

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application and Joint)	
Stipulation and Recommendation of)	
Vectren Energy Delivery of Ohio, Inc., <i>et al.</i>)	Case No. 12-0483-GA-EXM
for Approval of its Exemption Authority)	
Granted in Case No. 07-1285-GA-EXM.)	

**APPLICATION
AND
JOINT STIPULATION AND RECOMMENDATION**

Gretchen J. Hummel
McNEES WALLACE & NURICK, LLC
21 East State Street, 17th Floor
Columbus, OH 43215
Telephone: (614) 469-8000
Fax: (614) 469-4653
ghummel@mwncmh.com

January 31, 2012

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

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Pursuant to Rule 4901-1-30 of the Ohio Administrative Code (“OAC”), on February 4, 2008, the participants of Vectren Energy Delivery of Ohio, Inc.’s (“VEDO”) Merchant Function Exit Working Group (“Exit Working Group”) filed a Joint Stipulation and Recommendation (“Stipulation”) in order to set forth proposals made to achieve VEDO’s exit from the commodity merchant function. The Commission adopted the Stipulation and granted the requested exemption pursuant to Section 4929.04, Revised Code, in its entirety in its Opinion and Order (“Exemption Order”) issued on April 30, 2008.¹

After review of the operations of VEDO’s Standard Choice Offer (“SCO”) Service, since it began on April 1, 2010, the Exit Working Group has determined that certain revisions are advisable. Accordingly, the signatories (“Signatory Parties”) herein²

¹ The Stipulation has been amended twice, by Commission Findings and Orders dated July 23, 2008 and November 4, 2009.

² This Application and Joint Stipulation has been circulated to all members of VEDO’s Exit Working Group, and no member has informed VEDO of its opposition to the proposals made herein.

submit this Application and Joint Stipulation and Recommendation (“Joint Stipulation”) for approval of modifications to VEDO’s SCO Service. Section 4929.08(A), Revised Code, permits modification to VEDO’s Exemption Order if the findings on which the Exemption Order is based are no longer valid and the modification is in the public interest, and if, absent the consent of the company, the modification is made not more than eight years after the effective date of the Exemption Order.

Certain findings (implicit or explicit) on which the Exemption Order was based are no longer valid as follows:

1. The economic conditions since the Exemption Order was approved have significantly changed, resulting in uncollectible expense in unanticipated amounts. In the event that VEDO’s Uncollectible Expense Rider is altered, a discount to the purchase of SCO and Choice suppliers’ accounts receivable is necessary, as is a provision for adjustment to the then-effective SCO Retail Price Adjustment.
2. VEDO intends to retire its liquid propane (“LP”) plants and pipeline prior to the Winter of 2012-2013. This will change the system capacity and supply requirements which must be addressed.
3. The currently approved SCO Auction Contingency Plan provides for reversion to a Standard Sales Offer (“SSO”) Service auction in the event that the SCO and back-up SCO auctions both fail, followed by a reversion to GCR Service provided by VEDO if the SSO auction should fail. In the current environment, it is unlikely that an SSO auction will succeed after two SCO auctions have failed. Also, after further evaluation by VEDO, it

has been determined that the reversion to GCR Service would require the unwinding of certain key aspects of the Choice Program such as cooperative balancing and coordinated Provider of Last Resort (“POLR”) Service that had not previously been ascertained. Accordingly, in the event of SCO auction failures, a new third option is indicated for 2012 in order to ensure continuity of service and provide time for the members of the Exit Working Group to study and address the cause of the failures and new options going forward.

4. VEDO’s Exit Transition Cost (“ETC”) Rider has remained relatively stable over the years in which it has been effective. It is, therefore, administratively confusing and unnecessary to continue filing it quarterly.

The minor modifications proposed to address these four items are in the public interest because they will reduce administrative burden and ensure the continuity of reliable and safe natural gas service to VEDO’s customers in a manner which protects and balances the interest of all affected SCO participants.

Accordingly, the Signatory Parties request approval of modifications to VEDO’s existing Exemption Order as follows:

1. VEDO currently purchases SCO and Choice Suppliers’ accounts receivable without discount for those suppliers electing consolidated billing, contingent upon the continuation of VEDO’s ability to recover its uncollectible customer receivables in its Uncollectible Expense Rider. In the event VEDO’s authority to recover its uncollectible expense through its Uncollectible Expense Rider is altered, VEDO will purchase accounts

receivable of Choice and SCO suppliers electing consolidated billing as of the effective date of Commission alteration of said authority at a discount reflecting the unrecovered portion of its customer accounts receivable, which excludes Percentage of Income Payment Plan (“PIPP”) customer accounts receivable. The SCO Retail Price Adjustment shall be adjusted to reflect the difference in the accounts receivable purchase discount allowed at the time the retail price adjustment was last accepted by the Commission and the revised accounts receivable purchase discount implemented by VEDO as a result of the Commission entry.³

2. VEDO’s LP plants and pipeline currently provide deliverability to address VEDO’s system peak supply requirements. Because VEDO intends to retire its LP plants and pipeline in 2012 due to its desire to eliminate the risk to public safety of a potential incident related to such facilities,⁴ 50,000 Dth per day of pipeline capacity and/or delivered supply must be obtained to make up the shortfall created by the elimination of the LP plants’ deliverability. The Signatory Parties agree that VEDO will obtain 50% of such replacement capacity/delivered supply, and that Choice and SCO suppliers will obtain the remaining 50%. The proposed tariff sheets reflecting the changes to the LP deliverability replacement are attached hereto as Exhibit 1.

³ For purposes of this Joint Stipulation, the Office of the Ohio Consumers’ Counsel (“OCC”) takes no position on the provisions in this Paragraph 1.

⁴ VEDO and the OCC agree that any impact from this reduced risk described in Paragraph 2 will be considered in VEDO’s next rate case where rate of return is established.

3. The current SCO Auction Contingency Plan is set out in an Amendment to the Stipulation filed in Case No. 07-1285-GA-EXM on September 23, 2009 and approved by Commission Finding and Order dated November 4, 2009. The Signatory Parties agree that the SCO Auction Contingency Plan should be amended only as follows:
 - a. The Signatory Parties agree that in the event of the failure of the initial SCO auction, the requirement that a single SCO supplier may serve no more than one-third of the SCO load shall be eliminated for the back-up SCO auction.
 - b. The Signatory Parties agree that in the event of the failure of the initial and back-up SCO auctions, and in lieu of reversion to GCR service, VEDO will implement a utility-provided default sales service ("DSS").
 - i. VEDO will implement monthly DSS rider rates that, to the extent practical, reflect the monthly pricing approach embodied in the current SCO program and former SSO program, which is a price adjustment, determined annually for an annual period, added to the monthly NYMEX futures price.
 - ii. In addition to other costs, the DSS rider rate shall recover a return on VEDO's actual average storage inventory balances at 10% per annum, which is consistent with the return

provided on such storage balances under VEDO's former GCR service pursuant to Rule 4901:1-14-05 OAC.

