schedule until proper steps approved by Company have been taken by Customer to assure that natural gas supplied by Company will be used by Customer at said Premises in accordance with the foregoing Dual Fuel Terms and Conditions.

#### **CURTAILMENT**

Customer shall limit gas usage as directed by Company pursuant to the Curtailment Procedures of Company's General Terms and Conditions. Except in emergencies, Company will endeavor to give four hours advance notice of such Curtailment. Company shall not be liable in damages or otherwise to Customer for any loss of production or because of the lack of advance notice to Customer.

If Customer uses gas in excess of the volume authorized during any Curtailment Period, an Unauthorized Gas Usage Charge as set forth in Sheet No. 30, Miscellaneous Charges, shall be assessed to Customer.

In the event Customer fails to comply with Company's Curtailment, Company reserves the right to discontinue Gas Service to Customer.

#### **GENERAL TERMS AND CONDITIONS**

Gas Service rendered under this Rate Schedule shall be subject to the Company's General Terms and Conditions and Commission's Regulations.

## **RATE 345**

### **LARGE GENERAL TRANSPORTATION SERVICE**

#### **APPLICABILITY**

This Rate Schedule is available to any Non-Residential Customer electing service hereunder whose Annual Usage is greater than 50,000 Ccf and certain other Non-Residential Customers who were receiving service hereunder prior to March 1, 2005, when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers. [Successor Rate Schedule to Natural Gas Transportation Service.]

#### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Transportation Service. Gas Service hereunder shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises.

Company shall provide Transportation Service from existing pipeline delivery points specified by Company to Customer on a non-discriminatory basis subject to the capacity of Company's Operational Systems.

#### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

**Customer Charge:**

\$100.00 per meter

**Distribution Charge:**

\$0.12990 per Ccf for the first 1000 Ccf, plus  
\$0.11062 per Ccf for the next 14,000 Ccf, plus  
\$0.07691 per Ccf for all Ccf over 15,000 Ccf

**Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

**Additional Services Charges:**

Customer shall pay the appropriate rates and charges for any additional service provided by Company, as described in the Transportation Terms and Conditions (Large General), and any charge assessed in accordance with orders issued by Commission relating to take-or-pay, transition, or other costs.

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Issued

Issued by Jerrold L. Ulrey, Vice-President

Effective

## **RATE 345**

### **LARGE GENERAL TRANSPORTATION SERVICE**

**Competitive Flexibility:**

The above Rates and Charges may be reduced, in Company's reasonable discretion, as necessary to retain or attract Customer's gas load.

**Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

**CONTRACT**

Customer must contract for Gas Service under this Rate Schedule for an initial term of one (1) year or longer if necessary in the judgment of Company to justify the construction costs required to supply the Gas Service. At the expiration of its initial term such contract shall continue from year to year thereafter, unless either party cancels such contract by six (6) months prior written notice.

**TRANSPORTATION TERMS AND CONDITIONS**

Gas Service provided under this Rate Schedule shall be subject to the Transportation Terms and Conditions (Large General) contained in Sheet No. 50 and the Nomination and Balancing Provisions (Large General and Pool Operator) contained in Sheet No. 51.

**MEASUREMENT REQUIREMENT**

Customer shall provide and maintain on the Premises at the meter location telephone service as required for Company's electronic gas measurement devices and related communications equipment.

**CURTAILMENT**

Customer shall limit gas usage as directed by Company pursuant to the Curtailment Procedures of Company's General Terms and Conditions. Except in emergencies, Company will endeavor to give four hours advance notice of such Curtailment. Company shall not be liable in damages or otherwise to Customer for any loss of production or because of the lack of advance notice to Customer.

If Customer uses gas in excess of the volume authorized during any Curtailment Period, an Unauthorized Gas Usage Charge as set forth in Sheet No. 30, Miscellaneous Charges, shall be assessed to Customer.

In the event Customer fails to comply with Company's Curtailment, Company reserves the right to discontinue Gas Service to Customer.

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Effective:

**RATE 345**  
**LARGE GENERAL TRANSPORTATION SERVICE**

**CREDITWORTHINESS EVALUATION:**

Company shall perform a creditworthiness evaluation of Customer consistent with Company's standard creditworthiness evaluation practices, including an assessment of the credit risk exposure resulting from, but not limited to, distribution rates and charges, interstate pipeline capacity charges, imbalance charges, cash-out charges, pipeline penalty charges, reservation charges, and any other amounts owed to Company. If at any time Company determines that the credit risk exposure is greater than any unsecured credit that may be granted resulting from the creditworthiness evaluation, Customer must provide Company with adequate Financial Assurance to cover the difference between the credit risk exposure and any unsecured credit granted prior to, or to continue, receiving service. The provisions of this Rate Schedule and Contract between Company and Customer shall govern Company's creditworthiness requirements and procedures.

**GENERAL TERMS AND CONDITIONS**

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and Commission's Regulations.

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**RATE 385**  
**POOLING SERVICE**  
**(RESIDENTIAL AND GENERAL)**

**APPLICABILITY**

This Pooling Service is applicable to any Choice Supplier delivering firm gas supplies to Company's Operational Systems on behalf of Customers receiving Residential Transportation Service under Rate 315 or General Transportation Service under Rate 325.

Several terms and conditions contained within this Rate Schedule differ depending on whether a Choice Supplier Pool is comprised entirely of Non-Mercantile Customers, or if such Pool contains any Mercantile Customers. As appropriate, the various sections within this Rate Schedule shall identify such differing requirements.

**CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Pooling Service for Rate 315 or 325 Transportation Customers. Choice Supplier shall deliver to Company gas supplies needed to satisfy the usage requirements of Choice Supplier's Pool Customers, all in accordance with the rules set forth in this Rate Schedule, the Pooling Service Terms and Conditions (Residential and General) contained in Sheet No. 52, and Choice Supplier's Pooling Agreement described in this Rate Schedule.

**MONTHLY STATEMENT**

Choice Supplier's monthly statement shall reflect the following fees, charges and credits, as applicable:

**Financial Evaluation Charge:**

\$50 for the initial and each subsequent Choice Supplier financial evaluation performed by Company.

**Eligible Customer List Fee:**

Under the annual option, \$.08 for each name included on the initial list, with updated lists provided the three subsequent quarters at no additional cost. Under the quarterly option, \$.05 for each name included on the list. Such lists shall be produced quarterly; if Choice Supplier desires the list more frequently, Choice Supplier shall reimburse Company for any costs incurred in addition to this per-customer rate.

**Nomination Error Charge:**

\$0.50 per Dth applied to the difference between Choice Supplier's daily pipeline nomination volume and the pipeline daily confirmed volume delivered to Company, for each day of difference.

**DDQ Non-Compliance Charge:**

\$15.00 per Dth on days in which no Operational Flow Order (OFO) is in effect (provided no alternate arrangements are made with Company) against the daily difference between the Pool's DDQ and aggregate deliveries.

**RATE 385**  
**POOLING SERVICE**  
**(RESIDENTIAL AND GENERAL)**

**City-Gate Allocation Non-Compliance Charge:**

\$5.00 per Dth for any daily city-gate nomination less than the minimum or greater than the maximum city-gate allocation requirement.

**OFO Non-Compliance Charge:**

In the event of a Company issued Operational Flow Order (OFO), a \$35.00 per Dth charge shall be assessed on any volumes over or under the restrictions specified by Company in the OFO notice.

**Storage Non-Compliance Charge:**

A charge per Dth shall be assessed for any volumes less than or greater than the Company-established minimum or maximum daily storage injection and withdrawal requirements, or any volumes less than the minimum storage inventory quantity requirement. The charge shall be \$15.00 per Dth for the first two occurrences, and \$35.00 per Dth for the next two occurrences during the term of the contract. In the event that TCO allows daily over-injection or over-withdrawal rights, Company shall not impose the Storage Non-Compliance Charge on any volumes injected or withdrawn greater than the maximum daily injection and withdrawal limits set by Company.

**Monthly Volume Reconciliation Amount:**

Charge or credit as determined by the Monthly Volume Reconciliation as set out in Sheet No. 52. The price utilized will be the Columbia Appalachia Index for the month being reconciled.

**Propane Supplies Charge:**

The cost of propane or alternate supplies provided by Company for Choice Supplier's Pool as set out in the Allocation of Propane Supplies section of Sheet No. 52.

**Meter Operator Charges:**

Choice Supplier shall reimburse Company for penalties Company incurs as meter operator. Penalties will be assessed to each Supplier that contributed to the penalty proportional to its contribution to the violation.

**System Balancing Amount:**

Gas cost charges or credits associated with Large Transportation Customers' and Pool Operators' daily and monthly imbalance cash-outs.

**POLR Amount:**

Any credits payable to Choice Supplier for providing Provider of Last Resort services.



**RATE 385**  
**POOLING SERVICE**  
**(RESIDENTIAL AND GENERAL)**

**Customer Billing Amount:**

Choice commodity amounts billed to Choice Customers by Company on behalf of Choice Supplier.

**Delivery Point Balancing Amount:**

Charges or credits associated with pipeline delivery point cashouts, OBA settlements, or other related costs allocated to Supplier.

**Additional Service Charges:**

Fees and Charges for any other service shall be established by Company and assessed on a non-discriminatory basis. If Choice Supplier desires a billing service or custom rate that is not readily available in Company's billing system, Choice Supplier and Company shall negotiate a fee that shall include all programming costs associated with such custom billing requirements.

**Related Charges:**

Choice Supplier shall reimburse Company for all charges Company incurs in connection with interstate pipeline transportation of Choice Supplier-Delivered Gas including any gas costs, penalty charges, penalty charges or cash-outs.

**Riders:**

The following Riders shall be applied monthly; as applicable.

- Sheet No. 37 – Gross Receipts Excise Tax Rider

**Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Choice Supplier if applicable.

**REQUIREMENTS FOR CHOICE SUPPLIER PARTICIPATION**

In order to qualify for participation under the Pooling Program, Choice Supplier must: 1) sign a Choice Supplier Pooling Agreement with Company; 2) pass an initial financial evaluation performed by Company, and any such subsequent evaluation(s) deemed appropriate by Company, to ensure that Choice Supplier possesses sufficient resources to perform its responsibilities and to ensure financial performance hereunder; 3) achieve and maintain a minimum level of at least 100 Customers or 10,000 Mcf annual projected Customer sales per Pool; 4) maintain comparable firm capacity as set out in the Pooling Service Terms and Conditions (Residential and General); 5) adhere to the terms and conditions of this Rate Schedule and 6) have a computer and telephone line necessary to access Company's EBB. In addition, if Choice Supplier's participation in the Program was previously terminated due to Choice Supplier's default, Choice Supplier shall provide information acceptable to Company that such cause for default has been corrected and will be avoided in the future. Also, for any Non-Mercantile Pool, Choice Supplier must provide a copy of the certificate demonstrating that Choice Supplier is certified by the PUCO to provide retail natural gas service, and maintain such certification status.

**RATE 385**  
**POOLING SERVICE**  
**(RESIDENTIAL AND GENERAL)**

All Choice Suppliers must complete and sign Company's Choice Supplier Registration Form and Credit Application to be considered for participation in the Program. Choice Suppliers desiring to participate in the Program will be evaluated by Company to establish credit levels acceptable to Company. Company will apply, on a non-discriminatory basis, reasonable financial standards to assess and examine a Choice Supplier's creditworthiness. These standards will take into consideration the scope of the operations of the Choice Supplier and the level of risk to Company.

Financial evaluations will be based on standard credit factors such as financial and credit ratings, trade references, bank information, unused line of credit, Pool Customer payment history, and related financial information that has been independently audited, if available. Company shall determine creditworthiness based on the above criteria, and will not deny Choice Supplier's participation in the Program without reasonable cause. In order to pass Company's financial evaluation, a Choice Supplier may be required to provide additional security, the form and format of which shall be specified by Company.

Company reserves the right to conduct re-evaluations of Choice Supplier's financial standing from time to time. Such re-evaluation may be initiated either by a request from Choice Supplier or by Company, if Company reasonably believes that the creditworthiness or operating environment of Choice Supplier may have changed. Based on such re-evaluation, Choice Supplier's level of participation may be increased or decreased, additional security may be required or Choice Supplier may be removed from further participation in the Program.

Company shall maintain a list of Choice Suppliers currently meeting the requirements for Program participation and shall make such list available by request and via Company's website.

**CONTRACT**

Choice Supplier must enter into a written Pooling Agreement with Company. Such Pooling Agreement shall set forth specific covenants and obligations undertaken by Company and Choice Supplier under this Rate Schedule on behalf of its Pool Customers. The Pooling Agreement shall have an initial term of not less than one year and shall automatically extend for succeeding annual terms thereafter subject to cancellation by either party after written notice submitted not less than ninety (90) days advance written notice prior to a contract expiration date, or unless terminated pursuant to the provisions of the Agreement. However, in no case shall any service pursuant to the Agreement be terminated during a winter month (November through March) unless such winter period is mutually agreed upon and/or except as pursuant to the Agreement.

**POOLING SERVICE TERMS AND CONDITIONS**

Choice Supplier shall be subject to the Pooling Service Terms and Conditions (Residential and General) as set forth in Sheet No. 52.

**GENERAL TERMS AND CONDITIONS**

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and Commission's Regulations.

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## **RATE 395** **SSO SUPPLIER SERVICE**

### **APPLICABILITY**

This Service is applicable to any SSO Supplier delivering firm gas supplies to Company's Operational Systems for Customers receiving Sales Service under Rates 310, 320, 330, 340 and 341.

### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of SSO Supply. SSO Supplier shall deliver to Company gas supplies needed to satisfy the usage requirements of SSO Supplier's Load Tranche(s), all in accordance with the rules set forth in this Rate Schedule, the SSO Supplier Service Terms and Conditions contained in Sheet No. 55, and the SSO Supplier Agreement described in this Rate Schedule.

### **MONTHLY STATEMENT**

SSO Supplier's monthly statement shall reflect the following fees, charges and credits, as applicable:

**Financial Evaluation Charge:**

\$50.00 for the initial and each subsequent SSO Supplier financial evaluation performed by Company.

**Nomination Error Charge:**

\$0.50 per Dth applied to the difference between SSO Supplier's daily pipeline nomination volume and the pipeline daily confirmed volume delivered to Company, for each day of difference.

**DDQ Non-Compliance Charge:**

\$15.00 per Dth on days in which no Operational Flow Order (OFO) is in effect (provided no alternate arrangements are made with Company) against the daily difference between the Tranche's DDQ and aggregate deliveries.

**City-Gate Allocation Non-Compliance Charge:**

\$5.00 per Dth for any daily city-gate nomination less than the minimum or greater than the maximum city-gate allocation requirement.

**OFO Non-Compliance Charge:**

In the event of a Company issued Operational Flow Order (OFO), a \$35.00 per Dth charge shall be assessed on any volumes over or under the restrictions specified by Company in the OFO notice.

**Storage Non-Compliance Charge:**

A charge per Dth shall be assessed for any volumes less than or greater than the Company-established minimum or maximum daily storage injection and withdrawal requirements, or any volumes less than the minimum storage inventory quantity requirement. The charge shall be \$15.00 per Dth for the first two occurrences, and \$35.00 per Dth for the next two occurrences during the term of the contract. In the event that TCO allows daily over-injection or over-withdrawal rights, Company shall not impose the Storage Non-Compliance Charge on any volumes injected or withdrawn greater than the maximum daily injection and withdrawal limits set by Company.

## **RATE 395**

### **SSO SUPPLIER SERVICE**

**Monthly Volume Reconciliation Amount:**

Charge or credit as determined by the Monthly Volume Reconciliation as set out in Sheet No. 55. The price utilized will be the Columbia Appalachia Index for the month being reconciled.

**Propane Supplies Charge:**

The cost of propane or alternate supplies provided by Company for SSO Supplier's Tranche as set out in the Allocation of Propane Supplies section of Sheet No. 55.

**Meter Operator Charges:**

SSO Supplier shall reimburse Company for penalties Company incurs as meter operator. Penalties will be assessed to each Supplier that contributed to the penalty proportional to its contribution to the violation.

**System Balancing Amount:**

Gas cost charges or credits associated with Large Transportation Customers'/Pool Operators' daily and monthly imbalance cash-outs.

**POLR Amount:**

Any credits payable to SSO Supplier for providing Provider of Last Resort services.

**Customer Billing Amount:**

SSO Supplier's proportionate share of SSO Price amounts billed to SSO Customers by Company.

**Delivery Point Balancing Amount:**

Charges or credits associated with pipeline delivery point cashouts, OBA settlements, or other related costs allocated to Supplier.

**Related Charges:**

SSO Supplier shall reimburse Company for all charges Company incurs in connection with interstate pipeline transportation of SSO Supplier-Delivered Gas including any gas costs, penalty charges, penalty charges or cash-outs.

**Riders:**

The following Riders shall be applied monthly, as applicable:

- Sheet No. 37 – Gross Receipts Excise Tax Rider

**Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to SSO Supplier if applicable.

## **RATE 395** **SSO SUPPLIER SERVICE**

### **REQUIREMENTS FOR SSO SUPPLIER PARTICIPATION**

In order to qualify for participation under the SSO Program, SSO Supplier must: 1) sign a SSO Supplier Agreement and SSO Supplier Registration Form and Credit Application with Company; 2) pass an initial financial evaluation performed by Company, and any such subsequent evaluation(s) deemed appropriate by Company, to ensure that SSO Supplier possesses sufficient resources to perform its responsibilities and to ensure financial performance hereunder; 3) maintain comparable firm capacity as set out in the SSO Service Terms and Conditions; 4) adhere to the terms and conditions of this Rate Schedule; and 5) have a computer and telephone line necessary to access Company's EBB.

SSO Suppliers desiring to participate in the Program will be evaluated by Company to establish credit levels acceptable to Company. Company will apply, on a non-discriminatory basis, reasonable financial standards to assess and examine a SSO Supplier's creditworthiness. These standards will take into consideration the scope of the operations of the SSO Supplier and the level of risk to Company.

Financial evaluations will be based on standard credit factors such as financial and credit ratings, trade references, bank information, unused line of credit, and related financial information that has been independently audited, if available. Company shall determine creditworthiness based on the above criteria, and will not deny SSO Supplier's participation in the Program without reasonable cause. In order to pass Company's financial evaluation, a SSO Supplier may be required to provide additional security, the form and format of which shall be specified by Company.

Company reserves the right to conduct re-evaluations of SSO Supplier's financial standing from time to time. Such re-evaluation may be initiated either by a request from SSO Supplier or by Company, if Company reasonably believes that the creditworthiness or operating environment of SSO Supplier may have changed. Based on such re-evaluation, additional security may be required or SSO Supplier may be removed from further participation in the Program.

### **CONTRACT**

SSO Supplier must enter into a written SSO Supplier Agreement with Company which shall set forth specific covenants and obligations undertaken by Company and SSO Supplier under this Rate Schedule. The Agreement shall have a term consistent with the SSO Phase term as approved by the Commission.

**RATE 395**  
**SSO SUPPLIER SERVICE**

**SSO SUPPLIER SERVICE TERMS AND CONDITIONS**

SSO Supplier shall be subject to the SSO Supplier Service Terms and Conditions as set forth in Sheet No. 55.

**GENERAL TERMS AND CONDITIONS**

This Rate Schedule shall be subject to Company's General Terms and Conditions and Commission's Regulations.

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## **SUSPENDED** **GAS COST RECOVERY RIDER**

### **APPLICABILITY**

The Gas Cost Recovery ("GCR") Rider is applicable to any Sales Service Customer.

**This Rider is suspended indefinitely pursuant to the Company's Merchant Exit Transition Plan.**

### **DESCRIPTION**

The Gas Cost Recovery Charge shall be the product of the billing Ccf and the GCR Rate.

The Gas Cost Recovery Rate (GCR Rate) will be determined pursuant to the requirements of Chapter 4901:1-14 of the Ohio Administrative Code.

### **GCR RATE**

The GCR Rate for \_\_\_\_\_ 200\_ is \$\_\_\_\_\_/Ccf.

## **SUSPENDED** **MIGRATION COST RIDER**

### **APPLICABILITY**

The Migration Cost Rider is applicable to any Customer served under the following Rate Schedules:

- Rate 310 – Residential Sales Service
- Rate 315 – Residential Transportation Service
- Rate 320 – General Sales Service
- Rate 325 – General Transportation Service

**This Rider is suspended indefinitely pursuant to the Company's Merchant Exit Transition Plan.**

### **DESCRIPTION**

The Migration Cost Rider Rate shall be applied to each Ccf of Customer's billed usage each month.

The Migration Cost Rider recovers all costs incurred for Company's gas supply commitments that are no longer required due to Customers migrating from Residential or General Sales Services to Residential or General Transportation Services, including but not limited to the costs of no longer needed pipeline capacity entitlements.

### **MIGRATION COST RIDER RATE**

The Migration Cost Rider Rate is \$\_\_\_\_\_ per Ccf.



## **SUSPENDED** **BALANCING COST RIDER**

### **APPLICABILITY**

The Balancing Cost Rider shall be applicable to Suppliers served under Rate 385 – Pooling Service (Residential and General).

**This Rider is suspended indefinitely pursuant to the Company's Merchant Exit Transition Plan.**

### **DESCRIPTION**

Each month, Supplier shall be assessed the Balancing Cost Rider Rate for all billed Ccf of its Pool Customers for the associated cycle month.

This Rider recovers the costs incurred by Company for interstate pipeline transportation and storage services and any other services needed to provide operational balancing to Suppliers' Pools.

Company shall adjust this Rider annually effective November 1<sup>st</sup> of each year to reflect changes in the costs to be recovered.

All Balancing Cost Rider revenues recovered shall be credited to the GCR gas costs.

### **BALANCING COST RIDER RATE**

The Balancing Cost Rider Rate for Pool Customer's billed Ccf on and after \_\_\_\_\_, 200\_ is \$\_\_\_\_\_ per Ccf.

## **STANDARD SALES OFFER RIDER**

### **APPLICABILITY**

The Standard Sales Offer ("SSO") Rider is applicable to all Sales Service Customers.

### **DESCRIPTION**

The Standard Sales Offer charge shall be the product of the billing Ccf and the SSO Rider Rate.

The SSO Rider Rate each month will be the NYMEX settlement price for such month converted to a price per Ccf using Company's average BTU value, plus the Retail Price Adjustment determined in the SSO auction; except for the three winter months of December 2008 through February 2009 when the SSO Rider Rate will be the weighted average of 40% NYMEX and 60% collared NYMEX.

### **SSO RIDER RATE**

The SSO Rider Rate for \_\_\_\_\_ 200\_ is \$ \_\_\_\_\_/Ccf.

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## **EXIT TRANSITION COST RIDER**

### **APPLICABILITY**

The Exit Transition Cost ("ETC") Rider is applicable to all Customers served under the following Rate Schedules:

- Rate 310 – Residential Sales Service
- Rate 315 – Residential Transportation Service
- Rate 320 – General Sales Service
- Rate 325 – General Transportation Service
- Rate 330 – Large General Sales Service
- Rate 340 – Interruptible Sales Service
- Rate 341 – Dual Fuel Sales Service

### **DESCRIPTION**

The ETC Rider charge shall be the product of the billing Ccf and the ETC Rider Rate.

The ETC Rider will recover applicable incremental Exit Transition implementation costs, including:

- 1) Business system (e.g. information technology) development costs,
- 2) Informational and educational costs
- 3) Call center costs,
- 4) Billing costs, and
- 5) Other incremental costs incurred by Company to achieve implementation of the various Exit Program features.

This ETC Rider will also recover/passback the following:

- 1) GCR variances remaining as of the implementation date of SSO Service,
- 2) All stranded gas supply costs related to Customer migrations to Choice Service,
- 3) Any incremental provider of last resort costs not recovered from a defaulting SSO or Choice Supplier,
- 4) Any imbalance costs not recovered from Transportation Customers or Pool Operators,
- 5) Gas costs incurred by Company when diverting Customers' transportation gas quantities during a Curtailment (see Sheet No. 70, paragraph 11.B1.(9)),
- 6) Other costs or credits applicable to all Sales and Choice Customers as approved by the Commission.

Projected ETC Rider costs shall be divided by projected total volumes for the applicable Rate Schedules to determine the ETC Rider Rate. The ETC Rider shall be updated quarterly and shall reflect the reconciliation of projected costs and actual costs, with any under or over recovery being recovered or returned via the ETC Rider.

### **EXIT TRANSITION COST RIDER RATE**

The Exit Transition Cost Rider Rate is \$\_\_\_\_\_ per Ccf.

## **TRANSPORTATION TERMS AND CONDITIONS** **(LARGE GENERAL)**

### **APPLICABILITY**

Unless otherwise provided for in a written contract between Company and Customer, these Terms and Conditions apply to any Customer receiving Gas Service under Rate 345, Large General Transportation Service.

### **SECTION 1 - SERVICE AND CAPACITY:**

- 1.1 Company and Customer shall agree to the service and capacity levels by completing a contract ("Service Agreement"). Service will be provided in accordance with these Transportation Terms and Conditions.
- 1.2 Company shall, at all times, deliver volumes of natural gas delivered to Company's gas system on Customer's behalf, less the Unaccounted For Gas Percentage in Sheet No. 54, up to the maximum daily volume defined under Section 1.3 of these Transportation Terms and Conditions and the Service Agreement.
- 1.3 The maximum daily volume of gas that may be delivered on Customer's behalf and transported on Company's gas system shall be Customer's Maximum Daily Delivery Obligation ("MDDO"). The MDDO agreed to and specified in the Service Agreement will be set such that an adequate volume of gas may be delivered to and transported on Company's gas system to meet Customer's peak day gas requirements. Company will serve demand above Customer's MDDO only on a best efforts basis.
- 1.4 Upon notice, Customer may choose to increase its MDDO under this Rate Schedule by requesting an increase in writing. Company will accommodate the request when Company has sufficient capacity to serve Customer's increased MDDO. The increase shall take effect in the next billing month.
- 1.5 If necessary to ensure that an adequate volume of gas may be delivered to meet Customer's peak day gas requirements, Company may increase Customer's MDDO to match any actual gas usage that exceeds Customer's then-existing MDDO on any day. Company shall not be required to deliver any volumes in excess of the current or agreed to increased MDDO.
- 1.6 If Customer demonstrates a significant and substantial reduction in peak day gas usage due to reasons other than seasonal or weather-related gas requirements, Company will, at Customer's request, reduce Customer's MDDO to a reasonable level agreed to by both parties. Customer's MDDO reduction shall take effect in the first billing month after the billing month in which the parties agree to the MDDO reduction.
- 1.7 This Transportation Service relates only to gas received by Company at the applicable Interstate city gate(s), to be used for delivery to Customer Meter Number(s) specified in Customer's Service Agreement with Company. Unless otherwise agreed to in a separate contract, Company shall not be obligated to provide Customer any other service.
- 1.8 If Customer's gas requirement exceeds the capacity of Company's gas system, Company will only deliver gas at the incremental cost of providing said service.

## **TRANSPORTATION TERMS AND CONDITIONS** **(LARGE GENERAL)**

### **Section 2 - INTERSTATE PIPELINE CAPACITY RELEASE SERVICE:**

- 2.1 If Customer is a Sales Service Customer prior to receiving Transportation Service, Customer agrees to accept Company's assignment of Company's firm interstate gas pipeline capacity as specified and if offered by Company to Customer. Customer or its supplier shall enter into a separate Capacity Release and Assignment Agreement with Company for any firm capacity that will be provided. Company and Customer shall agree upon the pipeline's identity and amount of capacity that Company will assign. This amount shall be sufficient to supply Customer's MDDO and may be adjusted in accordance with the provisions of Section 1 of these Transportation Terms And Conditions.
- 2.2 Customer shall pay the maximum applicable interstate pipeline tariff rate for the capacity assigned hereunder. Customer shall retain title to this capacity and use it throughout the term of Customer's Service Agreement to transport natural gas to Company's gas system. Company will have the "right-of-first refusal" to bid on such capacity upon its re-release. All capacity rights assigned hereunder shall revert to Company upon the expiration of the Service Agreement and neither Customer nor its supplier shall be obligated to take the assignment of Company's firm capacity thereafter. If Customer acquires non-Company interstate transportation capacity prior to the expiration of the Service Agreement, Customer remains completely responsible for the disposition of and payment for the capacity assigned to it by Company.

### **Section 3 - RESERVED FOR FUTURE USE**

### **Section 4 - SCHEDULING AND NOMINATING DELIVERIES:**

- 4.1 Customer shall be subject to the Nomination and Balancing Provisions (Large General and Pool Operator) contained in Sheet No. 51.

### **Section 5 - SYSTEM UNACCOUNTED FOR GAS PERCENTAGE:**

- 5.1 Customer shall provide Company with an amount of gas necessary to compensate Company for gas lost and used in operations to provide Transportation Service as set forth in Sheet No. 54, Unaccounted for Gas Percentage. This amount may be adjusted periodically upon PUCO approval to reflect changes in the amount of gas lost and used in operations. Company will provide Customer with notice of any adjustment required under this Section.

### **Section 6 - MEASUREMENT AND QUALITY:**

- 6.1 Company shall be responsible for all measurement at the point of delivery to Customer's facilities. Measurement and metering accuracy shall be based on the standards set forth in Company's General Terms and Conditions.
- 6.2 Company shall be responsible for installing, maintaining, and operating any telemetering devices or related equipment that may be required by Company to monitor consumption hereunder. Company's metered consumption data shall be used for all billing to the Customer.

## **TRANSPORTATION TERMS AND CONDITIONS** **(LARGE GENERAL)**

- 6.3 Customer warrants that all gas delivered on its behalf to Company's gas system shall meet the quality, pressure, and heating value specifications of the applicable FERC Gas Tariff of the interstate gas pipeline(s) delivering Customer-Delivered Gas to Company.

### **Section 7 - BALANCING:**

- 7.1 Customer shall be subject to the Nominations and Balancing Provisions (Large General and Pool Operator) contained in Sheet No. 51.

### **Section 8 - CURTAILMENT:**

- 8.1 Customer shall have no rights to gas from Company's system supply during a period of Curtailment. Customer shall be subject to the Curtailment Procedures in the Company's General Terms and Conditions.

### **Section 9 - TITLE AND WARRANTY**

- 9.1 Customer warrants that it will, at the time and place of delivery, have good right and title to all volumes of gas delivered on its behalf to Company, free and clear of all liens, encumbrances, and claims whatsoever, and that it will indemnify and hold Company harmless from all suits, actions, debts, accounts, damages, costs, losses, or expenses (including reasonable attorney fees) arising from or out of the adverse claims of any or all persons relating to or arising from said gas.

### **Section 10 - FORCE MAJEURE:**

- 10.1 Neither Customer nor Company shall be liable to the other for any act, omission, or circumstance resulting from events not reasonably within the control of the affected party. Neither of the following shall be considered a force majeure condition: 1) changes in market conditions that affect the acquisition or transportation of natural gas, or 2) failure of Customer to deliver or consume scheduled gas volumes. The affected party will use diligence to remove the cause of the force majeure condition and resume delivery or consumption of gas previously suspended. Gas withheld from Customer during a force majeure condition will be redelivered upon the end of such circumstances as soon as practical.

### **Section 11 - LATE PAYMENT CHARGE:**

- 11.1 The Late Payment Charge set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

### **Section 12 - RETURNED CHECK CHARGE:**

- 12.1 The Returned Check Charge set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

### **Section 13 - INTERRUPTION OF SERVICE DUE TO NON-RECEIPT OF GAS SUPPLY:**

- 13.1 Company may interrupt Customer's Gas Service to the extent that Company does not receive gas from the interstate pipeline on Customer's behalf. If Company must interrupt Customer's Gas Service, Customer shall interrupt gas usage as directed. Company will endeavor to provide four (4) hours advance notice of such interruption, except when system conditions will not afford such notice. Company shall not be liable in damages or otherwise to Customer for any loss of production or other claim because of the lack of advance notice to Customer. If Customer fails to comply with Company's direction to interrupt, Company reserves the right to discontinue Gas Service to Customer.

## **TRANSPORTATION TERMS AND CONDITIONS** **(LARGE GENERAL)**

- 13.2 Gas consumed by Customer during a period of Curtailment will be billed in accordance with the terms of Unauthorized Gas Usage on Sheet No. 30, Miscellaneous Charges.

### **Section 14 – INDEMNITY:**

- 14.1 Subject to the provisions of Company's General Terms and Conditions, Customer agrees to indemnify, exonerate, and hold harmless Company for all loss, damage, or expense growing out of or in any way connected with the claims of any person, except claims for injuries and/or death of employees of Company arising out of and in the course of their employment with Company, for injuries to person or property occasioned by such gas after it is delivered to Customer. Customer agrees to defend, at its own expense, any suit based upon such claims.
- 14.2 Subject to the provisions of Company's General Terms and Conditions, Company will indemnify, exonerate, and hold harmless Customer for all loss, damage, or expense growing out of or in any way connected with the claims of any person, except claims for injuries and/or death of employees of Customer arising out of and in the course of their employment with Customer, for injuries to person or property occasioned by such gas up to the point of delivery to Customer caused by Company's negligence. Company will defend, at its own expense, any suit based upon such claims, except that Company will not be liable or responsible for, and will not hold Customer harmless for any loss, damage, or expense growing out of or in any manner connected with the acts of any employee of Customer who may go upon or do anything to or with the property of Company.

### **Section 15 – REGULATION:**

- 15.1 All service rendered hereunder shall at all times be subject to all rules, regulations, and orders of both the FERC and the Commission including: 1) the terms and conditions of any applicable interstate pipeline tariff regulated and approved by the FERC, 2) the guidelines issued by the Commission in Case No. 85-800-GA-COI, 3) Company's General Terms and Conditions as modified from time to time and approved by the Commission, and 4) other Commission orders affecting Company's Gas Services in general or Transportation Service in particular.

### **Section 16 - TRANSFER TO SYSTEM SUPPLY:**

- 16.1 If Customer elects to transfer to Sales Service upon termination of the Service Agreement, Customer must provide Company with written notice at least six (6) months prior to the effective termination date. Customer agrees to remain a Sales Service customer until the end of the winter season. If Customer fails to remain on Sales Service for the required winter season period, Customer shall compensate Company for any and all gas costs (including pipeline exit fees) incurred by Company to serve Customer.
- 16.2 Company will use its best efforts to accommodate Customer's transfer to Sales Service in accordance with the provisions of Section 16.1, but will not guarantee its ability to render such service. Any new Sales Service shall be subject to the receipt of all necessary regulatory authorization.

## **TRANSPORTATION TERMS AND CONDITIONS** **(LARGE GENERAL)**

- 16.3 If requested by Company, the transferring Customer will assign to Company any interstate pipeline capacity which Customer owns or uses, in order for Company to provide Sales Service to Customer. This assignment will, at a minimum, remain in effect as long as Customer remains on Sales Service.

### **Section 17 - OPERATIONAL FLOW ORDERS:**

- 17.1 Customer shall be subject to the Nomination and Balancing Provisions (Large General and Pool Operator) contained in Sheet No. 51.

### **Section 18 - OTHER SYSTEM COSTS:**

- 18.1 Customer agrees that if any of its actions, over which it exercises sole control as a Transportation Customer, cause Company to incur costs that Company would not have incurred had Customer complied with its obligations defined in this Agreement, Customer shall: 1) compensate Company for all such higher costs which Company is required to pay, and 2) take all necessary measures to allow Company to avoid incurring similar costs in the future. Further, if Customer is currently a Sales Service Customer and Company incurs any pipeline exit fees or similar charges as a result of Customer's election of Transportation Service hereunder, Customer shall compensate Company for these costs.

### **Section 19 - NOTICES:**

- 19.1 Customer shall immediately notify Company of any known or anticipated variation in the amount of gas to be delivered hereunder, as well as any known or anticipated supplier shortfalls or constraints. All notices and correspondences to Company shall be addressed as specified in the Service Agreement.



## **NOMINATION AND BALANCING PROVISIONS** **(LARGE GENERAL AND POOL OPERATOR)**

### **APPLICABILITY**

The following provisions shall apply to each Transporter and to each non-Pooling Transportation Customer being provided Gas Service under Rate 345. **For purposes of these Nomination and Balancing Provisions only, the term "Transporter" shall mean "Pool Operator" and "non-Pooling Transportation Customer."**

### **NOMINATION PROVISIONS**

Transporter shall notify Company of the exact daily quantity of gas nominated to be delivered to Company at pipeline delivery points agreeable to Company (Daily Pipeline Nomination). Company may require Transporter to allocate its Daily Pipeline Nomination to specified city-gate pipeline delivery points based on minimum and maximum allocation percentages (City-Gate Allocations), which Company may revise from time to time, based on operational considerations. Changes to City-Gate Allocations may be made effective annually after four months prior notice, unless extraordinary considerations require a shorter interval or notice period. Company may, based on operational considerations, require modification of Transporter's Daily Pipeline Nominations or deliveries that do not comply with these city-gate allocation percentage requirements.

Transporter shall provide notice to Company prior to each change in Transporter's Daily Pipeline Nomination by submitting to Company the nomination, via Company's EBB, by no later than 11:00 AM Central Clock Time ("CCT") of the workday previous to the start date of the Daily Pipeline Nomination. The nomination shall include information as required in Company's EBB. Notwithstanding the above, Company shall accept nominations submitted after the deadline specified above in accordance with the pipeline's intra-day nomination schedules. Until Transporter submits the required nomination to Company Transporter's nominations of daily quantities shall be zero. Unless otherwise permitted by Company, the Nomination Period shall not exceed thirty-one days.

Transporter shall be responsible for verifying and, if necessary, correcting its Daily Pipeline Nomination so that it matches Transporter's confirmed pipeline deliveries and is compliant with the City-Gate Allocations percentage requirements.

Transporter shall pay a Nomination Error Charge of \$.25 per Dekatherm on the quantity difference between Transporter's final Daily Pipeline Nomination and the confirmed pipeline deliveries under Transporter's Daily Pipeline Nomination for each day such difference occurs ("Error Occurrences"). Transporter shall be allowed two Error Occurrences without charge each twelve months. Documented force majeure conditions and waivers of this charge shall not result in an Error Occurrence.

Transporter shall be assessed a City-Gate Allocation Non-Compliance Charge of \$.50 per Dekatherm on the quantity difference if the Transporter's Daily Pipeline Nomination is less than the minimum or greater than the maximum city gate allocation requirements, which are calculated as the minimum or maximum city gate allocation percentages multiplied by the Transporter's Daily Pipeline Nomination ("Non-Compliance Occurrences"). Transporter shall be allowed two Non-Compliance Occurrences without charge each twelve months. Documented force majeure conditions and waivers of this charge shall not result in a Non-Compliance Occurrence.

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## **NOMINATION AND BALANCING PROVISIONS** **(LARGE GENERAL AND POOL OPERATOR)**

### **BALANCING PROVISIONS**

Transporter shall be obligated to balance on a daily and monthly basis its total usage, adjusted to Dekatherms, with the total deliveries of Transporter-Delivered Gas as adjusted to reflect Company's Unaccounted for Gas Percentage. An Imbalance Quantity shall exist when the Transporters' total usage is greater than or less than Transporter's total deliveries on a daily or monthly basis.

The following definitions shall apply:

**Daily Index Price:** The Daily Midpoint Price per Dekatherm reported in Platts Gas Daily, in the table "Daily Price Survey" for delivery to: Appalachia: Columbia Gas, Appalachia.

**Monthly Index Price:** The average of the Daily Index Prices for each day during the month.

**Daily Under-Delivery Charge:** The Daily Under-Delivery Charge shall be the sum of the Daily Index Price and the maximum interruptible pipeline transportation rate, including fuel and all surcharges.

**Daily Over-Delivery Charge:** The Daily Over-Delivery Charge shall be the sum of the Daily Index Price and the firm pipeline transportation commodity rate, including fuel and all surcharges.

**Monthly Under-Delivery Charge:** The Monthly Under-Delivery Charge shall be the sum of the Monthly Index Price and the maximum interruptible pipeline transportation rate, including fuel and all surcharges.

**Monthly Over-Delivery Charge:** The Monthly Over-Delivery Charge shall be the sum of the Monthly Index Price and the firm pipeline transportation commodity rate, including fuel and all surcharges.

**Nomination and Balancing Provisions Charges:** Any Charge assessable to Transporter pursuant to these Nomination and Balancing Provisions.

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## **NOMINATION AND BALANCING PROVISIONS** **(LARGE GENERAL AND POOL OPERATOR)**

### **DAILY BALANCING PROVISIONS**

Transporter shall be obligated to balance its total daily usage adjusted to Dekatherms ("Total Daily Usage") with the aggregated total daily deliveries of Transporter-Delivered Gas by the interstate pipeline, as reduced to reflect Company's Unaccounted for Gas Percentage as specified in Sheet No. 54 ("Total Daily Deliveries"). A Daily Imbalance Quantity shall exist when the Total Daily Usage is greater than or less than the Transporter's Total Daily Deliveries.