- iii. In addition, variances between actual costs incurred by VEDO to provide DSS and the costs recovered from customers for such service will also be recovered or passed back through the DSS rider rates.
 - iv. At the end of each annual period during which DSS is in effect, an audit(s) will be conducted of the pipeline capacity, delivered service, and gas supply bid procurement and bid selection processes, the accuracy of the computation of the DSS rider rates, and the accuracy of the application of the DSS rider rates to customer bills.
 - v. The proposed tariff sheets for the VEDO-provided DSS contingency are attached hereto as Exhibit 2. The compliance tariff filing for this contingency will be made only in the event that both SCO auctions fail and the DSS contingency is implemented.
- c. In the event the initial SCO auction is unsuccessful, the Exit Working Group will be convened prior to the 2013 SCO auction to determine the cause of the failure and consider revisions to the auction rules and contingency plan. Consideration will be given, but not limited to, the following:

- i. An SSO Auction
 - ii. Full Exit
 - iii. Retain Utility-Provided DSS.
- 4. The Signatory Parties agree that the adjustment of the ETC Rider to reflect the reconciliation of actual costs recoverable and actual costs incurred should be filed with the Commission annually in September to coincide with and include the annual supplier reconciliation, beginning with the September 2012 ETC filing. VEDO will submit revised tariff language in that September 2012 ETC filing solely reflecting the change in the frequency of such filings.
- 5. The Signatory Parties request that the Commission explicitly approve the proposed tariff sheets reflecting the changes to LP deliverability and the contingency for VEDO-provided DSS which are attached hereto as Exhibits 1 and 2.
- 6. This Joint Stipulation is a reasonable compromise that balances diverse and competing interests and does not necessarily reflect the position that any one or more of the Signatory Parties would have taken had these issues been fully litigated. This Joint Stipulation represents an agreement by all Signatory Parties to a package of provisions rather than an agreement to each of the individual provisions included within the Joint Stipulation. The Signatory Parties' agreement to this Joint Stipulation, in its entirety, shall not be interpreted in a future proceeding before this Commission as their agreement to only an isolated provision of this Joint

Stipulation. This Joint Stipulation is submitted for purposes of this proceeding only, and neither this Joint Stipulation nor any Commission Order considering this Joint Stipulation shall be deemed binding in any other proceeding nor shall this Joint Stipulation or any such Order be offered or relied upon in any other proceedings, except as necessary to enforce the terms of this Joint Stipulation.

The Signatory Parties' agreement to this Joint Stipulation, in its entirety, shall not be interpreted in a future proceeding before this Commission as their agreement to only an isolated provision of this Joint Stipulation. The agreement of the Signatory Parties reflected in this document is expressly conditioned upon its acceptance in its entirety and without alteration by the Commission. The Signatory Parties agree that if the Commission or any court of competent jurisdiction rejects all or any material part⁵ of this Joint Stipulation, or otherwise materially modifies its terms, all Signatory Parties agree to work in good faith with all other Signatory Parties to achieve a revised Joint Stipulation that substantially satisfies the intent of the original Joint Stipulation. Any such revised Joint Stipulation resulting from the agreement of all Signatory Parties will be filed with the Commission for approval and all Signatory Parties agree to fully support such modifications or agreements. Should the Signatory Parties be unable to reach a modified agreement, any adversely affected Signatory Party shall

⁵ Signatory Parties have the right, at their sole discretion, to determine what constitutes a "material part" for purposes of filing an application for rehearing or withdrawing from the Joint Stipulation.

have the right to file, in this docket and with service to all parties, an application for rehearing or a notice terminating the Joint Stipulation. Other Signatory Parties agree that they will not oppose or argue against any other Signatory Party's filing of an application for rehearing that seeks to uphold the original, unmodified Joint Stipulation or the filing of a notice of termination. If such application for rehearing is filed, and if the Commission or court does not, on rehearing, accept the Joint Stipulation without material modification within 45 days of the filing of such application, then, within 30 days thereafter, the adversely affected Signatory Party may terminate the Joint Stipulation by filing a notice with the Commission and the other Signatory Parties. Other Signatory Parties agree not to oppose a termination of the Joint Stipulation by any other Party. Upon termination, the Signatory Parties regain all their rights to present arguments to the Commission as if the Joint Stipulation had not been agreed to and filed.

WHEREFORE, the Signatory Parties respectfully request that the Commission approve the revisions to its SCO Service as set out above.

Agreed upon this 31st day of January 2012.

/s/ Gretchen J. Hummel
Gretchen J. Hummel
McNees Wallace & Nurick LLC

**On Behalf of Vectren Energy Delivery
of Ohio, Inc.**

/s/ Werner Margard III
Werner L. Margard III
Assistant Attorney General

**On Behalf of the Staff of the Public
Utilities Commission of Ohio**

/s/ Joseph P. Serio
Joseph P. Serio
Assistant Consumers' Counsel

**On Behalf of the Office of the Ohio
Consumers' Counsel**

/s/ Chad Endsley
Chad Endsley

**On Behalf of the Ohio Farm Bureau
Federation**

/s/ Thomas J. O'Brien
Thomas J. O'Brien

On Behalf of DTE Energy Trading, Inc.

/s/ M. Howard Petricoff
M. Howard Petricoff

**On Behalf of the Ohio Marketers
Group (Direct Energy Services
LLC; Vectren Retail, LLC; and
Interstate Gas Supply, Inc.**

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Application and Joint Stipulation and Recommendation* was served upon the following parties of record this 31st day of January 2012, *via* electronic transmission, hand-delivery or ordinary U.S. mail, postage prepaid.

/s/ Gretchen J. Hummel
Gretchen J. Hummel

Joe Serio
Office of the Ohio Consumers' Counsel
10 West Broad Street
Suite 1800
Columbus, Ohio 43215

Howard Petricoff
Vorys, Sater, Seymour and Pease
52 East Gay Street
PO Box 1008
Columbus, OH 43216-1008

Chad Endsley
Ohio Farm Bureau Federation
280 North High Street
PO Box 182383
Columbus, OH 43218-2383

Thomas J. O'Brien
Bricker & Eckler LLP
100 South Third Street
Columbus, OH 43215-4291

Vern Margard
Assistant Attorney General
Public Utilities Commission of Ohio
180 East Broad St, 9th Floor
Columbus, OH 43215

EXHIBITS 1 and 2

Vectren Energy Delivery of Ohio, Inc.

Case No. 12-____-GA-EXM

Exhibit 1

Proposed tariff sheets for the changes to the LP deliverability replacement

Affected tariff sheets include:

Sheet No. 21 Page 2 of 4
Sheet No. 23 Page 2 of 4
Sheet No. 52 Page 7 of 14
Sheet No. 52 Page 8 of 14
Sheet No. 52 Page 11 of 14
Sheet No. 52 Page 12 of 14
Sheet No. 52 Page 13 of 14
Sheet No. 56 Page 1 of 7
Sheet No. 56 Page 2 of 7
Sheet No. 56 Page 6 of 7
Sheet No. 56 Page 7 of 7
Sheet No. 59 Page 2 of 6
Sheet No. 59 Page 3 of 6
Sheet No. 59 Page 6 of 6

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.

Annual Volume Reconciliation Amount:

Charge or credit as determined by the Annual Volume Reconciliation as set out in Sheet No. 52.

Alternate Peaking Supplies Charge:

The cost of alternate peaking supplies provided by Company for Choice Supplier's Pool as set out in the Allocation of Alternate 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 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.

Customer Billing Amount:

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

RATE 396 **SCO SUPPLIER SERVICE**

Annual Reconciliation Amount:

Charge or credit as determined by the Annual Volume Reconciliation as set out in Sheet No. 56.

Alternate Peaking Supplies Charge:

The cost of alternate peaking supplies provided by Company for SCO Supplier's Tranche as set out in the Allocation of Alternate Peaking 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.

Pipeline Invoice Charge:

Charges or credits reflecting the difference between interstate pipeline charges, and the actual credits received on capacity released to SCO Supplier via mandatory capacity release.

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.

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

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 alternate peaking supplies 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/transfer of existing Pool Customers to SCO 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 SCO 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 a percentage to be confirmed annually 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 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)**

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 Company via 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.

Procedure for Gas Emergency Calls:

Choice Suppliers are required to adhere to Company's Gas Emergency Call Handling Procedure as it may be amended from time to time.

Allocation of Alternate Peaking Supplies:

During the months of December through March, Company shall reserve a portion of its alternate peaking supplies 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 alternate peaking supplies 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 alternate peaking supplies.

Choice Supplier will be assessed a proportionate share, as determined by Company, of the costs of alternate peaking supplies used for peak shaving for hourly load shaving and any other uses of alternate peaking supplies 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 alternate peaking capacity, Company shall indicate the percentage of Choice Supplier Pool's Peak Design Day Demand that will be met with Company's alternate peaking supplies 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.

ANNUAL VOLUME RECONCILIATION

1. SCO and Choice Suppliers' deliveries will be reconciled to their requirements on an annual basis.
2. For each month during the SCO Period, Company will compare each Supplier's Deliveries to the Supplier's Pool and Allocated Requirements to determine the Supplier's monthly Reconciliation Volumes.
 - a. The Supplier's Deliveries will be the sum of the Supplier's confirmed deliveries to the city-gate and its no-notice storage activity, and its allocated share of alternate peaking supplies.
 - b. The Supplier's Pool Requirements will be determined by adjusting the Supplier's Pool's actual billed usage for annual Standard Btu Value and the UAFG % identified in Company's Tariff.
 - c. The Supplier's Allocated Requirements will include the Supplier's portion of Large Transporter Imbalance volumes, Company's Line Pack changes, and Company's Operational Balancing Agreement (OBA) volume changes.
3. The reconciliation cash-out price for each month will be the IFERC Gas Market Report First-of-the-month price for Columbia Gas Transmission Corp, Appalachia plus applicable variable costs including fuel retention and pipeline variable charges.
4. The sum of the monthly reconciliation cashout amounts, plus any applicable taxes, will be the annual cashout credit or charge. The annual cashout credit or charge will recovered or passed back in the Exit Transition Cost (ETC) Rider.
5. Such reconciliations will be performed in the second month following the end of the last month of flow.
6. The Supplier's Annual Volume Reconciliation cashout charges and credits will remain subject to revision based on any corrections to underlying data and any issues identified in the annual ETC Audits.

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.

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 alternate peaking allocation.

Directed Delivery Quantity (DDQ) - the sum of:

1. The Expected Demand of the SCO Supplier's Load Tranche(s) for that gas day, plus
2. System UAFG percentage volumes, plus
3. 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 and Default Sales 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 396.

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 alternate peaking supplies as described below (Allocation of Alternate Peaking 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 a percentage to be confirmed annually 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

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.

Procedure for Gas Emergency Calls:

SCO Suppliers are required to adhere to Company's Gas Emergency Call Handling Procedure as it may be amended from time to time.

Allocation of Alternate Peaking Supplies:

During the months of December through March, Company shall reserve a portion of its alternate peaking supplies 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 alternate peaking supplies 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 alternate peaking supplies.

SCO Supplier will be assessed a proportionate share, as determined by Company, of the costs of alternate peaking supplies used for peak shaving for hourly load shaving and any other uses of alternate peaking supplies 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 alternate peaking capacity, Company shall indicate the percentage of SCO Supplier's Peak Design Day Demand that will be met with Company's 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

ANNUAL VOLUME RECONCILIATION

1. SCO and Choice Suppliers' deliveries will be reconciled to their requirements on an annual basis.
2. For each month during the SCO Period, Company will compare each Supplier's Deliveries to the Supplier's Pool and Allocated Requirements to determine the Supplier's monthly Reconciliation Volumes.
 - a. The Supplier's Deliveries will be the sum of the Supplier's confirmed deliveries to the city-gate and its no-notice storage activity, and its allocated share of alternate peaking supplies.
 - b. The Supplier's Pool Requirements will be determined by adjusting the Supplier's Pool's actual billed usage for annual Standard Btu Value and the UAFG % identified in Company's Tariff.
 - c. The Supplier's Allocated Requirements will include the Supplier's portion of Large Transporter Imbalance volumes, Company's Line Pack changes, and Company's Operational Balancing Agreement (OBA) volume changes.
3. The reconciliation cash-out price for each month will be the IFERC Gas Market Report First-of-the-month price for Columbia Gas Transmission Corp, Appalachia plus applicable variable costs including fuel retention and pipeline variable charges.
4. The sum of the monthly reconciliation cashout amounts, plus any applicable taxes, will be the annual cashout credit or charge. The annual cashout credit or charge will recovered or passed back in the Exit Transition Cost (ETC) Rider.
5. Such reconciliations will be performed in the second month following the end of the last month of flow.
6. The Supplier's Annual Volume Reconciliation cashout charges and credits will remain subject to revision based on any corrections to underlying data and any issues identified in the annual ETC Audits.