**Daily Under-Delivery Imbalance:** If Transporter's Total Daily Deliveries are less than its Total Daily Usage, the gas shortfall shall be considered Daily Under-Delivery Imbalance Quantities. Daily Under-Delivery Imbalance Quantities up to and including 15% of Total Daily Usage shall be carried to month-end; Daily Under-Delivery Imbalance Quantities over 15% shall be Cashed out with Company. Transporter shall pay Company for Daily Under-Delivery Gas Quantities greater than 15% of Total Daily Usage pursuant to the following:

- (1) 1.05 times the Daily Under-Delivery Charge for each Dekatherm of Under-Delivery Imbalance Quantity that is greater than 15%, up to and including 25% of Total Daily Usage; plus
- (2) 1.2 times the Daily Under-Delivery Charge for each Dekatherm of Daily Under-Delivery Imbalance Quantity that is greater than 25% of Total Daily Usage; plus
- (3) Applicable taxes.

During a Cold Weather OFO, the aforementioned Daily Under-Delivery Imbalance provisions will be replaced by those specified in the section entitled Operational Flow Order Imbalance Provisions.

**Daily Over-Delivery Imbalance:** If Transporter's Total Daily Deliveries are greater than its Total Daily Usage, the excess gas shall be considered Daily Over-Delivery Imbalance Quantities. Daily Over-Delivery Imbalance Quantities up to and including 15% of Total Daily Usage shall be carried to month-end; Daily Over-Delivery Imbalance Quantities over 15% shall be Cashed Out with Company. Company shall pay Transporter for such Daily Over-Delivery Imbalance Quantities greater than 15% of Total Daily Usage pursuant to the following:

- 1) 0.9 times the Daily Over-Delivery Charge for each Dekatherm of Daily Over-Delivery Imbalance Quantity that is greater than 15%, up to and including 25% of Total Daily Usage; plus
- 2) 0.75 times the Daily Over-Delivery Charge for each Dekatherm of Daily Over-Delivery Imbalance Quantity that is greater than 25% of Total Daily Usage.

During a Warm Weather OFO, the aforementioned Daily Over-Delivery Imbalance provisions will be replaced by those specified in the section entitled Operational Flow Orders Imbalance Provisions.

## **NOMINATION AND BALANCING PROVISIONS** **(LARGE GENERAL AND POOL OPERATOR)**

### **MONTHLY BALANCING PROVISIONS**

Transporter shall be obligated to balance its total monthly usage adjusted to Dekatherms ("Total Monthly Usage") with the actual monthly deliveries of Transporter-Delivered Gas by the pipeline, as adjusted to reflect (1) Company's Unaccounted for Gas Percentage as specified in Sheet No. 54, (2) the net effect of Daily Imbalance Quantities cashed out during the current month (collectively, "Total Monthly Deliveries"). A Monthly Imbalance Quantity shall exist when the Total Monthly Usage is greater than or less than Transporter's Total Monthly Deliveries.

**Monthly Under-Delivery Imbalance:** If the Total Monthly Deliveries for Transporter's account at the end of the month are less than its Total Monthly Usage, the gas shortfall shall be considered Monthly Under-Delivery Imbalance Quantities. Monthly Under-Delivery Imbalance Quantities greater than 0% shall be Cashed out with Company. Transporter shall pay Company for Monthly Under-Delivery Imbalance Quantities greater than 0% of Total Monthly Usage pursuant to the following:

- (1) 1.0 times the Monthly Under-Delivery Charge for each Dekatherm of Monthly Under-Delivery Imbalance Quantity that is greater than 0%, up to and including 5% of Total Monthly Usage; plus
- (2) 1.05 times the Monthly Under-Delivery Charge for each Dekatherm of Monthly Under-Delivery Imbalance Quantity that is greater than 5%, up to and including 15% of Total Monthly Usage; plus
- (3) 1.2 times the Monthly Under-Delivery Charge for each Dekatherm of Monthly Under-Delivery Imbalance Quantity that is greater than 15% of Total Monthly Usage; plus
- (4) Applicable taxes.

**Monthly Over-Delivery Imbalance:** If the Total Monthly Deliveries for Transporter's account at the end of the month are greater than its Transporters' Total Monthly Usage, the gas excess shall be considered Monthly Over-Delivery Imbalance Quantities. Monthly Over-Delivery Imbalance Quantities greater than 0% shall be Cashed out with Company. Company shall pay Transporter for Monthly Over-Delivery Imbalance Quantities greater than 0% of Total Monthly Usage pursuant to the following:

- (1) 1.0 times the Monthly Over-Delivery Charge for each Dekatherm of Monthly Over-Delivery Imbalance Quantity that is greater than 0%, up to and including 5% of Total Monthly Usage; plus
- (2) 0.9 times the Monthly Over-Delivery Charge for each Dekatherm of Monthly Over-Delivery Imbalance Quantity that is greater than 5%, up to and including 15% of Total Monthly Usage; plus
- (3) 0.75 times the Monthly Over-Delivery Charge for each Dekatherm of Monthly Over-Delivery Imbalance Quantity that is greater than 15% of Total Monthly Usage.

## **NOMINATION AND BALANCING PROVISIONS** **(LARGE GENERAL AND POOL OPERATOR)**

### **OPERATIONAL FLOW ORDER IMBALANCE PROVISIONS**

In the event of a Company issued OFO pursuant to Operational Flow Orders Section of Company's General Terms and Conditions, the following provisions will apply:

**Cold Weather OFO Day:** During a Cold Weather OFO, the Transporter shall be subject to the following Daily OFO Under-Delivery Imbalance provisions:

If Transporter's Daily Under-Delivery Imbalance Quantity is greater than 5% of actual Total Daily Usage, the shortfall quantities shall be Cashed-out with Company. Transporter shall pay Company the following:

- (1) For each Dekatherm of Daily Under-Delivery Imbalance Quantities greater than five (5) percent of Total Daily Usage, the Daily Under-Delivery Charge; plus
- (2) The higher of (a) all other charges incurred by Company and attributable to Transporter's Daily Under-Delivery Imbalance Quantity, including pipeline penalty charges on the OFO shortfall quantities, or (b) an OFO Imbalance Charge of \$10.00 per Dekatherm on the portion of the Daily Under-Delivery Imbalance Quantity that is greater than five (5) percent of Total Daily Usage; plus
- (3) Applicable taxes.

Daily Balancing Provisions apply to over-deliveries during a Cold Weather OFO. If it is determined by Company that over-deliveries in excess of the daily usages are helpful, Company may waive the Daily Over-Delivery Imbalance Provisions for that day. Waivers related to helpful over-deliveries will be communicated in conjunction with the issuance of the OFO notice.

**Warm Weather OFO Day:** During a Warm Weather OFO, the Transporter shall be subject to the following Daily OFO Over-Delivery Imbalance provisions:

If Transporter's Daily Over-Delivery Imbalance Quantity is greater than 5% of its actual Total Daily Usage, the excess quantities shall be Cashed out with Company. Company shall pay Transporter for each Dekatherm of Daily Over-Delivery Imbalance Quantities greater than five (5) percent of Total Daily Usage, the Daily Over-Delivery Charge. Transporter shall pay Company the following:

- (1) The higher of (a) all charges incurred by Company and attributable to Transporter's Daily Over-Delivery Imbalance Quantity; including pipeline penalty charges on the OFO excess quantities, or (b) an OFO Imbalance Charge of \$10.00 per Dekatherm on the portion of the Daily Over-Delivery Imbalance Quantity that is greater than five (5) percent of Total Daily Usage; plus
- (2) Applicable taxes.

Daily Balancing Provisions apply to under-deliveries during a Warm Weather OFO. If it is determined by Company that under-deliveries in excess of the daily usages are helpful, Company may waive the Daily Under-Delivery Imbalance Provisions for that

## **NOMINATION AND BALANCING PROVISIONS** **(LARGE GENERAL AND POOL OPERATOR)**

day. Waivers related to helpful under-deliveries will be communicated in conjunction with the issuance of the OFO notice.

### **IMBALANCE TRADING**

Transporter may trade daily and monthly imbalance quantities, including those on OFO days, to reduce or eliminate its imbalances. Imbalance Trading is subject to the following provisions:

- (1) The schedule for the trading of imbalances shall be as follows:
  - a. Company shall issue an initial statement of daily and monthly imbalances (i.e. prior to imbalance trades) to Transporter within ten (10) business days following the end of the month.
  - b. Transporter shall complete and submit its daily and monthly imbalance trades to Company within three (3) business days following the issuance of the initial imbalance statement.
  - c. Company shall issue a final imbalance statement of daily and monthly imbalances to Transporter within three (3) business days following the close of imbalance trading.
- (2) The quantity eligible for trading is 100% of the calculated pre-trade daily or monthly imbalance quantities. Transporter may not trade to establish an imbalance in the opposite direction of the original imbalance.
- (3) Company will bill the selling party to an Imbalance Trade a \$10.00 Imbalance Trading Charge for each transaction. For purposes of this charge, a transaction is each transfer of gas imbalance for a specific gas day or month pursuant to an arrangement by, or between, Transporter(s) to purchase, sell, or trade gas imbalances.
- (4) Any dollar payments, receipts, or exchanges of other consideration agreed upon between the parties to an Imbalance Trading transaction are outside the scope of this tariff and must be completed between the parties themselves.

### **WAIVER OF CHARGES**

In its reasonable discretion, on a case-by-case basis, Company may waive all or part of any Charge assessable to Transporter pursuant to these Nomination and Balancing Provisions, when such Charges result from situations which occur beyond the reasonable control of Transporter, including, without limitation, an unexpected production outage, equipment malfunction or upstream pipeline error. The waiver of such otherwise assessable Charge shall be exercised on a non-discriminatory basis. Requests for waivers must be submitted in writing to Company and be signed by an authorized representative of Transporter. VEDO will retain records of waiver requests received and their dispositions. Daily and Monthly Balancing Provisions may be waived or amended on a case-by-case basis for situations beyond the reasonable control of the Transporter. Such waivers or amendments shall be exercised on a non-discriminatory basis.

### **DISPOSITION OF CHARGES**

The gas cost portion of all cash-outs relating to imbalances and all incremental gas costs and pipeline penalties will be recovered from or credited to Suppliers providing system balancing through Company-released storage. The following charges will also be credited to the Suppliers: Nomination Error Charges, City-Gate Allocation Non-Compliance Charges, and the non-gas portions of all imbalance cash-outs. Company will not retain amounts associated with Nomination and Balancing Provisions Charges, except as necessary to offset pipeline penalties.

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## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **APPLICABILITY**

The following Terms and Conditions apply to Choice Suppliers under Rate 385, Pooling Service (Residential and General).

### **DEFINITIONS**

**Choice Supplier** - A marketer, supplier, broker, aggregator or governmental aggregator that meets the Requirements for Choice Supplier Participation set out in Rate 385.

**Choice Supplier Pooling Agreement or Agreement** - An agreement between Company and Choice Supplier that defines the mutual responsibilities and obligations of those parties relative to services provided under Rate 385--Pooling Service (Residential and General).

**Columbia Appalachia Index** - First of the Month "Columbia Gas Transmission Corp, Appalachia" as reported by Inside FERC's Gas Market Report in the table "Prices of Spot Gas Deliveries to Pipelines".

**Comparable Firm Capacity Requirement** - The requirement that Choice Supplier secure firm interstate pipeline capacity with a primary delivery point of Company's city gates and firm supplies to meet 100% of Choice Supplier's Pool's Peak Design Day Demand for the applicable month, less a percentage during the winter months reflecting the Pool's entitlement to Company's propane supplies.

**Cycle Month** - The period of time between the scheduled meter reading dates for Customer. These reading dates are approximately 30 days apart, but will not likely occur on the first day of a calendar month. For purposes of these Terms and Conditions, a Customer's Cycle Month shall be deemed coincident with the calendar month in which the Cycle Month concludes.

**DDQ or Directed Delivery Quantity** - The daily quantity of gas in Dth that Choice Supplier must deliver to Company's city gates, as specified by Company, to meet the Expected Demand of Choice Supplier's Pool operating constraints, system knowledge/experience, and Company's Unaccounted for Gas Percentage.

**Enrollment Processing Period** - The number of days required to process a Customer's enrollment in the Pooling Program. This process commences with the submission to Company by Choice Supplier of appropriate information for an eligible Customer and ends with the termination of Customer's rescission period. The process will take up to 12 business days, and includes 7 business days from the date Company sends Customer a letter indicating Customer may rescind its Program enrollment or change in Choice Suppliers.

**Expected Demand** - A Pool's forecasted usage for a particular gas day, as determined by Company.

**Load Tranche or Tranche** - a proportionate share of Company's total Sales Service volumes to be supplied by SSO Supplier.

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**Mercantile Customer** - As defined in division (L) of Section 4929.01 of the ORC. In summary, it means a Customer that: 1) consumes, other than for Residential use, more than 5,000 Ccf of natural gas per year at a single location or as part of an undertaking having more than 3 locations within or outside the state, and 2) has not filed a declaration with the Commission.

**Mercantile Pool** - A Pool that contains any Customers meeting the definition of a Mercantile Customer.

**Non-Mercantile Pool** - A Pool that is comprised entirely of Non-Mercantile Customers.

**ORC** - The Ohio Revised Code.

**"Peak Design Day Demand"** means the then-effective forecasted peak design day usages of a Customer Pool as calculated and communicated by Company.

**Pool** - A group of Customers receiving Gas Service pursuant to the Rate 315, Residential Transportation Service, or Rate 325, General Transportation Service, who have been joined together with other Customers subscribing to the same Transportation Service by a single Choice Supplier for gas supply management purposes.

**Pool Customer** - A recipient of Transportation Service provided by Company under Rates 315 or 325 who receives gas supply from a Choice Supplier as a member of a Pool.

**Pool's Usage** - The Pool Customers' billed Ccf usage for the applicable period, converted to Dth by multiplying by Company's average BTU and dividing by ten (10).

**Pooling Program or Program** - The services provided under Rate 385, Pooling Service (Residential and General Transportation), Rate 315, Residential Transportation Service, and Rate 325, General Gas Transportation Service.

**Pre-determined Allocation ("PDA")** - a contractual arrangement with TCO which allocates the daily VEDO system imbalance volumes to all holders of Company's released TCO storage capacity based on predetermined allocation percentages.

**SSO Supplier** - A supplier that meets the Requirements for SSO Supplier Participation set out in Rate 395.

**Supply Contract or Contract** - A contract between Pool Customer and its Choice Supplier that defines the mutual responsibilities and obligations of those parties relative to Customer's purchase and Choice Supplier's sale of gas supplies for delivery to Customer pursuant to Rate 385 and the applicable Transportation Service Rate Schedule.

**TCO** - Columbia Gas Transmission Corporation.

**Unaccounted for Gas Percentage** - The portion of Choice Supplier's city gate deliveries retained by Suppliers to compensate for gas lost, used, and unaccounted for in operations. The currently effective Unaccounted for Gas Percentage is contained in Sheet 54 and may be adjusted periodically, after approval by the Commission, to reflect changes in the amount of gas lost, used, and unaccounted for in operations.

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## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **CUSTOMER ENROLLMENT**

#### **Enrollment of Non-Mercantile Customers:**

Choice Suppliers may take enrollments from Non-Mercantile customers by mail, facsimile, direct solicitation, telephone, and Internet. When soliciting and/or enrolling Non-Mercantile Customers, Choice Supplier must adhere to the requirements set out in Rules 4901:1-29-05 and 4901:1-29-06 of the OAC.

#### **Customer Sign-Up Procedures:**

A Customer desiring to participate in the Program may execute a written Supply Contract with a Choice Supplier that states that Customer has agreed to participate in the Program and which sets forth the terms and conditions of Customer's gas supply purchase. Choice Supplier may design the format of the Supply Contract, but at a minimum, it must include the applicable information specified by paragraphs 1, 2, 6, 7 and 8 of the Choice Supplier Code of Conduct. In the alternative, a Customer desiring to participate in the Program may subscribe via telephone or Internet. Under these methods, Choice Supplier must retain proof of Customer consent. The Supply Contract, or alternate proof of Customer consent in the case of telephonic or Internet enrollment, will be used to resolve disputes if the validity of an account sign up comes into question. If requested by Company, the Commission (in the case of Non-Mercantile Customers only) or OCC (in the case of Residential Customers only), Choice Supplier must provide a copy of a specific Supply Contract, or alternate proof of Customer consent in the case of telephonic or internet enrollment, within three (3) business days of any such request.

Regardless of the Customer enrollment method used, within 3 business days after completion of enrollment (unless a later date is agreed to or Customer rescinds), Choice Supplier will provide Company with an electronic file in a format specified by Company, containing a listing of all Customers that Choice Supplier has signed up or desires to drop since its last submission. Among other things, this list shall include each Pool Customer's name, service address and Company account number. Company will evaluate the information provided for accuracy and Customer eligibility, and provide Choice Supplier with a confirmation report within three (3) business days. In the event more than one Choice Supplier includes the same Pool Customer on his enrollment files to begin the same period, Customer will be assigned to Choice Supplier whose acceptable enrollment was first processed by Company.

Once complete and accurate information supporting a Customer joining or leaving Choice Supplier's Pool is received and confirmed by Company, the change will be effective with Customer's next on-cycle meter reading after Customer's Enrollment Processing Period. If Customer rescinds its enrollment prior to commencing service with a Choice Supplier, Company shall notify Choice Supplier within two business days of the Customer's rescission. Customer will remain with its Choice Supplier until: 1) Customer's name, service address, and account number appear on another Choice Supplier's electronic enrollment file listing; 2) Customer or Choice Supplier notifies Company that the Customer should transfer to Company's Sales Service; 3) Customer moves out of his current address or 4) Customer joins the PIPP program. If Customer's current Choice Supplier initiates termination of its relationship with Customer, Company shall issue a written notification to Customer informing Customer of such change. Customers who on their own initiative decide to terminate their relationship with a Choice Supplier will be permitted to do so without Company making any determination regarding whether Customer is contractually permitted to make such move. Company shall not be liable to Choice Supplier or Customer for allowing Customer to revert to Sales Service.

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If Company rejects a Customer from enrollment, the Choice Supplier shall notify Customer within three business days from Company's notification of rejection that Customer will not be enrolled or enrollment will be delayed, along with the reason(s) therefore.

Company shall, prior to commencing service, mail Customer a confirmation notice stating:

1. Company has received a request to enroll Customer with the named Choice Supplier, and, in the case of an enrollment request from a Customer who is currently with another Choice Supplier, a statement that Company's records reflect that Customer is currently enrolled with another Choice Supplier along with an admonition that Customer should review the terms and conditions of the incumbent Choice Supplier's Contract for Customer's obligations under said Contract;
2. The date such service is expected to begin;
3. Customer has seven business days from the postmark date on the notice to contact Company telephonically, in writing or via the Internet to rescind the enrollment request or notify Company that the change of Choice Supplier was not requested by Customer; and
4. Company's toll-free telephone number, mailing address and website address.

Choice Supplier's failure to adhere to any of Customer enrollment procedures or failure to provide verification of enrollment within the time period specified herein shall be treated in the same manner as violations of the Choice Supplier Code of Conduct.

### **Eligible Customer List:**

Company shall make available to Choice Suppliers an electronic list of Customers eligible for participation in the Program. Such list shall include information on Customers that meet the size requirements for Residential or General Transportation Service, are not under commitment with a Choice Supplier, are not past due on their utility account and have not requested to have their name and applicable information deleted from any eligible Customer list. Such list shall be updated quarterly and shall, at a minimum, contain the following information regarding each eligible Customer: name, service and mailing address. Customized listings may also be developed by Company at Choice Supplier's request for Residential and General Sales Service Customers meeting specific geographic or other criteria. The fee for such eligible customer list is described in Rate 385.

### **Content of Renewal Notices:**

The written notice to Customer, required by paragraph 8 of the Choice Supplier Code of Conduct, informing him that his Supply Contract is up for renewal, shall satisfy the following requirements in the case of Non-Mercantile Customers. (Complete information regarding the content of renewal notices for Non-Mercantile Customers is contained in Rule 4901:1-29-10 of the OAC.)

1. The envelope or postcard containing the renewal or extension notice must be labeled in a conspicuous place with the words "Important Contract Renewal Information Inside";
2. The renewal or extension notice must be a stand alone document that contains no advertising;
3. For Supply Contracts with a renewal period of 6 months or longer, Choice Supplier must provide appropriate written notice to Customers. If there is no material change the notice shall inform Customer how to terminate, renew and/or extend the Supply Contract. If there

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is a material change and either a cancellation/termination fee greater than \$25 or no option for early cancellation/termination, Customer must provide its affirmative consent to such renewal. If there is a material change with a cancellation termination fee of \$25 or less, two notices must be sent and the notices should highlight the changes and indicate the Customer's Contract will renew unless Customer affirmatively cancels the Supply Contract.

4. The notice must clearly disclose any price changes that will be in effect for the new term; and
5. The renewal period for Supply Contracts with renewal provisions shall not exceed the initial Supply Contract period.

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## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **POOL CUSTOMER BILLING OPTIONS**

Choice Supplier may elect one of the following two billing options for its Pool Customers that do not participate in PIPP. Such election shall be applicable to all of Choice Supplier's Pools and Customers.

#### **Option 1 – Company Consolidated Billing:**

Pool Customer shall receive one Bill from Company that indicates the name of Choice Supplier from whom Customer is receiving its gas supply and which includes an amount for Choice Supplier's gas supply charges in accordance with the pricing arrangements agreed upon between Choice Supplier and Customer, including any taxes for which Choice Supplier must collect. Choice Supplier shall furnish Company with sufficient Bill contents as required in Rule 4901:1-29-12(b) of the OAC. Company's consolidated Bill may provide the budget amounts, past due balances, and payments applied on a consolidated basis only. A Choice Supplier who elects this billing option will be limited to a reasonable number of pricing arrangements to which a Customer may be assigned by Choice Supplier.

Pool Customer will be responsible for making payment to Company for the entire amount shown on the Bill, including both Company's and Choice Supplier's charges. Once a month, Company shall remit to Choice Supplier, by wire transfer or otherwise, payment for all gas supply billed to Choice Supplier's Customers by Company on Choice Supplier's behalf, including taxes attributable to Choice Supplier's portion of the Bill, less a negotiated receivables discount and any applicable offsetting amount. Choice Supplier shall be responsible for dispersing to the appropriate taxing authorities any tax that is attributable to Choice Supplier's portion of the Bill.

In the event Customer remits to Company less than the full payment due, the payment received shall first be attributed to Company's past due charges, then to Company's current charges, and the residual amount, if any, shall be attributed to Choice Supplier's portion of the Bill, including the taxes thereon. Customer shall be subject to the Late Payment Charges set out in Sheet No. 30, Miscellaneous Charges, against the entire amount of past due charges on Customer's Bill. Company shall be responsible for collection responsibilities associated with any shortfall from Customer.

#### **Option 2 – Dual Billing:**

Pool Customer shall receive two bills as follows:

1. Company shall bill and collect for its portion of the Bill that includes charges for Transportation Service and all applicable Riders. Company's Bill shall include Choice Supplier's name and a statement that Choice Supplier is responsible for billing Choice Supplier's charges. In the event that Customer remits to Company less than the amount included on Company's Bill, Customer shall be subject to the same late payment charges and disconnect rules that would be applicable if Customer were receiving Sales Service.
2. Choice Supplier shall be responsible for billing and collecting his part of the bill including any arrearages due from Choice Supplier's own prior billings. To facilitate Choice

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Supplier's portion of the billing each month, Company will provide Choice Supplier with an electronic notification of the monthly meter readings of all Customers within Choice Supplier's Pool that have been billed by Company. Such billing data will correspond to the meter reading data on which Company based its Bill for Transportation Service. Choice Supplier may terminate gas sales to any Pool Customer for non-payment and remove Customer from its Pool in accordance with the procedures for deleting Customers from a Choice Supplier's Pool.

### **CUSTOMER INQUIRIES AND DISPUTE RESOLUTION**

Each Choice Supplier shall cooperate with Company, the Commission (in the case of Non-Mercantile Customers), and the OCC (in the case of Residential Customers) to answer inquiries and resolve disputes. Choice Supplier shall apprise potential Pool Customers of the applicable dispute resolution process set forth below prior to such Customers executing a Supply Contract with Choice Supplier. The following procedures shall be applicable to all inquiries and disputes:

1. Choice Supplier shall ensure Customers have reasonable access to their service representatives to make inquiries and complaints, discuss charges on Customer bills, terminate competitive service and transact other pertinent business.
2. Choice Supplier must provide its address and a local or toll-free telephonic means for Pool Customers to obtain information on their account and Choice Supplier's dispute resolution process, and Choice Supplier must afford Customers prompt answer times during normal business hours.
3. At the time Pool Customer executes its Supply Contract with Choice Supplier or as soon as practical thereafter, Choice Supplier shall provide Customer, in writing, all the information set forth in paragraph (4) below.
4. Each Pool Customer's Bill shall list the Commission's local or toll free number and Telecommunication Device for the Deaf/Text Telephone Yoke (TDD/TTY) number, Choice Supplier's consumer service local or toll free phone number, Company's emergency phone number, OCC's local or toll-free number and Commission's and OCC's website addresses and business hours. In addition, each Customer's Bill shall indicate that Customer may contact the Commission, or the OCC in the case of Residential Customers, with respect to any inquiries or problems that they may be experiencing with the Company, and Non-Mercantile customers may contact the PUCO, or the OCC in the case of Residential Customers, with respect to any inquiries or problems that they may experience with their current or potential Choice Supplier.
5. Choice Supplier must make good faith efforts to resolve disputes and to cooperate with the resolution of any joint issues with Company.
6. Within three (3) business days of the date Choice Supplier has received a complaint from a Pool Customer, Choice Supplier shall provide a status report to Customer regarding the complaint, or to Customer and the Commission Staff when the complaint is referred to Choice Supplier by the Commission Staff in the case of a Non-Mercantile Customer.

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## **POOLING SERVICES TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **CODES OF CONDUCT**

#### **Choice Supplier Code of Conduct:**

Each Choice Supplier participating in the Pooling Program shall:

1. Communicate to Pool Customers, in clear, understandable terms, Customers' rights and responsibilities. This communication shall include: 1) Choice Supplier's customer service address, local or toll-free telephone number and hours of operation; 2) a statement describing the procedures for handling complaints and disputes; and 3) notice that the continuation of this Program is subject to the Commission's approval.
2. Provide in writing, pricing and payment terms that are clear and understandable and inform Customers whether the price that Customer will pay is inclusive or exclusive of applicable taxes and approved Company Riders.
3. Refrain from engaging in communications, acts or practices that are fraudulent, deceptive, misleading, unfair, or unconscionable.
4. Deliver gas to Company on a firm basis on behalf of the Choice Supplier's Pool Customers in accordance with the requirements of Rate 385, these Terms and Conditions, and the Choice Supplier Pooling Agreement.
5. Establish and maintain a creditworthy financial position to enable Choice Supplier to indemnify Company for costs incurred as a result of any failure by Choice Supplier to deliver gas or pay invoices in accordance with the requirements of the Program.
6. In all Supply Contracts with Pool Customers, provide Customer the right to terminate its Contract with Choice Supplier without penalty if the Program is terminated by the Commission prior to the end of the Supply Contract.
7. For all Pool Customers, provide Company and Pool Customer at least 30 days' written notice prior to the end of the term of the Supply Contract of Choice Supplier's intent to discontinue service to Pool Customer.
8. For Supply Contracts that may renew for a period of six (6) months or longer, Choice Supplier shall provide appropriate notice to Customer at least forty-five (45) days, but not more than ninety (90) days in advance of its Contract expiration date. Such notice shall, at a minimum, state any renewal period and how Customer may renew, terminate and/or extend the Supply Contract.
9. Make good faith efforts to resolve all disputes between Choice Supplier and its Pool Customers and to cooperate with resolution of any joint issues with Company.
10. Agree to implement a third-party verification process for Pool Customer sign-ups when conducting a door-to-door marketing/sales campaign and agree to adhere to the Home Solicitation Sales Act as applicable.

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## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

11. Cooperate with the Commission Staff, in developing the Apples to Apples comparison chart, by providing accurate and timely information. Cooperate with the OCC in developing the "Comparing Your Energy Choices" fact sheet, if Choice Supplier serves Residential Customers.

Failure to fulfill any of these obligations shall be considered a violation of the Choice Supplier Code of Conduct, subject to consequences set forth in the Consequences of Choice Supplier's Failure to Perform or Comply section of these Terms and Conditions.

### **CAPACITY AND OPERATING REQUIREMENTS**

#### **Comparable Firm Capacity Requirement:**

Choice Supplier agrees to secure sufficient firm interstate pipeline capacity, of which a portion shall be Company released capacity, with primary delivery points to Company's city gates and firm supply to meet 100% of each month's Peak Design Day Demand of its Pool Customers, less a percentage during the winter months reflecting the Pool's entitlement to Company's propane as described below (Comparable Firm Capacity Requirement). All obligations of Choice Supplier with respect to such capacity and supply shall be the sole responsibility of Choice Supplier.

On a daily basis, Company will provide Choice Supplier with the revised Peak Design Day Demand for Choice Supplier's Pool effective the following day. This volume will change over time as necessary to reflect Customers joining and/or leaving Choice Supplier's Pool and any changes in Company's peak design day demand parameters.

Company may periodically verify Choice Supplier's compliance with this Comparable Firm Capacity Requirement. Choice Supplier will provide to Company upon request copies of contracts for upstream pipeline capacity not released by Company and supply contracts showing the firm quantities reserved or purchased and the specific points of delivery. If Choice Supplier is securing firm city gate supplies, Choice Supplier shall provide a copy of such firm supply agreement, and additional documentation as required by Company to confirm compliance of the applicable interstate pipeline capacity.

If Company identifies a firm capacity deficiency, such deficiency shall be resolved to Company's satisfaction by one or a combination of the following, at Choice Supplier's discretion: 1) immediate acquisition by Choice Supplier of additional firm pipeline capacity, 2) assignment to Choice Supplier of Company's pipeline capacity, 3) delayed enrollment of new Pool Customers, 4) return of existing Pool Customers to Sales Service, or 5) transfer of Pool Customers to another Choice Supplier. If Company identifies a firm supply deficiency, such deficiency shall be resolved to Company's satisfaction by one or a combination of the following, at Choice Supplier's discretion: 1) immediate acquisition by Choice Supplier of additional firm supply, 2) delayed enrollment of new Pool Customers, 3) transfer of existing Pool Customers to Sales Service, or 4) transfer of Pool Customers to another Choice Supplier.

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **Mandatory Assignment of Pipeline Capacity:**

Company will release its pipeline transportation and storage capacity to Choice Supplier based upon approximately 75% of the Peak Design Day Demand of Choice Supplier's Pool. Choice Supplier shall take release of specific interstate pipeline firm transportation and storage capacity for a term, agreed to by Company, subject to Company's right of capacity recall contained elsewhere in these Terms and Conditions.

Terms and conditions of the capacity release will be specified in pipeline capacity release forms, including length of term, price, and recall requirements, subject to FERC requirements for capacity release. Choice Supplier may not change any primary points of receipt or delivery associated with released pipeline transportation contracts during the term of the capacity release. In addition, for specific parcels of capacity identified by Company, Choice Supplier may not utilize any delivery point other than those primary and secondary points identified by Company unless the capacity is released at the pipeline's full tariff rate or unless an alternate capacity billing arrangement is agreed to by Choice Supplier and Company. The released capacity is subject to recall at any time if Choice Supplier does not perform in accordance with the Agreement or fails to comply with the Choice Supplier Code of Conduct and other provisions set forth in these Terms and Conditions.

Choice Supplier may re-release any capacity assigned to it hereunder except TCO storage capacity, provided that: 1) Choice Supplier will continue to be responsible for payment of all pipeline charges associated with the released capacity; 2) any re-release of such capacity remains subject to the restrictions identified in the Company's Tariff; and 3) the capacity is not needed to satisfy the Choice Supplier's Pool's DDQ on such day(s). Choice Supplier may use other firm pipeline capacity to supply its DDQ and re-release portions of its assigned pipeline capacity, subject to the previously mentioned restrictions.

### **Monthly Reassignment of Capacity:**

Transportation and storage capacity released to Suppliers will follow Customers to their new Suppliers upon migration to and from Choice Service with monthly reassignment of capacity to Suppliers based on their Peak Design Day Demands. Company reserves the right to adjust capacity release quantities intra-month in the event large Choice migrations occur.

### **Operational System Balancing:**

Company's TCO storage will be released to each Choice and SSO Supplier on a proportionate basis. The holders of Company-released TCO storage capacity will collectively provide system balancing through Predetermined Allocations (PDA) set with TCO.



## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

PDAs will be established with TCO at the beginning of each month proportional to the percentage of TCO storage capacity released to Suppliers. Each day Choice Supplier will be allocated a portion of the daily system imbalance based on its PDA percentage. Choice Supplier will be charged by TCO for any overrun or penalties associated with exceeding its individual storage volume limits. If Company, as meter operator, incurs TCO penalties, such penalties will be assessed to each Choice Supplier that contributed to the penalty proportional to their contribution to the violation.

Choice Suppliers will agree to follow Company-established minimum and maximum limits for daily storage injections and withdrawals, and minimum storage inventory requirements to ensure sufficient storage inventory and capacity to balance Company's system each day. At no time shall Choice Supplier's Company-released TCO storage inventory volume be less than the minimum specified by Company.

### **Provider of Last Resort ("POLR") Service:**

Choice Supplier shall temporarily provide supply from Company-released TCO storage capacity to cover system load requirements in the event of a Supplier default or OFO event.

Defaulting Suppliers will be required to reimburse affected parties for any incremental costs incurred to provide POLR Service. Any incremental costs not recovered from defaulting Suppliers will be included in the ETC Rider.

Company will act as POLR Coordinator, identifying the need for POLR service and notifying SSO and Choice Suppliers.

Company will take the following short-term action with regard to obtaining POLR supply:

- (1) Choice and SSO Suppliers collectively will provide supply to meet POLR needs, using their individual TCO storage inventories. The withdrawn storage inventory will be subsequently replaced.
- (2) If Company determines that the daily quantity of gas needed may affect the reliability of the system, an OFO will be issued, to ensure that Transportation Customers or Pool Operators are not under delivering versus their respective usages during the POLR period.
- (3) Next, as soon as possible, all transportation and storage capacity released to any defaulting Supplier will be recalled by Company who will use it to meet the immediate needs of the defaulting Supplier's customers. Company will claim the defaulting Supplier's storage inventory as needed to meet the defaulting Supplier's customer loads.

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

- (4) Company will fill any remaining shortfall through acquiring additional temporary capacity and supply or city-gate deliveries.
- (5) Company will coordinate the provision of POLR service for the remainder of the billing month in which a Supplier default occurs, and the subsequent month, or until an alternate solution is effectuated.

In the event of defaulting supplier removal, Company will take the following action with regard to an alternate solution:

- (1) If a Choice Supplier is removed, Company will offer non-defaulting Choice Suppliers the option of assuming the customers of the removed Choice Supplier. If there are no non-defaulting Choice Suppliers that will assume the removed Choice Supplier's customers, the customers will transfer to Sales service.
- (2) If a SSO Supplier is removed or Choice Suppliers do not assume the customers of a removed Choice Supplier:
  - (a) The existing SSO Suppliers loads will be increased to cover the defaulted load on a pro rata basis. Such incremental load will be limited to 50% of initial Tranche size.
  - (b) For the portion of increased load quantity greater than 50% of initial Load Tranche size, that load will be assigned to a new SSO Supplier based on an accelerated auction process.

### **Company Demand Forecast:**

Company shall forecast each Pool's Peak Design Day Demand and Expected Demand based upon Company's design day and forecasted weather, respectively; the number of Customers in the Pool; and the historic usage characteristics of the Pool Customers. The Peak Design Day Demand, Expected Demand, and corresponding DDQ shall be based on a single market area upon the implementation of the Program. However, through experience gained with the Program, Company may create separate forecasts and DDQs and require separate Pools for specific market areas.

### **Daily Scheduling of Directed Delivery Quantities:**

By 8:00 a.m. Central Clock Time (CCT), Company will post on its EBB, Choice Supplier's DDQ by Pool for the gas day beginning 9:00 a.m. CCT the following day. Such DDQ shall be the sum of: 1) the Expected Demand of Choice Supplier's Pool for that gas day calculated using the Pool's demand equation and forecasted weather; and 2) any necessary adjustments for interstate pipeline and/or Company operating constraints, system knowledge and experience, and/or prior imbalances associated with the periodic volume reconciliations. The DDQ will be stated in city-gate Dekatherms. At the time of posting the DDQ, Company shall indicate the minimum, maximum or exact volume that shall be delivered by Choice Supplier on each interstate pipeline or to each Company city gate to achieve the DDQ, and shall post any interstate pipeline and/or Company operating constraints that are expected to be in effect the following day(s). Company shall maintain city-gate allocation tables that outline the range of minimum and maximum delivery percentages required by city-gates and/or service areas on Company's system. These percentages shall be recalculated and communicated to Choice Suppliers periodically. Absent unforeseen circumstances, a minimum four months' notice will be provided on changes to the city-gate allocation tables.

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

Choice Suppliers are required to nominate scheduled storage injections and withdrawals to the pipelines and to Company for all Company-released storage capacity. Company will post daily minimum and maximum TCO storage injection and withdrawal limits, and monthly minimum storage inventory levels. Scheduled injection nomination rights during winter months and scheduled withdrawal nomination rights during summer months are subject to approval in advance by Company.

By 11:00 a.m. CCT each day, and in any intra-day nominations thereafter, Choice Supplier shall nominate to the Company via the Company's EBB the quantity of gas that it has scheduled for delivery at Company's city gate(s) for its Pool(s) for the following gas day. Choice Supplier agrees to adhere to the nominating guidelines set out in the FERC approved tariff of the applicable interstate pipeline and comply with any Company operating and/or interstate pipeline restrictions communicated by Company.

Company will post actual system imbalance volumes the day after flow and each Choice Supplier's prorata share of the system imbalance per the monthly PDA. Company may at its discretion perform a No-Notice nomination to Choice Supplier's Company-released TCO storage for the prior day's flow if the Choice Supplier has not (1) delivered adequate supplies to meet their DDQ or (2) met their TCO minimum city-gate allocation delivery requirement.

### **Allocation of Propane Supplies:**

During the months of December through March, Company shall reserve a portion of its vaporized propane capacity for Choice Supplier Pools, based on the product of each Pool's then-applicable Peak Design Day Demand and the percentage of Company's total design day needs forecasted to be met by vaporized propane that month. The portion reserved shall be applied as a reduction to the Peak Design Day Demand that Choice Supplier must meet pursuant to its Comparable Firm Capacity Requirement.

On any day when the Pool's Expected Demand reaches the volume of Choice Supplier's Comparable Firm Capacity Requirement, Company shall supply the Pool's gas needs in excess of the Choice Supplier's Comparable Firm Capacity Requirements with vaporized propane.

Choice Supplier will be assessed a proportionate share, as determined by Company, of the costs of propane used for peak shaving, for propane facility test runs, for hourly load shaving and any other uses of propane determined to be necessary for system operation in Company's discretion.

By October 1 of each year, and when there is a material change in Company's propane peaking capacity, Company shall indicate the percentage of Choice Supplier Pool's Peak Design Day Demand that will be met with Company's vaporized propane allocated by Company to such Pool.

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **Measurement of Customer Usage Volumes:**

Company shall be responsible for all usage measurement at the point of delivery to the Customer's facilities. Monthly volumes billed to Pool Customers shall be considered actual volumes consumed, whether the meter reading is actual or estimated.

### **Quality of Gas Delivered by Choice Supplier:**

Choice Supplier warrants that all gas delivered by or on behalf of Choice Supplier for its Pool Customers shall meet the quality, pressure, heating value and other quality specifications of the applicable FERC Gas Tariff of the interstate gas pipeline delivering said gas to Company.

### **Title and Warranty:**

Choice Supplier warrants that it will, at the time and place of delivery, have good right and title to all volumes of gas delivered on its behalf, free and clear of all liens, encumbrances, and claims whatsoever, and that it will indemnify and hold Company harmless for all suits, actions, debts, accounts, damages, costs, losses, or expenses (including reasonable attorneys fees) arising from or out of the adverse claims of any or all persons relating to or arising from said gas.

### **MONTHLY VOLUME RECONCILIATION**

For each month, Company will determine Supplier's Pool's Effective Deliveries and compare them to the Pool's Required Deliveries in order to determine the monthly reconciliation volume. Reconciliation volumes will be settled financially by charging Choice Supplier if Required Deliveries are less than Effective Deliveries, or paying Choice Supplier if Effective Deliveries are greater than their Required Deliveries. The price utilized will be the Columbia Appalachia Index for the month being reconciled.

Choice Supplier's Pool's Effective Deliveries will be the sum of the Pool's deliveries to the city-gate, plus its proportional share of propane and system balancing activity.

The Pool's Required Deliveries will be determined by multiplying the Pool's actual usage percentage by the total system Effective Deliveries.

Monthly volume reconciliations will be performed the second month following the end of the month of flow in order to obtain all billed usage for the applicable period and any prior usage adjustments.