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 that SCO Supplier's 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.

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

DEFINITIONS (Continued)

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”.

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.

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

Commission’s Regulations – The OAC 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.

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 alternate peaking supplies.

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

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

Curtailement 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.

Customer Fuel Line – Gas piping installed, owned and maintained by Customer from outlet of meter setting to the shut-off valve upstream of each Customer-owned appliance or other gas-fueled device.

Filed pursuant to the Finding and Order dated _____ in Case No. 12-____-GA-EXM of The Public Utilities Commission of Ohio.

Issued _____

Issued by Jerrold L. Ulrey, Vice-President

Effective April 1, 2012

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

DEFINITIONS (Continued)

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.

Default Sales Service ("DSS") - Sales Service provided to Residential and General Service Customers that do not qualify for SCO Service.

Delivered Supplies - The sum of the daily DDQs plus 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.

Distribution Replacement Program - PUCO approved program for the accelerated replacement of cast iron mains, and bare steel mains and service lines. Also encompasses replacement of natural gas service risers.

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

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 with or change of Choice Suppliers.

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

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

Gas Service - The provision by 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 - Company's designation for a Customer meter with a rated capacity of 450 Cfh or less.

Group 2 - Company's designation for a Customer meter with a rated capacity of greater than 450 Cfh and less than or equal to 1,100 Cfh.

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

DEFINITIONS (Continued)

Standard Choice Offer ("SCO") Service – Standard market pricing choice service provided by multiple retail natural gas suppliers certified by the Commission.

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.

Service Line – Gas pipe installed from main through meter setting serving Customer.

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

Summer Season - The months of April through October, inclusive.

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

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

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.

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.

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.

Under-delivery Imbalance Volume - The volume by which a Pool's Delivered Supplies is less than the Pool's Usage for the same period of time.

Winter Season – The calendar months of November through March, inclusive, used only for Alternate Peaking Supply purposes.

Filed pursuant to the Finding and Order dated _____ in Case No. 12-____-GA-EXM of The Public Utilities Commission of Ohio.

Issued _____

Issued by Jerrold L. Ulrey, Vice-President

Effective April 1, 2012

Vectren Energy Delivery of Ohio, Inc.

Case No. 12-____-GA-EXM

Exhibit 2

Proposed tariff sheets for the changes to the LP deliverability replacement and
Revert to Utility-Provided Default Sales Service (DSS)

Affected tariff sheets include:

Sheet No. 2 Page 1 of 2	Sheet No. 52 Page 9 of 14
Sheet No. 2 Page 2 of 2	Sheet No. 52 Page 10 of 14
Sheet No. 10 Page 1 of 1	Sheet No. 52 Page 11 of 14
Sheet No. 10.5 Page 1 of 1	Sheet No. 52 Page 12 of 14
Sheet No. 11 Page 2 of 2	Sheet No. 52 Page 13 of 14
Sheet No. 12 Page 1 of 2	Sheet No. 54 Page 1 of 1
Sheet No. 12.5 Page 1 of 2	Sheet No. 56 Page 1 of 7
Sheet No. 12.5 Page 2 of 2	Sheet No. 56 Page 2 of 7
Sheet No. 13 Page 2 of 3	Sheet No. 56 Page 3 of 7
Sheet No. 16 Page 1 of 3	Sheet No. 56 Page 4 of 7
Sheet No. 16 Page 2 of 3	Sheet No. 56 Page 5 of 7
Sheet No. 16 Page 3 of 3	Sheet No. 56 Page 6 of 7
Sheet No. 21 Page 2 of 4	Sheet No. 56 Page 7 of 7
Sheet No. 23 Page 1 of 4	Sheet No. 59 Page 1 of 7
Sheet No. 23 Page 2 of 4	Sheet No. 59 Page 2 of 7
Sheet No. 23 Page 3 of 4	Sheet No. 59 Page 3 of 7
Sheet No. 23 Page 4 of 4	Sheet No. 59 Page 4 of 7
Sheet No. 37 Page 1 of 1	Sheet No. 59 Page 5 of 7
Sheet No. 40 Page 1 of 1	Sheet No. 59 Page 6 of 7
Sheet No. 41 Page 1 of 1	Sheet No. 59 Page 7 of 7
Sheet No. 43 Page 1 of 1	Sheet No. 70 Page 1 of 4
Sheet No. 44 Page 1 of 1	Sheet No. 70 Page 2 of 4
Sheet No. 45 Page 1 of 2	Sheet No. 70 Page 3 of 4
Sheet No. 45 Page 2 of 2	Sheet No. 71 Page 1 of 1
Sheet No. 46 Page 1 of 1	Sheet No. 80 Page 1 of 7 (NEW)
Sheet No. 47 Page 1 of 1 (NEW)	Sheet No. 80 Page 2 of 7 (NEW)
Sheet No. 50 Page 2 of 5	Sheet No. 80 Page 3 of 7 (NEW)
Sheet No. 50 Page 5 of 5	Sheet No. 80 Page 4 of 7 (NEW)
Sheet No. 52 Page 2 of 14	Sheet No. 80 Page 5 of 7 (NEW)
Sheet No. 52 Page 4 of 14	Sheet No. 80 Page 6 of 7 (NEW)
Sheet No. 52 Page 7 of 14	Sheet No. 80 Page 7 of 7 (NEW)
Sheet No. 52 Page 8 of 14	

TARIFF SHEET INDEX

<u>Tariff Sheet</u>	<u>Description</u>
1	Title Page
2	Tariff Sheet Index
3	Locations Served
4-9	Reserved for Future Use
RATE SCHEDULES	
10	Rate 310 Residential Default Sales Service
10.5	Rate 311 Residential Standard Choice Offer Service (Suspended)
11	Rate 315 Residential Transportation Service
12	Rate 320 General Default Sales Service
12.5	Rate 321 General Standard Choice Offer Service (Suspended)
13	Rate 325 General Transportation Service
14	Reserved for Future Use
15	Reserved for Future Use
16	Rate 341 Dual Fuel Sales Service
17	Rate 345 Large General Transportation Service
18	Rate 360 Large Volume Transportation Service
19	Reserved for Future Use
20	Rate 380 Pooling Service (Large General and Large Volume)
21	Rate 385 Pooling Service (Residential & General)
22	Reserved for Future Use
23	Rate 396 SCO Supplier Service (Suspended)
24-29	Reserved for Future Use
RIDERS	
30	Miscellaneous Charges
31	Gas Cost Recovery Rider (Suspended)
32	Reserved for Future Use
33	Reserved for Future Use
34	Reserved for Future Use
35	Migration Cost Rider (Suspended)
36	Balancing Cost Rider (Suspended)
37	Gross Receipts Excise Tax Rider
38	Reserved for Future Use
39	Uncollectible Expense Rider
40	Percentage of Income Payment Plan Rider
41	Exit Transition Cost Rider
42	S.B. 287 Excise Tax Rider
43	Sales Reconciliation Rider – A
44	Standard Choice Offer Rider (Suspended)
45	Distribution Replacement Rider
46	Energy Efficiency Funding Rider
47	Default Sales Service Rider
48-49	Reserved for Future Use

Filed pursuant to the Finding and Order dated _____ in Case No. 12-____-GA-EXM of The Public Utilities Commission of Ohio.

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Effective April 1, 2012

TARIFF SHEET INDEX

**Tariff
Sheet**

Description

TRANSPORTATION PROVISIONS

50	Transportation Terms and Conditions (Large General, and Large Volume)
51	Nomination and Balancing Provisions (Large General, Large Volume and Pool Operator)
52	Pooling Service Terms and Conditions (Residential and General)
53	Reserved for Future Use
54	Unaccounted for Gas Percentage
55	Reserved for Future Use
56	SCO Supplier Terms and Conditions (Suspended)
57-58	Reserved for Future Use

GENERAL TERMS AND CONDITIONS

59	Definitions
60	Application and Contract for Service
61	Credit Requirements of Customer
62	Billing and Payment for Gas Service
63	Disconnection-Reconnection of Service
64	Meters and Metering Equipment-Location and Installation
65	Service Pipe-Location and Installation
66	Equipment on Customer's Premises
67	Use and Character of Service
68	Extensions of Gas Distribution Mains
69	Extensions of Gas Facilities to House Trailer Parks
70	Curtailment Procedures
71	Operational Flow Orders
72	Affiliate Code of Conduct
73-78	Reserved for Future Use
79	Amendments
80	Default Sales Service Supplier Terms and Conditions

RATE 310

RESIDENTIAL DEFAULT SALES SERVICE

APPLICABILITY

This Rate Schedule is applicable to any Residential Customer:

- (1) Who is currently enrolled in Company's Percentage of Income Payment Plan (PIPP); or
 - (2) Who is ineligible for service under Rate 315; or
 - (3) Who is eligible but not currently receiving service under Rate 315,
- 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 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 to Customer 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:

Monthly Charge:

\$18.37 per meter

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. 43 – Sales Reconciliation Rider – A
- Sheet No. 45 – Distribution Replacement Rider
- Sheet No. 46 – Energy Efficiency Funding Rider
- Sheet No. 47 – Default Sales Service Rider

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Monthly 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.

SUSPENDED
RATE 311
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.

This Rate Schedule shall not be available to any Residential Customer:

- (1) Who is currently enrolled in Company's Percentage of Income Payment Plan (PIPP); or
- (2) Who is ineligible for service under Rate 315.

Customers described above shall be served under Rate 310, Residential Default Sales Service.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of SCO Service. Customer's gas supply under SCO Service shall be provided by an SCO 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 to Customer 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:

Monthly Charge:

\$18.37 per meter

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. 43 – Sales Reconciliation Rider – A
- Sheet No. 44 – Standard Choice Offer Rider
- Sheet No. 45 – Distribution Replacement Rider
- Sheet No. 46 – Energy Efficiency Funding Rider

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Monthly 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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RATE 315

RESIDENTIAL TRANSPORTATION SERVICE

Minimum Monthly Charge:

The Minimum Monthly Charge shall be the Monthly 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 Company. Choice Suppliers have the option of either: (1) Company providing billing for Choice Suppliers' services to Customer, or (2) 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 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 Customer's Enrollment Processing Period.

Transfer to Residential Default 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 Residential Default Sales Service.

Disconnection for Non-Payment of Choice Bill:

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

Customer Usage Information Release:

When Company receives a request from Customer for 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 Commission's Regulations.

RATE 320

GENERAL DEFAULT SALES SERVICE

APPLICABILITY

This Rate Schedule is applicable to any Non-Residential Customer:

1. Whose Annual Usage is less than 150,000 Ccf, and;
2. Who is ineligible for service under Rate 325, or who is eligible but not currently receiving service under Rate 325,

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 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 to Customer 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:

Group 1: \$20.00 per meter

Group 2: \$40.00 per meter

Group 3: \$80.00 per meter

Volumetric Charge:

\$0.07873 per Ccf for all 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. 43 – Sales Reconciliation Rider – A
- Sheet No. 45 – Distribution Replacement Rider
- Sheet No. 46 – Energy Efficiency Funding Rider
- Sheet No. 47 – Default Sales Service 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.

SUSPENDED RATE 321 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.

This Rate Schedule shall not be available to any Non-Residential Customer who is ineligible for service under Rate 325, which Customer shall be served under Rate 320, General Default Sales Service.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of SCO Service. Customer's gas supply under SCO Service shall be provided by an SCO 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 to Customer 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:

Group 1: \$20.00 per meter
Group 2: \$40.00 per meter
Group 3: \$80.00 per meter

Volumetric Charge:

\$0.07873 per Ccf for all 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. 43 – Sales Reconciliation Rider – A
- Sheet No. 44 – Standard Choice Offer Rider
- Sheet No. 45 – Distribution Replacement Rider
- Sheet No. 46 – Energy Efficiency Funding 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.

SUSPENDED
RATE 321
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

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 Company. Choice Suppliers have the option of either: (1) Company providing billing to Customer for Choice Suppliers' services, or (2) 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 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 Customer's Enrollment Processing Period.

Transfer to General Default 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 General Default Sales Service.

Disconnection for Non-Payment of Choice Bill:

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

Customer Usage Information Release:

When Company receives a request from Customer for 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 341 **DUAL FUEL SALES SERVICE**

APPLICABILITY

This Rate Schedule is available to any Non-Residential Customer electing service hereunder whose Space heating 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. **This Rate Schedule is closed to new customers and loads.**

CHARACTER OF SERVICE

This Rate Schedule is applicable to the provision of Sales Service, as described in the Dual Fuel Terms and Conditions below. Customer's gas supply shall be provided by DSS Supplier.