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **CONSEQUENCES OF CHOICE SUPPLIER'S FAILURE TO PERFORM OR COMPLY**

If a Choice Supplier fails to deliver gas in accordance with the requirements of the Choice Supplier Pooling Agreement, or otherwise fails to comply with the provisions of Rate 385 and these Terms and Conditions, including those specified in the Choice Supplier Code of Conduct section, Company shall have the discretion to initiate the process to suspend temporarily or terminate such Choice Supplier's further Program participation for the applicable Pool.

- **Non-Mercantile Pool:** In the event Company seeks to suspend or terminate a Choice Supplier from the provision of service to any Non-Mercantile Pool under the Program, Company shall follow the process and timeline set out in Rule 4901:1-27-12(J), OAC. Among other things, this establishes the process by which Company must seek authorization from the Commission to terminate or suspend a Choice Supplier from providing service to a Non-Mercantile Pool in the event of a default.
- **Mercantile Pool:** In the event Company intends to suspend or terminate a Choice Supplier from the Program, Company shall first notify the Choice Supplier of the alleged violations that merit suspension or termination. Such notice shall be in writing, contain reasonable detail and shall be sent to Choice Supplier at the fax number listed in the Choice Supplier Pooling Agreement five (5) days prior to the suspension or termination. If, within five (5) days after the service of the previously mentioned notice, Choice Supplier remedies or removes the cause or causes stated in the notice, the Choice Supplier Pooling Agreement and such Mercantile Pool will continue in full force and effect. If Choice Supplier does not remedy or remove the cause or causes within five (5) days, then at the option of Company, the Choice Supplier Pooling Agreement relative to all Mercantile Pools may terminate at the expiration of said five (5) day period.

If Choice Supplier is suspended or expelled from the Program relative to a specific Pool, Customers in such Pool shall transfer to Company's Sales Service, unless said Customers join another Choice Supplier's Pool. Any termination or cancellation of the Choice Supplier Pooling Agreement relative to some or all of Choice Supplier's Pools and pursuant to any provision of this section shall be without waiver of any remedy, whether at law or in equity, to which the party not in default otherwise may be entitled for breach of the Agreement.

### **CHOICE SUPPLIER WITHDRAWAL OR TERMINATION**

If Choice Supplier in total or for a specific Pool is restricted from further participation in the Program or elects to withdraw from the Program, Company shall have the right to recall all pipeline capacity then assigned to Choice Supplier by Company associated with the specific Pool(s) in accordance with the terms of the release agreement. Payment of any amounts payable to Choice Supplier by Company will be held by Company until all volumes are reconciled and any charges owed to Company are paid in full.

Upon withdrawal or termination, Choice Supplier will be required to sell to Company fifteen percent (15%) of its TCO Storage Contract Quantity (SCQ) at the Columbia Appalachia Index price for the current month or next month, whichever is lower.

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **FORCE MAJEURE**

If either Choice Supplier or Company is unable to fulfill its obligations under the Choice Supplier Pooling Agreement, Rate 385, or these Terms and Conditions due to an event or circumstance which is beyond the control of such party and which prevents such performance, such party shall be excused from and will not be liable for damages related to non-performance during the continuation of such impossibility of performance. Neither of the following shall be considered a force majeure condition: 1) changes in market conditions that affect the acquisition or transportation of natural gas, or 2) failure of Choice Supplier to deliver or Pool Customers to consume scheduled gas volumes.

The party claiming force majeure will use due diligence to remove the cause of the force majeure condition and resume delivery or consumption of gas previously suspended. Gas withheld from Choice Supplier or Pool Customers during a force majeure condition will be delivered upon the end of such condition as soon as practicable based on, among other things, Company's operating constraints.

## **UNACCOUNTED FOR GAS PERCENTAGE**

### **APPLICABILITY**

The Unaccounted for Gas Percentage shall be applicable to Choice Suppliers, Pool Operators, SSO Suppliers, and to non-Pooling Transportation Customers served under Rate 345.

### **DESCRIPTION**

A percentage of the quantities delivered by applicable parties at a point of receipt on the Company's distribution system shall be designated to compensate for gas lost, used, and unaccounted for in system operations.

The Unaccounted for Gas Percentage stated below shall be adjusted periodically by Company, through updating of this Sheet No. 54 after approval by the Commission, to reflect any changes in the system unaccounted for percentage.

### **UNACCOUNTED FOR GAS PERCENTAGE**

The Unaccounted for Gas Percentage is 1.6%.

## **SSO SUPPLIER TERMS AND CONDITIONS**

### **APPLICABILITY**

The following Terms and Conditions apply to SSO Suppliers under Rate 395, SSO Supplier Service..

### **DEFINITIONS**

**Columbia Appalachia Index** – First of the Month "Columbia Gas Transmission Corp, Appalachia" as reported by Inside FERC's Gas Market Report in the table "Prices of Spot Gas Deliveries to Pipelines".

**Comparable Firm Capacity Requirement** - For the term of the SSO Phase, each SSO Supplier agrees to retain sufficient firm interstate pipeline transportation and storage capacity with primary delivery points to the Company city gates and firm gas supply to meet 100% of the monthly design peak day demands for its SSO Load Tranches, less a percentage during the winter months reflecting the SSO Supplier's propane peaking allocation.

**Directed Delivery Quantity (DDQ)** - the sum of:

- a. The Expected Demand of the SSO Supplier's Load Tranche(s) for that gas day calculated as a prorata share of total SSO Customer demand, plus
- b. System UAFG percentage volumes, plus
- c. Any necessary adjustments for interstate pipeline and/or Company operating constraints, and/or prior imbalances associated with periodic volume reconciliations.

**EFT** – Panhandle Eastern Pipe Line Company Enhanced Firm Transportation.

**Expected Demand** - A SSO Supplier's forecasted Tranche usage for a particular gas day, as determined by Company.

**Load Tranche or Tranche**- a proportionate share of Company's total Sales Service volumes to be supplied by SSO Supplier.

**ORC** - The Ohio Revised Code.

**PEPL** – Panhandle Eastern Pipe Line

**Pre-determined Allocation ("PDA")** - a contractual arrangement with TCO which allocates the daily VEDO system imbalance volumes to all holders of Company's released TCO storage capacity based on predetermined allocation percentages.

**Retail Price Adjustment** - Bids during the SSO auction specified as an adjustment to the NYMEX monthly settlement price fixed for the entire term of the SSO Phase.

**SSO Supplier** - A supplier that meets the Requirements for SSO Supplier Participation set out in Rate 395.

**SSO Supply** – Gas supply provided by SSO Suppliers pursuant to Rate 395.



## **SSO SUPPLIER TERMS AND CONDITIONS**

**SSO Supplier Agreement or Agreement** - An agreement between Company and SSO Supplier that defines the mutual responsibilities and obligations of those parties relative to services provided under Rate 395.

**TCO** - Columbia Gas Transmission Corporation.

**Unaccounted for Gas Percentage** - The portion of SSO Supplier's city gate deliveries designated to compensate for gas lost, used, and unaccounted for in system operations. The Unaccounted for Gas Percentage is contained in Sheet 54.

### **CAPACITY AND OPERATING REQUIREMENTS**

#### **Comparable Firm Capacity Requirement**

SSO Supplier agrees to secure sufficient firm interstate pipeline capacity, of which a portion shall be Company released capacity, with primary delivery points to Company's city gates and firm supply to meet 100% of each month's Peak Design Day Demand of its Load Tranche, less a percentage during the winter months reflecting SSO Supplier's entitlement to Company's propane as described below (Allocation of Propane Supplies).

On a daily basis, Company will provide SSO Supplier with the revised Peak Design Day Demand for SSO Supplier's Load Tranche effective the following day. This volume will change over time as necessary to reflect Customers joining and leaving SSO Supplier's Load Tranche and any changes in Company's peak design day demand parameters.

Company may periodically verify SSO Supplier's compliance with this Comparable Firm Capacity Requirement. SSO Supplier will provide to Company upon request copies of contracts for upstream pipeline capacity not released by Company and supply contracts showing the firm quantities reserved or purchased and the specific points of delivery. If SSO Supplier is securing firm city gate supplies, SSO Supplier shall provide a copy of such firm supply agreement, and additional documentation as required by Company to confirm compliance of the applicable interstate pipeline capacity.

If Company identifies a firm capacity deficiency, such deficiency shall be resolved to Company's satisfaction by immediate acquisition by SSO Supplier of additional firm pipeline capacity. If Company identifies a firm supply deficiency, such deficiency shall be resolved to the Company's satisfaction by immediate acquisition by SSO Supplier of additional firm supply.

#### **Mandatory Assignment of Pipeline Capacity:**

Company will release its pipeline transportation and storage capacity to SSO Supplier based upon approximately 75% of the Peak Design Day Demand of SSO Supplier's Load Tranche. SSO Supplier shall take release of specific interstate pipeline firm transportation and storage capacity for the term of the SSO Service phase, subject to Company's right of capacity recall contained elsewhere in these Terms and Conditions.

## **SSO SUPPLIER TERMS AND CONDITIONS**

Terms and conditions of the capacity release will be specified in pipeline capacity release forms including length of term, price, and recall requirements, subject to FERC requirements for capacity release. SSO Supplier may not change any primary points of receipt or delivery associated with released pipeline transportation contracts during the term of the capacity release. In addition, for specific parcels of capacity identified by Company, SSO Supplier may not utilize any delivery point other than those primary and secondary points identified by Company unless the capacity is released at the pipeline's full tariff rate or unless an alternate capacity billing arrangement is agreed to by SSO Supplier and Company. The released capacity is subject to recall at any time if SSO Supplier does not perform in accordance with the SSO Supplier Agreement or fails to comply with provisions set forth in these Terms and Conditions.

SSO Supplier may re-release on a recallable basis any transportation capacity released to it hereunder, provided that: 1) SSO Supplier will continue to be responsible for payment of all pipeline charges associated with the released capacity; 2) any re-release of such capacity remains subject to the requirements and restrictions identified in Company's Tariff; and 3) the capacity is not needed to satisfy the SSO Supplier's Load Tranche's DDQ on such day(s). SSO Supplier may use other firm pipeline capacity to supply its DDQ and re-release portions of its assigned pipeline capacity, subject to the previously mentioned restrictions.

### **Monthly Reassignment of Capacity:**

Transportation and storage capacity released to Suppliers will follow Customers to their new Suppliers upon migration to and from Choice Service with monthly reassignment of capacity to Suppliers based on their Peak Design Day Demands. Company reserves the right to adjust capacity release quantities intra-month in the event large Choice migrations occur.

### **Operational System Balancing:**

Company's TCO storage will be released to each Choice and SSO Supplier on a proportionate basis. The holders of Company-released TCO storage capacity will collectively provide system balancing through Predetermined Allocations (PDA) set with TCO.

PDAs will be established with TCO at the beginning of each month proportional to the percentage of TCO storage capacity released to Suppliers. Each day SSO Supplier will be allocated a portion of the daily system imbalance based on its PDA percentage. SSO Supplier will be charged by TCO for any overrun or penalties associated with exceeding its individual storage volume limits. If Company, as meter operator, incurs TCO penalties, such penalties will be assessed to each SSO Supplier that contributed to the penalty proportional to their contribution to the violation.

SSO Suppliers will agree to follow Company-established minimum and maximum limits for daily storage injections and withdrawals, and minimum storage inventory requirements to ensure sufficient storage inventory and capacity to balance Company's system each day. At no time shall SSO Supplier's Company-released TCO storage inventory volume be less than the minimum specified by Company.

## **SSO SUPPLIER TERMS AND CONDITIONS**

### **Provider of Last Resort ("POLR") Service:**

SSO Supplier shall temporarily provide supply from Company-released TCO storage capacity to cover system load requirements in the event of a Supplier default or OFO event.

Defaulting Suppliers will be required to reimburse affected parties for any incremental costs incurred to provide POLR service. Any incremental costs not recovered from defaulting Suppliers will be included in the ETC Rider.

Company will act as POLR Coordinator, identifying the need for POLR Service and notifying SSO and Choice Suppliers.

Company will take the following short-term action with regard to obtaining POLR supply:

- (1) Choice and SSO Suppliers collectively will provide supply to meet POLR needs, using their individual TCO storage inventories. The withdrawn storage inventory will be subsequently replaced.
- (2) If Company determines that the daily quantity of gas needed may affect the reliability of the system, an OFO will be issued, to ensure that Transportation Customers or Pool Operators are not under delivering versus their respective usages during the POLR period.
- (3) Next, as soon as possible, all transportation and storage capacity released to any defaulting Supplier will be recalled by Company who will use it to meet the immediate needs of the defaulting Supplier's customers. Company will claim the defaulting Supplier's storage inventory as needed to meet the defaulting Supplier's customer loads.
- (4) Company will fill any remaining shortfall through acquiring additional temporary capacity and supply or city-gate deliveries.
- (5) Company will coordinate the provision of POLR service for the remainder of the billing month in which a Supplier default occurs, and the subsequent month, or until an alternate solution is effectuated.

In the event of defaulting supplier removal, Company will take the following action with regard to an alternate solution:

- (1) If a Choice Supplier is removed, Company will offer non-defaulting Choice Suppliers the option of assuming the customers of the removed Choice Supplier. If there are no non-defaulting Choice Suppliers that will assume the removed Choice Supplier's customers, the customers will transfer to Sales service.
- (2) If an SSO Supplier is removed or Choice Suppliers do not assume the customers of a removed SSO Supplier:
  - (a) The existing SSO Suppliers loads will be increased to cover the defaulted load on a pro rata basis. Such incremental load will be limited to 50% of initial Tranche size.
  - (b) For the portion of increased load quantity greater than 50% of initial Load Tranche size, that load will be assigned to a new SSO Supplier based on an accelerated auction process.

## **SSO SUPPLIER TERMS AND CONDITIONS**

### **Daily Scheduling of Directed Delivery Quantities:**

By 8:00 a.m. Central Clock Time (CCT), Company will post on its EBB, SSO Supplier's DDQ for the gas day beginning 9:00 a.m. CCT the following day. Such DDQ shall be the sum of: 1) the Expected Demand of SSO Supplier's Load Tranches for that gas day calculated as a prorata share of total SSO Customer demand; 2) Load Tranche Unaccounted for Gas quantities based on Company's Unaccounted for Gas Percentage and 3) any necessary adjustments for interstate pipeline and/or Company operating constraints, system knowledge and experience, and/or prior imbalances associated with the periodic volume reconciliations. The DDQ will be stated in city gate MMBtus.

At the time of posting the DDQ, Company shall indicate the minimum, maximum or exact volume that shall be delivered by SSO Supplier on each interstate pipeline or to each Company city gate to achieve the DDQ, and shall post any interstate pipeline and/or Company operating constraints that are expected to be in effect the following day(s). Company shall maintain city-gate allocation tables that outline the range of minimum and maximum delivery percentages required by city-gates on Company's system. These percentages shall be recalculated and communicated to SSO Suppliers periodically. Absent unforeseen circumstances, four months' minimum notice will be provided on changes to the city-gate allocation tables.

SSO Suppliers are required to nominate scheduled storage injections and withdrawals to the pipelines and to Company for all Company-released storage capacity. Company will post daily minimum and maximum TCO storage injection and withdrawal limits, and monthly minimum storage inventory levels. Scheduled injection nomination rights during winter months and scheduled withdrawal nomination rights during summer months are subject to approval in advance by Company.

By 11:00 a.m. CCT each day, and in any intra-day nominations thereafter, SSO Supplier shall nominate to the Company via the Company's EBB the quantity of gas that it has scheduled for delivery at Company's city gates for its DDQ for the following gas day. SSO Supplier agrees to adhere to the nominating guidelines set out in the FERC approved tariff of the applicable interstate pipeline and Company's Extranet Administrative Guidelines and comply with any Company operating and/or interstate pipeline restrictions communicated by Company.

## **SSO SUPPLIER TERMS AND CONDITIONS**

Company will post actual system imbalance volumes the day after flow and each SSO Supplier's prorata share of the system imbalance per the monthly PDA. Company may at its discretion perform a No-Notice nomination to SSO Supplier's Company-released TCO storage for the prior day's flow if the SSO Supplier has not (1) delivered adequate supplies to meet their DDQ or (2) met their TCO minimum city-gate allocation delivery requirement.

### **Allocation of Propane Supplies:**

During the months of December through March, Company shall reserve a portion of its vaporized propane capacity for SSO Suppliers, based on the product of each SSO Supplier's then-applicable Peak Design Day Demand and the percentage of Company's total design day needs forecasted to be met by vaporized propane that month. The portion reserved shall be applied as a reduction to the Peak Design Day Demand that SSO Supplier must meet pursuant to its Comparable Firm Capacity Requirement.

On any day when the SSO Supplier's Expected Demand reaches the volume of SSO Supplier's Comparable Firm Capacity Requirement, Company shall supply the SSO Supplier's gas needs in excess of the SSO Supplier's Comparable Firm Capacity Requirements with vaporized propane.

SSO Supplier will be assessed a proportionate share, as determined by Company, of the costs of propane used for peak shaving, for propane facility test runs, for hourly load shaving and any other uses of propane determined to be necessary for system operation in Company's discretion.

By October 1 of each year, and when there is a material change in Company's propane peaking capacity, Company shall indicate the percentage of SSO Supplier's Peak Design Day Demand that will be met with Company's vaporized propane, or alternate peaking supplies, allocated by Company to such SSO Supplier.

### **Measurement of Customer Usage Volumes:**

Company shall be responsible for all usage measurement at the point of delivery to the Customer's facilities. Monthly Load Tranche volumes billed to Customers shall be considered actual volumes consumed, whether the meter reading is actual or estimated.

### **Quality of Gas Delivered by SSO Supplier:**

SSO Supplier warrants that all gas delivered by or for its Tranche shall meet the quality, pressure, heating value and other quality specifications of the applicable FERC Gas Tariff of the interstate gas pipeline delivering said gas to Company.

### **Title and Warranty:**

SSO Supplier warrants that it will, at the time and place of delivery, have good right and title to all volumes of gas delivered on its behalf, free and clear of all liens, encumbrances, and claims whatsoever, and that it will indemnify and hold Company harmless for all suits, actions, debts, accounts, damages, costs, losses, or expenses (including reasonable attorneys fees) arising from or out of the adverse claims of any or all persons relating to or arising from said gas.

## **SSO SUPPLIER TERMS AND CONDITIONS**

### **MONTHLY VOLUME RECONCILIATION**

Company will determine each Supplier's Tranche's Effective Deliveries and compare to each Tranche's Required Deliveries in order to determine the reconciliation volume. Reconciliation volumes will be settled financially by charging Supplier if Required Deliveries are less than Effective Deliveries, or paying Supplier if Effective Deliveries are greater than their Required Deliveries. The price utilized will be the Columbia Appalachia Index for the month being reconciled.

SSO Supplier's Tranche's Effective Deliveries will be the sum of each Tranche's respective deliveries to the city-gate, plus its proportional share of propane and system balancing activity.

The Tranche's Required Deliveries will be determined by multiplying the Tranche's actual usage percentage by the total system Effective Deliveries.

Monthly volume reconciliations will be performed the second month following the end of the month of flow in order to obtain all billed usage for the applicable period and any prior usage adjustments.

### **SSO SUPPLIER DEFAULT OR TERMINATION**

If SSO Supplier ceases participation in the SSO Program, Company shall have the right to recall all pipeline capacity then assigned to SSO Supplier by Company associated with the specific Load Tranche(s) in accordance with the terms of the release agreement. Payment of any amounts payable to SSO Supplier by Company will be held by Company until all volumes are reconciled and any charges owed to Company are paid in full.

SSO Suppliers will be required to sell to succeeding Suppliers fifteen percent (15%) of their TCO Storage Contract Quantity (SCQ) at the end of the SSO phase at the first of the month Columbia Appalachia Index price for the next month.

Upon default, SSO Supplier will be required to sell to Company fifteen percent (15%) of its TCO Storage Contract Quantity (SCQ) at the Columbia Appalachia Index price for the current or next month, whichever is lower.

## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

### **DEFINITIONS**

Unless otherwise specified in the Rate Schedule, the following terms shall have the meanings defined below when used in this Tariff for Gas Service:

#### **Abbreviations:**

<b>Btu</b>	– British thermal unit
<b>Ccf</b>	– One hundred cubic feet
<b>Cf</b>	– Cubic foot
<b>Cfh</b>	– Cubic feet per hour
<b>Dth</b>	– One Dekatherm or 1,000,000 Btu's
<b>FERC</b>	– Federal Energy Regulatory Commission
<b>Mcf</b>	– One thousand cubic feet
<b>OAC</b>	– Ohio Administrative Code
<b>OCC</b>	– Ohio Consumers' Counsel
<b>ORC</b>	– Ohio Revised Code
<b>PSIG</b>	– Pounds per square inch gauge
<b>PUCO</b>	– Public Utilities Commission of Ohio

**Alternate Fuel** – The form of energy used by Customer in place of Gas Service during Curtailment Periods. Gas Service provided by Company under another Rate Schedule shall not qualify as an Alternate Fuel.

**Annual Usage** – Customer's actual total gas usage for the most recent twelve consecutive billing months, or Company's estimate of Customer's total gas usage for twelve consecutive billing months when actual usage information is not available.

**Bill** – An itemized list or statement of fees and charges for Gas Service. A Bill may be rendered by mail or by electronic means.

**British Thermal Unit** – The average amount of heat necessary to increase the temperature of one pound of water by 1° Fahrenheit, in the temperature range of 32° to 212° Fahrenheit, at 14.73 pounds per square inch absolute pressure.

**Cashout** – The monetary settlement of over-delivery and under-delivery gas imbalances between Company and Pool Operators or Transportation Customers.

**Central Clock Time (CCT)** – Central Daylight Time when daylight savings time is in effect and Central Standard Time when daylight savings time is not in effect.

**Commercial Customer** – Any Customer primarily engaged in wholesale or retail trade and services (including central heating and air conditioning facilities of apartment complexes), any local, state and federal governmental agency, and any Customer not covered by another classification. When Gas Service is supplied through one meter to an apartment house or multiple dwelling, the service shall be classified as Commercial, in which case the applicable Non-Residential Rate Schedule shall apply.

## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

### **DEFINITIONS Continued**

**Commission** – The Public Utilities Commission of Ohio, or PUCO.

**Commission's Regulations** – The Ohio Administrative Code applicable to services provided to customers of natural gas companies regulated by the Commission.

**Company** – Vectren Energy Delivery of Ohio, Inc.

**Company-Supplied Gas** – Gas purchased by Company and distributed to Customer for end-use.

**Company's General Terms and Conditions** – General Terms and Conditions Applicable to Gas Service, as amended from time to time, and as approved by the Commission as part of this Tariff for Gas Service.

**Curtailment** – The limitation of the Gas Service available to Customer pursuant to the Company's Curtailment Procedures.

**Curtailment Period** – The period of time, as specified by Company, during which Gas Service is subject to Curtailment.

**Curtailment Procedures** – Rule 11 of Company's General Terms and Conditions.

**Customer** – Any individual, partnership, association, firm, public or private corporation or any other entity who agrees to receive Gas Service from Company.

**Customer-Delivered Gas** – Gas delivered to Company's distribution system by or on behalf of Customer.

**Electronic Bulletin Board (EBB or Extranet)** – Company's electronic communications software that facilitates nominations, confirmation and other administrative functions associated with Transportation Service.

**Financial Assurance** – credit support or collateral in a form acceptable to Company in its sole discretion.

**Gas Service** – The provision by the Company under a specific Rate Schedule of natural gas or a mixture of natural gas and other compatible gases at Company's point of delivery to Customer, irrespective of whether any such gas is actually consumed.

**Group 1 Meter** – Company's designation for a Customer meter with a rated capacity of 450 Cfh or less.

**Group 2 Meter** – Company's designation for a Customer meter with a rated capacity of greater than 450 Cfh.



## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

### **DEFINITIONS Continued**

**Heating Degree Day** – A standard measure of the coldness of the temperatures experienced, based on the extent to which the daily mean temperature falls below a reference temperature of 65° Fahrenheit.

**Industrial Customer** – A Customer primarily engaged in a process that creates or changes raw or unfinished materials into another form or product.

**Interruptible Sales Service** – Sales Service subject to Curtailment from time to time and requiring Customer to maintain Alternate Fuel capability.

**Miscellaneous Charges** – Charges common to all Rate Schedules, relating to, among others, late payments, reconnection of service, returned checks, and unauthorized or fraudulent gas usage.

**Non-Residential Customer** – Any Customer that is not a Residential Customer.

**Operational Flow Order (OFO)** – An order issued by the Company via its EBB, fax machine, or telephone to Pool Operator or Transportation Customer specifying reduced imbalance tolerance levels during critical situations.

**Operational System** – Any portion of Company's distribution system for which deliveries and gas demands must be balanced separately from other portions of the distribution system, due to operational and contractual limitations.

**Pool** – A group of Transportation Customers aggregated by a Pool Operator for gas supply management purposes.

**Pool Operator** – A marketer, supplier, or Transportation Customer that provides gas supply management for a Pool.

**Pool Operator-Delivered Gas** – Gas delivered to Company's distribution system by, or on behalf of, a Pool Operator.

**Premises** – The main residence or living quarters for a Residential Customer, or the main building of a Commercial or Industrial Customer. The Premises shall include the outlying or adjacent buildings used by the same Customer, provided the use of Gas Service in the outlying or adjacent building(s) is supplemental to the service used in the main residence, main living quarters, or main building of Customer.

**Rate Schedule** – A Gas Service applicable to a particular classification of Customer with specific Applicability, Character of Service, Rates and Charges, and Terms and Conditions.

**Residential Customer** – Customer using Gas Service primarily for a single family dwelling unit, mobile home, apartment unit or condominium. When Gas Service is supplied through one meter to an apartment house or multiple dwelling, the service shall be classified as Commercial, in which case the applicable non-residential service Rate Schedule shall apply.

**Sales Customer** – A Customer subscribing to a Sales Service Rate Schedule.

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Filed pursuant to the Finding and Order dated \_\_\_\_\_ in Case No. \_\_\_\_\_ of The Public  
Utilities Commission of Ohio.

## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

### **DEFINITIONS Continued**

**Sales Service** – Gas Service involving the delivery by Company to Customer of Company-Supplied Gas.

**Standard Sales Offer ("SSO") Service** – Standard market pricing sales service established to replace Company's former GCR Sales Service.

**Service Area** – Areas in which Company has Gas Service available or may offer Gas Service.

**Spaceheating** – The use of Gas Service as fuel for the heating of some portion or all of Customer's Premises.

**Throughput** – The Sum of Customer's Sales and Transportation volumes.

**Transportation Customer** – A Customer subscribing to a Transportation Service Rate Schedule.

**Transportation Service** – Gas Service involving the delivery by Company to Customer of Customer-Delivered or Pool Operator-Delivered gas.

**Winter Season** – The calendar months of November through March, inclusive, used only for Pooling Service Agreement and Choice Peaking Supply purposes.

## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

### **11. CURTAILMENT PROCEDURES**

When sufficient capacity or quantities of gas are not available to Company to meet existing and reasonably anticipated demands for Gas Service or to protect and replenish Company's gas storage reserves, which determinations shall be within Company's reasonable discretion, Company shall have the right to curtail Gas Service within any of its Operational Systems so affected in accordance with the provisions of this procedure.

A. **Definitions.** For the purpose of this Procedure, the following terms shall have the meanings defined below:

- (1) **Firm Curtailment Customer.** A Firm Curtailment Customer shall mean any Customer being served under Rate 320, 325, 330, or 345 whose Average Daily Throughput in any billing month during or subsequent to the Base Period exceeds 1,000 Ccf.
- (2) **Average Daily Throughput.** The Average Daily Throughput for any Base Period billing month shall be the Firm Curtailment Customer's metered Throughput during such month divided by the number of days in the month.
- (3) **Base Period.** The Base Period is any twelve consecutive billing months as established by Company.
- (4) **Normal Monthly Throughput.** The Normal Monthly Throughput shall be the Firm Curtailment Customer's metered Throughput during each billing month of the Base Period. These quantities may be adjusted by Company for unusual circumstances.
- (5) **Human Needs Customers.** Human Needs Customers shall include hospitals, medical centers, nursing homes, and other Customers as determined by Company, whose Curtailment could adversely affect public health or safety.
- (6) **Gas Supply Curtailment.** Curtailment resulting from insufficient quantities of Company-Supplied gas to meet the demands of Company's Sales Customers.
- (7) **Capacity Curtailment.** Curtailment resulting from insufficient system capacity to supply Gas Services to Company's Gas Service Customers.
- (8) **Plant Protection Level -** The minimum quantity of Gas Service for Firm Curtailment Customers or Alternate Fuel capability for Interruptible Sales Service Customers required by Customer to prevent endangering the health or safety of personnel, or to prevent extensive damage to Customer's facilities, equipment, or other property. This includes the protection of such material currently in process at the time a Curtailment is called which would otherwise be destroyed, but shall not include Gas Service required to maintain plant production.

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Effective:

## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

### **11. CURTAILMENT PROCEDURES (Continued)**

B. **Curtailment Sequences.** Company shall have the right to curtail Gas Service to its Customers according to the following sequences. Such Curtailment shall be effective as of the date and time specified in the notice to Customer. When necessary in the sole opinion of Company, Gas Service shall be maintained to Human Needs Customers or other Customers who would otherwise be curtailed, to the extent necessary and practicable under the circumstances.

#### **B1. Gas Supply Curtailment Sequence.**

- (1) First, Rate 345 Non-Pooling Customers, and Pool Operators' Pools shall be subject to the Cold Weather OFO set forth in Nomination and Balancing Provisions (Large General and Pool Operator). Rate 385 and Rate 395 Suppliers shall be subject to an OFO and subject to the specific delivery requirements and or restrictions specified by Company.
- (2) Next, Rate 340 Customers' purchases of Company-Supplied Gas and Rate 341 Customers' purchases of Company-Supplied Gas for Spaceheating shall be interrupted 100%.
- (3) Next, as determined by Company, all Rates 320 and 330 Firm Curtailment Customers' purchases of Company-Supplied Gas shall be limited to either:
  - (a) their respective Average Daily Throughput each day over any portion of the billing month, or
  - (b) their respective Normal Monthly Throughput.
- (4) Next, as determined by Company, all Rates 320 and 330 Firm Curtailment Customers' purchases of Company-Supplied gas shall be curtailed prorata, either:
  - (a) on a daily basis for any period specified by Company by application of a uniform percentage curtailment to their respective Average Daily Throughput, or
  - (b) on a billing month basis by application of a uniform percentage curtailment to their respective Normal Monthly Throughput.

At this point in the Curtailment sequence, Firm Curtailment Customers shall not be curtailed to a daily quantity less than their respective Plant Protection Levels.

- (5) Next, all Rates 320 and 330 Firm Curtailment Customers' purchases of Company-Supplied Gas shall be curtailed to a daily quantity equal to their respective Plant Protection Levels.
- (6) Next, Rate 345 Non-Pooling Customers and Pool Operators' Pool Customers' transportation gas quantities on Company's system shall be limited to Customers' respective Plant Protection Levels, and the remainder of their delivered gas supply shall be diverted to use for Company supply.
- (7) Next, Rate 325 Customers' transportation gas quantities on Company's system shall be limited to Customers' respective Plant Protection Levels, and the remainder of their delivered gas supply shall be diverted to use for Company supply.
- (8) In the event further Curtailment is required to maintain Gas Service, Company shall be entitled to curtail or interrupt Gas Service to any Customer.
- (9) Compensation for the diversion of Customers' transportation gas quantities as provided for in Rule 11(B1)(6) and (7), will be in the amount of:
  - (a) **Daily Index Price:** The Daily Midpoint Price per Dekatherm as reported in Gas Daily in the table "Daily Price Survey", for delivery to the pipeline on which the diverted gas was delivered:
    - 1) Texas Gas, Zone SL; or

## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

11. **CURTAILMENT PROCEDURES (Continued)**

- 2) ANR, La; or
  - 3) Panhandle, Tx-Okla; or
  - 4) Texas Eastern, ELA; or
  - 5) Columbia Gas, Appalachia.
- (b) The maximum interruptible transportation rate, including all applicable surcharges, for the pipeline on which the diverted gas was delivered to; plus
- (c) The average premium paid by the Company (stated on a per therm basis) to firm gas suppliers.

Such gas costs shall be recoverable through Company's Exit Transition Cost Rider.

**B2. Capacity Curtailment Sequence.**

- (1) First, Rate 345 Non-Pooling Customers and Pool Operators' Pools shall be subject to the Cold Weather OFO set forth in Nomination and Balancing Provisions (Large General and Pool Operator). Rate 385 and Rate 395 Suppliers shall be subject to an OFO and subject to the specific delivery requirements and or restrictions specified by Company.
- (2) Next, Rate 340 Customers' purchases of Company-Supplied Gas and Rate 341 Customers' purchases of Company-Supplied Gas for Spaceheating shall be interrupted 100%.
- (3) Next, as determined by Company, all Firm Curtailment Customers' transportation quantities or purchases of Company-Supplied Gas, as applicable, shall be limited to either:
  - (a) their respective Average Daily Throughput each day over any portion of the billing month, or
  - (b) their respective Normal Monthly Throughput.
- (4) Next, as determined by Company, all Firm Curtailment Customers' transportation quantities or purchases of Company-Supplied Gas, as applicable, shall be curtailed prorata, either:
  - (a) on a daily basis for any period specified by Company by application of a uniform percentage curtailment to their respective Daily Throughput, or
  - (b) on a billing month basis by application of a uniform percentage curtailment to their respective Normal Monthly Throughput.

At this point in the Curtailment sequence, a Firm Curtailment Customer shall not be curtailed to a daily quantity less than its Plant Protection Level.

- (5) Next, all Firm Curtailment Customers shall be curtailed to their respective Plant Protection Levels.
- (6) In the event further Curtailment is required to maintain Gas Service, Company shall be entitled to curtail or interrupt deliveries of Gas Service to any Customer.

## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

### **11. CURTAILMENT PROCEDURES (Continued)**

#### **C. Curtailment Notification.**

- (1) Company shall give notification of Curtailment in the most effective manner possible and as much in advance as reasonably possible with regard to the existing circumstances and the number of Customers to be notified.
- (2) If reasonably possible, Firm Curtailment Customers shall be given seven days advance notice of any Curtailment.
- (3) In the event of Curtailment of Firm Curtailment Customers, Company shall provide notice to each Firm Curtailment Customer of its Normal Monthly Throughput and Average Daily Throughput.

**D. Lifting of Curtailment.** Any Curtailment shall be lifted in reverse order of the Curtailment Sequence.

#### **E. Unauthorized Gas Usage.**

- (1) Assessment of Unauthorized Gas Usage Charge. When a Curtailment is in effect pursuant to the provisions of paragraph B of this Procedure, gas usage by Customer in excess of the quantity permitted for such Customer shall constitute Unauthorized Gas Usage and shall be subject to the Unauthorized Gas Usage Charge set forth in Sheet No. 30.

During the Curtailment Period, Customer shall have no entitlement to Unauthorized Gas Usage. In the event Customer continues Unauthorized Gas Usage, Company may, in its sole discretion, discontinue Gas Service to Customer. The assessment of the Unauthorized Gas Usage Charge and the exercise of the right to discontinue Gas Service by Company shall be in addition to any other rights Company may have with respect to Customer's Unauthorized Gas Usage.

## 12. OPERATIONAL FLOW ORDERS

Company may issue an Operational Flow Order (OFO), in its reasonable discretion, as specified in this section upon determination that an action is required in order to:

- (1) alleviate or prevent conditions which threaten the integrity or reliability of Company's Operational System
- (2) to maintain the Operational System in balance
- (3) to maintain adequate storage inventory balances
- (4) to assure deliveries of gas supplies by Choice Suppliers, SSO Suppliers, and Pool Operators to serve their respective Customers' loads
- (5) adhere to the various interstate pipeline companies' balancing requirements, as stated in their FERC approved gas tariffs
- (6) direct SSO Suppliers, Choice Suppliers, Pool Operators and Transportation Customers to different city-gates or to institute different city-gate delivery allocations due to system maintenance or system constraints, or
- (7) any other condition warranting a change to delivery requirements.

An OFO may be may issued on a non-discriminatory basis to SSO Suppliers, Choice Suppliers, Pool Operators, and Transportation Customers delivering gas to Company's city-gates, on a system-wide basis, program basis, or individual basis, when necessary in Company's sole judgment.

Company will post the OFO notice via its EBB including the following information:

- (1) Start date of the OFO
- (2) End date of the OFO
- (3) Expected duration if no end date is specified
- (4) Specific delivery requirements and or restrictions including but not limited to the following:
  - i. No under-deliveries during a Cold Weather OFO
  - ii. No over-deliveries during a Warm Weather OFO
  - iii. No deliveries can be accepted at a particular city-gate due to maintenance

Company will endeavor to give 24 hours notice of an OFO. If the risk of a potential future critical issue is identified, Company will endeavor to post a Potential OFO notice to its EBB. However, Company reserves the right to issue an OFO at any time to mitigate potential system issues with expediency without prior notice.

## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

### **13. AFFILIATE CODE OF CONDUCT**

Company shall comply with the following Code of Conduct:

1. Company must apply Tariff Sheets in a like manner when comparing application to affiliate and non-affiliate Suppliers.
2. Company must enforce the Tariff Sheets in a like manner when comparing enforcement to affiliate and non-affiliate Suppliers.
3. Company may not give its affiliated Supplier or Customers of its affiliated Supplier preference over non-affiliated Suppliers or their Customers in the application of tariff provisions or otherwise pertaining to the Pooling Program. Any ancillary service provided by Company to Supplier (e.g., billing and envelope service) that is not tariffed will be priced uniformly for affiliated and non-affiliated Suppliers and be made available to all on a non-discriminatory basis.
4. Company must process all similar requests for Transportation Service in the same manner and within the same approximate period of time for all Suppliers irrespective of affiliate status.
5. Company shall not disclose to anyone other than a Company employee or agent any information regarding an existing or proposed Transportation Service arrangement, unless authorization is granted by the Customer, Customer's agent, or Supplier.
6. If a potential Pool Customer requests information about Suppliers, Company shall provide a list of all participating Suppliers, but shall not endorse any Supplier nor indicate that any Supplier will receive preference because of an affiliate relationship.
7. Company will, to the extent practicable, separate the activities of its operating employees from its affiliate Supplier employees in all areas where their failure to maintain independent operations may have the effect of harming Customers or unfairly disadvantaging unaffiliated Suppliers.
8. Company shall not condition or tie its agreements for gas supply or for the release of interstate pipeline capacity to any agreement by a Supplier, Pool Customer or other third party in which its affiliate Supplier is involved.

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## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

### **13. AFFILIATE CODE OF CONDUCT (Continued)**

9. Company and its affiliate Supplier shall keep separate books of accounts and records.
10. Neither Company nor its affiliate Supplier shall communicate to any Customer, Supplier or third party the idea that any advantage might accrue in the use of Company's service as a result of dealing with its affiliate Supplier.
11. Company's complaint procedure for issues concerning compliance with this code of conduct is as follows: All complaints, whether written or verbal, shall be referred to Company's designated attorney. Company's designated attorney shall orally acknowledge the complaint within five (5) working days of receipt. The complainant party shall prepare a written statement of the complaint which shall contain the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved, and specific claim. Company's designated attorney shall communicate the results of the preliminary investigation to the complainant in writing within thirty (30) days after the complaint was received including a description of any course of action which was taken. Company's designated attorney shall keep a file with all such complaint statements for a period of not less than three years.
12. If Company offers its affiliate Supplier or a Pool Customer of its affiliate Supplier a discount, rebate or fee waiver for transportation, balancing, meters or meter installation, storage, or any other service, it must, upon request, prospectively offer such discounts, rebates or fee waivers to all similarly situated non-affiliated Suppliers or Pool Customers under similar terms and conditions.
13. Company's name and logo will not be used in its affiliate Supplier's promotional material designed for the solicitation of Pool Customers, unless such promotional material discloses in plain, legible or audible language, on the first page or at the first point where Company's name and logo appears, that its affiliate Supplier is not the same entity as Company. Company is also prohibited from participating in exclusive joint activities with its affiliate Supplier, including advertising, marketing, sales calls or joint proposals to any existing or potential Pool Customers.

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## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

### **14. AMENDMENTS**

#### **A. General Terms and Conditions May Be Amended**

The Company reserves the right, with the approval of the Commission, to modify, alter or amend these General Terms and Conditions, or to promulgate such other and further General Terms and Conditions as experience and conditions may suggest, or as it deems necessary in the conduct of its business.

#### **B. Limitation of Liability**

Approval of the above tariff language by the Commission does not constitute a determination by the Commission that the limitation of liability imposed by the Company should be upheld in a court of law. Approval by the Commission merely recognizes that since it is a court's responsibility to adjudicate negligence and consequent damage claims, it is also the court's responsibility to determine the validity of the exculpatory clause.