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 to Customer 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:

\$50.00 per meter

Volumetric Charge:

\$0.02372 per Ccf for all Ccf of Process or Base Deliveries (as defined below), plus
\$0.01762 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. 287 Excise Tax Rider
- Sheet No. 45 – Distribution Replacement Rider
- Sheet No. 47 – Default Sales Service 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 Space heating 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 Space heating equipment which is designed to use natural gas supplied by Company for Space heating 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 Space heating:

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 space heating requirements on a dual fuel basis for each heating season.
2. Customer must have installed dual fuel Space heating equipment of a type approved by Company.
3. Customer must have installed automatic outside temperature control equipment to be sealed by Company, of a type approved by Company and at a point selected by Company, and set to switch automatically Customer's Space heating 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 Space heating 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 Space heating 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 Space heating 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 Space heating and temperature control equipment in such a way that the Space heating 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 Space heating 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 Company's otherwise applicable Default 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 Space heating, Company shall have the right to cancel such approval for the use of gas for Space heating 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 Default 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 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 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.

Annual Volume Reconciliation Amount:

Charge or credit as determined by the Annual Volume Reconciliation as set out in Sheet No. 52.

Alternate Peaking Supplies Charge:

The cost of alternate peaking supplies provided by Company for Choice Supplier's Pool as set out in the Allocation of Alternate Peaking 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 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.

Customer Billing Amount:

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

SUSPENDED **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 SCO or DSS Service under Rates 310, 311, 320, 321 and 341.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of SCO and DSS Supply. SCO Supplier shall deliver to Company gas supplies needed to satisfy the usage requirements of SCO Supplier's Customers and a proportionate share of DSS usage requirements, 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.

Filed pursuant to the Finding and Order dated _____ in Case No. 12-____-GA-EXM of The Public Utilities Commission of Ohio.

Issued _____

Issued by Jerrold L. Ulrey, Vice-President

Effective April 1, 2012

SUSPENDED
RATE 396
SCO SUPPLIER SERVICE

Annual Reconciliation Amount:

Charge or credit as determined by the Annual Volume Reconciliation as set out in Sheet No. 56.

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 cash-outs, OBA settlements, or other related costs allocated to Supplier.

Pipeline Invoice Charge:

Charges or credits reflecting the difference between interstate pipeline charges, and the actual credits received on capacity released to SCO Supplier via mandatory capacity release.

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.

SUSPENDED
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

Pursuant to Rule 4901:1-29-13(b) OAC, 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. At a minimum the SCO Supplier Agreement shall include the following provisions: representations and warranties, indemnification, limitations on liability, default (breach), remedies, force majeure, commencement and term. The Agreement shall have a term consistent with the SCO Phase term as approved by the Commission.

SUSPENDED
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.

Filed pursuant to the Finding and Order dated _____ in Case No. 12-____-GA-EXM of The Public Utilities Commission of Ohio.

Issued _____ Issued by Jerrold L. Ulrey, Vice-President Effective April 1, 2012

GROSS RECEIPTS EXCISE TAX RIDER

APPLICABILITY

The Gross Receipts Excise Tax Rider is applicable to all Rates, Fees, Charges and Riders billed by Company to Customers, Pool Operators, and Suppliers served under Company's Rate Schedules, except for the cost of gas billed by Company on Supplier's behalf under Residential or General Transportation Services (Rates 315 or 325). Further, this Rider shall not be billed to any Customer statutorily exempted from the payment of gross receipts excise taxes.

DESCRIPTION

All applicable charges shall be adjusted for the Ohio gross receipts excise tax at a rate of 4.8767%.

PERCENTAGE OF INCOME PAYMENT PLAN RIDER

APPLICABILITY

The Percentage of Income Payment Plan ("PIPP") Rider shall be applicable to all Customers served under the following Rate Schedules and to certain other Customers pursuant to contract:

- Rate 310 – Residential Default Sales Service
- Rate 315 – Residential Transportation Service
- Rate 320 – General Default Sales Service
- Rate 325 – General Transportation Service
- Rate 341 – Dual Fuel Sales Service

DESCRIPTION

The PIPP Charge shall be the product of the monthly billing Ccf and the PIPP Rider Rate.

The PIPP Rider Rate shall be updated from time-to-time in accordance with the Entry in Case No. 99-751-GE-PIP.

PIPP RIDER RATE

The PIPP Rider Rate is \$0.02377 per Ccf.

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 Default Sales Service
- Rate 315 – Residential Transportation Service
- Rate 320 – General Default Sales Service
- Rate 325 – General Transportation 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 but not limited to the following:

- 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) All stranded gas supply costs related to Customer migrations to Choice Service,
- 2) Any incremental provider of last resort costs not recovered from a defaulting SSO Supplier, SCO Supplier, or Choice Supplier,
- 3) Any imbalance costs not recovered from Transportation Customers or Pool Operators,
- 4) Gas costs incurred by Company when diverting Customers' transportation gas quantities during a Curtailment (see Sheet No. 70, paragraph 11.B1.(9)),
- 5) Any cash-out amounts resulting from the Annual Volume Reconciliations for Choice Suppliers and DSS Supplier,
- 6) Adjustments to charges billed in prior Exit Program period(s), and
- 7) Other costs or credits applicable to Residential and General Default Sales Service (Rate 310, Rate 320), Choice Customers (Rate 315 and Rate 325) and Dual Fuel Sales Service (Rate 341) 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 \$(0.00071) per Ccf.

SALES RECONCILIATION RIDER – A

APPLICABILITY

The Sales Reconciliation Rider – A (SRR-A) shall be applicable to all Customers served under the following Rate Schedules:

Rate 310 – Residential Default Sales Service and Rate 315 – Residential Transportation Service

Rate 320 – General Default Sales Service and Rate 325 – General Transportation Service

This Rider shall cease after recovery of all amounts authorized for recovery in Case No. 05-1444-GA-UNC, 07-1080-GA-AIR, and 08-632-GA-AAM.

DESCRIPTION

The SRR-A shall recover the differences between Actual Base Revenues and Adjusted Order Granted Base Revenues for the applicable Rate Schedules for the period of time as authorized by the Commission.

Actual Base Revenues are defined as weather-normalized monthly base revenues for such Rate Schedules, prior to the SRR-A adjustment.

Adjusted Order-Granted Base Revenues are defined as the monthly base revenues for the applicable Rate Schedules as approved by the Commission's Order in Company's last base rate case, as adjusted to reflect the change in number of customers from the levels approved by the Commission. To reflect the change in number of customers, Order-granted base revenue per customer is multiplied by the net change in number of customers since the like month during the test year, with the product being added to the Order-granted base revenues for such month.

Company shall defer the calculated differences between Actual Base Revenues and Adjusted Order Granted Base Revenues for the applicable Rate Schedules for subsequent return or recovery via the SRR-A. Company shall reflect in a revised SRR-A effective November 1st of each year the accumulated monthly differences between Actual Base Revenues and Adjusted Order Granted Base Revenues.