# **SCO Phase Tariff Sheets**

## TARIFF SHEET INDEX

<u>Tariff Sheet</u>	<u>Description</u>	<u>Revision</u>	<u>Effective Date</u>
1	Title Page	Original	April 13, 2005
2	Tariff Sheet Index		
3	Locations Served	Original	April 13, 2005
4-9	Reserved for Future Use		
<b>RATE SCHEDULES</b>			
10	Rate 310 Residential Sales Service	Third	
11	Rate 315 Residential Transportation Service	Fourth	
12	Rate 320 General Sales Service	Third	
13	Rate 325 General Transportation Service	Fourth	
14	Reserved for Future Use		
15	Reserved for Future Use		
16	Rate 341 Dual Fuel Sales Service	Third	
17	Rate 345 Large General Transportation Service	Second	
18-19	Reserved for Future Use		
20	Rate 380 Pooling Service (Large General)	Original	April 13, 2005
21	Rate 385 Pooling Service (Residential & General)	First	
22	Reserved for Future Use		
23	Rate 396 SCO Supplier Service	Original	
24-29	Reserved for Future Use		
<b>RIDERS</b>			
30	Miscellaneous Charges	First	August 1, 2006
31	Gas Cost Recovery Rider (Suspended)		
32	Reserved for Future Use		
33	Reserved for Future Use		
34	Gas Cost Recovery Reconciliation Rider	Fifth	September 1, 2007
35	Migration Cost Rider (Suspended)	First	
36	Balancing Cost Rider (Suspended)	Fourth	
37	Gross Receipts Excise Tax Rider	Original	April 13, 2005
38	Reserved for Future Use		
39	Uncollectible Expense Rider	Third	August 1, 2007
40	Percentage of Income Payment Plan Rider	First	February 5, 2007
41	Exit Transition Cost Rider	First	
42	S.B. 287 Excise Tax Rider	Original	April 13, 2005
43	Sales Reconciliation Rider	Original	October 1, 2006
44	Standard Choice Offer Rider	Original	
45-49	Reserved for Future Use		

## **TARIFF SHEET INDEX**

<b><u>Tariff Sheet</u></b>	<b><u>Description</u></b>	<b><u>Revision</u></b>	<b><u>Effective Date</u></b>
<b>TRANSPORTATION PROVISIONS</b>			
50	Transportation Terms and Conditions (Large General)	Second	
51	Nomination and Balancing Provisions (Large General and Pool Operator)	Fourth	
52	Pooling Service Terms and Conditions (Residential and General)	Second	
53	Reserved for Future Use		
54	Unaccounted for Gas Percentage	Second	
55	Reserved for Future Use		
56	SCO Supplier Terms and Conditions	Original	
57-58	Reserved for Future Use		
<b>GENERAL TERMS AND CONDITIONS</b>			
59	Definitions	Second	
60	Application and Contract for Service	Original	April 13, 2005
61	Credit Requirements of Customer	Original	April 13, 2005
62	Billing and Payment for Gas Service	Original	April 13, 2005
63	Disconnection-Reconnection of Service	First	November 10, 2005
64	Meters and Metering Equipment-Location and Installation	Original	April 13, 2005
65	Service Pipe-Location and Installation	Original	April 13, 2005
66	Equipment on Customer's Premises	Original	April 13, 2005
67	Use and Character of Service	Original	April 13, 2005
68	Extensions of Gas Distribution Mains	Original	April 13, 2005
69	Extensions of Gas Facilities to House Trailer Parks	Original	April 13, 2005
70	Curtailment Procedures	Third	
71	Operational Flow Orders	Second	
72	Affiliate Code of Conduct	Original	
73-78	Reserved for Future Use		
79	Amendments	Original	

## **RATE 310**

### **RESIDENTIAL STANDARD CHOICE OFFER SERVICE**

#### **APPLICABILITY**

This Rate Schedule shall be available to any Residential Customer electing service hereunder when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers. [Successor Rate Schedule to Small Gas Sales Service, for Residential Customers.]

#### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Standard Choice Offer (SCO) Service. Customer's gas supply under SCO Service shall be provided by a state-certified Choice Supplier, who shall be identified on Customer's bill.

Gas Service provided hereunder shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises.

#### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

**Customer Charge:**

\$7.00 per meter

**Distribution Charge:**

\$0.11986 per Ccf for the first 50 Ccf, plus

\$0.10442 per Ccf for all Ccf over 50 Ccf

**Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider
- Sheet No. 44 – Standard Choice Offer Rider

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

**Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

#### **TERMS AND CONDITIONS**

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and Commission's Regulations.

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Issued by Jerrold L. Ulrey, Vice-President

Effective

## **RATE 315**

### **RESIDENTIAL TRANSPORTATION SERVICE**

#### **APPLICABILITY**

This Rate Schedule shall be available to any Residential Customer electing service hereunder when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers. However, this Rate Schedule shall not be available to any Customer whose utility service account is past due at the time Customer desires to initiate this service unless Customer has discharged, or entered into a payment arrangement to discharge all existing arrearages owed the Company. This Rate Schedule is also applicable to customers currently enrolled in the Company's Percentage of Income Payment Plan (PIPP) in the event that Company bids out the provision of commodity supply for the PIPP Customers as a Single Pool. [Successor Rate Schedule to Small Gas Transportation Service, for Residential Customers.]

#### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Transportation Service. Gas Service provided hereunder shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises.

Customer, except for PIPP Pool Customers, must enter into a contract for firm gas supplies with a Choice Supplier who meets the requirements for participation in Pooling Service (Residential and General) under Rate 385. Company will maintain and make available a list of Choice Suppliers participating in the Pooling Program. Such list shall be available by request and through the Company's website.

#### **DEFINITIONS**

Terms used in this Rate Schedule are defined in the Definitions section of Pooling Service Terms and Conditions (Residential and General) on Sheet No. 52.

#### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

**Customer Charge:**

\$7.00 per meter

**Distribution Charge:**

\$0.11986 per Ccf for the first 50 Ccf, plus

\$0.10442 per Ccf for all Ccf over 50 Ccf

**Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider

## **RATE 315**

### **RESIDENTIAL TRANSPORTATION SERVICE**

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

**Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

**BILLING**

Company shall bill Customer for all Gas Services provided by the Company. Choice Suppliers have the option of either: (1) Company providing billing for Choice Suppliers' services to Customer, or (2) the Choice Supplier may bill for those services independently.

**TERMS AND CONDITIONS**

**Choice Supplier Selection:**

In order to receive Gas Service under this Rate Schedule, Customer must join a Pool of a Choice Supplier participating in the Company's Pooling Program. When Company receives appropriate notification of Customer's request to participate in the Pooling Program, the change shall become effective with Customer's next on-cycle meter reading after the Customer's Enrollment Processing Period.

**Transfer to SCO Service Upon Choice Supplier Default**

As set forth in Sheet No. 52, if Customer's Choice Supplier defaults and Customer is not assigned to a non-defaulting Choice Supplier, Customer will transfer to SCO Service.

**Disconnection for Non-Payment of Choice Bill:**

Non-payment of the Choice Supplier gas commodity portion of the bill shall subject Customer currently receiving Gas Service under this Rate Schedule to disconnection as explained in Section 4 of the General Terms and Conditions.

**Customer Usage Information Release:**

When Company receives a request from a Customer for its historic usage information, the usage information for the most recent twelve (12) months and payment information for the most recent twenty-four (24) months, if available, shall be provided to Customer.

**Regulations:**

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and the Commission's Regulations.



## **RATE 320**

### **GENERAL STANDARD CHOICE OFFER SERVICE**

#### **APPLICABILITY**

This Rate Schedule shall be available to any Non-Residential Customer electing service hereunder whose Annual Usage is less than 150,000 Ccf when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers. [Successor Rate Schedule to Small Gas and General Gas Sales Services, for Non-Residential Customers.]

#### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Standard Choice Offer (SCO) Service. Customer's gas supply under SCO Service shall be provided by a state-certified Choice Supplier, who shall be identified on Customer's bill.

Gas Service provided hereunder shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises.

#### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

**Customer Charge:**

\$10.00 per Group 1 Meter, or  
\$25.00 per Group 2 Meter

**Distribution Charge:**

\$0.12879 per Ccf for the first 50 Ccf, plus  
\$0.10497 per Ccf for all Ccf over 50 Ccf

**Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider
- Sheet No. 44 – Standard Choice Offer Rider

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

**Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

**RATE 320**  
**GENERAL STANDARD CHOICE OFFER SERVICE**

**CURTAILMENT**

Customer shall limit gas usage as directed by Company pursuant to the Curtailment Procedures of Company's General Terms and Conditions. Except in emergencies, Company will endeavor to give four hours advance notice of such Curtailment. Company shall not be liable in damages or otherwise to Customer for any loss of production or because of the lack of advance notice to Customer.

If Customer uses gas in excess of the volume authorized during any Curtailment Period, an Unauthorized Gas Usage Charge as set forth in Sheet No. 30, Miscellaneous Charges, shall be assessed to Customer.

In the event Customer fails to comply with Company's direction to curtail, Company reserves the right to discontinue Gas Service to Customer.

**TERMS AND CONDITIONS**

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and Commission's Regulations.

## **RATE 325**

### **GENERAL TRANSPORTATION SERVICE**

#### **APPLICABILITY**

This Rate Schedule shall be available to any Non-Residential Customer electing service hereunder whose Annual Usage is less than 150,000 Ccf when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers. However, this Rate Schedule shall not be available to any Customer whose utility service account is past due at the time Customer desires to initiate this service unless Customer has discharged, or entered into a payment arrangement to discharge all existing arrearages owed the Company. [Successor Rate Schedule to Small Gas and General Gas Transportation Services, for Non-Residential Customers.]

#### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Transportation Service. Gas Service provided hereunder shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises.

Customer must enter into a contract for firm gas supplies with a Choice Supplier who meets the Company's requirements for participation in Pooling Service (Residential and General) under Rate 385. Company will maintain and make available a list of Choice Suppliers participating in the Pooling Program. Such list shall be available by request and through the Company's website.

#### **DEFINITIONS**

Terms used in this Rate Schedule are defined in the Definitions section of the Pooling Service Terms and Conditions (Residential and General) on Sheet No. 52.

#### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

**Customer Charge:**

\$10.00 per Group 1 Meter, or  
\$25.00 per Group 2 Meter

**Distribution Charge:**

\$0.12879 per Ccf for the first 50 Ccf, plus  
\$0.10497 per Ccf for all Ccf over 50 Ccf

**Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider

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Issued by Jerrold L. Ulrey, Vice-President      Effective

## **RATE 325**

### **GENERAL TRANSPORTATION SERVICE**

**Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

**Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

**BILLING**

Company shall bill Customer for all services provided by the Company. Choice Suppliers have the option of either: (1) Company providing billing to Customer for Choice Suppliers' services, or (2) the Choice Supplier may bill for those services independently.

**TERMS AND CONDITIONS**

**Choice Supplier Selection:**

In order to receive Gas Service under this Rate Schedule, Customer must join a Pool of a Choice Supplier participating in the Company's Pooling Program. When Company receives appropriate notification of Customer's request to participate in the Pooling Program, the change shall become effective with Customer's next on-cycle meter reading after the Customer's Enrollment Processing Period.

**Transfer to SCO Service Upon Choice Supplier Default**

As set forth in Sheet No. 52, if Customer's Choice Supplier defaults and Customer is not assigned to a non-defaulting Choice Supplier, Customer will transfer to SCO Service.

**Disconnection for Non-Payment of Choice Bill:**

Non-payment of the Choice Supplier gas commodity portion of the bill shall subject Customers currently receiving Gas Service under this Rate Schedule, to disconnection as explained in Section 4 of the General Terms and Conditions.

**Customer Usage Information Release:**

When Company receives a request from Customer for its historic usage information, the usage information for the most recent twelve (12) months and the payment information for the most recent twenty-four (24) months, if available, shall be provided to Customer.

## **RATE 325**

### **GENERAL TRANSPORTATION SERVICE**

**Metering:**

If Company determines that remote meter reading equipment is needed to monitor Customer's usage on a daily basis in order to ensure reasonable accuracy for Company's forecast of the Peak Design Day Demand, Expected Demand, and corresponding Directed Delivery Quantity of the Pool containing such Customer, then Company shall install such remote meter reading equipment and provide the necessary interface with its meters. Customer shall be responsible for the installation and operating and maintenance costs of electric and telephone services, as specified by Company. The availability of the necessary electric and telephone service equipment must be present at Customer's meter location prior to the installation of Company's remote meter reading equipment. Failure by Customer to adequately install and maintain the necessary electric and telephone service will result in termination of its Gas Service under this Rate Schedule.

**Regulations:**

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and Commission's Regulations.

**CURTAILMENT**

Customer shall limit gas usage as directed by Company pursuant to the Curtailment Procedures of Company's General Terms and Conditions. Except in emergencies, Company will endeavor to give four hours advance notice of such Curtailment. Company shall not be liable in damages or otherwise to Customer for any loss of production or because of the lack of advance notice to Customer.

If Customer uses gas in excess of the volume authorized during any Curtailment Period, an Unauthorized Gas Usage Charge as set forth in Sheet No. 30, Miscellaneous Charges, shall be assessed to Customer.

In the event Customer fails to comply with Company's direction to curtail, Company reserves the right to discontinue Gas Service to Customer.

## **RATE 341**

### **DUAL FUEL STANDARD CHOICE OFFER SERVICE**

#### **APPLICABILITY**

This Rate Schedule is available to any Non-Residential Customer electing service hereunder whose Spaceheating equipment has a rated input in excess of 2,500,000 Btu per hour when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers.

#### **CHARACTER OF SERVICE**

This Rate Schedule is applicable to the provision of Dual Fuel Standard Choice Offer Service, as described in the Dual Fuel Terms and Conditions below. Customer's gas supply under SCO Service shall be provided by a state-certified Choice Supplier, who shall be identified on Customer's bill.

Gas Service under this Rate Schedule shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises. Customer, and owner if other than Customer, shall enter into and comply with the terms and conditions of a contract with Company.

#### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

##### **Customer Charge:**

\$30.00 per meter

##### **Distribution Charge:**

\$0.06050 per Ccf for all Ccf of Process or Base Deliveries (as defined below), plus  
\$0.02687 per Ccf for all Ccf of Dual Fuel Deliveries (as defined below)

##### **Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S. B. 267 Excise Tax Rider
- Sheet No. 44 – Standard Choice Offer Rider

##### **Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

##### **Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

## **RATE 341**

### **DUAL FUEL STANDARD CHOICE OFFER SERVICE**

#### **PROCESS OR BASE DELIVERIES**

1. The process or base deliveries for billing purposes shall mean Customer's average monthly use during the four consecutive summer billing months beginning with the June billing month.
2. Process or base deliveries for billing purposes shall be recalculated annually. In the case of a Customer whose process or base gas using equipment was not operated during the preceding summer process or base delivery period in a manner representative of its requirements in the remaining eight months, a process or base use value shall be estimated by Company.

#### **DUAL FUEL DELIVERIES**

Dual fuel deliveries for billing purposes shall mean all deliveries in excess of Customer's process or base deliveries, and shall be limited to deliveries made during the eight consecutive billing months following the close of Customer's summer process or base delivery period.

#### **CONTRACT**

Customer must contract for Gas Service under this Rate Schedule for an initial term of one (1) year, or longer if necessary in the judgment of Company to justify the construction costs required to supply Gas Service. At the expiration of its initial term such contract shall continue from year to year thereafter, unless such contract is cancelled by either party by six (6) months prior written notice.

#### **DUAL FUEL TERMS AND CONDITIONS**

Upon written application, any gas Customer whose Spaceheating equipment for any single structure or occupancy unit has a rated input in excess of 2,500,000 Btu per hour will be authorized, subject to the conditions set forth below, to use gas in Spaceheating equipment which is designed to use natural gas supplied by Company for Spaceheating during the warmer weather of the winter and an alternate fuel (either liquefied petroleum (propane) gas or oil) during the colder weather of the winter and which equipment will be switched from one fuel to the other automatically by a temperature control actuated by outside temperature.

A. Before natural gas supplied by Company may be used by Customer for Spaceheating:

1. Customer must have installed storage facilities and must maintain therein a quantity of alternate fuel, which will be sufficient, in the opinion of Company, to supply Customer's spaceheating requirements on a dual fuel basis for each heating season.
2. Customer must have installed dual fuel Spaceheating equipment of a type approved by Company.
3. Customer must have installed automatic outside temperature control equipment to be sealed by the Company, of a type approved by Company and at a point selected by Company, and set to switch automatically Customer's Spaceheating equipment from natural gas to an alternate fuel when the outside temperature is below a certain predetermined temperature to be established by Company, and to switch such Spaceheating equipment from such alternate fuel to natural gas when the outside temperature is approximately five degrees above such predetermined temperature.

**RATE 341**  
**DUAL FUEL STANDARD CHOICE OFFER SERVICE**

4. All such dual fuel Spaceheating and outside temperature control equipment, storage facilities and necessary piping shall be installed in such a manner as to comply with the requirements of all applicable state and local laws, ordinances and codes and shall have been approved under all applicable state and local inspection laws, ordinances, rules and regulations.
- B. Customer will maintain and keep in proper operating condition such Spaceheating and temperature control equipment, and Company will not be responsible for the proper operation of the same.
- C. Customer will not, without the consent of Company, change, manipulate, or tamper with such Spaceheating and temperature control equipment in such a way that the Spaceheating equipment is not automatically switched to and from the alternate fuel at the predetermined temperatures.
- D. In the event that Customer's control equipment shall fail, because of mechanical failure, human interference, or otherwise, to switch Customer's Spaceheating equipment from and to natural gas supplied by Company, Customer may be charged by Company for all Gas Service until the next heating season under the Company's otherwise applicable Standard Choice Offer Service Rate Schedule instead of this Rate Schedule.
- E. Upon breach by Customer of any of the above covenants and conditions relating to the use of natural gas for Spaceheating, Company shall have the right to cancel such approval for the use of gas for Spaceheating on a dual fuel basis at said Premises and upon such cancellation all Gas Service to Customer at said location shall be paid for at the applicable Standard Choice Offer Service Rate Schedule until proper steps approved by Company have been taken by Customer to assure that natural gas supplied by Company will be used by Customer at said Premises in accordance with the foregoing Dual Fuel Terms and Conditions.

**CURTAILMENT**

Customer shall limit gas usage as directed by Company pursuant to the Curtailment Procedures of Company's General Terms and Conditions. Except in emergencies, Company will endeavor to give four hours advance notice of such Curtailment. Company shall not be liable in damages or otherwise to Customer for any loss of production or because of the lack of advance notice to Customer.

If Customer uses gas in excess of the volume authorized during any Curtailment Period, an Unauthorized Gas Usage Charge as set forth in Sheet No. 30, Miscellaneous Charges, shall be assessed to Customer.

In the event Customer fails to comply with Company's Curtailment, Company reserves the right to discontinue Gas Service to Customer.

**GENERAL TERMS AND CONDITIONS**

Gas Service rendered under this Rate Schedule shall be subject to the Company's General Terms and Conditions and Commission's Regulations.

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Filed pursuant to the Finding and Order dated \_\_\_\_\_ in Case No. \_\_\_\_\_ of The Public Utilities Commission of Ohio.



## **RATE 396**

### **SCO SUPPLIER SERVICE**

#### **APPLICABILITY**

This Service is applicable to any SCO Supplier delivering firm gas supplies to Company's Operational Systems for Customers receiving Standard Choice Offer Service under Rates 310, 320, and 341.

#### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of SCO Supply. SCO Supplier shall deliver to Company gas supplies needed to satisfy the usage requirements of SCO Supplier's Customers, all in accordance with the rules set forth in this Rate Schedule, the SCO Supplier Service Terms and Conditions contained in Sheet No. 56, and the SCO Supplier Agreement described in this Rate Schedule.

#### **MONTHLY STATEMENT**

SCO Supplier's monthly statement shall reflect the following fees, charges and credits, as applicable:

##### **Financial Evaluation Charge:**

\$50.00 for the initial and each subsequent SCO Supplier financial evaluation performed by Company.

##### **Nomination Error Charge:**

\$0.50 per Dth applied to the difference between SCO Supplier's daily pipeline nomination volume and the pipeline daily confirmed volume delivered to Company, for each day of difference.

##### **DDQ Non-Compliance Charge:**

\$15.00 per Dth on days in which no Operational Flow Order (OFO) is in effect (provided no alternate arrangements are made with Company) against the daily difference between the Tranche's DDQ and aggregate deliveries.

##### **City-Gate Allocation Non-Compliance Charge:**

\$5.00 per Dth for any daily city-gate nomination less than the minimum or greater than the maximum city-gate allocation requirement.

##### **OFO Non-Compliance Charge:**

In the event of a Company issued Operational Flow Order (OFO), a \$35.00 per Dth charge shall be assessed on any volumes over or under the restrictions specified by Company in the OFO notice.

##### **Storage Non-Compliance Charge:**

A charge per Dth shall be assessed for any volumes less than or greater than the Company-established minimum or maximum daily storage injection and withdrawal requirements, or any volumes less than the minimum storage inventory quantity requirement. The charge shall be \$15.00 per Dth for the first two occurrences, and \$35.00 per Dth for the next two occurrences during the term of the contract. In the event that TCO allows daily over-injection or over-withdrawal rights, Company shall not impose the Storage Non-Compliance Charge on any volumes injected or withdrawn greater than the maximum daily injection and withdrawal limits set by Company.

## **RATE 396** **SCO SUPPLIER SERVICE**

**Monthly Reconciliation Amount:**

Charge or credit as determined by the Monthly Volume Reconciliation as set out in Sheet No. 56. The price utilized will be the Columbia Appalachia Index for the month being reconciled.

**Propane Supplies Charge:**

The cost of propane or alternate supplies provided by Company for SCO Supplier's Tranche as set out in the Allocation of Propane Supplies section of Sheet No. 56.

**Meter Operator Charges:**

SCO Supplier shall reimburse Company for penalties Company incurs as meter operator. Penalties will be assessed to each Supplier that contributed to the penalty proportional to its contribution to the violation.

**System Balancing Amount:**

Gas cost charges or credits associated with Large Transportation Customers'/Pool Operators' daily and monthly imbalance cash-outs.

**POLR Amount:**

Any credits payable to SCO Supplier for providing Provider of Last Resort services.

**Customer Billing Amount:**

SCO Price amounts billed to SCO Customers by Company on behalf of SCO Supplier.

**Delivery Point Balancing Amount:**

Charges or credits associated with pipeline delivery point cashouts, OBA settlements, or other related costs allocated to Supplier.

**Related Charges:**

SCO Supplier shall reimburse Company for all charges Company incurs in connection with interstate pipeline transportation of SCO Supplier-Delivered Gas including any gas costs, penalty charges, penalty charges or cash-outs.

**Riders:**

The following Riders shall be applied monthly, as applicable:

- Sheet No. 37 – Gross Receipts Excise Tax Rider

**Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to SCO Supplier if applicable.

## **RATE 396** **SCO SUPPLIER SERVICE**

### **REQUIREMENTS FOR SCO SUPPLIER PARTICIPATION**

In order to qualify for participation under the SCO Program, SCO Supplier must: 1) sign a SCO Supplier Agreement and SCO Supplier Registration Form and Credit Application with Company; 2) pass an initial financial evaluation performed by Company, and any such subsequent evaluation(s) deemed appropriate by Company, to ensure that SCO Supplier possesses sufficient resources to perform its responsibilities and to ensure financial performance hereunder; 3) maintain comparable firm capacity as set out in the SCO Service Terms and Conditions; 4) adhere to the terms and conditions of this Rate Schedule; and 5) have a computer and telephone line necessary to access Company's EBB.

SCO Suppliers desiring to participate in the Program will be evaluated by Company to establish credit levels acceptable to Company. Company will apply, on a non-discriminatory basis, reasonable financial standards to assess and examine a SCO Supplier's creditworthiness. These standards will take into consideration the scope of the operations of the SCO Supplier and the level of risk to Company.

Financial evaluations will be based on standard credit factors such as financial and credit ratings, trade references, bank information, unused line of credit, and related financial information that has been independently audited, if available. Company shall determine creditworthiness based on the above criteria, and will not deny SCO Supplier's participation in the Program without reasonable cause. In order to pass Company's financial evaluation, a SCO Supplier may be required to provide additional security, the form and format of which shall be specified by Company.

Company reserves the right to conduct re-evaluations of SCO Supplier's financial standing from time to time. Such re-evaluation may be initiated either by a request from SCO Supplier or by Company, if Company reasonably believes that the creditworthiness or operating environment of SCO Supplier may have changed. Based on such re-evaluation, SCO Supplier's level of participation may be increased or decreased, additional security may be required or SCO Supplier may be removed from further participation in the Program.

### **CONTRACT**

SCO Supplier must enter into a written SCO Supplier Agreement with Company which shall set forth specific covenants and obligations undertaken by Company and SCO Supplier under this Rate Schedule. The Agreement shall have a term consistent with the SCO Phase term as approved by the Commission.

**RATE 396**  
**SCO SUPPLIER SERVICE**

**SCO SUPPLIER SERVICE TERMS AND CONDITIONS**

SCO Supplier shall be subject to the SCO Supplier Service Terms and Conditions as set forth in Sheet No. 56.

**GENERAL TERMS AND CONDITIONS**

This Rate Schedule shall be subject to Company's General Terms and Conditions and Commission's Regulations.

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Filed pursuant to the Finding and Order dated \_\_\_\_\_ in Case No. \_\_\_\_\_ of The Public  
Utilities Commission of Ohio.

Issued

Issued by Jerrold L. Ulrey, Vice-President

Effective

## **EXIT TRANSITION COST RIDER**

### **APPLICABILITY**

The Exit Transition Cost ("ETC") Rider is applicable to all Customers served under the following Rate Schedules:

- Rate 310 – Residential Standard Choice Offer Service
- Rate 315 – Residential Transportation Service
- Rate 320 – General Standard Choice Offer Service
- Rate 325 – General Transportation Service
- Rate 341 – Dual Fuel Standard Choice Offer Service

### **DESCRIPTION**

The ETC Rider charge shall be the product of the billing Ccf and the ETC Rider Rate.

The ETC Rider will recover applicable incremental Exit Transition implementation costs, including:

- 1) Business system (e.g. information technology) development costs,
- 2) Informational and educational costs,
- 3) Call center costs,
- 4) Billing costs and
- 5) Other incremental costs incurred by Company to achieve implementation of the various Exit Program features.

This ETC Rider will also recover/passback the following:

- 1) GCR variances remaining as of the implementation date of SSO Service,
- 2) All stranded gas supply costs related to Customer migration to Choice Service,
- 3) Any incremental provider of last resort costs not recovered from a defaulting SSO Supplier, SCO Supplier or Choice Supplier,
- 4) Any imbalance costs not recovered from Transportation Customers or Pool Operators,
- 5) Gas costs incurred by Company when diverting Customers' transportation gas quantities during a Curtailment (see Sheet No. 70, paragraph 11.B1.(9)),
- 6) Other costs or credits applicable to all SCO and Choice Customers as approved by the Commission.

Projected ETC Rider costs shall be divided by projected total volumes for the applicable Rate Schedules to determine the ETC Rider Rate. The ETC Rider shall be updated quarterly and shall reflect the reconciliation of projected costs and actual costs, with any under or over recovery being recovered or returned via the ETC Rider.

### **EXIT TRANSITION COST RIDER RATE**

The Exit Transition Cost Rider Rate is \$\_\_\_\_\_ per Ccf.

## **STANDARD CHOICE OFFER RIDER**

### **APPLICABILITY**

The Standard Choice Offer ("SCO") Rider is applicable to Rate 310, 320 and 341 Customers.

### **DESCRIPTION**

The Standard Choice Offer charge shall be the product of the billing Ccf and the SCO Rider Rate.

The SCO Rider Rate each month will be the NYMEX settlement price for such month converted to a price per Ccf using Company average BTU value, plus the Retail Price Adjustment determined in the SCO auction.

### **SCO RIDER RATE**

The SCO Rider Rate for \_\_\_\_\_ 200\_ is \$ \_\_\_\_\_/Ccf.

## **TRANSPORTATION TERMS AND CONDITIONS** **(LARGE GENERAL)**

### **APPLICABILITY**

Unless otherwise provided for in a written contract between Company and Customer, these Terms and Conditions apply to any Customer receiving Gas Service under Rate 345, Large General Transportation Service.

### **SECTION 1 - SERVICE AND CAPACITY:**

- 1.1 Company and Customer shall agree to the service and capacity levels by completing a contract ("Service Agreement"). Service will be provided in accordance with these Transportation Terms and Conditions.
- 1.2 Company shall, at all times, deliver volumes of natural gas delivered to Company's gas system on Customer's behalf, less the Unaccounted For Gas Percentage in Sheet No. 54, up to the maximum daily volume defined under Section 1.3 of these Transportation Terms and Conditions and the Service Agreement.
- 1.3 The maximum daily volume of gas that may be delivered on Customer's behalf and transported on Company's gas system shall be Customer's Maximum Daily Delivery Obligation ("MDDO"). The MDDO agreed to and specified in the Service Agreement will be set such that an adequate volume of gas may be delivered to and transported on Company's gas system to meet Customer's peak day gas requirements. Company will serve demand above Customer's MDDO only on a best efforts basis.
- 1.4 Upon notice, Customer may choose to increase its MDDO under this Rate Schedule by requesting an increase in writing. Company will accommodate the request when Company has sufficient capacity to serve Customer's increased MDDO. The increase shall take effect in the next billing month.
- 1.5 If necessary to ensure that an adequate volume of gas may be delivered to meet Customer's peak day gas requirements, Company may increase Customer's MDDO to match any actual gas usage that exceeds Customer's then-existing MDDO on any day. Company shall not be required to deliver any volumes in excess of the current or agreed to increased MDDO.
- 1.6 If Customer demonstrates a significant and substantial reduction in peak day gas usage due to reasons other than seasonal or weather-related gas requirements, Company will, at Customer's request, reduce Customer's MDDO to a reasonable level agreed to by both parties. Customer's MDDO reduction shall take effect in the first billing month after the billing month in which the parties agree to the MDDO reduction.
- 1.7 This Transportation Service relates only to gas received by Company at the applicable Interstate city gate(s), to be used for delivery to Customer Meter Number(s) specified in Customer's Service Agreement with Company. Unless otherwise agreed to in a separate contract, Company shall not be obligated to provide Customer any other service.
- 1.8 If Customer's gas requirement exceeds the capacity of Company's gas system, Company will only deliver gas at the incremental cost of providing said service.

## **TRANSPORTATION TERMS AND CONDITIONS** **(LARGE GENERAL)**

### **Section 2 - INTERSTATE PIPELINE CAPACITY RELEASE SERVICE:**

- 2.1 If Customer is an SCO or Sales Service Customer prior to receiving Transportation Service, Customer agrees to accept Company's assignment of Company's firm interstate gas pipeline capacity as specified and if offered by Company to Customer. Customer or its supplier shall enter into a separate Capacity Release and Assignment Agreement with Company for any firm capacity that will be provided. Company and Customer shall agree upon the pipeline's identity and amount of capacity that Company will assign. This amount shall be sufficient to supply Customer's MDDO and may be adjusted in accordance with the provisions of Section 1 of these Transportation Terms And Conditions.
- 2.2 Customer shall pay the maximum applicable interstate pipeline tariff rate for the capacity assigned hereunder. Customer shall retain title to this capacity and use it throughout the term of Customer's Service Agreement to transport natural gas to Company's gas system. Company will have the "right-of-first refusal" to bid on such capacity upon its re-release. All capacity rights assigned hereunder shall revert to Company upon the expiration of the Service Agreement and neither Customer nor its supplier shall be obligated to take the assignment of Company's firm capacity thereafter. If Customer acquires non-Company interstate transportation capacity prior to the expiration of the Service Agreement, Customer remains completely responsible for the disposition of and payment for the capacity assigned to it by Company.

### **Section 3 - RESERVED FOR FUTURE USE**

### **Section 4 - SCHEDULING AND NOMINATING DELIVERIES:**

- 4.1 Customer shall be subject to the Nomination and Balancing Provisions (Large General and Pool Operator) contained in Sheet No. 51.

### **Section 5 - SYSTEM UNACCOUNTED FOR GAS PERCENTAGE:**

- 5.1 Customer shall provide Company with an amount of gas necessary to compensate Company for gas lost and used in operations to provide Transportation Service as set forth in Sheet No. 54, Unaccounted for Gas Percentage. This amount may be adjusted periodically upon PUCO approval to reflect changes in the amount of gas lost and used in operations. Company will provide Customer with notice of any adjustment required under this Section.

### **Section 6 - MEASUREMENT AND QUALITY:**

- 6.1 Company shall be responsible for all measurement at the point of delivery to Customer's facilities. Measurement and metering accuracy shall be based on the standards set forth in Company's General Terms and Conditions.
- 6.2 Company shall be responsible for installing, maintaining, and operating any telemetering devices or related equipment that may be required by Company to monitor consumption hereunder. Company's metered consumption data shall be used for all billing to the Customer.



## **TRANSPORTATION TERMS AND CONDITIONS** **(LARGE GENERAL)**

- 6.3 Customer warrants that all gas delivered on its behalf to Company's gas system shall meet the quality, pressure, and heating value specifications of the applicable FERC Gas Tariff of the interstate gas pipeline(s) delivering Customer-Delivered Gas to Company.

### **Section 7 - BALANCING:**

- 7.1 Customer shall be subject to the Nominations and Balancing Provisions (Large General and Pool Operator) contained in Sheet No. 51.

### **Section 8 - CURTAILMENT:**

- 8.1 Customer shall have no rights to gas from Company's system during a period of Curtailment. Customer shall be subject to the Curtailment Procedures in the Company's General Terms and Conditions.

### **Section 9 - TITLE AND WARRANTY**

- 9.1 Customer warrants that it will, at the time and place of delivery, have good right and title to all volumes of gas delivered on its behalf to Company, free and clear of all liens, encumbrances, and claims whatsoever, and that it will indemnify and hold Company harmless from all suits, actions, debts, accounts, damages, costs, losses, or expenses (including reasonable attorney fees) arising from or out of the adverse claims of any or all persons relating to or arising from said gas.

### **Section 10 - FORCE MAJEURE:**

- 10.1 Neither Customer nor Company shall be liable to the other for any act, omission, or circumstance resulting from events not reasonably within the control of the affected party. Neither of the following shall be considered a force majeure condition: 1) changes in market conditions that affect the acquisition or transportation of natural gas, or 2) failure of Customer to deliver or consume scheduled gas volumes. The affected party will use diligence to remove the cause of the force majeure condition and resume delivery or consumption of gas previously suspended. Gas withheld from Customer during a force majeure condition will be redelivered upon the end of such circumstances as soon as practical.

### **Section 11 - LATE PAYMENT CHARGE:**

- 11.1 The Late Payment Charge set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

### **Section 12 - RETURNED CHECK CHARGE:**

- 12.1 The Returned Check Charge set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

### **Section 13 - INTERRUPTION OF SERVICE DUE TO NON-RECEIPT OF GAS SUPPLY:**

- 13.1 Company may interrupt Customer's Gas Service to the extent that Company does not receive gas from the interstate pipeline on Customer's behalf. If Company must interrupt Customer's Gas Service, Customer shall interrupt gas usage as directed. Company will endeavor to provide four (4) hours advance notice of such interruption, except when system conditions will not afford such notice. Company shall not be liable in damages or otherwise to Customer for any loss of production or other claim because of the lack of advance notice to Customer. If Customer fails to comply with Company's direction to interrupt, Company reserves the right to discontinue Gas Service to Customer.

## **TRANSPORTATION TERMS AND CONDITIONS** **(LARGE GENERAL)**

- 13.2 Gas consumed by Customer during a period of Curtailment will be billed in accordance with the terms of Unauthorized Gas Usage on Sheet No. 30, Miscellaneous Charges.

### **Section 14 – INDEMNITY:**

- 14.1 Subject to the provisions of Company's General Terms and Conditions, Customer agrees to indemnify, exonerate, and hold harmless Company for all loss, damage, or expense growing out of or in any way connected with the claims of any person, except claims for injuries and/or death of employees of Company arising out of and in the course of their employment with Company, for injuries to person or property occasioned by such gas after it is delivered to Customer. Customer agrees to defend, at its own expense, any suit based upon such claims.
- 14.2 Subject to the provisions of Company's General Terms and Conditions, Company will indemnify, exonerate, and hold harmless Customer for all loss, damage, or expense growing out of or in any way connected with the claims of any person, except claims for injuries and/or death of employees of Customer arising out of and in the course of their employment with Customer, for injuries to person or property occasioned by such gas up to the point of delivery to Customer caused by Company's negligence. Company will defend, at its own expense, any suit based upon such claims, except that Company will not be liable or responsible for, and will not hold Customer harmless for any loss, damage, or expense growing out of or in any manner connected with the acts of any employee of Customer who may go upon or do anything to or with the property of Company.

### **Section 15 – REGULATION:**

- 15.1 All service rendered hereunder shall at all times be subject to all rules, regulations, and orders of both the FERC and the Commission including: 1) the terms and conditions of any applicable interstate pipeline tariff regulated and approved by the FERC, 2) the guidelines issued by the Commission in Case No. 85-800-GA-COI, 3) Company's General Terms and Conditions as modified from time to time and approved by the Commission, and 4) other Commission orders affecting Company's Gas Services in general or Transportation Service in particular.

### **Section 16 – RESERVED FOR FUTURE USE:**

## **TRANSPORTATION TERMS AND CONDITIONS** **(LARGE GENERAL)**

### **Section 17 - OPERATIONAL FLOW ORDERS:**

- 17.1 Customer shall be subject to the Nomination and Balancing Provisions (Large General and Pool Operator) contained in Sheet No. 51.

### **Section 18 - OTHER SYSTEM COSTS:**

- 18.1 Customer agrees that if any of its actions, over which it exercises sole control as a Transportation Customer, cause Company to incur costs that Company would not have incurred had Customer complied with its obligations defined in this Agreement, Customer shall: 1) compensate Company for all such higher costs which Company is required to pay, and 2) take all necessary measures to allow Company to avoid incurring similar costs in the future. Further, if Customer is currently a SCO Customer and Company incurs any pipeline exit fees or similar charges as a result of Customer's election of Transportation Service hereunder, Customer shall compensate Company for these costs.

### **Section 19 - NOTICES:**

- 19.1 Customer shall immediately notify Company of any known or anticipated variation in the amount of gas to be delivered hereunder, as well as any known or anticipated supplier shortfalls or constraints. All notices and correspondences to Company shall be addressed as specified in the Service Agreement.

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **APPLICABILITY**

The following Terms and Conditions apply to Choice Suppliers under Rate 385, Pooling Service (Residential and General).

### **DEFINITIONS**

**Choice Supplier** - A marketer, supplier, broker, aggregator or governmental aggregator that meets the Requirements for Choice Supplier Participation set out in Rate 385.

**Choice Supplier Pooling Agreement or Agreement** - An agreement between Company and Choice Supplier that defines the mutual responsibilities and obligations of those parties relative to services provided under Rate 385--Pooling Service (Residential and General).

**Columbia Appalachia Index** - First of the Month "Columbia Gas Transmission Corp, Appalachia" as reported by Inside FERC's Gas Market Report in the table "Prices of Spot Gas Deliveries to Pipelines".

**Comparable Firm Capacity Requirement** - The requirement that Choice Supplier secure firm interstate pipeline capacity with a primary delivery point of Company's city gates and firm supplies to meet 100% of Choice Supplier's Pool's Peak Design Day Demand for the applicable month, less a percentage during the winter months reflecting the Pool's entitlement to Company's propane supplies.

**Cycle Month** - The period of time between the scheduled meter reading dates for Customer. These reading dates are approximately 30 days apart, but will not likely occur on the first day of a calendar month. For purposes of these Terms and Conditions, a Customer's Cycle Month shall be deemed coincident with the calendar month in which the Cycle Month concludes.

**DDQ or Directed Delivery Quantity** - The daily quantity of gas in Dth that Choice Supplier must deliver to Company's city gates, as specified by Company, to meet the Expected Demand of Choice Supplier's Pool operating constraints, system knowledge/experience, and Company's Unaccounted for Gas Percentage.

**Enrollment Processing Period** - The number of days required to process a Customer's enrollment in the Pooling Program. This process commences with the submission to Company by Choice Supplier of appropriate information for an eligible Customer and ends with the termination of Customer's rescission period. The process will take up to 12 business days, and includes 7 business days from the date Company sends Customer a letter indicating Customer may rescind its Program enrollment or change in Choice Suppliers.

**Expected Demand** - A Pool's forecasted usage for a particular gas day, as determined by Company.

**Load Tranche or Tranche** - a share of Standard Choice Offer Service volumes to be supplied by SCO Supplier.

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

**Mercantile Customer** - As defined in division (L) of Section 4929.01 of the ORC. In summary, it means a Customer that: 1) consumes, other than for Residential use, more than 5,000 Ccf of natural gas per year at a single location or as part of an undertaking having more than 3 locations within or outside the state, and 2) has not filed a declaration with the Commission.

**Mercantile Pool** - A Pool that contains any Customers meeting the definition of a Mercantile Customer.

**Non-Mercantile Pool** - A Pool that is comprised entirely of Non-Mercantile Customers.

**ORC** - The Ohio Revised Code.

**"Peak Design Day Demand"** means the then-effective forecasted peak design day usages of a Customer Pool as calculated and communicated by Company.

**Pool** - A group of Customers receiving Gas Service pursuant to the Rate 315, Residential Transportation Service, or Rate 325, General Transportation Service, who have been joined together with other Customers subscribing to the same Transportation Service by a single Choice Supplier for gas supply management purposes.

**Pool Customer** - A recipient of Transportation Service provided by Company under Rates 315 or 325 who receives gas supply from a Choice Supplier as a member of a Pool.

**Pool's Usage** - The Pool Customers' billed Ccf usage for the applicable period, converted to Dth by multiplying by Company's average BTU and dividing by ten (10).

**Pooling Program or Program** - The services provided under Rate 385, Pooling Service (Residential and General Transportation), Rate 315, Residential Transportation Service, and Rate 325, General Gas Transportation Service.

**Pre-determined Allocation ("PDA")** - a contractual arrangement with TCO which allocates the daily VEDO system imbalance volumes to all holders of Company's released TCO storage capacity based on predetermined allocation percentages.

**SCO Supplier** - A supplier that meets the Requirements for SSO Supplier Participation set out in Rate 396.

**Supply Contract or Contract** - A contract between Pool Customer and its Choice Supplier that defines the mutual responsibilities and obligations of those parties relative to Customer's purchase and Choice Supplier's sale of gas supplies for delivery to Customer pursuant to Rate 385 and the applicable Transportation Service Rate Schedule.

**TCO** - Columbia Gas Transmission Corporation.

**Unaccounted for Gas Percentage** - The portion of Choice Supplier's city gate deliveries retained by Suppliers to compensate for gas lost, used, and unaccounted for in operations. The currently effective Unaccounted for Gas Percentage is contained in Sheet 54 and may be adjusted periodically, after approval by the Commission, to reflect changes in the amount of gas lost, used, and unaccounted for in operations

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **CUSTOMER ENROLLMENT**

#### **Enrollment of Non-Mercantile Customers:**

Choice Suppliers may take enrollments from Non-Mercantile customers by mail, facsimile, direct solicitation, telephone, and Internet. When soliciting and/or enrolling Non-Mercantile Customers, Choice Supplier must adhere to the requirements set out in Rules 4901:1-29-05 and 4901:1-29-06 of the OAC.

#### **Customer Sign-Up Procedures:**

A Customer desiring to participate in the Program may execute a written Supply Contract with a Choice Supplier that states that Customer has agreed to participate in the Program and which sets forth the terms and conditions of Customer's gas supply purchase. Choice Supplier may design the format of the Supply Contract, but at a minimum, it must include the applicable information specified by paragraphs 1, 2, 6, 7 and 8 of the Choice Supplier Code of Conduct. In the alternative, a Customer desiring to participate in the Program may subscribe via telephone or Internet. Under these methods, Choice Supplier must retain proof of Customer consent. The Supply Contract, or alternate proof of Customer consent in the case of telephonic or Internet enrollment, will be used to resolve disputes if the validity of an account sign up comes into question. If requested by Company, the Commission (in the case of Non-Mercantile Customers only) or OCC (in the case of Residential Customers only), Choice Supplier must provide a copy of a specific Supply Contract, or alternate proof of Customer consent in the case of telephonic or internet enrollment, within three (3) business days of any such request.

Regardless of the Customer enrollment method used, within 3 business days after completion of enrollment (unless a later date is agreed to or Customer rescinds), Choice Supplier will provide Company with an electronic file in a format specified by Company, containing a listing of all Customers that Choice Supplier has signed up or desires to drop since its last submission. Among other things, this list shall include each Pool Customer's name, service address and Company account number. Company will evaluate the information provided for accuracy and Customer eligibility, and provide Choice Supplier with a confirmation report within three (3) business days. In the event more than one Choice Supplier includes the same Pool Customer on his enrollment files to begin the same period, Customer will be assigned to Choice Supplier whose acceptable enrollment was first processed by Company.

Once complete and accurate information supporting a Customer joining or leaving Choice Supplier's Pool is received and confirmed by Company, the change will be effective with Customer's next on-cycle meter reading after Customer's Enrollment Processing Period. If Customer rescinds its enrollment prior to commencing service with a Choice Supplier, Company shall notify Choice Supplier within two business days of the Customer's rescission. Customer will remain with its Choice Supplier until: 1) Customer's name, service address, and account number appear on another Choice Supplier's electronic enrollment file listing; 2) Customer or Choice Supplier notifies Company that the Customer should transfer to Company's Sales Service; 3) Customer moves out of his current address or 4) Customer joins the PIPP program. If Customer's current Choice Supplier initiates termination of its relationship with Customer, Company shall issue a written notification to Customer informing Customer of such change. Customers who on their own initiative decide to terminate their relationship with a Choice Supplier will be permitted to do so without Company making any determination regarding whether Customer is contractually permitted to make such move. However, Customer shall not be permitted to transfer to SCO Service; it must select another Choice Supplier. Company shall not be liable to Choice Supplier or Customer for allowing Customer to transfer to another Choice Supplier.

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Filed pursuant to the Finding and Order dated \_\_\_\_\_ in Case No. \_\_\_\_\_ of The Public Utilities Commission of Ohio.

Issued

Issued by Jerrold L. Ulrey, Vice-President

Effective

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

If Company rejects a Customer from enrollment, the Choice Supplier shall notify Customer within three business days from Company's notification of rejection that Customer will not be enrolled or enrollment will be delayed, along with the reason(s) therefore.

Company shall, prior to commencing service, mail Customer a confirmation notice stating:

1. Company has received a request to enroll Customer with the named Choice Supplier, and, in the case of an enrollment request from a Customer who is currently with another Choice Supplier, a statement that Company's records reflect that Customer is currently enrolled with another Choice Supplier along with an admonition that Customer should review the terms and conditions of the incumbent Choice Supplier's Contract for Customer's obligations under said Contract;
2. The date such service is expected to begin;
3. Customer has seven business days from the postmark date on the notice to contact Company telephonically, in writing or via the Internet to rescind the enrollment request or notify Company that the change of Choice Supplier was not requested by Customer; and
4. Company's toll-free telephone number, mailing address and website address.

Choice Supplier's failure to adhere to any of Customer enrollment procedures or failure to provide verification of enrollment within the time period specified herein shall be treated in the same manner as violations of the Choice Supplier Code of Conduct.

### **Eligible Customer List:**

Company shall make available to Choice Suppliers an electronic list of Customers eligible for participation in the Program. Such list shall include information on Customers that meet the size requirements for Residential or General Transportation Service, are not under commitment with a Choice Supplier, are not past due on their utility account and have not requested to have their name and applicable information deleted from any eligible Customer list. Such list shall be updated quarterly and shall, at a minimum, contain the following information regarding each eligible Customer: name, service and mailing address. Customized listings may also be developed by Company at Choice Supplier's request for Residential and General Standard Choice Offer Service Customers meeting specific geographic or other criteria. The fee for such eligible customer list is described in Rate 385.

### **Content of Renewal Notices:**

The written notice to Customer, required by paragraph 8 of the Choice Supplier Code of Conduct, informing him that his Supply Contract is up for renewal, shall satisfy the following requirements in the case of Non-Mercantile Customers. (Complete information regarding the content of renewal notices for Non-Mercantile Customers is contained in Rule 4901:1-29-10 of the OAC.)

1. The envelope or postcard containing the renewal or extension notice must be labeled in a conspicuous place with the words "Important Contract Renewal Information Inside";
2. The renewal or extension notice must be a stand alone document that contains no advertising;
3. For Supply Contracts with a renewal period of 6 months or longer, Choice Supplier must provide appropriate written notice to Customers. If there is no material change the notice shall inform Customer how to terminate, renew and/or extend the Supply Contract. If there

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

is material change and either a cancellation/termination fee greater than \$25 or no option for early cancellation/termination, Customer must provide its affirmative consent to such renewal. If there is a material change with a cancellation termination fee of \$25 or less, two notices must be sent and the notices should highlight the changes and indicate the Customer's Contract will renew unless Customer affirmatively cancels the Supply Contract.

4. The notice must clearly disclose any price changes that will be in effect for the new term; and
5. The renewal period for Supply Contracts with renewal provisions shall not exceed the initial Supply Contract period.



## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **POOL CUSTOMER BILLING OPTIONS**

Choice Supplier may elect one of the following two billing options for its Pool Customers that do not participate in PIPP. Such election shall be applicable to all of Choice Supplier's Pools and Customers.

#### **Option 1 – Company Consolidated Billing:**

Pool Customer shall receive one Bill from Company that indicates the name of Choice Supplier from whom Customer is receiving its gas supply and which includes an amount for Choice Supplier's gas supply charges in accordance with the pricing arrangements agreed upon between Choice Supplier and Customer, including any taxes for which Choice Supplier must collect. Choice Supplier shall furnish Company with sufficient Bill contents as required in Rule 4901:1-29-12(b) of the OAC. Company's consolidated Bill may provide the budget amounts, past due balances, and payments applied on a consolidated basis only. A Choice Supplier who elects this billing option will be limited to a reasonable number of pricing arrangements to which a Customer may be assigned by Choice Supplier.

Pool Customer will be responsible for making payment to Company for the entire amount shown on the Bill, including both Company's and Choice Supplier's charges. Once a month, Company shall remit to Choice Supplier, by wire transfer or otherwise, payment for all gas supply billed to Choice Supplier's Customers by Company on Choice Supplier's behalf, including taxes attributable to Choice Supplier's portion of the Bill, less a negotiated receivables discount and any applicable offsetting amount. Choice Supplier shall be responsible for dispersing to the appropriate taxing authorities any tax that is attributable to Choice Supplier's portion of the Bill.

In the event Customer remits to Company less than the full payment due, the payment received shall first be attributed to Company's past due charges, then to Company's current charges, and the residual amount, if any, shall be attributed to Choice Supplier's portion of the Bill, including the taxes thereon. Customer shall be subject to the Late Payment Charges set out in Sheet No. 30, Miscellaneous Charges, against the entire amount of past due charges on Customer's Bill. Company shall be responsible for collection responsibilities associated with any shortfall from Customer.

#### **Option 2 – Dual Billing:**

Pool Customer shall receive two bills as follows:

1. Company shall bill and collect for its portion of the Bill that includes charges for Transportation Service and all applicable Riders. Company's Bill shall include Choice Supplier's name and a statement that Choice Supplier is responsible for billing Choice Supplier's charges. In the event that Customer remits to Company less than the amount included on Company's Bill, Customer shall be subject to the same late payment charges and disconnect rules that would be applicable if Customer were receiving SCO Service.
2. Choice Supplier shall be responsible for billing and collecting his part of the bill including any arrearages due from Choice Supplier's own prior billings. To facilitate Choice

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

Supplier's portion of the billing each month, Company will provide Choice Supplier with an electronic notification of the monthly meter readings of all Customers within Choice Supplier's Pool that have been billed by Company. Such billing data will correspond to the meter reading data on which Company based its Bill for Transportation Service. Choice Supplier may terminate gas sales to any Pool Customer for non-payment and remove Customer from its Pool in accordance with the procedures for deleting Customers from a Choice Supplier's Pool.

### **CUSTOMER INQUIRIES AND DISPUTE RESOLUTION**

Each Choice Supplier shall cooperate with Company, the Commission (in the case of Non-Mercantile Customers), and the OCC (in the case of Residential Customers) to answer inquiries and resolve disputes. Choice Supplier shall apprise potential Pool Customers of the applicable dispute resolution process set forth below prior to such Customers executing a Supply Contract with Choice Supplier. The following procedures shall be applicable to all inquiries and disputes:

1. Choice Supplier shall ensure Customers have reasonable access to their service representatives to make inquiries and complaints, discuss charges on Customer bills, terminate competitive service and transact other pertinent business.
2. Choice Supplier must provide its address and a local or toll-free telephonic means for Pool Customers to obtain information on their account and Choice Supplier's dispute resolution process, and Choice Supplier must afford Customers prompt answer times during normal business hours.
3. At the time Pool Customer executes its Supply Contract with Choice Supplier or as soon as practical thereafter, Choice Supplier shall provide Customer, in writing, all the information set forth in paragraph (4) below.
4. Each Pool Customer's Bill shall list the Commission's local or toll free number and Telecommunication Device for the Deaf/Text Telephone Yoke (TDD/TTY) number, Choice Supplier's consumer service local or toll free phone number, Company's emergency phone number, OCC's local or toll-free number and Commission's and OCC's website addresses and business hours. In addition, each Customer's Bill shall indicate that Customer may contact the Commission, or the OCC in the case of Residential Customers, with respect to any inquiries or problems that they may be experiencing with the Company, and Non-Mercantile customers may contact the PUCO, or the OCC in the case of Residential Customers, with respect to any inquiries or problems that they may experience with their current or potential Choice Supplier.
5. Choice Supplier must make good faith efforts to resolve disputes and to cooperate with the resolution of any joint issues with Company.
6. Within three (3) business days of the date Choice Supplier has received a complaint from a Pool Customer, Choice Supplier shall provide a status report to Customer regarding the complaint, or to Customer and the Commission Staff when the complaint is referred to Choice Supplier by the Commission Staff in the case of a Non-Mercantile Customer.

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Filed pursuant to the Finding and Order dated \_\_\_\_\_ in Case No. \_\_\_\_\_ of The Public Utilities Commission of Ohio.

## **POOLING SERVICES TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **CODES OF CONDUCT**

#### **Choice Supplier Code of Conduct:**

Each Choice Supplier participating in the Pooling Program shall:

1. Communicate to Pool Customers, in clear, understandable terms, Customers' rights and responsibilities. This communication shall include: 1) Choice Supplier's customer service address, local or toll-free telephone number and hours of operation; 2) a statement describing the procedures for handling complaints and disputes; and 3) notice that the continuation of this Program is subject to the Commission's approval.
2. Provide in writing, pricing and payment terms that are clear and understandable and inform Customers whether the price that Customer will pay is inclusive or exclusive of applicable taxes and approved Company Riders.
3. Refrain from engaging in communications, acts or practices that are fraudulent, deceptive, misleading, unfair, or unconscionable.
4. Deliver gas to Company on a firm basis on behalf of the Choice Supplier's Pool Customers in accordance with the requirements of Rate 385, these Terms and Conditions, and the Choice Supplier Pooling Agreement.
5. Establish and maintain a creditworthy financial position to enable Choice Supplier to indemnify Company for costs incurred as a result of any failure by Choice Supplier to deliver gas or pay invoices in accordance with the requirements of the Program.
6. In all Supply Contracts with Pool Customers, provide Customer the right to terminate its Contract with Choice Supplier without penalty if the Program is terminated by the Commission prior to the end of the Supply Contract.
7. For all Pool Customers, provide Company and Pool Customer at least 30 days' written notice prior to the end of the term of the Supply Contract of Choice Supplier's intent to discontinue service to Pool Customer.
8. For Supply Contracts that may renew for a period of six (6) months or longer, Choice Supplier shall provide appropriate notice to Customer at least forty-five (45) days, but not more than ninety (90) days in advance of its Contract expiration date. Such notice shall, at a minimum, state any renewal period and how Customer may renew, terminate and/or extend the Supply Contract.
9. Make good faith efforts to resolve all disputes between Choice Supplier and its Pool Customers and to cooperate with resolution of any joint issues with Company.
10. Agree to implement a third-party verification process for Pool Customer sign-ups when conducting a door-to-door marketing/sales campaign and agree to adhere to the Home Solicitation Sales Act as applicable.

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

11. Cooperate with the Commission Staff, in developing the Apples to Apples comparison chart, by providing accurate and timely information. Cooperate with the OCC in developing the "Comparing Your Energy Choices" fact sheet, if Choice Supplier serves Residential Customers.

Failure to fulfill any of these obligations shall be considered a violation of the Choice Supplier Code of Conduct, subject to consequences set forth in the Consequences of Choice Supplier's Failure to Perform or Comply section of these Terms and Conditions.

### **CAPACITY AND OPERATING REQUIREMENTS**

#### **Comparable Firm Capacity Requirement:**

Choice Supplier agrees to secure sufficient firm interstate pipeline capacity, of which a portion shall be Company released capacity, with primary delivery points to Company's city gates and firm supply to meet 100% of each month's Peak Design Day Demand of its Pool Customers, less a percentage during the winter months reflecting the Pool's entitlement to Company's propane as described below (Comparable Firm Capacity Requirement). All obligations of Choice Supplier with respect to such capacity and supply shall be the sole responsibility of Choice Supplier.

On a daily basis, Company will provide Choice Supplier with the revised Peak Design Day Demand for Choice Supplier's Pool effective the following day. This volume will change over time as necessary to reflect Customers joining and/or leaving Choice Supplier's Pool and any changes in Company's peak design day demand parameters.

Company may periodically verify Choice Supplier's compliance with this Comparable Firm Capacity Requirement. Choice Supplier will provide to Company upon request copies of contracts for upstream pipeline capacity not released by Company and supply contracts showing the firm quantities reserved or purchased and the specific points of delivery. If Choice Supplier is securing firm city gate supplies, Choice Supplier shall provide a copy of such firm supply agreement, and additional documentation as required by Company to confirm compliance of the applicable interstate pipeline capacity.

If Company identifies a firm capacity deficiency, such deficiency shall be resolved to Company's satisfaction by one or a combination of the following, at Choice Supplier's discretion: 1) immediate acquisition by Choice Supplier of additional firm pipeline capacity, 2) assignment to Choice Supplier of Company's pipeline capacity, 3) delayed enrollment of new Pool Customers, 4) return of existing Pool Customers to Sales Service, or 5) transfer of Pool Customers to another Choice Supplier. If Company identifies a firm supply deficiency, such deficiency shall be resolved to Company's satisfaction by one or a combination of the following, at Choice Supplier's discretion: 1) immediate acquisition by Choice Supplier of additional firm supply, 2) delayed enrollment of new Pool Customers, 3) transfer of existing Pool Customers to Standard Choice Offer Service, or 4) transfer of Pool Customers to another Choice Supplier.

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **Mandatory Assignment of Pipeline Capacity:**

Company will release its pipeline transportation and storage capacity to Choice Supplier based upon approximately 75% of the Peak Design Day Demand of Choice Supplier's Pool. Choice Supplier shall take release of specific interstate pipeline firm transportation and storage capacity for a term, agreed to by Company, subject to Company's right of capacity recall contained elsewhere in these Terms and Conditions.

Terms and conditions of the capacity release will be specified in pipeline capacity release forms, including length of term, price, and recall requirements, subject to FERC requirements for capacity release. Choice Supplier may not change any primary points of receipt or delivery associated with released pipeline transportation contracts during the term of the capacity release. In addition, for specific parcels of capacity identified by Company, Choice Supplier may not utilize any delivery point other than those primary and secondary points identified by Company unless the capacity is released at the pipeline's full tariff rate or unless an alternate capacity billing arrangement is agreed to by Choice Supplier and Company. The released capacity is subject to recall at any time if Choice Supplier does not perform in accordance with the Agreement or fails to comply with the Choice Supplier Code of Conduct and other provisions set forth in these Terms and Conditions.

Choice Supplier may re-release any capacity assigned to it hereunder except TCO storage capacity, provided that: 1) Choice Supplier will continue to be responsible for payment of all pipeline charges associated with the released capacity; 2) any re-release of such capacity remains subject to the restrictions identified in the Company's Tariff; and 3) the capacity is not needed to satisfy the Choice Supplier's Pool's DDQ on such day(s). Choice Supplier may use other firm pipeline capacity to supply its DDQ and re-release portions of its assigned pipeline capacity, subject to the previously mentioned restrictions.

### **Monthly Reassignment of Capacity:**

Transportation and storage capacity released to Suppliers will follow Customers to their new Suppliers upon migration to and from Choice Service with monthly reassignment of capacity to Suppliers based on their Peak Design Day Demands. Company reserves the right to adjust capacity release quantities intra-month in the event large Choice migrations occur.

### **Operational System Balancing:**

Company's TCO storage will be released to each Choice and SCO Supplier on a proportionate basis. The holders of Company-released TCO storage capacity will collectively provide system balancing through Predetermined Allocations (PDA) set with TCO.

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

PDAs will be established with TCO at the beginning of each month proportional to the percentage of TCO storage capacity released to Suppliers. Each day Choice Supplier will be allocated a portion of the daily system imbalance based on its PDA percentage. Choice Supplier will be charged by TCO for any overrun or penalties associated with exceeding its individual storage volume limits. If Company, as meter operator, incurs TCO penalties, such penalties will be assessed to each Choice Supplier that contributed to the penalty proportional to their contribution to the violation.

Choice Suppliers will agree to follow Company-established minimum and maximum limits for daily storage injections and withdrawals, and minimum storage inventory requirements to ensure sufficient storage inventory and capacity to balance Company's system each day. At no time shall Choice Supplier's Company-released TCO storage inventory volume be less than the minimum specified by Company.

### **Provider of Last Resort ("POLR") Service:**

Choice Supplier shall temporarily provide supply from Company-released TCO storage capacity to cover system load requirements in the event of a Supplier default or OFO event.

Defaulting Suppliers will be required to reimburse affected parties for any incremental costs incurred to provide POLR Service. Any incremental costs not recovered from defaulting Suppliers will be included in the ETC Rider.

Company will act as POLR Coordinator, identifying the need for POLR service and notifying SCO and Choice Suppliers.

Company will take the following short-term action with regard to obtaining POLR supply:

- (1) Choice and SCO Suppliers collectively will provide supply to meet POLR needs, using their individual TCO storage inventories. The withdrawn storage inventory will be subsequently replaced.
- (2) If Company determines that the daily quantity of gas needed may affect the reliability of the system, an OFO will be issued, to ensure that Transportation Customers or Pool Operators are not under delivering versus their respective usages during the POLR period.
- (3) Next, as soon as possible, all transportation and storage capacity released to any defaulting Supplier will be recalled by Company who will use it to meet the immediate needs of the defaulting Supplier's customers. Company will claim the defaulting Supplier's storage inventory as needed to meet the defaulting Supplier's customer loads.

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

- (4) Company will fill any remaining shortfall through acquiring additional temporary capacity and supply or city-gate deliveries.
- (5) Company will coordinate the provision of POLR service for the remainder of the billing month in which a Supplier default occurs, and the subsequent month, or until an alternate solution is effectuated.

In the event of defaulting supplier removal, Company will take the following action with regard to an alternate solution:

- (1) If a Choice Supplier is removed, Company will offer non-defaulting Choice Suppliers the option of assuming the customers of the removed Choice Supplier. If there are no non-defaulting Choice Suppliers that will assume the removed Choice Supplier's customers, the customers will transfer to Sales service.
- (2) If a SCO Supplier is removed or Choice Suppliers do not assume the customers of a removed Choice Supplier:
  - (a) The existing SCO Suppliers loads will be increased to cover the defaulted load on a pro rata basis. Such incremental load will be limited to 50% of initial Tranche size.
  - (b) For the portion of increased load quantity greater than 50% of initial Load Tranche size, that load will be assigned to a new SCO Supplier based on an accelerated auction process.

### **Company Demand Forecast:**

Company shall forecast each Pool's Peak Design Day Demand and Expected Demand based upon Company's design day and forecasted weather, respectively; the number of Customers in the Pool; and the historic usage characteristics of the Pool Customers. The Peak Design Day Demand, Expected Demand, and corresponding DDQ shall be based on a single market area upon the implementation of the Program. However, through experience gained with the Program, Company may create separate forecasts and DDQs and require separate Pools for specific market areas.

### **Daily Scheduling of Directed Delivery Quantities:**

By 8:00 a.m. Central Clock Time (CCT), Company will post on its EBB, Choice Supplier's DDQ by Pool for the gas day beginning 9:00 a.m. CCT the following day. Such DDQ shall be the sum of: 1) the Expected Demand of Choice Supplier's Pool for that gas day calculated using the Pool's demand equation and forecasted weather; and 2) any necessary adjustments for interstate pipeline and/or Company operating constraints, system knowledge and experience, and/or prior imbalances associated with the periodic volume reconciliations. The DDQ will be stated in city-gate Dekatherms. At the time of posting the DDQ, Company shall indicate the minimum, maximum or exact volume that shall be delivered by Choice Supplier on each interstate pipeline or to each Company city gate to achieve the DDQ, and shall post any interstate pipeline and/or Company operating constraints that are expected to be in effect the following day(s). Company shall maintain city-gate allocation tables that outline the range of minimum and maximum delivery percentages required by city-gates and/or service areas on Company's system. These percentages shall be recalculated and communicated to Choice Suppliers periodically. Absent unforeseen circumstances, a minimum four months' notice will be provided on changes to the city-gate allocation tables.

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

Choice Suppliers are required to nominate scheduled storage injections and withdrawals to the pipelines and to Company for all Company-released storage capacity. Company will post daily minimum and maximum TCO storage injection and withdrawal limits, and monthly minimum storage inventory levels. Scheduled injection nomination rights during winter months and scheduled withdrawal nomination rights during summer months are subject to approval in advance by Company.

By 11:00 a.m. CCT each day, and in any intra-day nominations thereafter, Choice Supplier shall nominate to the Company via the Company's EBB the quantity of gas that it has scheduled for delivery at Company's city gate(s) for its Pool(s) for the following gas day. Choice Supplier agrees to adhere to the nominating guidelines set out in the FERC approved tariff of the applicable interstate pipeline and comply with any Company operating and/or interstate pipeline restrictions communicated by Company.

Company will post actual system imbalance volumes the day after flow and each Choice Supplier's prorata share of the system imbalance per the monthly PDA. Company may at its discretion perform a No-Notice nomination to Choice Supplier's Company-released TCO storage for the prior day's flow if the Choice Supplier has not (1) delivered adequate supplies to meet their DDQ or (2) met their TCO minimum city-gate allocation delivery requirement.

### **Allocation of Propane Supplies:**

During the months of December through March, Company shall reserve a portion of its vaporized propane capacity for Choice Supplier Pools, based on the product of each Pool's then-applicable Peak Design Day Demand and the percentage of Company's total design day needs forecasted to be met by vaporized propane that month. The portion reserved shall be applied as a reduction to the Peak Design Day Demand that Choice Supplier must meet pursuant to its Comparable Firm Capacity Requirement.

On any day when the Pool's Expected Demand reaches the volume of Choice Supplier's Comparable Firm Capacity Requirement, Company shall supply the Pool's gas needs in excess of the Choice Supplier's Comparable Firm Capacity Requirements with vaporized propane.

Choice Supplier will be assessed a proportionate share, as determined by Company, of the costs of propane used for peak shaving, for propane facility test runs, for hourly load shaving and any other uses of propane determined to be necessary for system operation in Company's discretion.

By October 1 of each year, and when there is a material change in Company's propane peaking capacity, Company shall indicate the percentage of Choice Supplier Pool's Peak Design Day Demand that will be met with Company's vaporized propane allocated by Company to such Pool.



## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **Measurement of Customer Usage Volumes:**

Company shall be responsible for all usage measurement at the point of delivery to the Customer's facilities. Monthly volumes billed to Pool Customers shall be considered actual volumes consumed, whether the meter reading is actual or estimated.

### **Quality of Gas Delivered by Choice Supplier:**

Choice Supplier warrants that all gas delivered by or on behalf of Choice Supplier for its Pool Customers shall meet the quality, pressure, heating value and other quality specifications of the applicable FERC Gas Tariff of the interstate gas pipeline delivering said gas to Company.

### **Title and Warranty:**

Choice Supplier warrants that it will, at the time and place of delivery, have good right and title to all volumes of gas delivered on its behalf, free and clear of all liens, encumbrances, and claims whatsoever, and that it will indemnify and hold Company harmless for all suits, actions, debts, accounts, damages, costs, losses, or expenses (including reasonable attorneys fees) arising from or out of the adverse claims of any or all persons relating to or arising from said gas.

### **MONTHLY VOLUME RECONCILIATION**

For each month, Company will determine Supplier's Pool's Effective Deliveries and compare them to the Pool's Required Deliveries in order to determine the monthly reconciliation volume. Reconciliation volumes will be settled financially by charging Choice Supplier if Required Deliveries are less than Effective Deliveries, or paying Choice Supplier if Effective Deliveries are greater than their Required Deliveries. The price utilized will be the Columbia Appalachia Index for the month being reconciled.

Choice Supplier's Pool's Effective Deliveries will be the sum of the Pool's deliveries to the city-gate, plus its proportional share of propane and system balancing activity.

The Pool's Required Deliveries will be determined by multiplying the Pool's actual usage percentage by the total system Effective Deliveries.

Monthly volume reconciliations will be performed the second month following the end of the month of flow in order to obtain all billed usage for the applicable period and any prior usage adjustments.

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **CONSEQUENCES OF CHOICE SUPPLIER'S FAILURE TO PERFORM OR COMPLY**

If a Choice Supplier fails to deliver gas in accordance with the requirements of the Choice Supplier Pooling Agreement, or otherwise fails to comply with the provisions of Rate 385 and these Terms and Conditions, including those specified in the Choice Supplier Code of Conduct section, Company shall have the discretion to initiate the process to suspend temporarily or terminate such Choice Supplier's further Program participation for the applicable Pool.

- **Non-Mercantile Pool:** In the event Company seeks to suspend or terminate a Choice Supplier from the provision of service to any Non-Mercantile Pool under the Program, Company shall follow the process and timeline set out in Rule 4901:1-27-12(J), OAC. Among other things, this establishes the process by which Company must seek authorization from the Commission to terminate or suspend a Choice Supplier from providing service to a Non-Mercantile Pool in the event of a default.
- **Mercantile Pool:** In the event Company intends to suspend or terminate a Choice Supplier from the Program, Company shall first notify the Choice Supplier of the alleged violations that merit suspension or termination. Such notice shall be in writing, contain reasonable detail and shall be sent to Choice Supplier at the fax number listed in the Choice Supplier Pooling Agreement five (5) days prior to the suspension or termination. If, within five (5) days after the service of the previously mentioned notice, Choice Supplier remedies or removes the cause or causes stated in the notice, the Choice Supplier Pooling Agreement and such Mercantile Pool will continue in full force and effect. If Choice Supplier does not remedy or remove the cause or causes within five (5) days, then at the option of Company, the Choice Supplier Pooling Agreement relative to all Mercantile Pools may terminate at the expiration of said five (5) day period.

If Choice Supplier is suspended or expelled from the Program relative to a specific Pool, Customers in such Pool shall transfer to Standard Choice Offer Service, unless said Customers join another Choice Supplier's Pool. Any termination or cancellation of the Choice Supplier Pooling Agreement relative to some or all of Choice Supplier's Pools and pursuant to any provision of this section shall be without waiver of any remedy, whether at law or in equity, to which the party not in default otherwise may be entitled for breach of the Agreement.

### **CHOICE SUPPLIER WITHDRAWAL OR TERMINATION**

If Choice Supplier in total or for a specific Pool is restricted from further participation in the Program or elects to withdraw from the Program, Company shall have the right to recall all pipeline capacity then assigned to Choice Supplier by Company associated with the specific Pool(s) in accordance with the terms of the release agreement. Payment of any amounts payable to Choice Supplier by Company will be held by Company until all volumes are reconciled and any charges owed to Company are paid in full.

Upon withdrawal or termination, Choice Supplier will be required to sell to Company fifteen percent (15%) of its TCO Storage Contract Quantity (SCQ) at the Columbia Appalachia Index price for the current month or next month, whichever is lower.

## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **FORCE MAJEURE**

If either Choice Supplier or Company is unable to fulfill its obligations under the Choice Supplier Pooling Agreement, Rate 385, or these Terms and Conditions due to an event or circumstance which is beyond the control of such party and which prevents such performance, such party shall be excused from and will not be liable for damages related to non-performance during the continuation of such impossibility of performance. Neither of the following shall be considered a force majeure condition: 1) changes in market conditions that affect the acquisition or transportation of natural gas, or 2) failure of Choice Supplier to deliver or Pool Customers to consume scheduled gas volumes.

The party claiming force majeure will use due diligence to remove the cause of the force majeure condition and resume delivery or consumption of gas previously suspended. Gas withheld from Choice Supplier or Pool Customers during a force majeure condition will be delivered upon the end of such condition as soon as practicable based on, among other things, Company's operating constraints.

## **UNACCOUNTED FOR GAS PERCENTAGE**

### **APPLICABILITY**

The Unaccounted for Gas Percentage shall be applicable to Choice Suppliers, Pool Operators, SCO Suppliers, and to non-Pooling Transportation Customers served under Rate 345.

### **DESCRIPTION**

A percentage of the quantities delivered by applicable parties at a point of receipt on the Company's distribution system shall be designated to compensate for gas lost, used, and unaccounted for in system operations.

The Unaccounted for Gas Percentage stated below shall be adjusted periodically by Company, through updating of this Sheet No. 54 after approval by the Commission, to reflect any changes in the system unaccounted for percentage.

### **UNACCOUNTED FOR GAS PERCENTAGE**

The Unaccounted for Gas Percentage is 1.6%.

## **SCO SUPPLIER TERMS AND CONDITIONS**

### **APPLICABILITY**

The following Terms and Conditions apply to SCO Suppliers under Rate 396, SCO Supplier Service.

### **DEFINITIONS**

**Columbia Appalachia Index** – First of the Month "Columbia Gas Transmission Corp, Appalachia" as reported by Inside FERC's Gas Market Report in the table "Prices of Spot Gas Deliveries to Pipelines".

**Comparable Firm Capacity Requirement** - For the term of the SCO Phase, each SCO Supplier agrees to retain sufficient firm interstate pipeline transportation and storage capacity with primary delivery points to the Company city gates and firm gas supply to meet 100% of the monthly design peak day demands for its SCO Load Tranches, less a percentage during the winter months reflecting the SCO Supplier's propane peaking allocation.

**Directed Delivery Quantity (DDQ)** - the sum of:

- a. The Expected Demand of the SCO Supplier's Load Tranche(s) for that gas day, plus
- b. System UAFG percentage volumes, plus
- c. Any necessary adjustments for interstate pipeline and/or Company operating constraints, and/or prior imbalances associated with periodic volume reconciliations.

**EFT** – Panhandle Eastern Pipe Line Company Enhanced Firm Transportation.

**Expected Demand** - A SCO Supplier's forecasted Tranche usage for a particular gas day, as determined by Company.

**Load Tranche or Tranche**- a share of total Standard Choice Offer Service volumes to be supplied by SCO Supplier.

**ORC** - The Ohio Revised Code.

**PEPL** – Panhandle Eastern Pipe Line

**Pre-determined Allocation ("PDA")** - a contractual arrangement with TCO which allocates the daily VEDO system imbalance volumes to all holders of Company's released TCO storage capacity based on predetermined allocation percentages.

**Retail Price Adjustment** - Bids during the SCO auction specified as an adjustment to the NYMEX monthly settlement price fixed for the entire term of the SCO Phase.

**SCO Supplier** - A supplier that meets the Requirements for SCO Supplier Participation set out in Rate 395.

**SCO Supply** – Gas supply provided by SCO Suppliers pursuant to Rate 396.

## **SCO SUPPLIER TERMS AND CONDITIONS**

**SCO Supplier Agreement or Agreement** - An agreement between Company and SCO Supplier that defines the mutual responsibilities and obligations of those parties relative to services provided under Rate 396.

**TCO** - Columbia Gas Transmission Corporation.

**Unaccounted for Gas Percentage** - The portion of SCO Supplier's city gate deliveries designated to compensate for gas lost, used, and unaccounted for in system operations. The Unaccounted for Gas Percentage is contained in Sheet 54.

### **CAPACITY AND OPERATING REQUIREMENTS**

#### **Comparable Firm Capacity Requirement**

SCO Supplier agrees to secure sufficient firm interstate pipeline capacity, of which a portion shall be Company released capacity, with primary delivery points to Company's city gates and firm supply to meet 100% of each month's Peak Design Day Demand of its Load Tranche, less a percentage during the winter months reflecting SCO Supplier's entitlement to Company's propane as described below (Allocation of Propane Supplies).

On a daily basis, Company will provide SCO Supplier with the revised Peak Design Day Demand for SCO Supplier's Load Tranche effective the following day. This volume will change over time as necessary to reflect Customers joining and leaving SCO Supplier's Load Tranche and any changes in Company's peak design day demand parameters.

Company may periodically verify SCO Supplier's compliance with this Comparable Firm Capacity Requirement. SCO Supplier will provide to Company upon request copies of contracts for upstream pipeline capacity not released by Company and supply contracts showing the firm quantities reserved or purchased and the specific points of delivery. If SCO Supplier is securing firm city gate supplies, SCO Supplier shall provide a copy of such firm supply agreement, and additional documentation as required by Company to confirm compliance of the applicable interstate pipeline capacity.

If Company identifies a firm capacity deficiency, such deficiency shall be resolved to Company's satisfaction by immediate acquisition by SCO Supplier of additional firm pipeline capacity. If Company identifies a firm supply deficiency, such deficiency shall be resolved to the Company's satisfaction by immediate acquisition by SCO Supplier of additional firm supply.

#### **Mandatory Assignment of Pipeline Capacity:**

Company will release its pipeline transportation and storage capacity to SCO Supplier based upon approximately 75% of the Peak Design Day Demand of SCO Supplier's Load Tranche. SCO Supplier shall take release of specific interstate pipeline firm transportation and storage capacity for the term of the SCO Service phase, subject to Company's right of capacity recall contained elsewhere in these Terms and Conditions.

## **SCO SUPPLIER TERMS AND CONDITIONS**

Terms and conditions of the capacity release will be specified in pipeline capacity release forms including length of term, price, and recall requirements, subject to FERC requirements for capacity release. SCO Supplier may not change any primary points of receipt or delivery associated with released pipeline transportation contracts during the term of the capacity release. In addition, for specific parcels of capacity identified by Company, SCO Supplier may not utilize any delivery point other than those primary and secondary points identified by Company unless the capacity is released at the pipeline's full tariff rate or unless an alternate capacity billing arrangement is agreed to by SCO Supplier and Company. The released capacity is subject to recall at any time if SCO Supplier does not perform in accordance with the SCO Supplier Agreement or fails to comply with provisions set forth in these Terms and Conditions.

SCO Supplier may re-release on a recallable basis any transportation capacity released to it hereunder, provided that: 1) SCO Supplier will continue to be responsible for payment of all pipeline charges associated with the released capacity; 2) any re-release of such capacity remains subject to the requirements and restrictions identified in Company's Tariff; and 3) the capacity is not needed to satisfy the SCO Supplier's Load Tranche's DDQ on such day(s). SCO Supplier may use other firm pipeline capacity to supply its DDQ and re-release portions of its assigned pipeline capacity, subject to the previously mentioned restrictions.

### **Monthly Reassignment of Capacity:**

Transportation and storage capacity released to Suppliers will follow Customers to their new Suppliers upon migration to and from Choice Service with monthly reassignment of capacity to Suppliers based on their Peak Design Day Demands. Company reserves the right to adjust capacity release quantities intra-month in the event large Choice migrations occur.

### **Operational System Balancing:**

Company's TCO storage will be released to each Choice and SCO Supplier on a proportionate basis. The holders of Company-released TCO storage capacity will collectively provide system balancing through Predetermined Allocations (PDA) set with TCO.

PDAs will be established with TCO at the beginning of each month proportional to the percentage of TCO storage capacity released to Suppliers. Each day SCO Supplier will be allocated a portion of the daily system imbalance based on its PDA percentage. SCO Supplier will be charged by TCO for any overrun or penalties associated with exceeding its individual storage volume limits. If Company, as meter operator, incurs TCO penalties, such penalties will be assessed to each SCO Supplier that contributed to the penalty proportional to their contribution to the violation.

SCO Suppliers will agree to follow Company-established minimum and maximum limits for daily storage injections and withdrawals, and minimum storage inventory requirements to ensure sufficient storage inventory and capacity to balance Company's system each day. At no time shall SCO Supplier's Company-released TCO storage inventory volume be less than the minimum specified by Company.

## **SCO SUPPLIER TERMS AND CONDITIONS**

### **Provider of Last Resort ("POLR") Service:**

SCO Supplier shall temporarily provide supply from Company-released TCO storage capacity to cover system load requirements in the event of a Supplier default or OFO event.

Defaulting Suppliers will be required to reimburse affected parties for any incremental costs incurred to provide POLR service. Any incremental costs not recovered from defaulting Suppliers will be included in the ETC Rider.

Company will act as POLR Coordinator, identifying the need for POLR Service and notifying SCO and Choice Suppliers.