The accumulated monthly differences for each Rate Schedule shall be divided by projected sales volumes to determine the applicable SRR-A. Projected and actual recoveries by Rate Schedule under the SRR-A are reconciled, with any under or over recovery being recovered or returned via the SRR-A over the next twelve months.

SALES RECONCILIATION RIDER –A RATE

The applicable Sales Reconciliation Rider-A Rate below shall be applied to each Ccf of metered gas usage each month.

Rates in \$/Ccf

Rate Schedules

310 and 315
320 and 325

SRR-A

\$0.00000
\$0.00000

SUSPENDED **STANDARD CHOICE OFFER RIDER**

APPLICABILITY

The Standard Choice Offer ("SCO") Rider is applicable to Rate 310, 311, 320, 321 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 Mcf using a standard BTU value, plus the Retail Price Adjustment determined in the SCO auction. The resulting rate per Mcf will be converted to a rate per Ccf for billing purposes.

The standard BTU value effective April 1, 2011 through March 31, 2012 is 1.016 Dth/Mcf.

SCO RIDER RATE

The SCO Rider Rate for December 2011 is \$0.47678/Ccf.

DISTRIBUTION REPLACEMENT RIDER

APPLICABILITY

The Distribution Replacement Rider (DRR) is applicable to any Customer served under the Rate Schedules identified below.

- Rate 310 - Residential Default Sales Service
- Rate 315 - Residential Transportation Service
- Rate 320 - General Default Sales Service
- Rate 325 - General Transportation Service
- Rate 341 - Dual Fuel Sales Service
- Rate 345 - Large General Transportation Service
- Rate 360 - Large Volume Transportation Service

DESCRIPTION

The DRR will be effective for the lesser of five (5) years from the effective date of rates in Case No. 07-1080-GA-AIR or until new rates become effective as a result of the filing by Company of an application for an increase in rates pursuant to Section 4909.18, Revised Code, or a proposal to establish base rates pursuant to an alternative method of regulation under Section 4929.05, Revised Code.

All applicable Customers shall be assessed either (a) a monthly charge in addition to the Monthly Charge or Customer Charge component of their applicable Rate Schedule, or (b) a volumetric charge applicable to each Ccf of metered gas usage each month, that will enable Company to recover (1) the return on and of plant investment, including capitalized interest, or post-in-service carrying cost charges ("PISCC"), along with incremental costs incurred under a multi-year program for the accelerated replacement and retirement of cast iron mains and bare steel mains and service lines, (2) deferred expenses incurred during Company's investigation of the installation, use, and performance of natural gas service risers, (3) all costs of replacement of prone-to-fail risers, (4) the incremental costs attributable to assuming ownership of service lines installed or replaced by Company, and (5) the incremental cost of assuming maintenance responsibility for all service lines, less (6) the actual annual savings of certain Operations and Maintenance ("O&M") expenses from the baseline O&M of \$1,192,953.

The DRR will be updated annually, in order to reflect the impact on Company's revenue requirement of net plant additions and other applicable, incremental costs, as offset by maintenance expense reductions attributable to the replacement program. Actual costs and actual recoveries are reconciled annually, with any under or over recovery being recovered or returned over the next twelve month period.

The monthly DRR charge applicable to Rate 310, 315, 320 (Group 1) and 325 (Group 1) customers shall be capped at \$1.00 per month in the initial annual DRR filing to be made in May 2010. Annual increases to the cap shall be limited to \$1.00 per month.

DISTRIBUTION REPLACEMENT RIDER

DISTRIBUTION REPLACEMENT RIDER CHARGE

The charges for the respective Rate Schedules are:

<u>Rate Schedule</u>	<u>\$ Per Month</u>	<u>\$ Per Ccf</u>
310 and 315	\$1.27	
320 and 325 (Group 1)	\$1.27	
320 and 325 (Groups 2 and 3)		\$0.00980
341	\$6.65	
345		\$0.00267
360		\$0.00166

Filed pursuant to the Finding and Order dated _____ in Case No. 12-____-GA-EXM of The Public
Utilities Commission of Ohio.

Issued _____ Issued by Jerrold L. Ulrey, Vice-President Effective April 1, 2012

ENERGY EFFICIENCY FUNDING RIDER

APPLICABILITY

The Energy Efficiency Funding Rider ("EEFR") shall be applicable to all Customers served under the following Rate Schedules and to certain other Customers pursuant to contract:

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

DESCRIPTION

The Energy Efficiency Funding Rider Rate shall be applied to all billed Ccf for Gas Service rendered to Customers served under the applicable Rate Schedules.

The Rider shall recover the costs of funding energy efficiency programs as determined by the Demand Side Management ("DSM") Collaborative and as approved by the Commission.

Company shall file an application with the Commission requesting approval to change the Energy Efficiency Funding Rider Rate periodically in accordance with the Stipulation and Recommendation in Case No. 07-1080-GA-AIR.

The EEFR Rider Rate shall be calculated based on the approved funding to be expended over the subsequent recovery period. The costs to be recovered and the costs actually recovered shall be reconciled annually, with any under or over recovery being recovered or returned via the EEFR over a subsequent period.

ENERGY EFFICIENCY FUNDING RIDER RATE

The Energy Efficiency Funding Rider Rate is \$0.00308 per Ccf.

DEFAULT SALES SERVICE RIDER

APPLICABILITY

The Default Sales Service ("DSS") Rider is applicable to Rate 310, 320, and 341 Customers.

DESCRIPTION

The Default Sales Service Rider charge shall be the product of the billing Ccf and the DSS Rider Rate.

The Default Sales Service Rider shall recover the following costs, as reviewed and approved by the Commission:

1. Demand, commodity and other costs of gas supply purchased from pipelines and other suppliers.
2. Demand, commodity and other costs of pipeline transportation service.
3. Demand, commodity and other costs of leased gas storage and related transportation costs including but not limited to fuel and any other variable costs.
4. The net cost of gas injected into and withdrawn from storage.
5. Pipeline Take-or-Pay Charges and Transition Costs, and any like charges.
6. A return on average storage inventory balances calculated as the average monthly balance of Current Gas in Storage accrued at a rate of ten percent (10%) per year.
7. Net costs or benefits of hedging, including gains or losses on hedges, and any margin carrying costs.
8. Cash-outs charged or credited to DSS Supplier in the Annual Volume Reconciliation reflecting unaccounted for gas variances.
9. All other costs approved for recovery by the Commission.