Company will take the following short-term action with regard to obtaining POLR supply:

- (1) Choice and SCO Suppliers collectively will provide supply to meet POLR needs, using their individual TCO storage inventories. The withdrawn storage inventory will be subsequently replaced.
- (2) If Company determines that the daily quantity of gas needed may affect the reliability of the system, an OFO will be issued, to ensure that Transportation Customers or Pool Operators are not under delivering versus their respective usages during the POLR period.
- (3) Next, as soon as possible, all transportation and storage capacity released to any defaulting Supplier will be recalled by Company who will use it to meet the immediate needs of the defaulting Supplier's customers. Company will claim the defaulting Supplier's storage inventory as needed to meet the defaulting Supplier's customer loads.
- (4) Company will fill any remaining shortfall through acquiring additional temporary capacity and supply or city-gate deliveries.
- (5) Company will coordinate the provision of POLR service for the remainder of the billing month in which a Supplier default occurs, and the subsequent month, or until an alternate solution is effectuated.

In the event of defaulting supplier removal, Company will take the following action with regard to an alternate solution:

- (1) If a Choice Supplier is removed, Company will offer non-defaulting Choice Suppliers the option of assuming the customers of the removed Choice Supplier. If there are no non-defaulting Choice Suppliers that will assume the removed Choice Supplier's customers, the customers will transfer to Sales service.
- (2) If an SCO Supplier is removed or Choice Suppliers do not assume the customers of a removed SCO Supplier:
  - (a) The existing SCO Suppliers loads will be increased to cover the defaulted load on a pro rata basis. Such incremental load will be limited to 50% of initial Tranche size.
  - (b) For the portion of increased load quantity greater than 50% of initial Load Tranche size, that load will be assigned to a new SCO Supplier based on an accelerated auction process.



## **SCO SUPPLIER TERMS AND CONDITIONS**

### **Daily Scheduling of Directed Delivery Quantities:**

By 8:00 a.m. Central Clock Time (CCT), Company will post on its EBB, SCO Supplier's DDQ for the gas day beginning 9:00 a.m. CCT the following day. Such DDQ shall be the sum of: 1) the Expected Demand of SCO Supplier's Load Tranches for that gas day calculated as a prorata share of total SCO Customer demand; 2) Load Tranche Unaccounted for Gas quantities based on Company's Unaccounted for Gas Percentage and 3) any necessary adjustments for interstate pipeline and/or Company operating constraints, system knowledge and experience, and/or prior imbalances associated with the periodic volume reconciliations. The DDQ will be stated in city gate MMBtus.

At the time of posting the DDQ, Company shall indicate the minimum, maximum or exact volume that shall be delivered by SCO Supplier on each interstate pipeline or to each Company city gate to achieve the DDQ, and shall post any interstate pipeline and/or Company operating constraints that are expected to be in effect the following day(s). Company shall maintain city-gate allocation tables that outline the range of minimum and maximum delivery percentages required by city-gates on Company's system. These percentages shall be recalculated and communicated to SCO Suppliers periodically. Absent unforeseen circumstances, four months' minimum notice will be provided on changes to the city-gate allocation tables.

SCO Suppliers are required to nominate scheduled storage injections and withdrawals to the pipelines and to Company for all Company-released storage capacity. Company will post daily minimum and maximum TCO storage injection and withdrawal limits, and monthly minimum storage inventory levels. Scheduled injection nomination rights during winter months and scheduled withdrawal nomination rights during summer months are subject to approval in advance by Company.

By 11:00 a.m. CCT each day, and in any intra-day nominations thereafter, SCO Supplier shall nominate to the Company via the Company's EBB the quantity of gas that it has scheduled for delivery at Company's city gates for its DDQ for the following gas day. SCO Supplier agrees to adhere to the nominating guidelines set out in the FERC approved tariff of the applicable interstate pipeline and Company's Extranet Administrative Guidelines and comply with any Company operating and/or interstate pipeline restrictions communicated by Company.

## **SCO SUPPLIER TERMS AND CONDITIONS**

Company will post actual system imbalance volumes the day after flow and each SCO Supplier's prorata share of the system imbalance per the monthly PDA. Company may at its discretion perform a No-Notice nomination to SCO Supplier's Company-released TCO storage for the prior day's flow if the SCO Supplier has not (1) delivered adequate supplies to meet their DDQ or (2) met their TCO minimum city-gate allocation delivery requirement.

### **Allocation of Propane Supplies:**

During the months of December through March, Company shall reserve a portion of its vaporized propane capacity for SCO Suppliers, based on the product of each SCO Supplier's then-applicable Peak Design Day Demand and the percentage of Company's total design day needs forecasted to be met by vaporized propane that month. The portion reserved shall be applied as a reduction to the Peak Design Day Demand that SCO Supplier must meet pursuant to its Comparable Firm Capacity Requirement.

On any day when the SCO Supplier's Expected Demand reaches the volume of SCO Supplier's Comparable Firm Capacity Requirement, Company shall supply the SCO Supplier's gas needs in excess of the SCO Supplier's Comparable Firm Capacity Requirements with vaporized propane.

SCO Supplier will be assessed a proportionate share, as determined by Company, of the costs of propane used for peak shaving, for propane facility test runs, for hourly load shaving and any other uses of propane determined to be necessary for system operation in Company's discretion.

By October 1 of each year, and when there is a material change in Company's propane peaking capacity, Company shall indicate the percentage of SCO Supplier's Peak Design Day Demand that will be met with Company's vaporized propane, or alternate peaking supplies, allocated by Company to such SCO Supplier.

### **Measurement of Customer Usage Volumes:**

Company shall be responsible for all usage measurement at the point of delivery to the Customer's facilities. Monthly Load Tranche volumes billed to Customers shall be considered actual volumes consumed, whether the meter reading is actual or estimated.

### **Quality of Gas Delivered by SCO Supplier:**

SCO Supplier warrants that all gas delivered by or for its Tranche shall meet the quality, pressure, heating value and other quality specifications of the applicable FERC Gas Tariff of the interstate gas pipeline delivering said gas to Company.

### **Title and Warranty:**

SCO Supplier warrants that it will, at the time and place of delivery, have good right and title to all volumes of gas delivered on its behalf, free and clear of all liens, encumbrances, and claims whatsoever, and that it will indemnify and hold Company harmless for all suits, actions, debts, accounts, damages, costs, losses, or expenses (including reasonable attorneys fees) arising from or out of the adverse claims of any or all persons relating to or arising from said gas.

## **SCO SUPPLIER TERMS AND CONDITIONS**

### **MONTHLY VOLUME RECONCILIATION**

Company will determine each Supplier's Tranche's Effective Deliveries and compare to each Tranche's Required Deliveries in order to determine the reconciliation volume. Reconciliation volumes will be settled financially by charging Supplier if Required Deliveries are less than Effective Deliveries, or paying Supplier if Effective Deliveries are greater than their Required Deliveries. The price utilized will be the Columbia Appalachia Index for the month being reconciled.

SCO Supplier's Tranche's Effective Deliveries will be the sum of each Tranche's respective deliveries to the city-gate, plus its proportional share of propane and system balancing activity.

The Tranche's Required Deliveries will be determined by multiplying the Tranche's actual usage percentage by the total system Effective Deliveries.

Monthly volume reconciliations will be performed the second month following the end of the month of flow in order to obtain all billed usage for the applicable period and any prior usage adjustments.

### **SCO SUPPLIER DEFAULT OR TERMINATION**

If SCO Supplier ceases participation in the SCO Program, Company shall have the right to recall all pipeline capacity then assigned to SCO Supplier by Company associated with the specific Load Tranche(s) in accordance with the terms of the release agreement. Payment of any amounts payable to SCO Supplier by Company will be held by Company until all volumes are reconciled and any charges owed to Company are paid in full.

SCO Suppliers will be required to sell to succeeding Suppliers fifteen percent (15%) of their TCO Storage Contract Quantity (SCQ) at the end of the SCO phase at the first of the month Columbia Appalachia Index price for the next month.

Upon default, SCO Supplier will be required to sell to Company fifteen percent (15%) of its TCO Storage Contract Quantity (SCQ) at the Columbia Appalachia Index price for the current or next month, whichever is lower.

## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

### **DEFINITIONS**

Unless otherwise specified in the Rate Schedule, the following terms shall have the meanings defined below when used in this Tariff for Gas Service:

#### **Abbreviations:**

<b>Btu</b>	– British thermal unit
<b>Ccf</b>	– One hundred cubic feet
<b>Cf</b>	– Cubic foot
<b>Cfh</b>	– Cubic feet per hour
<b>Dth</b>	– One Dekatherm or 1,000,000 Btu's
<b>FERC</b>	– Federal Energy Regulatory Commission
<b>Mcf</b>	– One thousand cubic feet
<b>OAC</b>	– Ohio Administrative Code
<b>OCC</b>	– Ohio Consumers' Counsel
<b>ORC</b>	– Ohio Revised Code
<b>PSIG</b>	– Pounds per square inch gauge
<b>PUCO</b>	– Public Utilities Commission of Ohio

**Alternate Fuel** – The form of energy used by Customer in place of Gas Service during Curtailment Periods. Gas Service provided by Company under another Rate Schedule shall not qualify as an Alternate Fuel.

**Annual Usage** – Customer's actual total gas usage for the most recent twelve consecutive billing months, or Company's estimate of Customer's total gas usage for twelve consecutive billing months when actual usage information is not available.

**Bill** – An itemized list or statement of fees and charges for Gas Service. A Bill may be rendered by mail or by electronic means.

**British Thermal Unit** – The average amount of heat necessary to increase the temperature of one pound of water by 1° Fahrenheit, in the temperature range of 32° to 212° Fahrenheit, at 14.73 pounds per square inch absolute pressure.

**Cashout** – The monetary settlement of over-delivery and under-delivery gas imbalances between Company and Pool Operators or Transportation Customers.

**Central Clock Time (CCT)** – Central Daylight Time when daylight savings time is in effect and Central Standard Time when daylight savings time is not in effect.

**Commercial Customer** – Any Customer primarily engaged in wholesale or retail trade and services (including central heating and air conditioning facilities of apartment complexes), any local, state and federal governmental agency, and any Customer not covered by another classification. When Gas Service is supplied through one meter to an apartment house or multiple dwelling, the service shall be classified as Commercial, in which case the applicable Non-Residential Rate Schedule shall apply.

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Filed pursuant to the Finding and Order dated \_\_\_\_\_ in Case No. \_\_\_\_\_ of The Public Utilities Commission of Ohio.

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## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

### **DEFINITIONS Continued**

**Commission** – The Public Utilities Commission of Ohio, or PUCO.

**Commission's Regulations** – The Ohio Administrative Code applicable to services provided to customers of natural gas companies regulated by the Commission.

**Company** – Vectren Energy Delivery of Ohio, Inc.

**Company's General Terms and Conditions** – General Terms and Conditions Applicable to Gas Service, as amended from time to time, and as approved by the Commission as part of this Tariff for Gas Service.

**Curtailment** – The limitation of the Gas Service available to Customer pursuant to the Company's Curtailment Procedures.

**Curtailment Period** – The period of time, as specified by Company, during which Gas Service is subject to Curtailment.

**Curtailment Procedures** – Rule 11 of Company's General Terms and Conditions.

**Customer** – Any individual, partnership, association, firm, public or private corporation or any other entity who agrees to receive Gas Service from Company.

**Customer-Delivered Gas** – Gas delivered to Company's distribution system by or on behalf of Customer.

**Electronic Bulletin Board (EBB or Extranet)** – Company's electronic communications software that facilitates nominations, confirmation and other administrative functions associated with Transportation Service.

**Financial Assurance** – credit support or collateral in a form acceptable to Company in its sole discretion.

**Gas Service** – The provision by the Company under a specific Rate Schedule of natural gas or a mixture of natural gas and other compatible gases at Company's point of delivery to Customer, irrespective of whether any such gas is actually consumed.

**Group 1 Meter** – Company's designation for a Customer meter with a rated capacity of 450 Cfh or less.

**Group 2 Meter** – Company's designation for a Customer meter with a rated capacity of greater than 450 Cfh.

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## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

### **DEFINITIONS Continued**

**Heating Degree Day** – A standard measure of the coldness of the temperatures experienced, based on the extent to which the daily mean temperature falls below a reference temperature of 65° Fahrenheit.

**Industrial Customer** – A Customer primarily engaged in a process that creates or changes raw or unfinished materials into another form or product.

**Interruptible Sales Service** – Sales Service subject to Curtailment from time to time and requiring Customer to maintain Alternate Fuel capability.

**Miscellaneous Charges** – Charges common to all Rate Schedules, relating to, among others, late payments, reconnection of service, returned checks, and unauthorized or fraudulent gas usage.

**Non-Residential Customer** – Any Customer that is not a Residential Customer.

**Operational Flow Order (OFO)** – An order issued by the Company via its EBB, fax machine, or telephone to Pool Operator or Transportation Customer specifying reduced imbalance tolerance levels during critical situations.

**Operational System** – Any portion of Company's distribution system for which deliveries and gas demands must be balanced separately from other portions of the distribution system, due to operational and contractual limitations.

**Pool** – A group of Transportation Customers aggregated by a Pool Operator for gas supply management purposes.

**Pool Operator** – A marketer, supplier, or Transportation Customer that provides gas supply management for a Pool.

**Pool Operator-Delivered Gas** – Gas delivered to Company's distribution system by, or on behalf of, a Pool Operator.

**Premises** – The main residence or living quarters for a Residential Customer, or the main building of a Commercial or Industrial Customer. The Premises shall include the outlying or adjacent buildings used by the same Customer, provided the use of Gas Service in the outlying or adjacent building(s) is supplemental to the service used in the main residence, main living quarters, or main building of Customer.

**Rate Schedule** – A Gas Service applicable to a particular classification of Customer with specific Applicability, Character of Service, Rates and Charges, and Terms and Conditions.

**Residential Customer** – Customer using Gas Service primarily for a single family dwelling unit, mobile home, apartment unit or condominium. When Gas Service is supplied through one meter to an apartment house or multiple dwelling, the service shall be classified as Commercial, in which case the applicable non-residential service Rate Schedule shall apply.

**SCO Customer** – A Customer subscribing to a Standard Choice Offer Service Rate Schedule.

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## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

### **DEFINITIONS Continued**

**SCO-Supplied Gas** – Gas provided by SCO Supplier and distributed to Customer for end-use.

**Standard Choice Offer ("SCO") Service** – Service established to replace Company's former SSO Service.

**Standard Sales Offer ("SSO") Service** – An expired standard market pricing sales service established to replace Company's former GCR Sales Service.

**Service Area** – Areas in which Company has Gas Service available or may offer Gas Service.

**Spaceheating** – The use of Gas Service as fuel for the heating of some portion or all of Customer's Premises.

**Throughput** – The Sum of Customer's Sales and Transportation volumes.

**Transportation Customer** – A Customer subscribing to a Transportation Service Rate Schedule.

**Transportation Service** – Gas Service involving the delivery by Company to Customer of Customer-Delivered or Pool Operator-Delivered gas.

**Winter Season** – The calendar months of November through March, inclusive, used only for Pooling Service Agreement and Choice Peaking Supply purposes.

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## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

### **11. CURTAILMENT PROCEDURES**

When sufficient capacity or quantities of gas are not available to Company to meet existing and reasonably anticipated demands for Gas Service or to protect and replenish gas storage reserves, which determinations shall be within Company's reasonable discretion, Company shall have the right to curtail Gas Service within any of its Operational Systems so affected in accordance with the provisions of this procedure.

A. **Definitions.** For the purpose of this Procedure, the following terms shall have the meanings defined below:

- (1) **Firm Curtailment Customer.** A Firm Curtailment Customer shall mean any Customer being served under Rate 320, 325, or 345 whose Average Daily Throughput in any billing month during or subsequent to the Base Period exceeds 1,000 Ccf.
- (2) **Average Daily Throughput.** The Average Daily Throughput for any Base Period billing month shall be the Firm Curtailment Customer's metered Throughput during such month divided by the number of days in the month.
- (3) **Base Period.** The Base Period is any twelve consecutive billing months as established by Company.
- (4) **Normal Monthly Throughput.** The Normal Monthly Throughput shall be the Firm Curtailment Customer's metered Throughput during each billing month of the Base Period. These quantities may be adjusted by Company for unusual circumstances.
- (5) **Human Needs Customers.** Human Needs Customers shall include hospitals, medical centers, nursing homes, and other Customers as determined by Company, whose Curtailment could adversely affect public health or safety.
- (6) **Gas Supply Curtailment.** Curtailment resulting from insufficient quantities of SCO-Supplied gas to meet the demands of SCO Customers.
- (7) **Capacity Curtailment.** Curtailment resulting from insufficient system capacity to supply Gas Services to Company's Gas Service Customers.
- (8) **Plant Protection Level -** The minimum quantity of Gas Service for Firm Curtailment Customers or Alternate Fuel capability for Interruptible Sales Service Customers required by Customer to prevent endangering the health or safety of personnel, or to prevent extensive damage to Customer's facilities, equipment, or other property. This includes the protection of such material currently in process at the time a Curtailment is called which would otherwise be destroyed, but shall not include Gas Service required to maintain plant production.



## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

### **11. CURTAILMENT PROCEDURES (Continued)**

B. **Curtailment Sequences.** Company shall have the right to curtail Gas Service to its Customers according to the following sequences. Such Curtailment shall be effective as of the date and time specified in the notice to Customer. When necessary in the sole opinion of Company, Gas Service shall be maintained to Human Needs Customers or other Customers who would otherwise be curtailed, to the extent necessary and practicable under the circumstances.

#### **B1. Gas Supply Curtailment Sequence.**

- (1) First, Rate 345 Non-Pooling Customers and Pool Operators' Pools shall be subject to the Cold Weather OFO set forth in Nomination and Balancing Provisions (Large General and Pool Operator). Rate 385 and Rate 396 Suppliers shall be subject to an OFO and subject to the specific delivery requirements and or restrictions specified by Company.
- (2) Next, Rate 341 Customers' purchases of SCO-Supplied Gas for Spaceheating shall be interrupted 100%.
- (3) Next, as determined by Company, all Rates 320 Firm Curtailment Customers' purchases of SCO-Supplied Gas shall be limited to either:
  - (a) their respective Average Daily Throughput each day over any portion of the billing month, or
  - (b) their respective Normal Monthly Throughput.
- (4) Next, as determined by Company, all Rates 320 Firm Curtailment Customers' purchases of SCO-Supplied gas shall be curtailed prorata, either:
  - (a) on a daily basis for any period specified by Company by application of a uniform percentage curtailment to their respective Average Daily Throughput, or
  - (b) on a billing month basis by application of a uniform percentage curtailment to their respective Normal Monthly Throughput.

At this point in the Curtailment sequence, Firm Curtailment Customers shall not be curtailed to a daily quantity less than their respective Plant Protection Levels.

- (5) Next, all Rates 320 Firm Curtailment Customers' purchases of SCO-Supplied Gas shall be curtailed to a daily quantity equal to their respective Plant Protection Levels.
- (6) Next, Rate 345 Non-Pooling Customers and Pool Operators' Pool Customers' transportation gas quantities on Company's system shall be limited to Customers' respective Plant Protection Levels, and the remainder of their delivered gas supply shall be diverted to use for higher priority Customers.
- (7) Next, Rate 325 Customers' transportation gas quantities on Company's system shall be limited to Customers' respective Plant Protection Levels, and the remainder of their delivered gas supply shall be diverted to use for higher priority Customers.
- (8) In the event further Curtailment is required to maintain Gas Service, Company shall be entitled to curtail or interrupt Gas Service to any Customer.
- (9) Compensation for the diversion of Customers' transportation gas quantities as provided for in Rule 11(B1)(6) and (7), will be in the amount of:
  - (a) **Daily Index Price:** The Daily Midpoint Price per Dekatherm as reported in Gas Daily in the table "Daily Price Survey", for delivery to the pipeline on which the diverted gas was delivered:
    - 1) Texas Gas, Zone SL; or

## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

11. **CURTAILMENT PROCEDURES (Continued)**

- 2) ANR, La; or
  - 3) Panhandle, Tx-Okla; or
  - 4) Texas Eastern, ELA; or
  - 5) Columbia Gas, Appalachia.
- (b) The maximum interruptible transportation rate, including all applicable surcharges, for the pipeline on which the diverted gas was delivered to; plus
- (c) The average premium paid by the Company (stated on a per therm basis) to firm gas suppliers.

Such gas costs shall be recoverable through Company's Exit Transition Cost Rider.

**B2. Capacity Curtailment Sequence.**

- (1) First, Rate 345 Non-Pooling Customers and Pool Operators' Pools shall be subject to the Cold Weather OFO set forth in Nomination and Balancing Provisions (Large General and Pool Operator). Rate 385 and Rate 396 Suppliers shall be subject to an OFO and subject to the specific delivery requirements and or restrictions specified by Company.
- (2) Next, Rate 341 Customers' purchases of SCO-Supplied Gas for Spaceheating shall be interrupted 100%.
- (3) Next, as determined by Company, all Firm Curtailment Customers' transportation quantities or purchases of SCO-Supplied Gas, as applicable, shall be limited to either:
  - (a) their respective Average Daily Throughput each day over any portion of the billing month, or
  - (b) their respective Normal Monthly Throughput.
- (4) Next, as determined by Company, all Firm Curtailment Customers' transportation quantities or purchases of SCO-Supplied Gas, as applicable, shall be curtailed prorata, either:
  - (a) on a daily basis for any period specified by Company by application of a uniform percentage curtailment to their respective Daily Throughput, or
  - (b) on a billing month basis by application of a uniform percentage curtailment to their respective Normal Monthly Throughput.

At this point in the Curtailment sequence, a Firm Curtailment Customer shall not be curtailed to a daily quantity less than its Plant Protection Level.

- (5) Next, all Firm Curtailment Customers shall be curtailed to their respective Plant Protection Levels.
- (6) In the event further Curtailment is required to maintain Gas Service, Company shall be entitled to curtail or interrupt deliveries of Gas Service to any Customer.

## **GENERAL TERMS AND CONDITIONS** **APPLICABLE TO GAS SERVICE**

### **11. CURTAILMENT PROCEDURES (Continued)**

#### **C. Curtailment Notification.**

- (1) Company shall give notification of Curtailment in the most effective manner possible and as much in advance as reasonably possible with regard to the existing circumstances and the number of Customers to be notified.
- (2) If reasonably possible, Firm Curtailment Customers shall be given seven days advance notice of any Curtailment.
- (3) In the event of Curtailment of Firm Curtailment Customers, Company shall provide notice to each Firm Curtailment Customer of its Normal Monthly Throughput and Average Daily Throughput.

**D. Lifting of Curtailment.** Any Curtailment shall be lifted in reverse order of the Curtailment Sequence.

#### **E. Unauthorized Gas Usage.**

- (1) Assessment of Unauthorized Gas Usage Charge. When a Curtailment is in effect pursuant to the provisions of paragraph B of this Procedure, gas usage by Customer in excess of the quantity permitted for such Customer shall constitute Unauthorized Gas Usage and shall be subject to the Unauthorized Gas Usage Charge set forth in Sheet No. 30.

During the Curtailment Period, Customer shall have no entitlement to Unauthorized Gas Usage. In the event Customer continues Unauthorized Gas Usage, Company may, in its sole discretion, discontinue Gas Service to Customer. The assessment of the Unauthorized Gas Usage Charge and the exercise of the right to discontinue Gas Service by Company shall be in addition to any other rights Company may have with respect to Customer's Unauthorized Gas Usage.

## 12. OPERATIONAL FLOW ORDERS

Company may issue an Operational Flow Order (OFO), in its reasonable discretion, as specified in this section upon determination that an action is required in order to:

- (1) alleviate or prevent conditions which threaten the integrity or reliability of Company's Operational System
- (2) to maintain the Operational System in balance
- (3) to maintain adequate storage inventory balances
- (4) to assure deliveries of gas supplies by Choice Suppliers, SCO Suppliers, and Pool Operators to serve their respective Customers' loads
- (5) adhere to the various interstate pipeline companies' balancing requirements, as stated in their FERC approved gas tariffs
- (6) direct SCO Suppliers, Choice Suppliers, Pool Operators and Transportation Customers to different city-gates or to institute different city-gate delivery allocations due to system maintenance or system constraints, or
- (7) any other condition warranting a change to delivery requirements.

An OFO may be may issued on a non-discriminatory basis to SCO Suppliers, Choice Suppliers, Pool Operators, and Transportation Customers delivering gas to Company's city-gates, on a system-wide basis, program basis, or individual basis, when necessary in Company's sole judgment.

Company will post the OFO notice via its EBB including the following information:

- (1) Start date of the OFO
- (2) End date of the OFO
- (3) Expected duration if no end date is specified
- (4) Specific delivery requirements and or restrictions including but not limited to the following:
  - i. No under-deliveries during a Cold Weather OFO
  - ii. No over-deliveries during a Warm Weather OFO
  - iii. No deliveries can be accepted at a particular city-gate due to maintenance

Company will endeavor to give 24 hours notice of an OFO. If the risk of a potential future critical issue is identified, Company will endeavor to post a Potential OFO notice to its EBB. However, Company reserves the right to issue an OFO at any time to mitigate potential system issues with expediency without prior notice.

# **SSO Phase Tariff Sheets (Redline)**

## TARIFF SHEET INDEX

<u>Tariff Sheet</u>	<u>Description</u>	<u>Revision</u>	<u>Effective Date</u>	
1	Title Page	Original	April 13, 2005	
2	Tariff Sheet Index			Deleted: Thirty Fifth . January 1, 2008
3	Locations Served	Original	April 13, 2005	Deleted: First
4-9	Reserved for Future Use			Deleted: May 1, 2007
	<b>RATE SCHEDULES</b>			Deleted: Second
10	Rate 310 Residential Sales Service	Second		Deleted: May 1, 2007
11	Rate 315 Residential Transportation Service	Third		Deleted: First
12	Rate 320 General Sales Service	Second		Deleted: May 1, 2007
13	Rate 325 General Transportation Service	Third		Deleted: Second
14	Rate 330 Large General Sales Service	Second		Deleted: May 1, 2007
15	Rate 340 Interruptible Sales Service	Second		Deleted: First
16	Rate 341 Dual Fuel Sales Service	Second		Deleted: May 1, 2007
17	Rate 345 Large General Transportation Service	Second		Deleted: First
18-19	Reserved for Future Use			Deleted: May 1, 2007
20	Rate 360 Pooling Service (Large General)	Original	April 13, 2005	Deleted: First
21	Rate 365 Pooling Service (Residential & General)	First		Deleted: May 1, 2007
22	Rate 395 SSO Supplier Service	Original		Deleted: First
23-29	Reserved for Future Use			Deleted: May 1, 2007
	<b>RIDERS</b>			Deleted: First
30	Miscellaneous Charges	First	August 1, 2006	Deleted: May 1, 2007
31	Gas Cost Recovery Rider (Suspended)			Deleted: Original
32	Reserved for Future Use			Deleted: April 13, 2005
33	Reserved for Future Use			Deleted: 2
34	Gas Cost Recovery Reconciliation Rider	Fifth	September 1, 2007	Deleted:
35	Migration Cost Rider (Suspended)	First		Deleted: Thirty Fourth . January 1, 2008
36	Balancing Cost Rider (Suspended)	Fourth		Deleted: Backup Sales Service Rider . Original . April 13, 2005
37	Gross Receipts Excise Tax Rider	Original	April 13, 2005	Deleted:
38	Standard Sales Offer Rider	Original		Deleted: Original . April 13, 2005
39	Uncollectible Expense Rider	Third	August 1, 2007	Deleted:
40	Percentage of Income Payment Plan Rider	First	February 5, 2007	Deleted: Third . November 1, 2007
41	Exit Transition Cost Rider	Original		Deleted: Reserved for Future Use
42	S.B. 287 Excise Tax Rider	Original	April 13, 2005	Deleted: Reserved for Future Use
43	Sales Reconciliation Rider	Original	October 1, 2006	Deleted: Entry
44-49	Reserved for Future Use			Deleted: August 16, 2006
				Deleted: 06-755-GA-UEX
				Deleted: December 17, 2007
				Deleted: January 1, 2008

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Issued \_\_\_\_\_ Issued by Jerrold L. Ulrey, Vice-President Effective \_\_\_\_\_

Deleted: Thirty Fifth  
Deleted: Thirty Fourth

## TARIFF SHEET INDEX

Tariff Sheet	Description	Revision	Effective Date	
<b>TRANSPORTATION PROVISIONS</b>				
50	Transportation Terms and Conditions (Large General)	First		Deleted: Original
51	Nomination and Balancing Provisions (Large General and Pool Operator)	Third		Deleted: April 13, 2005
52	Pooling Service Terms and Conditions (Residential and General)	First		Deleted: Second Deleted: November 1, 2007
53	Reserved for Future Use			Deleted: Original
54	Unaccounted for Gas Percentage	First		Deleted: April 13, 2005
55	SSO Supplier Terms and Conditions	Original		Deleted: Supplier Pooling Agreement (Residential and General) Original April 13, 2005
56-58	Reserved for Future Use			
<b>GENERAL TERMS AND CONDITIONS</b>				
59	Definitions	First		Deleted: Original
60	Application and Contract for Service	Original	April 13, 2005	Deleted: April 13, 2005
61	Credit Requirements of Customer	Original	April 13, 2005	Deleted: 5
62	Billing and Payment for Gas Service	Original	April 13, 2005	Deleted: Original
63	Disconnection-Reconnection of Service	First	November 10, 2005	Deleted: April 13, 2005
64	Meters and Metering Equipment-Location and Installation	Original	April 13, 2005	
65	Service Pipe-Location and Installation	Original	April 13, 2005	
66	Equipment on Customer's Premises	Original	April 13, 2005	
67	Use and Character of Service	Original	April 13, 2005	
68	Extensions of Gas Distribution Mains	Original	April 13, 2005	
69	Extensions of Gas Facilities to House Trailer Parks	Original	April 13, 2005	
70	Curtailment Procedures	Second		Deleted: First
71	Operational Flow Orders	First		Deleted: August 1, 2006
72	Affiliate Code of Conduct	Original		
73-78	Reserved for Future Use			
79	Amendments	Original		Deleted: 1 Deleted: April 13, 2005

Deleted: Entry  
Deleted: August 16, 2006  
Deleted: 06-755-GA-UEx  
Deleted: December 17, 2007  
Deleted: January 1, 2008

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## **RATE 310** **RESIDENTIAL SALES SERVICE**

### **APPLICABILITY**

This Rate Schedule shall be available to any Residential Customer electing service hereunder when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers. [Successor Rate Schedule to Small Gas Sales Service, for Residential Customers.]

### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Sales Service. Gas Service provided hereunder shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises.

### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

**Customer Charge:**  
\$7.00 per meter

**Distribution Charge:**  
\$0.11986 per Ccf for the first 50 Ccf, plus  
\$0.10442 per Ccf for all Ccf over 50 Ccf

#### **Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 - Gross Receipts Excise Tax Rider
- Sheet No. 38 - Standard Sales Offer Rider
- Sheet No. 39 - Uncollectible Expense Rider
- Sheet No. 40 - Percentage of Income Payment Plan Rider
- Sheet No. 41 - Exit Transition Cost Rider
- Sheet No. 42 - S.B. 287 Excise Tax Rider

Deleted: <#> Sheet No. 31 - Gas  
Cost Recovery Rider]

Deleted: <#> Sheet No. 35 -  
Migration Cost Rider]

#### **Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

#### **Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

### **TERMS AND CONDITIONS**

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and Commission's Regulations.

Deleted: April 11, 2007 in Case Nos.  
04-220-GA-GCR and 05-220-GA-  
GCR and Entry dated April 26, 2007

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## **RATE 315** **RESIDENTIAL TRANSPORTATION SERVICE**

### **APPLICABILITY**

This Rate Schedule shall be available to any Residential Customer electing service hereunder when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers. However, this Rate Schedule shall not be available to any Customer whose utility service account is past due at the time Customer desires to initiate this service unless Customer has discharged, or entered into a payment arrangement to discharge all existing arrearages owed the Company. This Rate Schedule is also applicable to customers currently enrolled in the Company's Percentage of Income Payment Plan (PIPP) in the event that Company bids out the provision of commodity supply for the PIPP Customers as a Single Pool. [Successor Rate Schedule to Small Gas Transportation Service, for Residential Customers.]

### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Transportation Service. Gas Service provided hereunder shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises.

Customer, except for PIPP Pool Customers, must enter into a contract for firm gas supplies with a Choice Supplier who meets the requirements for participation in Pooling Service (Residential and General) under Rate 385. Company will maintain and make available a list of Choice Suppliers participating in the Pooling Program. Such list shall be available by request and through the Company's website.

### **DEFINITIONS**

Terms used in this Rate Schedule are defined in the Definitions section of Pooling Service Terms and Conditions (Residential and General) on Sheet No. 52.

### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

**Customer Charge:**

\$7.00 per meter

**Distribution Charge:**

\$0.11986 per Ccf for the first 50 Ccf, plus

\$0.10442 per Ccf for all Ccf over 50 Ccf

**Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 - Gross Receipts Excise Tax Rider
- Sheet No. 39 - Uncollectible Expense Rider
- Sheet No. 40 - Percentage of Income Payment Plan Rider
- Sheet No. 41 - Exit Transition Cost Rider
- Sheet No. 42 - S.B. 287 Excise Tax Rider

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Migration Cost Rider]

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04-220-GA-GCR and 06-220-GA-  
GCR and Entry dated April 25, 2007

Deleted: 07-434-GA-UNC

Deleted: April 26, 2007

Deleted: May 1, 2007

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## **RATE 315** **RESIDENTIAL TRANSPORTATION SERVICE**

### **Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

### **Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

### **BILLING**

Company shall bill Customer for all Gas Services provided by the Company. Choice Suppliers have the option of either: (1) Company providing billing for Choice Suppliers' services to Customer, or (2) the Choice Supplier may bill for those services independently.

### **TERMS AND CONDITIONS**

#### **Choice Supplier Selection:**

In order to receive Gas Service under this Rate Schedule, Customer must join a Pool of a Choice Supplier participating in the Company's Pooling Program. When Company receives appropriate notification of Customer's request to participate in the Pooling Program, the change shall become effective with Customer's next on-cycle meter reading after the Customer's Enrollment Processing Period.

#### **Transfer to Sales Service Upon Choice Supplier Default**

As set forth in Sheet No. 52, if Customer's Choice Supplier defaults and Customer is not assigned to a non-defaulting Choice Supplier, Customer will transfer to Sales Service.

#### **Disconnection for Non-Payment of Choice Bill:**

Non-payment of the Choice Supplier gas commodity portion of the bill shall subject Customer, currently receiving Gas Service under this Rate Schedule, to disconnection as explained in Section 4 of the General Terms and Conditions.

#### **Customer Usage Information Release:**

When Company receives a request from a Customer for its historic usage information, the usage information for the most recent twelve (12) months and payment information for the most recent twenty-four (24) months, if available, shall be provided to Customer.

#### **Regulations:**

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and the Commission's Regulations.

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Reversion To Sales Service Upon

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disconnected while receiving service  
under this Rate Schedule, the  
Agreement between the Supplier and  
the Customer shall be terminated and  
the Customer will revert to Residential  
Sales Service. ¶

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## **RATE 320** **GENERAL SALES SERVICE**

### **APPLICABILITY**

This Rate Schedule shall be available to any Non-Residential Customer electing service hereunder whose Annual Usage is less than 150,000 Ccf when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers. [Successor Rate Schedule to Small Gas and General Gas Sales Services, for Non-Residential Customers.]

### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Sales Service. Gas Service provided hereunder shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises.

### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

#### **Customer Charge:**

\$10.00 per Group 1 Meter, or  
\$25.00 per Group 2 Meter

#### **Distribution Charge:**

\$0.12879 per Ccf for the first 50 Ccf, plus  
\$0.10497 per Ccf for all Ccf over 50 Ccf

#### **Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 38 – Standard Sales Offer Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider

Deleted: Sheet No. 31 – Gas Cost Recovery Rider[]

Deleted: Sheet No. 35 – Migration Cost Rider

#### **Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

#### **Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

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## **RATE 320** **GENERAL SALES SERVICE**

### **CURTAILMENT**

Customer shall limit gas usage as directed by Company pursuant to the Curtailment Procedures of Company's General Terms and Conditions. Except in emergencies, Company will endeavor to give four hours advance notice of such Curtailment. Company shall not be liable in damages or otherwise to Customer for any loss of production or because of the lack of advance notice to Customer.

If Customer uses gas in excess of the volume authorized during any Curtailment Period, an Unauthorized Gas Usage Charge as set forth in Sheet No. 30, Miscellaneous Charges, shall be assessed to Customer.

In the event Customer fails to comply with Company's direction to curtail, Company reserves the right to discontinue Gas Service to Customer.

### **TERMS AND CONDITIONS**

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and Commission's Regulations.

Deleted: Return from a  
Transportation Service:¶  
If Customer voluntarily returns to this  
Sales Service from a Transportation  
Service, all incremental gas  
procurement and upstream  
transportation and storage costs  
incurred by Company in order to  
return Customer to Sales Service  
may be charged to Customer. ¶  
¶  
Regulations:¶

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Issued, \_\_\_\_\_ Issued by Jerrold L. Ulrey, Vice-President \_\_\_\_\_ Effective, \_\_\_\_\_

## **RATE 325** **GENERAL TRANSPORTATION SERVICE**

### **APPLICABILITY**

This Rate Schedule shall be available to any Non-Residential Customer electing service hereunder whose Annual Usage is less than 150,000 Ccf when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers. However, this Rate Schedule shall not be available to any Customer whose utility service account is past due at the time Customer desires to initiate this service unless Customer has discharged, or entered into a payment arrangement to discharge all existing arrearages owed the Company. [Successor Rate Schedule to Small Gas and General Gas Transportation Services, for Non-Residential Customers.]

### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Transportation Service. Gas Service provided hereunder shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises.

Customer must enter into a contract for firm gas supplies with a Choice Supplier who meets the Company's requirements for participation in Pooling Service (Residential and General) under Rate 385. Company will maintain and make available a list of Choice Suppliers participating in the Pooling Program. Such list shall be available by request and through the Company's website.

### **DEFINITIONS**

Terms used in this Rate Schedule are defined in the Definitions section of the Pooling Service Terms and Conditions (Residential and General) on Sheet No. 52.

### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

#### **Customer Charge:**

\$10.00 per Group 1 Meter, or  
\$25.00 per Group 2 Meter

#### **Distribution Charge:**

\$0.12879 per Ccf for the first 50 Ccf, plus  
\$0.10497 per Ccf for all Ccf over 50 Ccf

#### **Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider

Deleted: Sheet No. 35 – Migration Cost Rider

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## **RATE 325** **GENERAL TRANSPORTATION SERVICE**

### **Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

### **Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

### **BILLING**

Company shall bill Customer for all services provided by the Company. Choice Suppliers have the option of either: (1) Company providing billing to Customer for Choice Suppliers' services, or (2) the Choice Supplier may bill for those services independently.

### **TERMS AND CONDITIONS**

#### **Choice Supplier Selection:**

In order to receive Gas Service under this Rate Schedule, Customer must join a Pool of a Choice Supplier participating in the Company's Pooling Program. When Company receives appropriate notification of Customer's request to participate in the Pooling Program, the change shall become effective with Customer's next on-cycle meter reading after the Customer's Enrollment Processing Period.

#### **Transfer to Sales Service Upon Choice Supplier Default**

As set forth in Sheet No. 52, if Customer's Choice Supplier defaults and Customer is not assigned to a non-defaulting Choice Supplier, Customer will transfer to Sales Service.

#### **Disconnection for Non-Payment of Choice Bill:**

Non-payment of the Choice Supplier gas commodity portion of the bill shall subject Customers currently receiving Gas Service under this Rate Schedule, to disconnection as explained in Section 4 of the General Terms and Conditions.

#### **Customer Usage Information Release:**

When Company receives a request from Customer for its historic usage information, the usage information for the most recent twelve (12) months and the payment information for the most recent twenty-four (24) months, if available, shall be provided to Customer.

Deleted: Return to Sales Service: If Customer voluntarily returns to the Company's Sales Service, all incremental gas procurement, upstream transportation and storage costs incurred by Company in order to return Customer to such service may be charged to Customer. ¶

Deleted: Non-payment and Reversion To Sales Service Upon

Deleted: If Customer is disconnected while receiving service under the Rate Schedule, the Agreement between the Supplier and the Customer shall be terminated and the Customer will revert to General Sales Service. ¶

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Deleted: October 13, 2005

Deleted: November 10, 2005

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## **RATE 325** **GENERAL TRANSPORTATION SERVICE**

### **Metering:**

If Company determines that remote meter reading equipment is needed to monitor Customer's usage on a daily basis in order to ensure reasonable accuracy for Company's forecast of the Peak Design Day Demand, Expected Demand, and corresponding Directed Delivery Quantity of the Pool containing such Customer, then Company shall install such remote meter reading equipment and provide the necessary interface with its meters. Customer shall be responsible for the installation and operating and maintenance costs of electric and telephone services, as specified by Company. The availability of the necessary electric and telephone service equipment must be present at Customer's meter location prior to the installation of Company's remote meter reading equipment. Failure by Customer to adequately install and maintain the necessary electric and telephone service will result in termination of its Gas Service under this Rate Schedule.

### **Regulations:**

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and Commission's Regulations.

### **CURTAILMENT**

Customer shall limit gas usage as directed by Company pursuant to the Curtailment Procedures of Company's General Terms and Conditions. Except in emergencies, Company will endeavor to give four hours advance notice of such Curtailment. Company shall not be liable in damages or otherwise to Customer for any loss of production or because of the lack of advance notice to Customer.

If Customer uses gas in excess of the volume authorized during any Curtailment Period, an Unauthorized Gas Usage Charge as set forth in Sheet No. 30, Miscellaneous Charges, shall be assessed to Customer.

In the event Customer fails to comply with Company's direction to curtail, Company reserves the right to discontinue Gas Service to Customer.

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Deleted: October 13, 2005  
Deleted: November 10, 2005

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## **RATE 330** **LARGE GENERAL SALES SERVICE**

### **APPLICABILITY**

This Rate Schedule shall be available to any Non-Residential Customer electing service hereunder whose Annual Usage is 150,000 Ccf or more when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers [Successor Rate Schedule to Large Gas Sales Service]. This Rate Schedule shall no longer be available to existing or new Customers as of the termination date of the SSO Service phase.

### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Sales Service. Gas Service provided hereunder shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises.

### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

**Customer Charge:**  
\$100.00 per Meter

**Distribution Charge:**  
\$0.12990 per Ccf for the first 1000 Ccf, plus  
\$0.11082 per Ccf for the next 14,000 Ccf, plus  
\$0.07691 per Ccf for all Ccf over 15,000 Ccf

#### **Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 38 – Standard Sales Offer Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider

Deleted: <#> Sheet No. 31 – Gas Cost Recovery Rider

#### **Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

#### **Miscellaneous Charges:**

Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

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## **RATE 330** **LARGE GENERAL SALES SERVICE**

### **CONTRACT**

Customer must contract for Gas Service under this Rate Schedule for an initial term of one (1) year, or longer if necessary in the judgment of Company to justify the construction costs required to supply Gas Service. At the expiration of its initial term such contract shall continue from year to year thereafter, unless such contract is cancelled by either party by six (6) months prior written notice.

### **CURTAILMENT**

Customer shall limit gas usage as directed by Company pursuant to the Curtailment Procedures of Company's General Terms and Conditions. Except in emergencies, Company will endeavor to give four hours advance notice of such Curtailment. Company shall not be liable in damages or otherwise to Customer for any loss of production or because of the lack of advance notice to Customer.

If Customer uses gas in excess of the volume authorized during any Curtailment Period, an Unauthorized Gas Usage Charge as set forth in Sheet No. 30, Miscellaneous Charges, shall be assessed to Customer.

In the event Customer fails to comply with Company's direction to curtail, Company reserves the right to discontinue Gas Service to Customer.

### **TERMS AND CONDITIONS**

#### **Transfer from a Transportation Service:**

If Customer voluntarily transfers to this Sales Service from a Transportation Service, all incremental gas procurement and upstream transportation and storage costs incurred in order to transfer Customer to Sales Service may be charged to Customer.

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#### **Regulations:**

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and Commission's Regulations.

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## **RATE 340** **INTERRUPTIBLE SALES SERVICE**

### **APPLICABILITY**

This Rate Schedule is available to any Non-Residential Customer electing service hereunder when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers. This Rate Schedule shall no longer be available to existing or new Customers as of the termination date of the SSO Service Phase.

### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Interruptible Sales Service. The delivery pressure shall be that which is available at Customer's Premises.

### **RATES AND CHARGES**

The Monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

**Customer Charge:**  
\$100.00 per meter

**Distribution Charge:**  
\$0.04977 per Ccf for all Ccf

#### **Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 - Gross Receipts Excise Tax Rider
- Sheet No. 38 - Standard Sales Offer Rider
- Sheet No. 39 - Uncollectible Expense Rider
- Sheet No. 40 - Percentage of Income Payment Plan Rider
- Sheet No. 41 - Exit Transition Cost Rider
- Sheet No. 42 - S.B. 287 Excise Tax Rider

Deleted: <del>Sheet No. 31 - Gas Cost Recovery Rider

#### **Minimum Monthly Charge:**

For the billing months of June, July, August, September, and October, the Minimum Monthly Charge shall be \$2000.00, plus the Standard Sales Offer Rider Charge computed on the gas actually metered during such month. For all other billing months, the Minimum Monthly Charge shall be the Customer Charge.

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#### **Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

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## **RATE 340** **INTERRUPTIBLE SALES SERVICE**

### **CONTRACT**

Customer must contract for Gas Service under this Rate Schedule for an initial term of one (1) year, or longer if necessary in the judgment of Company to justify the construction costs required to supply Gas Service. At the expiration of its initial term such contract shall continue from year to year thereafter, unless such contract is cancelled by either party by six (6) months prior written notice.

### **CURTAILMENT**

Customer shall limit gas usage as directed by Company pursuant to the Curtailment Procedures of Company's General Terms and Conditions. Except in emergencies, Company will endeavor to give four hours advance notice of such Curtailment. Company shall not be liable in damages or otherwise to Customer for any loss of production or because of the lack of advance notice to Customer.

If Customer uses gas in excess of the volume authorized during any Curtailment Period, an Unauthorized Gas Usage Charge as set forth in Sheet No. 30, Miscellaneous Charges, shall be assessed to Customer.

In the event Customer fails to comply with Company's Curtailment, Company reserves the right to discontinue Gas Service to Customer.

### **TERMS AND CONDITIONS**

Gas Service rendered under this Rate Schedule shall be subject to the Company's General Terms and Conditions and Commission's Regulations.

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## **RATE 341** **DUAL FUEL SALES SERVICE**

### **APPLICABILITY**

This Rate Schedule is available to any Non-Residential Customer electing service hereunder whose Spaceheating equipment has a rated input in excess of 2,500,000 Btu per hour when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers.

### **CHARACTER OF SERVICE**

This Rate Schedule is applicable to the provision of Dual Fuel Sales Service, as described in the Dual Fuel Terms and Conditions below. Gas Service under this Rate Schedule shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises. Customer, and owner if other than Customer, shall enter into and comply with the terms and conditions of a contract with Company.

### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

**Customer Charge:**  
\$30.00 per meter

**Distribution Charge:**  
\$0.06050 per Ccf for all Ccf of Process or Base Deliveries (as defined below), plus  
\$0.02687 per Ccf for all Ccf of Dual Fuel Deliveries (as defined below)

#### **Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 38 – Standard Sales Offer Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S. B. 287 Excise Tax Rider

Deleted: <#> Sheet No. 31 – Gas  
Cost Recovery Rider

#### **Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

#### **Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

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## **RATE 341** **DUAL FUEL SALES SERVICE**

### **PROCESS OR BASE DELIVERIES**

1. The process or base deliveries for billing purposes shall mean Customer's average monthly use during the four consecutive summer billing months beginning with the June billing month.
2. Process or base deliveries for billing purposes shall be recalculated annually. In the case of a Customer whose process or base gas using equipment was not operated during the preceding summer process or base delivery period in a manner representative of its requirements in the remaining eight months, a process or base use value shall be estimated by Company.

### **DUAL FUEL DELIVERIES**

Dual fuel deliveries for billing purposes shall mean all deliveries in excess of Customer's process or base deliveries, and shall be limited to deliveries made during the eight consecutive billing months following the close of Customer's summer process or base delivery period.

### **CONTRACT**

Customer must contract for Gas Service under this Rate Schedule for an initial term of one (1) year, or longer if necessary in the judgment of Company to justify the construction costs required to supply Gas Service. At the expiration of its initial term such contract shall continue from year to year thereafter, unless such contract is cancelled by either party by six (6) months prior written notice.

### **DUAL FUEL TERMS AND CONDITIONS**

Upon written application, any gas Customer whose Spaceheating equipment for any single structure or occupancy unit has a rated input in excess of 2,500,000 Btu per hour will be authorized, subject to the conditions set forth below, to use gas in Spaceheating equipment which is designed to use natural gas supplied by Company for Spaceheating during the warmer weather of the winter and an alternate fuel (either liquefied petroleum (propane) gas or oil) during the colder weather of the winter and which equipment will be switched from one fuel to the other automatically by a temperature control actuated by outside temperature.

A. Before natural gas supplied by Company may be used by Customer for Spaceheating under Company's Dual Fuel Rate Schedule:

1. Customer must have installed storage facilities and must maintain therein a quantity of alternate fuel, which will be sufficient, in the opinion of Company, to supply Customer's spaceheating requirements on a dual fuel basis for each heating season.
2. Customer must have installed dual fuel Spaceheating equipment of a type approved by Company.
3. Customer must have installed automatic outside temperature control equipment to be sealed by the Company, of a type approved by Company and at a point selected by Company, and set to switch automatically Customer's Spaceheating equipment from natural gas to an alternate fuel when the outside temperature is below a certain predetermined temperature to be established by Company, and to switch such Spaceheating equipment from such alternate fuel to natural gas when the outside temperature is approximately five degrees above such predetermined temperature.

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## **RATE 341** **DUAL FUEL SALES SERVICE**

4. All such dual fuel Spaceheating and outside temperature control equipment, storage facilities and necessary piping shall be installed in such a manner as to comply with the requirements of all applicable state and local laws, ordinances and codes and shall have been approved under all applicable state and local inspection laws, ordinances, rules and regulations.
- B. Customer will maintain and keep in proper operating condition such Spaceheating and temperature control equipment, and Company will not be responsible for the proper operation of the same.
- C. Customer will not, without the consent of Company, change, manipulate, or tamper with such Spaceheating and temperature control equipment in such a way that the Spaceheating equipment is not automatically switched to and from the alternate fuel at the predetermined temperatures.
- D. In the event that Customer's control equipment shall fail, because of mechanical failure, human interference, or otherwise, to switch Customer's Spaceheating equipment from and to natural gas supplied by Company, Customer may be charged by Company for all Gas Service until the next heating season under the Company's otherwise applicable Sales Service Rate Schedule instead of this Rate Schedule.
- E. Upon breach by Customer of any of the above covenants and conditions relating to the use of natural gas for Spaceheating, Company shall have the right to cancel such approval for the use of gas for Spaceheating on a dual fuel basis at said Premises and upon such cancellation all Gas Service to Customer at said location shall be paid for at the applicable Sales Service Rate Schedule until proper steps approved by Company have been taken by Customer to assure that natural gas supplied by Company will be used by Customer at said Premises in accordance with the foregoing Dual Fuel Terms and Conditions.

### **CURTAILMENT**

Customer shall limit gas usage as directed by Company pursuant to the Curtailment Procedures of Company's General Terms and Conditions. Except in emergencies, Company will endeavor to give four hours advance notice of such Curtailment. Company shall not be liable in damages or otherwise to Customer for any loss of production or because of the lack of advance notice to Customer.

If Customer uses gas in excess of the volume authorized during any Curtailment Period, an Unauthorized Gas Usage Charge as set forth in Sheet No. 30, Miscellaneous Charges, shall be assessed to Customer.

In the event Customer fails to comply with Company's Curtailment, Company reserves the right to discontinue Gas Service to Customer.

### **GENERAL TERMS AND CONDITIONS**

Gas Service rendered under this Rate Schedule shall be subject to the Company's General Terms and Conditions and Commission's Regulations.

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## **RATE 345** **LARGE GENERAL TRANSPORTATION SERVICE**

### **APPLICABILITY**

This Rate Schedule is available to any Non-Residential Customer electing service hereunder whose Annual Usage is greater than 50,000 Ccf and certain other Non-Residential Customers who were receiving service hereunder prior to March 1, 2005, when, in the judgment of Company, its service facilities are adequate to render Gas Service to Customer without impairing the quality of Company's Gas Service to other Customers. [Successor Rate Schedule to Natural Gas Transportation Service.]

### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Transportation Service. Gas Service hereunder shall be metered separately and all charges shall be calculated separately from Gas Service provided under any other Rate Schedule. The delivery pressure shall be that which is available at Customer's Premises.

Company shall provide Transportation Service from existing pipeline delivery points specified by Company to Customer on a non-discriminatory basis subject to the capacity of Company's Operational Systems.

### **RATES AND CHARGES**

The monthly Rates and Charges for Gas Service under this Rate Schedule shall be:

#### **Customer Charge:**

\$100.00 per meter

#### **Distribution Charge:**

\$0.12990 per Ccf for the first 1000 Ccf, plus  
\$0.11062 per Ccf for the next 14,000 Ccf, plus  
\$0.07691 per Ccf for all Ccf over 15,000 Ccf

#### **Riders:**

The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider

#### **Minimum Monthly Charge:**

The Minimum Monthly Charge shall be the Customer Charge.

#### **Additional Services Charges:**

Customer shall pay the appropriate rates and charges for any additional service provided by Company, as described in the Transportation Terms and Conditions (Large General), and any charge assessed in accordance with orders issued by Commission relating to take-or-pay, transition, or other costs.

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## **RATE 345** **LARGE GENERAL TRANSPORTATION SERVICE**

### **Competitive Flexibility:**

The above Rates and Charges may be reduced, in Company's reasonable discretion, as necessary to retain or attract Customer's gas load.

### **Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

### **CONTRACT**

Customer must contract for Gas Service under this Rate Schedule for an initial term of one (1) year or longer if necessary in the judgment of Company to justify the construction costs required to supply the Gas Service. At the expiration of its initial term such contract shall continue from year to year thereafter, unless either party cancels such contract by six (6) months prior written notice.

### **TRANSPORTATION TERMS AND CONDITIONS**

Gas Service provided under this Rate Schedule shall be subject to the Transportation Terms and Conditions (Large General) contained in Sheet No. 50 and the Nomination and Balancing Provisions (Large General and Pool Operator) contained in Sheet No. 51.

### **MEASUREMENT REQUIREMENT**

Customer shall provide and maintain on the Premises at the meter location telephone service as required for Company's electronic gas measurement devices and related communications equipment.

### **CURTAILMENT**

Customer shall limit gas usage as directed by Company pursuant to the Curtailment Procedures of Company's General Terms and Conditions. Except in emergencies, Company will endeavor to give four hours advance notice of such Curtailment. Company shall not be liable in damages or otherwise to Customer for any loss of production or because of the lack of advance notice to Customer.

If Customer uses gas in excess of the volume authorized during any Curtailment Period, an Unauthorized Gas Usage Charge as set forth in Sheet No. 30, Miscellaneous Charges, shall be assessed to Customer.

In the event Customer fails to comply with Company's Curtailment, Company reserves the right to discontinue Gas Service to Customer.

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**RATE 345**  
**LARGE GENERAL TRANSPORTATION SERVICE**

**CREDITWORTHINESS EVALUATION:**

Company shall perform a creditworthiness evaluation of Customer consistent with Company's standard creditworthiness evaluation practices, including an assessment of the credit risk exposure resulting from, but not limited to, distribution rates and charges, interstate pipeline capacity charges, imbalance charges, cash-out charges, pipeline penalty charges, reservation charges, and any other amounts owed to Company. If at any time Company determines that the credit risk exposure is greater than any unsecured credit that may be granted resulting from the creditworthiness evaluation, Customer must provide Company with adequate Financial Assurance to cover the difference between the credit risk exposure and any unsecured credit granted prior to, or to continue, receiving service. The provisions of this Rate Schedule and Contract between Company and Customer shall govern Company's creditworthiness requirements and procedures.

**GENERAL TERMS AND CONDITIONS**

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and Commission's Regulations.

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## **RATE 385** **POOLING SERVICE** **(RESIDENTIAL AND GENERAL)**

### **APPLICABILITY**

This Pooling Service is applicable to any Choice Supplier delivering firm gas supplies to Company's Operational Systems on behalf of Customers receiving Residential Transportation Service under Rate 315 or General Transportation Service under Rate 325.

Several terms and conditions contained within this Rate Schedule differ depending on whether a Choice Supplier Pool is comprised entirely of Non-Mercantile Customers, or if such Pool contains any Mercantile Customers. As appropriate, the various sections within this Rate Schedule shall identify such differing requirements.

### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of Pooling Service for Rate 315 or 325 Transportation Customers. Choice Supplier shall deliver to Company gas supplies needed to satisfy the usage requirements of Choice Supplier's Pool Customers, all in accordance with the rules set forth in this Rate Schedule, the Pooling Service Terms and Conditions (Residential and General) contained in Sheet No. 52, and Choice Supplier's Pooling Agreement described in this Rate Schedule.

### **MONTHLY STATEMENT**

Choice Supplier's monthly statement shall reflect the following fees, charges, and credits, as applicable:

#### **Financial Evaluation Charge:**

\$50 for the initial and each subsequent Choice Supplier financial evaluation performed by Company.

#### **Eligible Customer List Fee:**

Under the annual option, \$.08 for each name included on the initial list, with updated lists provided the three subsequent quarters at no additional cost. Under the quarterly option, \$.05 for each name included on the list. Such lists shall be produced quarterly; if Choice Supplier desires the list more frequently, Choice Supplier shall reimburse Company for any costs incurred in addition to this per-customer rate.

#### **Nomination Error Charge:**

\$0.50 per Dth applied to the difference between Choice Supplier's daily pipeline nomination volume and the pipeline daily confirmed volume delivered to Company, for each day of difference.

#### **DDQ Non-Compliance Charge:**

\$15.00 per Dth on days in which no Operational Flow Order (OFO) is in effect (provided no alternate arrangements are made with Company) against the daily difference between the Pool's DDQ and aggregate deliveries.

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**RATE 385**  
**POOLING SERVICE**  
**(RESIDENTIAL AND GENERAL)**

**City-Gate Allocation Non-Compliance Charge:**

\$5.00 per Dth for any daily city-gate nomination less than the minimum or greater than the maximum city-gate allocation requirement.

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**OFO Non-Compliance Charge:**

In the event of a Company issued Operational Flow Order (OFO), a \$35.00 per Dth charge shall be assessed on any volumes over or under the restrictions specified by Company in the OFO notice.

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**Storage Non-Compliance Charge:**

A charge per Dth shall be assessed for any volumes less than or greater than the Company-established minimum or maximum daily storage injection and withdrawal requirements, or any volumes less than the minimum storage inventory quantity requirement. The charge shall be \$15.00 per Dth for the first two occurrences, and \$35.00 per Dth for the next two occurrences during the term of the contract. In the event that TCO allows daily over-injection or over-withdrawal rights, Company shall not impose the Storage Non-Compliance Charge on any volumes injected or withdrawn greater than the maximum daily injection and withdrawal limits set by Company.

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**Monthly Volume Reconciliation Amount:**

Charge or credit as determined by the Monthly Volume Reconciliation as set out in Sheet No. 52. The price utilized will be the Columbia Appalachia Index for the month being reconciled.

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\$10.00 shall be assessed to the selling party for each transaction.

**Propane Supplies Charge:**

The cost of propane or alternate supplies provided by Company for Choice Supplier's Pool as set out in the Allocation of Propane Supplies section of Sheet No. 52.

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**Meter Operator Charges:**

Choice Supplier shall reimburse Company for penalties Company incurs as meter operator. Penalties will be assessed to each Supplier that contributed to the penalty proportional to its contribution to the violation.

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**System Balancing Amount:**

Gas cost charges or credits associated with Large Transportation Customers' and Pool Operators' daily and monthly imbalance cash-outs.

**POLR Amount:**

Any credits payable to Choice Supplier for providing Provider of Last Resort services.

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**RATE 385**  
**POOLING SERVICE**  
**(RESIDENTIAL AND GENERAL)**

**Customer Billing Amount:**

Choice commodity amounts billed to Choice Customers by Company on behalf of Choice Supplier.

**Delivery Point Balancing Amount:**

Charges or credits associated with pipeline delivery point cashouts, OBA settlements, or other related costs allocated to Supplier.

**Additional Service Charges:**

Fees and Charges for any other service shall be established by Company and assessed on a non-discriminatory basis. If Choice Supplier desires a billing service or custom rate that is not readily available in Company's billing system, Choice Supplier and Company shall negotiate a fee that shall include all programming costs associated with such custom billing requirements.

**Related Charges:**

Choice Supplier shall reimburse Company for all charges Company incurs in connection with interstate pipeline transportation of Choice Supplier-Delivered Gas including any gas costs, penalty charges, penalty charges or cash-outs.

**Riders:**

The following Riders shall be applied monthly: as applicable.

- Sheet No. 37 – Gross Receipts Excise Tax Rider

**Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Choice Supplier if applicable.

**REQUIREMENTS FOR CHOICE SUPPLIER PARTICIPATION**

In order to qualify for participation under the Pooling Program, Choice Supplier must: 1) sign a Choice Supplier Pooling Agreement with Company; 2) pass an initial financial evaluation performed by Company, and any such subsequent evaluation(s) deemed appropriate by Company, to ensure that Choice Supplier possesses sufficient resources to perform its responsibilities and to ensure financial performance hereunder; 3) achieve and maintain a minimum level of at least 100 Customers or 10,000 Mcf annual projected Customer sales per Pool; 4) maintain comparable firm capacity as set out in the Pooling Service Terms and Conditions (Residential and General); 5) adhere to the terms and conditions of this Rate Schedule and 6) have a computer and telephone line necessary to access Company's EBB. In addition, if Choice Supplier's participation in the Program was previously terminated due to Choice Supplier's default, Choice Supplier shall provide information acceptable to Company that such cause for default has been corrected and will be avoided in the future. Also, for any Non-Mercantile Pool, Choice Supplier must provide a copy of the certificate demonstrating that Choice Supplier is certified by the PUCO to provide retail natural gas service, and maintain such certification status.

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Deleted: Late Payment Charge:¶ Payment of the total Bill amount due must be received by Company or an authorized agent by the due date shown on Supplier's invoice. If Supplier does not pay the total amount due by the date shown, an additional amount equal to one and one half percent (1.5%) of the total unpaid balance shall also become due and payable. ¶

¶ Returned Check Charge:¶ The Returned Check Charge contained on Sheet No. 30, Miscellaneous Charges, shall be added to Supplier's account each time a check is returned by the financial institution for insufficient funds.¶

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**RATE 385**  
**POOLING SERVICE**  
**(RESIDENTIAL AND GENERAL)**

All Choice Suppliers must complete and sign Company's Choice Supplier Registration Form and Credit Application to be considered for participation in the Program. Choice Suppliers desiring to participate in the Program will be evaluated by Company to establish credit levels acceptable to Company. Company will apply, on a non-discriminatory basis, reasonable financial standards to assess and examine a Choice Supplier's creditworthiness. These standards will take into consideration the scope of the operations of the Choice Supplier and the level of risk to Company.

Financial evaluations will be based on standard credit factors such as financial and credit ratings, trade references, bank information, unused line of credit, Pool Customer payment history, and related financial information that has been independently audited, if available. Company shall determine creditworthiness based on the above criteria, and will not deny Choice Supplier's participation in the Program without reasonable cause. In order to pass Company's financial evaluation, a Choice Supplier may be required to provide additional security, the form and format of which shall be specified by Company.

Company reserves the right to conduct re-evaluations of Choice Supplier's financial standing from time to time. Such re-evaluation may be initiated either by a request from Choice Supplier or by Company, if Company reasonably believes that the creditworthiness or operating environment of Choice Supplier may have changed. Based on such re-evaluation, Choice Supplier's level of participation may be increased or decreased, additional security may be required or Choice Supplier may be removed from further participation in the Program.

Company shall maintain a list of Choice Suppliers currently meeting the requirements for Program participation and shall make such list available by request and via Company's website.

**CONTRACT**

Choice Supplier must enter into a written Pooling Agreement with Company. Such Pooling Agreement shall set forth specific covenants and obligations undertaken by Company and Choice Supplier under this Rate Schedule on behalf of its Pool Customers. The Pooling Agreement shall have an initial term of not less than one year and shall automatically extend for succeeding annual terms thereafter subject to cancellation by either party after written notice submitted not less than ninety (90) days advance written notice prior to a contract expiration date, or unless terminated pursuant to the provisions of the Agreement. However, in no case shall any service pursuant to the Agreement be terminated during a winter month (November through March) unless such winter period is mutually agreed upon and/or except as pursuant to the Agreement.

**POOLING SERVICE TERMS AND CONDITIONS**

Choice Supplier shall be subject to the Pooling Service Terms and Conditions (Residential and General) as set forth in Sheet No. 52.

**GENERAL TERMS AND CONDITIONS**

Gas Service rendered under this Rate Schedule shall be subject to Company's General Terms and Conditions and Commission's Regulations.

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Filed pursuant to the Finding and Order dated \_\_\_\_\_ in Case No. \_\_\_\_\_ of The  
Public Utilities Commission of Ohio.

Issued \_\_\_\_\_ Issued by Jerrold L. Ulrey, Vice-President \_\_\_\_\_ Effective \_\_\_\_\_

## **RATE 395** **SSO SUPPLIER SERVICE**

### **APPLICABILITY**

This Service is applicable to any SSO Supplier delivering firm gas supplies to Company's Operational Systems for Customers receiving Sales Service under Rates 310, 320, 330, 340 and 341.

### **CHARACTER OF SERVICE**

This Rate Schedule applies to the provision of SSO Supply. SSO Supplier shall deliver to Company gas supplies needed to satisfy the usage requirements of SSO Supplier's Load Tranche(s), all in accordance with the rules set forth in this Rate Schedule, the SSO Supplier Service Terms and Conditions contained in Sheet No. 55, and the SSO Supplier Agreement described in this Rate Schedule.

### **MONTHLY STATEMENT**

SSO Supplier's monthly statement shall reflect the following fees, charges and credits, as applicable:

#### **Financial Evaluation Charge:**

\$50.00 for the initial and each subsequent SSO Supplier financial evaluation performed by Company.

#### **Nomination Error Charge:**

\$0.50 per Dth applied to the difference between SSO Supplier's daily pipeline nomination volume and the pipeline daily confirmed volume delivered to Company, for each day of difference.

#### **DDQ Non-Compliance Charge:**

\$15.00 per Dth on days in which no Operational Flow Order (OFO) is in effect (provided no alternate arrangements are made with Company) against the daily difference between the Tranche's DDQ and aggregate deliveries.

#### **City-Gate Allocation Non-Compliance Charge:**

\$5.00 per Dth for any daily city-gate nomination less than the minimum or greater than the maximum city-gate allocation requirement.

#### **OFO Non-Compliance Charge:**

In the event of a Company issued Operational Flow Order (OFO), a \$35.00 per Dth charge shall be assessed on any volumes over or under the restrictions specified by Company in the OFO notice.

#### **Storage Non-Compliance Charge:**

A charge per Dth shall be assessed for any volumes less than or greater than the Company-established minimum or maximum daily storage injection and withdrawal requirements, or any volumes less than the minimum storage inventory quantity requirement. The charge shall be \$15.00 per Dth for the first two occurrences, and \$35.00 per Dth for the next two occurrences during the term of the contract. In the event that TCO allows daily over-injection or over-withdrawal rights, Company shall not impose the Storage Non-Compliance Charge on any volumes injected or withdrawn greater than the maximum daily injection and withdrawal limits set by Company.

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## **RATE 395**

### **SSO SUPPLIER SERVICE**

**Monthly Volume Reconciliation Amount:**

Charge or credit as determined by the Monthly Volume Reconciliation as set out in Sheet No. 55. The price utilized will be the Columbia Appalachia Index for the month being reconciled.

**Propane Supplies Charge:**

The cost of propane or alternate supplies provided by Company for SSO Supplier's Tranche as set out in the Allocation of Propane Supplies section of Sheet No. 55.

**Meter Operator Charges:**

SSO Supplier shall reimburse Company for penalties Company incurs as meter operator. Penalties will be assessed to each Supplier that contributed to the penalty proportional to its contribution to the violation.

**System Balancing Amount:**

Gas cost charges or credits associated with Large Transportation Customers'/Pool Operators' daily and monthly imbalance cash-outs.

**POLR Amount:**

Any credits payable to SSO Supplier for providing Provider of Last Resort services.

**Customer Billing Amount:**

SSO Supplier's proportionate share of SSO Price amounts billed to SSO Customers by Company.

**Delivery Point Balancing Amount:**

Charges or credits associated with pipeline delivery point cashouts, OBA settlements, or other related costs allocated to Supplier.

**Related Charges:**

SSO Supplier shall reimburse Company for all charges Company incurs in connection with interstate pipeline transportation of SSO Supplier-Delivered Gas including any gas costs, penalty charges, penalty charges or cash-outs.

**Riders:**

The following Riders shall be applied monthly, as applicable:

- Sheet No. 37 – Gross Receipts Excise Tax Rider

**Miscellaneous Charges:**

The Miscellaneous Charges set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to SSO Supplier if applicable.

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## **RATE 395** **SSO SUPPLIER SERVICE**

### **REQUIREMENTS FOR SSO SUPPLIER PARTICIPATION**

In order to qualify for participation under the SSO Program, SSO Supplier must: 1) sign a SSO Supplier Agreement and SSO Supplier Registration Form and Credit Application with Company; 2) pass an initial financial evaluation performed by Company, and any such subsequent evaluation(s) deemed appropriate by Company, to ensure that SSO Supplier possesses sufficient resources to perform its responsibilities and to ensure financial performance hereunder; 3) maintain comparable firm capacity as set out in the SSO Service Terms and Conditions; 4) adhere to the terms and conditions of this Rate Schedule; and 5) have a computer and telephone line necessary to access Company's EBB.

SSO Suppliers desiring to participate in the Program will be evaluated by Company to establish credit levels acceptable to Company. Company will apply, on a non-discriminatory basis, reasonable financial standards to assess and examine a SSO Supplier's creditworthiness. These standards will take into consideration the scope of the operations of the SSO Supplier and the level of risk to Company.

Financial evaluations will be based on standard credit factors such as financial and credit ratings, trade references, bank information, unused line of credit, and related financial information that has been independently audited, if available. Company shall determine creditworthiness based on the above criteria, and will not deny SSO Supplier's participation in the Program without reasonable cause. In order to pass Company's financial evaluation, a SSO Supplier may be required to provide additional security, the form and format of which shall be specified by Company.

Company reserves the right to conduct re-evaluations of SSO Supplier's financial standing from time to time. Such re-evaluation may be initiated either by a request from SSO Supplier or by Company, if Company reasonably believes that the creditworthiness or operating environment of SSO Supplier may have changed. Based on such re-evaluation, additional security may be required or SSO Supplier may be removed from further participation in the Program.

### **CONTRACT**

SSO Supplier must enter into a written SSO Supplier Agreement with Company which shall set forth specific covenants and obligations undertaken by Company and SSO Supplier under this Rate Schedule. The Agreement shall have a term consistent with the SSO Phase term as approved by the Commission.

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**RATE 395**  
**SSO SUPPLIER SERVICE**

**SSO SUPPLIER SERVICE TERMS AND CONDITIONS**

SSO Supplier shall be subject to the SSO Supplier Service Terms and Conditions as set forth in Sheet No. 55.

**GENERAL TERMS AND CONDITIONS**

This Rate Schedule shall be subject to Company's General Terms and Conditions and Commission's Regulations.

Filed pursuant to the Finding and Order dated \_\_\_\_\_ in Case No. \_\_\_\_\_ of The  
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## **SUSPENDED** **GAS COST RECOVERY RIDER**

### **APPLICABILITY**

The Gas Cost Recovery ("GCR") Rider is applicable to any Sales Service Customer.

**This Rider is suspended indefinitely pursuant to the Company's Merchant Exit Transition Plan.**

### **DESCRIPTION**

The Gas Cost Recovery Charge shall be the product of the billing Ccf and the GCR Rate.

The Gas Cost Recovery Rate (GCR Rate) will be determined pursuant to the requirements of Chapter 4901:1-14 of the Ohio Administrative Code.

### **GCR RATE**

The GCR Rate for \_\_\_\_\_ 200 is \$ \_\_\_\_\_ /Ccf.

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Deleted: **BACKUP SALES  
SERVICE RIDER**

Deleted: **APPLICABILITY**

The Backup Sales Service Rider is applicable to the following customers being served under Rate 345, Large General Transportation Service: "Human Needs and Public Welfare Customers" as defined by the Commission in Case No. 85-800-GA-COI and certain other "non-Human Needs" Customers who were receiving such service prior to April 16, 2004. ¶

¶  
**DESCRIPTION**

The Backup Sales Service Rider Rate shall be applied to each Ccf of applicable Customer's billed usage each month. ¶

¶  
The Backup Sales Service Rider Rate shall be recalculated coincident with Company's quarterly Gas Cost Recovery filings and shall reflect the per unit cost of pipeline storage capacity maintained by Company to provide Backup Sales Service to applicable Customers. ¶

¶  
All Backup Sales Service Rider revenues recovered shall be credited to the GCR gas costs. ¶

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## **SUSPENDED** **MIGRATION COST RIDER**

### **APPLICABILITY**

The Migration Cost Rider is applicable to any Customer served under the following Rate Schedules:

- Rate 310 – Residential Sales Service
- Rate 315 – Residential Transportation Service
- Rate 320 – General Sales Service
- Rate 325 – General Transportation Service

**This Rider is suspended indefinitely pursuant to the Company's Merchant Exit Transition Plan.**

### **DESCRIPTION**

The Migration Cost Rider Rate shall be applied to each Ccf of Customer's billed usage each month.

The Migration Cost Rider recovers all costs incurred for Company's gas supply commitments that are no longer required due to Customers migrating from Residential or General Sales Services to Residential or General Transportation Services, including but not limited to the costs of no longer needed pipeline capacity entitlements.

### **MIGRATION COST RIDER RATE**

The Migration Cost Rider Rate is \$ \_\_\_\_\_ per Ccf.

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## **SUSPENDED** **BALANCING COST RIDER**

### **APPLICABILITY**

The Balancing Cost Rider shall be applicable to Suppliers served under Rate 385 - Pooling Service (Residential and General).

**This Rider is suspended indefinitely pursuant to the Company's Merchant Exit Transition Plan.**

### **DESCRIPTION**

Each month, Supplier shall be assessed the Balancing Cost Rider Rate for all billed Ccf of its Pool Customers for the associated cycle month.

This Rider recovers the costs incurred by Company for interstate pipeline transportation and storage services and any other services needed to provide operational balancing to Suppliers' Pools.

Company shall adjust this Rider annually effective November 1<sup>st</sup> of each year to reflect changes in the costs to be recovered.

All Balancing Cost Rider revenues recovered shall be credited to the GCR gas costs.

### **BALANCING COST RIDER RATE**

The Balancing Cost Rider Rate for Pool Customer's billed Ccf on and after  
\_\_\_\_\_, 200\_, is \$ \_\_\_\_\_, per Ccf.

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## STANDARD SALES OFFER RIDER

### APPLICABILITY

The Standard Sales Offer ("SSO") Rider is applicable to all Sales Service Customers.

### DESCRIPTION

The Standard Sales Offer charge shall be the product of the billing Ccf and the SSO Rider Rate.

The SSO Rider Rate each month will be the NYMEX settlement price for such month converted to a price per Ccf using Company's average BTU value, plus the Retail Price Adjustment determined in the SSO auction; except for the three winter months of December 2008 through February 2009 when the SSO Rider Rate will be the weighted average of 40% NYMEX and 60% collared NYMEX.

### SSO RIDER RATE

The SSO Rider Rate for 200 is \$ /Ccf.

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## EXIT TRANSITION COST RIDER

### APPLICABILITY

The Exit Transition Cost ("ETC") Rider is applicable to all Customers served under the following Rate Schedules:

- Rate 310 – Residential Sales Service
- Rate 315 – Residential Transportation Service
- Rate 320 – General Sales Service
- Rate 325 – General Transportation Service
- Rate 330 – Large General Sales Service
- Rate 340 – Interruptible Sales Service
- Rate 341 – Dual Fuel Sales Service

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### DESCRIPTION

The ETC Rider charge shall be the product of the billing Ccf and the ETC Rider Rate.

The ETC Rider will recover applicable incremental Exit Transition Implementation costs, including:

- 1) Business system (e.g. information technology) development costs.
- 2) Informational and educational costs.
- 3) Call center costs.
- 4) Billing costs, and
- 5) Other incremental costs incurred by Company to achieve implementation of the various Exit Program features.

This ETC Rider will also recover/passback the following:

- 1) GCR variances remaining as of the implementation date of SSO Service.
- 2) All stranded gas supply costs related to Customer migrations to Choice Service.
- 3) Any incremental provider of last resort costs not recovered from a defaulting SSO or Choice Supplier.
- 4) Any imbalance costs not recovered from Transportation Customers or Pool Operators.
- 5) Gas costs incurred by Company when diverting Customers' transportation gas quantities during a Curtailment (see Sheet No. 70, paragraph 11.B1.(9)).
- 6) Other costs or credits applicable to all Sales and Choice Customers as approved by the Commission.

Projected ETC Rider costs shall be divided by projected total volumes for the applicable Rate Schedules to determine the ETC Rider Rate. The ETC Rider shall be updated quarterly and shall reflect the reconciliation of projected costs and actual costs, with any under or over recovery being recovered or returned via the ETC Rider.

### EXIT TRANSITION COST RIDER RATE

The Exit Transition Cost Rider Rate is \$ \_\_\_\_\_ per Ccf.

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## **TRANSPORTATION TERMS AND CONDITIONS** **(LARGE GENERAL)**

### **APPLICABILITY**

Unless otherwise provided for in a written contract between Company and Customer, these Terms and Conditions apply to any Customer receiving Gas Service under Rate 345, Large General Transportation Service.

### **SECTION 1 - SERVICE AND CAPACITY:**

- 1.1 Company and Customer shall agree to the service and capacity levels by completing a contract ("Service Agreement"). Service will be provided in accordance with these Transportation Terms and Conditions.
- 1.2 Company shall, at all times, deliver volumes of natural gas delivered to Company's gas system on Customer's behalf, less the Unaccounted For Gas Percentage in Sheet No. 54, up to the maximum daily volume defined under Section 1.3 of these Transportation Terms and Conditions and the Service Agreement.
- 1.3 The maximum daily volume of gas that may be delivered on Customer's behalf and transported on Company's gas system shall be Customer's Maximum Daily Delivery Obligation ("MDDO"). The MDDO agreed to and specified in the Service Agreement will be set such that an adequate volume of gas may be delivered to and transported on Company's gas system to meet Customer's peak day gas requirements. Company will serve demand above Customer's MDDO only on a best efforts basis.
- 1.4 Upon notice, Customer may choose to increase its MDDO under this Rate Schedule by requesting an increase in writing. Company will accommodate the request when Company has sufficient capacity to serve Customer's increased MDDO. The increase shall take effect in the next billing month.
- 1.5 If necessary to ensure that an adequate volume of gas may be delivered to meet Customer's peak day gas requirements, Company may increase Customer's MDDO to match any actual gas usage that exceeds Customer's then-existing MDDO on any day. Company shall not be required to deliver any volumes in excess of the current or agreed to increased MDDO.
- 1.6 If Customer demonstrates a significant and substantial reduction in peak day gas usage due to reasons other than seasonal or weather-related gas requirements, Company will, at Customer's request, reduce Customer's MDDO to a reasonable level agreed to by both parties. Customer's MDDO reduction shall take effect in the first billing month after the billing month in which the parties agree to the MDDO reduction.
- 1.7 This Transportation Service relates only to gas received by Company at the applicable Interstate city gate(s), to be used for delivery to Customer Meter Number(s) specified in Customer's Service Agreement with Company. Unless otherwise agreed to in a separate contract, Company shall not be obligated to provide Customer any other service.
- 1.8 If Customer's gas requirement exceeds the capacity of Company's gas system, Company will only deliver gas at the incremental cost of providing said service.

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## **TRANSPORTATION TERMS AND CONDITIONS** **(LARGE GENERAL)**

### **Section 2 - INTERSTATE PIPELINE CAPACITY RELEASE SERVICE:**

- 2.1 If Customer is a Sales Service Customer prior to receiving Transportation Service, Customer agrees to accept Company's assignment of Company's firm interstate gas pipeline capacity as specified and if offered by Company to Customer. Customer or its supplier shall enter into a separate Capacity Release and Assignment Agreement with Company for any firm capacity that will be provided. Company and Customer shall agree upon the pipeline's identity and amount of capacity that Company will assign. This amount shall be sufficient to supply Customer's MDDO and may be adjusted in accordance with the provisions of Section 1 of these Transportation Terms And Conditions.
- 2.2 Customer shall pay the maximum applicable interstate pipeline tariff rate for the capacity assigned hereunder. Customer shall retain title to this capacity and use it throughout the term of Customer's Service Agreement to transport natural gas to Company's gas system. Company will have the "right-of-first refusal" to bid on such capacity upon its re-release. All capacity rights assigned hereunder shall revert to Company upon the expiration of the Service Agreement and neither Customer nor its supplier shall be obligated to take the assignment of Company's firm capacity thereafter. If Customer acquires non-Company interstate transportation capacity prior to the expiration of the Service Agreement, Customer remains completely responsible for the disposition of and payment for the capacity assigned to it by Company.

### **Section 3 - RESERVED FOR FUTURE USE**

### **Section 4 - SCHEDULING AND NOMINATING DELIVERIES:**

- 4.1 Customer shall be subject to the Nomination and Balancing Provisions (Large General and Pool Operator) contained in Sheet No. 51.

### **Section 5 - SYSTEM UNACCOUNTED FOR GAS PERCENTAGE:**

- 5.1 Customer shall provide Company with an amount of gas necessary to compensate Company for gas lost and used in operations to provide Transportation Service as set forth in Sheet No. 54, Unaccounted for Gas Percentage. This amount may be adjusted periodically upon PUCO approval to reflect changes in the amount of gas lost and used in operations. Company will provide Customer with notice of any adjustment required under this Section.

### **Section 6 - MEASUREMENT AND QUALITY:**

- 6.1 Company shall be responsible for all measurement at the point of delivery to Customer's facilities. Measurement and metering accuracy shall be based on the standards set forth in Company's General Terms and Conditions.
- 6.2 Company shall be responsible for installing, maintaining, and operating any telemetering devices or related equipment that may be required by Company to monitor consumption hereunder. Company's metered consumption data shall be used for all billing to the Customer.

### **Deleted: BACKUP SALES SERVICE:**

Deleted: 3.1. "Human needs and public welfare customers," as defined by the PUCO in Case No. 85-800-GA-COI shall be required to receive full backup sales service in accordance with PUCO guidelines established in that proceeding. Full Backup Sales Service provides Customer with Sales Service at the same level of service as a General Sales Service Customer.¶

¶  
3.2 Company shall provide backup gas supply when necessary to provide uninterrupted service in the event that 1) Customer's transportation or supply is disrupted, or 2) Customer purchases Sales Service instead of Transportation Service. Customer will pay a Backup Sales Service Charge as set forth on Sheet No. 53.¶

¶  
3.3. If Customer employs Backup Sales Service and purchases gas from Company, such gas supply shall be billed pursuant to Company's then effective GCR Rider on Sheet No. 31. Backup Sales Service Charges shall be credited against each Ccf of gas purchased from Company by Customer.¶

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## **TRANSPORTATION TERMS AND CONDITIONS** **(LARGE GENERAL)**

- 6.3 Customer warrants that all gas delivered on its behalf to Company's gas system shall meet the quality, pressure, and heating value specifications of the applicable FERC Gas Tariff of the interstate gas pipeline(s) delivering Customer-Delivered Gas to Company.

### **Section 7 - BALANCING:**

- 7.1 Customer shall be subject to the Nominations and Balancing Provisions (Large General and Pool Operator) contained in Sheet No. 51.

### **Section 8 - CURTAILMENT:**

- 8.1 Customer shall have no rights to gas from Company's system supply during a period of Curtailment. Customer shall be subject to the Curtailment Procedures in the Company's General Terms and Conditions.

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### **Section 9 - TITLE AND WARRANTY**

- 9.1 Customer warrants that it will, at the time and place of delivery, have good right and title to all volumes of gas delivered on its behalf to Company, free and clear of all liens, encumbrances, and claims whatsoever, and that it will indemnify and hold Company harmless from all suits, actions, debts, accounts, damages, costs, losses, or expenses (including reasonable attorney fees) arising from or out of the adverse claims of any or all persons relating to or arising from said gas.

### **Section 10 - FORCE MAJEURE:**

- 10.1 Neither Customer nor Company shall be liable to the other for any act, omission, or circumstance resulting from events not reasonably within the control of the affected party. Neither of the following shall be considered a force majeure condition: 1) changes in market conditions that affect the acquisition or transportation of natural gas, or 2) failure of Customer to deliver or consume scheduled gas volumes. The affected party will use diligence to remove the cause of the force majeure condition and resume delivery or consumption of gas previously suspended. Gas withheld from Customer during a force majeure condition will be redelivered upon the end of such circumstances as soon as practical.

### **Section 11 - LATE PAYMENT CHARGE:**

- 11.1 The Late Payment Charge set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

### **Section 12 - RETURNED CHECK CHARGE:**

- 12.1 The Returned Check Charge set forth in Sheet No. 30, Miscellaneous Charges, shall be charged to Customer if applicable.

### **Section 13 - INTERRUPTION OF SERVICE DUE TO NON-RECEIPT OF GAS SUPPLY:**

- 13.1 Company may interrupt Customer's Gas Service to the extent that Company does not receive gas from the interstate pipeline on Customer's behalf. If Company must interrupt Customer's Gas Service, Customer shall interrupt gas usage as directed. Company will endeavor to provide four (4) hours advance notice of such interruption, except when system conditions will not afford such notice. Company shall not be liable in damages or otherwise to Customer for any loss of production or other claim because of the lack of advance notice to Customer. If Customer fails to comply with Company's direction to interrupt, Company reserves the right to discontinue Gas Service to Customer.

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## **TRANSPORTATION TERMS AND CONDITIONS** **(LARGE GENERAL)**

- 13.2 Gas consumed by Customer during a period of Curtailment will be billed in accordance with the terms of Unauthorized Gas Usage on Sheet No. 30, Miscellaneous Charges.

### **Section 14 - INDEMNITY:**

- 14.1 Subject to the provisions of Company's General Terms and Conditions, Customer agrees to indemnify, exonerate, and hold harmless Company for all loss, damage, or expense growing out of or in any way connected with the claims of any person, except claims for injuries and/or death of employees of Company arising out of and in the course of their employment with Company, for injuries to person or property occasioned by such gas after it is delivered to Customer. Customer agrees to defend, at its own expense, any suit based upon such claims.
- 14.2 Subject to the provisions of Company's General Terms and Conditions, Company will indemnify, exonerate, and hold harmless Customer for all loss, damage, or expense growing out of or in any way connected with the claims of any person, except claims for injuries and/or death of employees of Customer arising out of and in the course of their employment with Customer, for injuries to person or property occasioned by such gas up to the point of delivery to Customer caused by Company's negligence. Company will defend, at its own expense, any suit based upon such claims, except that Company will not be liable or responsible for, and will not hold Customer harmless for any loss, damage, or expense growing out of or in any manner connected with the acts of any employee of Customer who may go upon or do anything to or with the property of Company.

### **Section 15 - REGULATION:**

- 15.1 All service rendered hereunder shall at all times be subject to all rules, regulations, and orders of both the FERC and the Commission including: 1) the terms and conditions of any applicable interstate pipeline tariff regulated and approved by the FERC, 2) the guidelines issued by the Commission in Case No. 85-800-GA-COI, 3) Company's General Terms and Conditions as modified from time to time and approved by the Commission, and 4) other Commission orders affecting Company's Gas Services in general or Transportation Service in particular.

### **Section 16 - TRANSFER TO SYSTEM SUPPLY:**

- 16.1 If Customer elects to transfer to Sales Service upon termination of the Service Agreement, Customer must provide Company with written notice at least six (6) months prior to the effective termination date. Customer agrees to remain a Sales Service customer until the end of the winter season. If Customer fails to remain on Sales Service for the required winter season period, Customer shall compensate Company for any and all gas costs (including pipeline exit fees) incurred by Company to serve Customer.
- 16.2 Company will use its best efforts to accommodate Customer's transfer to Sales Service in accordance with the provisions of Section 16.1, but will not guarantee its ability to render such service. Any new Sales Service shall be subject to the receipt of all necessary regulatory authorization.

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## **TRANSPORTATION TERMS AND CONDITIONS** **(LARGE GENERAL)**

- 16.3 If requested by Company, the transferring Customer will assign to Company any interstate pipeline capacity which Customer owns or uses, in order for Company to provide Sales Service to Customer. This assignment will, at a minimum, remain in effect as long as Customer remains on Sales Service.

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### **Section 17 - OPERATIONAL FLOW ORDERS:**

- 17.1 Customer shall be subject to the Nomination and Balancing Provisions (Large General and Pool Operator) contained in Sheet No. 51.

### **Section 18 - OTHER SYSTEM COSTS:**

- 18.1 Customer agrees that if any of its actions, over which it exercises sole control as a Transportation Customer, cause Company to incur costs that Company would not have incurred had Customer complied with its obligations defined in this Agreement, Customer shall: 1) compensate Company for all such higher costs which Company is required to pay, and 2) take all necessary measures to allow Company to avoid incurring similar costs in the future. Further, if Customer is currently a Sales Service Customer and Company incurs any pipeline exit fees or similar charges as a result of Customer's election of Transportation Service hereunder, Customer shall compensate Company for these costs.

### **Section 19 - NOTICES:**

- 19.1 Customer shall immediately notify Company of any known or anticipated variation in the amount of gas to be delivered hereunder, as well as any known or anticipated supplier shortfalls or constraints. All notices and correspondences to Company shall be addressed as specified in the Service Agreement.

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## **NOMINATION AND BALANCING PROVISIONS** **(LARGE GENERAL AND POOL OPERATOR)**

### **APPLICABILITY**

The following provisions shall apply to each Transporter and to each non-Pooling Transportation Customer being provided Gas Service under Rate 345. For purposes of these Nomination and Balancing Provisions only, the term "Transporter" shall mean "Pool Operator" and "non-Pooling Transportation Customer."

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### **NOMINATION PROVISIONS**

Transporter shall notify Company of the exact daily quantity of gas nominated to be delivered to Company at pipeline delivery points agreeable to Company (Daily Pipeline Nomination). Company may require Transporter to allocate its Daily Pipeline Nomination to specified city-gate pipeline delivery points based on minimum and maximum allocation percentages (City-Gate Allocations), which Company may revise from time to time, based on operational considerations. Changes to City-Gate Allocations may be made effective annually after four months prior notice, unless extraordinary considerations require a shorter interval or notice period. Company may, based on operational considerations, require modification of Transporter's Daily Pipeline Nominations or deliveries that do not comply with these city-gate allocation percentage requirements.

Transporter shall provide notice to Company prior to each change in Transporter's Daily Pipeline Nomination by submitting to Company the nomination, via Company's EBB, by no later than 11:00 AM Central Clock Time ("CCT") of the workday previous to the start date of the Daily Pipeline Nomination. The nomination shall include information as required in Company's EBB. Notwithstanding the above, Company shall accept nominations submitted after the deadline specified above in accordance with the pipeline's intra-day nomination schedules. Until Transporter submits the required nomination to Company Transporter's nominations of daily quantities shall be zero. Unless otherwise permitted by Company, the Nomination Period shall not exceed thirty-one days.

Transporter shall be responsible for verifying and, if necessary, correcting its Daily Pipeline Nomination so that it matches Transporter's confirmed pipeline deliveries and is compliant with the City-Gate Allocations percentage requirements.

Transporter shall pay a Nomination Error Charge of \$.25 per Dekatherm on the quantity difference between Transporter's final Daily Pipeline Nomination and the confirmed pipeline deliveries under Transporter's Daily Pipeline Nomination for each day such difference occurs ("Error Occurrences"). Transporter shall be allowed two Error Occurrences without charge each twelve months. Documented force majeure conditions and waivers of this charge shall not result in an Error Occurrence.

Transporter shall be assessed a City-Gate Allocation Non-Compliance Charge of \$.50 per Dekatherm on the quantity difference if the Transporter's Daily Pipeline Nomination is less than the minimum or greater than the maximum city gate allocation requirements, which are calculated as the minimum or maximum city gate allocation percentages multiplied by the Transporter's Daily Pipeline Nomination ("Non-Compliance Occurrences"). Transporter shall be allowed two Non-Compliance Occurrences without charge each twelve months. Documented force majeure conditions and waivers of this charge shall not result in a Non-Compliance Occurrence.

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## **NOMINATION AND BALANCING PROVISIONS** **(LARGE GENERAL AND POOL OPERATOR)**

### **BALANCING PROVISIONS**

Transporter shall be obligated to balance on a daily and monthly basis its total usage, adjusted to Dekatherms, with the total deliveries of Transporter-Delivered Gas as adjusted to reflect Company's Unaccounted for Gas Percentage. An Imbalance Quantity shall exist when the Transporters' total usage is greater than or less than Transporter's total deliveries on a daily or monthly basis.

The following definitions shall apply:

**Daily Index Price:** The Daily Midpoint Price per Dekatherm reported in Platts Gas Daily, in the table "Daily Price Survey" for delivery to: Appalachia: Columbia Gas, Appalachia.

**Monthly Index Price:** The average of the Daily Index Prices for each day during the month.

**Daily Under-Delivery Charge:** The Daily Under-Delivery Charge shall be the sum of the Daily Index Price and the maximum interruptible pipeline transportation rate, including fuel and all surcharges.

**Daily Over-Delivery Charge:** The Daily Over-Delivery Charge shall be the sum of the Daily Index Price and the firm pipeline transportation commodity rate, including fuel and all surcharges.

**Monthly Under-Delivery Charge:** The Monthly Under-Delivery Charge shall be the sum of the Monthly Index Price and the maximum interruptible pipeline transportation rate, including fuel and all surcharges.

**Monthly Over-Delivery Charge:** The Monthly Over-Delivery Charge shall be the sum of the Monthly Index Price and the firm pipeline transportation commodity rate, including fuel and all surcharges.

**Nomination and Balancing Provisions Charges:** Any Charge assessable to Transporter pursuant to these Nomination and Balancing Provisions.

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## **NOMINATION AND BALANCING PROVISIONS** **(LARGE GENERAL AND POOL OPERATOR)**

### **DAILY BALANCING PROVISIONS**

Transporter shall be obligated to balance its total daily usage adjusted to Dekatherms ("Total Daily Usage") with the aggregated total daily deliveries of Transporter-Delivered Gas by the interstate pipeline, as reduced to reflect Company's Unaccounted for Gas Percentage as specified in Sheet No. 54 ("Total Daily Deliveries"). A Daily Imbalance Quantity shall exist when the Total Daily Usage is greater than or less than the Transporter's Total Daily Deliveries.

**Daily Under-Delivery Imbalance:** If Transporter's Total Daily Deliveries are less than its Total Daily Usage, the gas shortfall shall be considered Daily Under-Delivery Imbalance Quantities. Daily Under-Delivery Imbalance Quantities up to and including 15% of Total Daily Usage shall be carried to month-end; Daily Under-Delivery Imbalance Quantities over 15% shall be Cashed out with Company. Transporter shall pay Company for Daily Under-Delivery Gas Quantities greater than 15% of Total Daily Usage pursuant to the following:

- (1) 1.05 times the Daily Under-Delivery Charge for each Dekatherm of Under-Delivery Imbalance Quantity that is greater than 15%, up to and including 25% of Total Daily Usage; plus
- (2) 1.2 times the Daily Under-Delivery Charge for each Dekatherm of Daily Under-Delivery Imbalance Quantity that is greater than 25% of Total Daily Usage; plus
- (3) Applicable taxes.

During a Cold Weather OFO, the aforementioned Daily Under-Delivery Imbalance provisions will be replaced by those specified in the section entitled Operational Flow Order Imbalance Provisions.

**Daily Over-Delivery Imbalance:** If Transporter's Total Daily Deliveries are greater than its Total Daily Usage, the excess gas shall be considered Daily Over-Delivery Imbalance Quantities. Daily Over-Delivery Imbalance Quantities up to and including 15% of Total Daily Usage shall be carried to month-end; Daily Over-Delivery Imbalance Quantities over 15% shall be Cashed Out with Company. Company shall pay Transporter for such Daily Over-Delivery Imbalance Quantities greater than 15% of Total Daily Usage pursuant to the following:

- (1) 0.9 times the Daily Over-Delivery Charge for each Dekatherm of Daily Over-Delivery Imbalance Quantity that is greater than 15%, up to and including 25% of Total Daily Usage; plus
- (2) 0.75 times the Daily Over-Delivery Charge for each Dekatherm of Daily Over-Delivery Imbalance Quantity that is greater than 25% of Total Daily Usage.

During a Warm Weather OFO, the aforementioned Daily Over-Delivery Imbalance provisions will be replaced by those specified in the section entitled Operational Flow Orders Imbalance Provisions.

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The following Daily Balancing Provisions are conditionally approved and would be activated and placed into effect only pursuant to satisfaction of the requirements set forth in Paragraph 3 of the Stipulation and Recommendation filed on May 15, 2006 and approved by the Commission in Case No. 04-571-GA-AIR.¶

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## **NOMINATION AND BALANCING PROVISIONS** **(LARGE GENERAL AND POOL OPERATOR)**

### **MONTHLY BALANCING PROVISIONS**

Transporter shall be obligated to balance its total monthly usage adjusted to Dekatherms ("Total Monthly Usage") with the actual monthly deliveries of Transporter-Delivered Gas by the pipeline, as adjusted to reflect (1) Company's Unaccounted for Gas Percentage as specified in Sheet No. 54, (2) the net effect of Daily Imbalance Quantities cashed out during the current month (collectively, "Total Monthly Deliveries"). A Monthly Imbalance Quantity shall exist when the Total Monthly Usage is greater than or less than Transporter's Total Monthly Deliveries.

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Monthly Over-Delivery Imbalance  
Quantities made available to  
Transporter or Monthly Under-  
Delivery Imbalance Quantities made  
up by Transporter,~~

**Monthly Under-Delivery Imbalance:** If the Total Monthly Deliveries for Transporter's account at the end of the month are less than its Total Monthly Usage, the gas shortfall shall be considered Monthly Under-Delivery Imbalance Quantities. Monthly Under-Delivery Imbalance Quantities greater than 0% shall be Cashed out with Company. Transporter shall pay Company for Monthly Under-Delivery Imbalance Quantities greater than 0% of Total Monthly Usage pursuant to the following:

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Imbalance Quantities up to and  
including 5% of Total Monthly Usage  
shall be carried forward to the  
following month;~~

- (1) 1.0 times the Monthly Under-Delivery Charge for each Dekatherm of Monthly Under-Delivery Imbalance Quantity that is greater than 0%, up to and including 5% of Total Monthly Usage; plus
- (2) 1.05 times the Monthly Under-Delivery Charge for each Dekatherm of Monthly Under-Delivery Imbalance Quantity that is greater than 5%, up to and including 15% of Total Monthly Usage; plus
- (3) 1.2 times the Monthly Under-Delivery Charge for each Dekatherm of Monthly Under-Delivery Imbalance Quantity that is greater than 15% of Total Monthly Usage; plus
- (4) Applicable taxes.

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**Monthly Over-Delivery Imbalance:** If the Total Monthly Deliveries for Transporter's account at the end of the month are greater than its Transporters' Total Monthly Usage, the gas excess shall be considered Monthly Over-Delivery Imbalance Quantities. Monthly Over-Delivery Imbalance Quantities greater than 0% shall be Cashed out with Company. Company shall pay Transporter for Monthly Over-Delivery Imbalance Quantities greater than 0% of Total Monthly Usage pursuant to the following:

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Imbalance Quantities up to and  
including 5% of Total Monthly Usage  
shall be carried forward to the  
following month;~~

- (1) 1.0 times the Monthly Over-Delivery Charge for each Dekatherm of Monthly Over-Delivery Imbalance Quantity that is greater than 0%, up to and including 5% of Total Monthly Usage; plus
- (2) 0.9 times the Monthly Over-Delivery Charge for each Dekatherm of Monthly Over-Delivery Imbalance Quantity that is greater than 5%, up to and including 15% of Total Monthly Usage; plus
- (3) 0.75 times the Monthly Over-Delivery Charge for each Dekatherm of Monthly Over-Delivery Imbalance Quantity that is greater than 15% of Total Monthly Usage.

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## **NOMINATION AND BALANCING PROVISIONS** **(LARGE GENERAL AND POOL OPERATOR)**

### **OPERATIONAL FLOW ORDER IMBALANCE PROVISIONS**

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In the event of a Company issued OFO pursuant to Operational Flow Orders Section of Company's General Terms and Conditions, the following provisions will apply:

**Cold Weather OFO Day:** During a Cold Weather OFO, the Transporter shall be subject to the following Daily OFO Under-Delivery Imbalance provisions:

If Transporter's Daily Under-Delivery Imbalance Quantity is greater than 5% of actual Total Daily Usage, the shortfall quantities shall be Cashed-out with Company. Transporter shall pay Company the following:

- (1) For each Dekatherm of Daily Under-Delivery Imbalance Quantities greater than five (5) percent of Total Daily Usage, the Daily Under-Delivery Charge; plus
- (2) The higher of (a) all other charges incurred by Company and attributable to Transporter's Daily Under-Delivery Imbalance Quantity, including pipeline penalty charges on the OFO shortfall quantities, or (b) an OFO Imbalance Charge of \$10.00 per Dekatherm on the portion of the Daily Under-Delivery Imbalance Quantity that is greater than five (5) percent of Total Daily Usage; plus
- (3) Applicable taxes.

Deleted: Transporter is obligated, when requested by the Company through an Operational Flow Order ("OFO"), to nominate and deliver gas supply to the Company's city gates in the manner instructed by the Company. Company may call an Cold Weather OFO or a Warm Weather OFO where such action is necessary, in Company's sole judgment, to (1) protect the reliability of Company's gas system; (2) comply with Company's Curtailment Procedures, and/or (3) adhere to the various interstate pipeline companies' requirements, as stated in their FERC-approved tariffs. The Company shall not otherwise call OFOs for economic or gas cost reasons.¶

Daily Balancing Provisions apply to over-deliveries during a Cold Weather OFO. If it is determined by Company that over-deliveries in excess of the daily usages are helpful, Company may waive the Daily Over-Delivery Imbalance Provisions for that day. Waivers related to helpful over-deliveries will be communicated in conjunction with the issuance of the OFO notice.

**Warm Weather OFO Day:** During a Warm Weather OFO, the Transporter shall be subject to the following Daily OFO Over-Delivery Imbalance provisions:

If Transporter's Daily Over-Delivery Imbalance Quantity is greater than 5% of its actual Total Daily Usage, the excess quantities shall be Cashed out with Company. Company shall pay Transporter for each Dekatherm of Daily Over-Delivery Imbalance Quantities greater than five (5) percent of Total Daily Usage, the Daily Over-Delivery Charge. Transporter shall pay Company the following:

- (1) The higher of (a) all charges incurred by Company and attributable to Transporter's Daily Over-Delivery Imbalance Quantity; including pipeline penalty charges on the OFO excess quantities, or (b) an OFO Imbalance Charge of \$10.00 per Dekatherm on the portion of the Daily Over-Delivery Imbalance Quantity that is greater than five (5) percent of Total Daily Usage; plus
- (2) Applicable taxes.

Daily Balancing Provisions apply to under-deliveries during a Warm Weather OFO. If it is determined by Company that under-deliveries in excess of the daily usages are helpful, Company may waive the Daily Under-Delivery Imbalance Provisions for that

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## **NOMINATION AND BALANCING PROVISIONS** **(LARGE GENERAL AND POOL OPERATOR)**

day. Waivers related to helpful under-deliveries will be communicated in conjunction with the issuance of the OFO notice.

### **IMBALANCE TRADING**

Transporter may trade daily and monthly imbalance quantities, including those on OFO days, to reduce or eliminate its imbalances. Imbalance Trading is subject to the following provisions:

- (1) The schedule for the trading of imbalances shall be as follows:
  - a. Company shall issue an initial statement of daily and monthly imbalances (i.e. prior to imbalance trades) to Transporter within ten (10) business days following the end of the month.
  - b. Transporter shall complete and submit its daily and monthly imbalance trades to Company within three (3) business days following the issuance of the initial imbalance statement.
  - c. Company shall issue a final imbalance statement of daily and monthly imbalances to Transporter within three (3) business days following the close of imbalance trading.
- (2) The quantity eligible for trading is 100% of the calculated pre-trade daily or monthly imbalance quantities. Transporter may not trade to establish an imbalance in the opposite direction of the original imbalance.
- (3) Company will bill the selling party to an Imbalance Trade a \$10.00 Imbalance Trading Charge for each transaction. For purposes of this charge, a transaction is each transfer of gas imbalance for a specific gas day or month pursuant to an arrangement by, or between, Transporter(s) to purchase, sell, or trade gas imbalances.
- (4) Any dollar payments, receipts, or exchanges of other consideration agreed upon between the parties to an Imbalance Trading transaction are outside the scope of this tariff and must be completed between the parties themselves.

### **WAIVER OF CHARGES**

In its reasonable discretion, on a case-by-case basis, Company may waive all or part of any Charge assessable to Transporter pursuant to these Nomination and Balancing Provisions, when such Charges result from situations which occur beyond the reasonable control of Transporter, including, without limitation, an unexpected production outage, equipment malfunction or upstream pipeline error. The waiver of such otherwise assessable Charge shall be exercised on a non-discriminatory basis. Requests for waivers must be submitted in writing to Company and be signed by an authorized representative of Transporter. VEDO will retain records of waiver requests received and their dispositions. Daily and Monthly Balancing Provisions may be waived or amended on a case-by-case basis for situations beyond the reasonable control of the Transporter. Such waivers or amendments shall be exercised on a non-discriminatory basis.

### **DISPOSITION OF CHARGES**

The gas cost portion of all cash-outs relating to imbalances and all incremental gas costs and pipeline penalties will be recovered from or credited to Suppliers providing system balancing through Company-released storage. The following charges will also be credited to the Suppliers: Nomination Error Charges, City-Gate Allocation Non-Compliance Charges, and the non-gas portions of all imbalance cash-outs. Company will not retain amounts associated with Nomination and Balancing Provisions Charges, except as necessary to offset pipeline penalties.

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## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **APPLICABILITY**

The following Terms and Conditions apply to Choice Suppliers under Rate 385, Pooling Service (Residential and General).

### **DEFINITIONS**

**Choice Supplier** - A marketer, supplier, broker, aggregator or governmental aggregator that meets the Requirements for Choice Supplier Participation set out in Rate 385.

**Choice Supplier Pooling Agreement or Agreement** - An agreement between Company and Choice Supplier that defines the mutual responsibilities and obligations of those parties relative to services provided under Rate 385—Pooling Service (Residential and General).

**Columbia Appalachia Index** - First of the Month "Columbia Gas Transmission Corp. Appalachia" as reported by Inside FERC's Gas Market Report in the table "Prices of Spot Gas Deliveries to Pipelines".

**Comparable Firm Capacity Requirement** - The requirement that Choice Supplier secure firm interstate pipeline capacity with a primary delivery point of Company's city gates and firm supplies to meet 100% of Choice Supplier's Pool's Peak Design Day Demand for the applicable month, less a percentage during the winter months reflecting the Pool's entitlement to Company's propane supplies.

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**Cycle Month** - The period of time between the scheduled meter reading dates for Customer. These reading dates are approximately 30 days apart, but will not likely occur on the first day of a calendar month. For purposes of these Terms and Conditions, a Customer's Cycle Month shall be deemed coincident with the calendar month in which the Cycle Month concludes.

**DDQ or Directed Delivery Quantity** - The daily quantity of gas in Dth that Choice Supplier must deliver to Company's city gates, as specified by Company, to meet the Expected Demand of Choice Supplier's Pool operating constraints, system knowledge/experience, and Company's Unaccounted for Gas Percentage.

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**Enrollment Processing Period** - The number of days required to process a Customer's enrollment in the Pooling Program. This process commences with the submission to Company by Choice Supplier of appropriate information for an eligible Customer and ends with the termination of Customer's rescission period. The process will take up to 12 business days, and includes 7 business days from the date Company sends Customer a letter indicating Customer may rescind its Program enrollment or change in Choice Suppliers.

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**Delivered Supplies** - The sum of the daily DDQs plus vaporized propane or alternate peaking supplies allocated by Company to such Pool plus or minus supplies associated with Pool-to-Pool transfers, and plus or minus supplies associated with OFO helpful imbalances that were not reflected as adjustments to future DDQs. This Dth quantity will be converted to Ccf volumes using the interstate pipeline system average Btu factor for the applicable period. ¶

**Expected Demand** - A Pool's forecasted usage for a particular gas day, as determined by Company.

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**Load Tranche or Tranche** - a proportionate share of Company's total Sales Service volumes to be supplied by SSQ Supplier.

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## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

**Mercantile Customer** - As defined in division (L) of Section 4929.01 of the ORC. In summary, it means a Customer that: 1) consumes, other than for Residential use, more than 5,000 Ccf of natural gas per year at a single location or as part of an undertaking having more than 3 locations within or outside the state, and 2) has not filed a declaration with the Commission.

**Mercantile Pool** - A Pool that contains any Customers meeting the definition of a Mercantile Customer.

**Non-Mercantile Pool** - A Pool that is comprised entirely of Non-Mercantile Customers.

**ORC** - The Ohio Revised Code.

**"Peak Design Day Demand"** means the then-effective forecasted peak design day usages of a Customer Pool as calculated and communicated by Company.

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**Pool** - A group of Customers receiving Gas Service pursuant to the Rate 315, Residential Transportation Service, or Rate 325, General Transportation Service, who have been joined together with other Customers subscribing to the same Transportation Service by a single Choice Supplier for gas supply management purposes.

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**Pool Customer** - A recipient of Transportation Service provided by Company under Rates 315 or 325 who receives gas supply from a Choice Supplier as a member of a Pool.

**Pool's Usage** - The Pool Customers' billed Ccf usage for the applicable period, converted to Dth by multiplying by Company's average BTU and dividing by ten (10).

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**Pooling Program or Program** - The services provided under Rate 385, Pooling Service (Residential and General Transportation), Rate 315, Residential Transportation Service, and Rate 325, General Gas Transportation Service.

**Pre-determined Allocation ("PDA")** - a contractual arrangement with TCO which allocates the daily VEDO system imbalance volumes to all holders of Company's released TCO storage capacity based on predetermined allocation percentages.

**SSO Supplier** - A supplier that meets the Requirements for SSO Supplier Participation set out in Rate 395.

**Supply Contract or Contract** - A contract between Pool Customer and its Choice Supplier that defines the mutual responsibilities and obligations of those parties relative to Customer's purchase and Choice Supplier's sale of gas supplies for delivery to Customer pursuant to Rate 385 and the applicable Transportation Service Rate Schedule.

**TCO** - Columbia Gas Transmission Corporation.

**Unaccounted for Gas Percentage** - The portion of Choice Supplier's city gate deliveries retained by Suppliers to compensate for gas lost, used, and unaccounted for in operations. The currently effective Unaccounted for Gas Percentage is contained in Sheet 54 and may be adjusted periodically, after approval by the Commission, to reflect changes in the amount of gas lost, used, and unaccounted for in operations.

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## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **CUSTOMER ENROLLMENT**

#### **Enrollment of Non-Mercantile Customers:**

Choice Suppliers may take enrollments from Non-Mercantile customers by mail, facsimile, direct solicitation, telephone, and Internet. When soliciting and/or enrolling Non-Mercantile Customers, Choice Supplier must adhere to the requirements set out in Rules 4901:1-29-05 and 4901:1-29-06 of the OAC.

#### **Customer Sign-Up Procedures:**

A Customer desiring to participate in the Program may execute a written Supply Contract with a Choice Supplier that states that Customer has agreed to participate in the Program and which sets forth the terms and conditions of Customer's gas supply purchase. Choice Supplier may design the format of the Supply Contract, but at a minimum, it must include the applicable information specified by paragraphs 1, 2, 6, 7 and 8 of the Choice Supplier Code of Conduct. In the alternative, a Customer desiring to participate in the Program may subscribe via telephone or Internet. Under these methods, Choice Supplier must retain proof of Customer consent. The Supply Contract, or alternate proof of Customer consent in the case of telephonic or Internet enrollment, will be used to resolve disputes if the validity of an account sign up comes into question. If requested by Company, the Commission (in the case of Non-Mercantile Customers only) or OCC (in the case of Residential Customers only), Choice Supplier must provide a copy of a specific Supply Contract, or alternate proof of Customer consent in the case of telephonic or internet enrollment, within three (3) business days of any such request.

Regardless of the Customer enrollment method used, within 3 business days after completion of enrollment (unless a later date is agreed to or Customer rescinds), Choice Supplier will provide Company with an electronic file in a format specified by Company, containing a listing of all Customers that Choice Supplier has signed up or desires to drop since its last submission. Among other things, this list shall include each Pool Customer's name, service address and Company account number. Company will evaluate the information provided for accuracy and Customer eligibility, and provide Choice Supplier with a confirmation report within three (3) business days. In the event more than one Choice Supplier includes the same Pool Customer on his enrollment files to begin the same period, Customer will be assigned to Choice Supplier whose acceptable enrollment was first processed by Company.

Once complete and accurate information supporting a Customer joining or leaving Choice Supplier's Pool is received and confirmed by Company, the change will be effective with Customer's next on-cycle meter reading after Customer's Enrollment Processing Period. If Customer rescinds its enrollment prior to commencing service with a Choice Supplier, Company shall notify Choice Supplier within two business days of the Customer's rescission. Customer will remain with its Choice Supplier until: 1) Customer's name, service address, and account number appear on another Choice Supplier's electronic enrollment file listing; 2) Customer or Choice Supplier notifies Company that the Customer should transfer to Company's Sales Service; 3) Customer moves out of his current address or 4) Customer joins the PIPP program. If Customer's current Choice Supplier initiates termination of its relationship with Customer, Company shall issue a written notification to Customer informing Customer of such change. Customers who on their own initiative decide to terminate their relationship with a Choice Supplier will be permitted to do so without Company making any determination regarding whether Customer is contractually permitted to make such move. Company shall not be liable to Choice Supplier or Customer for allowing Customer to revert to Sales Service.

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## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

If Company rejects a Customer from enrollment, the Choice Supplier shall notify Customer within three business days from Company's notification of rejection that Customer will not be enrolled or enrollment will be delayed, along with the reason(s) therefore.

Company shall, prior to commencing service, mail Customer a confirmation notice stating:

1. Company has received a request to enroll Customer with the named Choice Supplier, and, in the case of an enrollment request from a Customer who is currently with another Choice Supplier, a statement that Company's records reflect that Customer is currently enrolled with another Choice Supplier along with an admonition that Customer should review the terms and conditions of the incumbent Choice Supplier's Contract for Customer's obligations under said Contract;
2. The date such service is expected to begin;
3. Customer has seven business days from the postmark date on the notice to contact Company telephonically, in writing or via the Internet to rescind the enrollment request or notify Company that the change of Choice Supplier was not requested by Customer; and
4. Company's toll-free telephone number, mailing address and website address.

Choice Supplier's failure to adhere to any of Customer enrollment procedures or failure to provide verification of enrollment within the time period specified herein shall be treated in the same manner as violations of the Choice Supplier Code of Conduct.

### **Eligible Customer List:**

Company shall make available to Choice Suppliers an electronic list of Customers eligible for participation in the Program. Such list shall include information on Customers that meet the size requirements for Residential or General Transportation Service, are not under commitment with a Choice Supplier, are not past due on their utility account and have not requested to have their name and applicable information deleted from any eligible Customer list. Such list shall be updated quarterly and shall, at a minimum, contain the following information regarding each eligible Customer: name, service and mailing address. Customized listings may also be developed by Company at Choice Supplier's request for Residential and General Sales Service Customers meeting specific geographic or other criteria. The fee for such eligible customer list is described in Rate 385.

### **Content of Renewal Notices:**

The written notice to Customer, required by paragraph 8 of the Choice Supplier Code of Conduct, informing him that his Supply Contract is up for renewal, shall satisfy the following requirements in the case of Non-Mercantile Customers. (Complete information regarding the content of renewal notices for Non-Mercantile Customers is contained in Rule 4901:1-29-10 of the OAC.)

1. The envelope or postcard containing the renewal or extension notice must be labeled in a conspicuous place with the words "Important Contract Renewal Information Inside";
2. The renewal or extension notice must be a stand alone document that contains no advertising;
3. For Supply Contracts with a renewal period of 6 months or longer, Choice Supplier must provide appropriate written notice to Customers. If there is no material change the notice shall inform Customer how to terminate, renew and/or extend the Supply Contract. If there

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## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

is a material change and either a cancellation/termination fee greater than \$25 or no option for early cancellation/termination, Customer must provide its affirmative consent to such renewal. If there is a material change with a cancellation termination fee of \$25 or less, two notices must be sent and the notices should highlight the changes and indicate the Customer's Contract will renew unless Customer affirmatively cancels the Supply Contract.

4. The notice must clearly disclose any price changes that will be in effect for the new term; and
5. The renewal period for Supply Contracts with renewal provisions shall not exceed the initial Supply Contract period.

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## **POOLING SERVICE TERMS AND CONDITIONS** **(RESIDENTIAL AND GENERAL)**

### **POOL CUSTOMER BILLING OPTIONS**

Choice Supplier shall elect one of the following two billing options for its Pool Customers that do not participate in PIPP. Such election shall be applicable to all of Choice Supplier's Pools and Customers.

#### **Option 1 – Company Consolidated Billing:**

Pool Customer shall receive one Bill from Company that indicates the name of Choice Supplier from whom Customer is receiving its gas supply and which includes an amount for Choice Supplier's gas supply charges in accordance with the pricing arrangements agreed upon between Choice Supplier and Customer, including any taxes for which Choice Supplier must collect. Choice Supplier shall furnish Company with sufficient Bill contents as required in Rule 4901:1-29-12(b) of the OAC. Company's consolidated Bill may provide the budget amounts, past due balances, and payments applied on a consolidated basis only. A Choice Supplier who elects this billing option will be limited to a reasonable number of pricing arrangements to which a Customer may be assigned by Choice Supplier.

Pool Customer will be responsible for making payment to Company for the entire amount shown on the Bill, including both Company's and Choice Supplier's charges. Once a month, Company shall remit to Choice Supplier, by wire transfer or otherwise, payment for all gas supply billed to Choice Supplier's Customers by Company on Choice Supplier's behalf, including taxes attributable to Choice Supplier's portion of the Bill, less a negotiated receivables discount and any applicable offsetting amount. Choice Supplier shall be responsible for dispersing to the appropriate taxing authorities any tax that is attributable to Choice Supplier's portion of the Bill.

In the event Customer remits to Company less than the full payment due, the payment received shall first be attributed to Company's past due charges, then to Company's current charges, and the residual amount, if any, shall be attributed to Choice Supplier's portion of the Bill, including the taxes thereon. Customer shall be subject to the Late Payment Charges set out in Sheet No. 30, Miscellaneous Charges, against the entire amount of past due charges on Customer's Bill. Company shall be responsible for collection responsibilities associated with any shortfall from Customer.

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#### **Option 2 – Dual Billing:**

Pool Customer shall receive two bills as follows:

1. Company shall bill and collect for its portion of the Bill that includes charges for Transportation Service and all applicable Riders. Company's Bill shall include Choice Supplier's name and a statement that Choice Supplier is responsible for billing Choice Supplier's charges. In the event that Customer remits to Company less than the amount included on Company's Bill, Customer shall be subject to the same Late payment charges and disconnect rules that would be applicable if Customer were receiving Sales Service.
2. Choice Supplier shall be responsible for billing and collecting his part of the bill including any arrearages due from Choice Supplier's own prior billings. To facilitate Choice

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Supplier's portion of the billing each month, Company will provide Choice Supplier with an electronic notification of the monthly meter readings of all Customers within Choice Supplier's Pool that have been billed by Company. Such billing data will correspond to the meter reading data on which Company based its Bill for Transportation Service. Choice Supplier may terminate gas sales to any Pool Customer for non-payment and remove Customer from its Pool in accordance with the procedures for deleting Customers from a Choice Supplier's Pool.

### **CUSTOMER INQUIRIES AND DISPUTE RESOLUTION**

Each Choice Supplier shall cooperate with Company, the Commission (in the case of Non-Mercantile Customers), and the OCC (in the case of Residential Customers) to answer inquiries and resolve disputes. Choice Supplier shall apprise potential Pool Customers of the applicable dispute resolution process set forth below prior to such Customers executing a Supply Contract with Choice Supplier. The following procedures shall be applicable to all inquiries and disputes:

1. Choice Supplier shall ensure Customers have reasonable access to their service representatives to make inquiries and complaints, discuss charges on Customer bills, terminate competitive service and transact other pertinent business.
2. Choice Supplier must provide its address and a local or toll-free telephonic means for Pool Customers to obtain information on their account and Choice Supplier's dispute resolution process, and Choice Supplier must afford Customers prompt answer times during normal business hours.
3. At the time Pool Customer executes its Supply Contract with Choice Supplier or as soon as practical thereafter, Choice Supplier shall provide Customer, in writing, all the information set forth in paragraph (4) below.
4. Each Pool Customer's Bill shall list the Commission's local or toll free number and Telecommunication Device for the Deaf/Text Telephone Yoke (TDD/TTY) number, Choice Supplier's consumer service local or toll free phone number, Company's emergency phone number, OCC's local or toll-free number and Commission's and OCC's website addresses and business hours. In addition, each Customer's Bill shall indicate that Customer may contact the Commission, or the OCC in the case of Residential Customers, with respect to any inquiries or problems that they may be experiencing with the Company, and Non-Mercantile customers may contact the PUCO, or the OCC in the case of Residential Customers, with respect to any inquiries or problems that they may experience with their current or potential Choice Supplier.
5. Choice Supplier must make good faith efforts to resolve disputes and to cooperate with the resolution of any joint issues with Company.
6. Within three (3) business days of the date Choice Supplier has received a complaint from a Pool Customer, Choice Supplier shall provide a status report to Customer regarding the complaint, or to Customer and the Commission Staff when the complaint is referred to Choice Supplier by the Commission Staff in the case of a Non-Mercantile Customer.

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