The DSS Rider Rate each month will be the NYMEX settlement price for such month converted to a price per Mcf using a standard BTU value, plus the annual DSS Price Adjustment. The DSS Price Adjustment is the fixed price per Mcf, when added to the NYMEX, intended to recover the costs incurred by DSS Supplier in the provision of Default Sales Service.

Actual DSS Rider recoveries will be reconciled quarterly with actual costs incurred with any differences also included in a future DSS Rider Rate. The resulting rate per Mcf will be converted to a rate per Ccf for billing purposes.

At the end of each annual period during which default sales service is in effect, an audit(s) will be conducted of the pipeline capacity, delivered service, and gas supply bid procurement and bid selection processes, the accuracy of the computation of the default sales service rates, and the accuracy of the application of the default sales service rates to customer bills.

The standard BTU value effective April 1, 2012 through March 31, 2013 is ____ Dth/Mcf.

DSS RIDER RATE

The DSS Rider Rate for April 2012 is \$_____/Ccf.

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

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, Large Volume, 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 Customer.

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

Section 17 - OPERATIONAL FLOW ORDERS:

- 17.1 Customer shall be subject to the Nomination and Balancing Provisions (Large General, Large Volume, 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 DSS 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)**

Company shall issue a written notification to Customer informing Customer of the applicable 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. In that instance, Customer shall transfer to the applicable Default Sales Service unless it selects another Choice Supplier. Company shall not be liable to Choice Supplier or Customer for allowing Customer to transfer to Default Sales Service or another Choice Supplier.

If Company rejects a Customer from enrollment, 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 a Customer commencing service with a Choice Supplier, 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 served by 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 Customer enrollment procedures or failure to provide verification of enrollment within the time period specified herein shall be treated in the same manner as other 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 address and mailing address. Customized listings may also be developed by Company at Choice Supplier's request for Residential and General Default 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:

In the administration of Customer contract renewal notifications, Choice Suppliers must adhere to the Commission's "Minimum Standards for Competitive Retail Natural Gas Service" rules in accordance with the procedures set forth in Rule 4901:1-29-10 of the OAC.

Filed pursuant to the Finding and Order dated _____ in Case No. 12-____-GA-EXM of The Public Utilities Commission of Ohio.

Issued _____ Issued by Jerrold L. Ulrey, Vice-President Effective April 1, 2012

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. 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 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 Charge 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 Default Sales Service.
2. Choice Supplier shall be responsible for billing and collecting its 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)**

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 alternate peaking supplies 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/transfer of existing Pool Customers to Default 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 Default 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 a percentage to be confirmed annually 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 migrations occur.

Operational System Balancing:

Company's TCO storage will be released to each Choice Supplier on a proportionate basis. The holders of Company-released TCO storage capacity and DSS Supplier 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 provide Company access to their daily TCO storage balances. Choice Suppliers will also 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 Suppliers and DSS 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 Choice Suppliers and DSS Supplier.

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

- (1) Choice Suppliers and DSS Supplier 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.

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 the applicable Default Sales Service.

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 Company via 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.

Procedure for Gas Emergency Calls:

Choice Suppliers are required to adhere to Company's Gas Emergency Call Handling Procedure as it may be amended from time to time.

Allocation of Alternate Peaking Supplies:

During the months of December through March, Company shall reserve a portion of its alternate peaking supplies 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 alternate peaking supplies 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 alternate peaking supplies.

Choice Supplier will be assessed a proportionate share, as determined by Company, of the costs of alternate peaking supplies used for peak shaving for hourly load shaving and any other uses of alternate peaking supplies 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 alternate peaking capacity, Company shall indicate the percentage of Choice Supplier Pool's Peak Design Day Demand that will be met with Company's alternate supplies 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.

ANNUAL VOLUME RECONCILIATION

1. DSS Supplier's and Choice Suppliers' deliveries will be reconciled to their requirements on an annual basis.
2. For each month, Company will compare each Supplier's Deliveries to the Supplier's Pool and Allocated Requirements to determine the Supplier's monthly Reconciliation Volumes.
 - a. The Supplier's Deliveries will be the sum of the Supplier's confirmed deliveries to the city-gate, its no-notice storage activity, and its allocated share of alternate peaking supplies.
 - b. The Supplier's Pool Requirements will be determined by adjusting the Supplier's Pool's actual billed usage for annual Standard Btu Value and the UAFG % identified in Company's Tariff.
 - c. The Supplier's Allocated Requirements will include the Supplier's portion of Large Transporter Imbalance volumes, Company's Line Pack changes, and Company's Operational Balancing Agreement (OBA) volume changes.
3. The reconciliation cash-out price for each month will be the IFERC Gas Market Report First-of-the-month price for Columbia Gas Transmission Corp, Appalachia plus applicable variable costs including fuel retention and pipeline variable charges.
4. The sum of the monthly reconciliation cash-out amounts, plus any applicable taxes, will be the annual cash-out credit or charge. The annual cash-out credit or charge will be recovered or passed back in the Exit Transition Cost (ETC) Rider.
5. Such reconciliations will be performed in the second month following the end of the last month of flow.
6. The Supplier's Annual Volume Reconciliation cash-out charges and credits will remain subject to revision based on any corrections to underlying data and any issues identified, including in the annual ETC Audits.

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 Default 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.

UNACCOUNTED FOR GAS PERCENTAGE

APPLICABILITY

The Unaccounted for Gas Percentage shall be applicable to Choice Suppliers, Pool Operators, DSS Supplier, and to non-Pooling Transportation Customers served under Rate 345 and Rate 360.

DESCRIPTION

A percentage of the quantities delivered by applicable parties at a point of receipt on 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 1.5%.

SUSPENDED

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:

1. The Expected Demand of the SCO Supplier's Load Tranche(s) for that gas day, plus
2. System UAFG percentage volumes, plus
3. 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 and Default Sales 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 396.

SCO Supply – Gas supply provided by SCO Suppliers pursuant to Rate 396.

SUSPENDED

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 79% 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.

SUSPENDED

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 provide Company access to their daily TCO storage balances. 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.

Welcome Letter

SCO Supplier shall provide a welcome letter to all new Customers informing them of the terms and conditions of their agreement, and providing the Customer with all applicable contact information.

SUSPENDED

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 SCO 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 Tranches awarded.
 - (b) For the portion of increased load quantity greater than 50% of initial Load Tranches awarded to existing SCO Suppliers, that load will be assigned to a new SCO Supplier based on an accelerated auction process.

SUSPENDED **SCO SUPPLIER TERMS AND CONDITIONS**

Company Demand Forecast:

Company shall forecast each Tranche's Peak Design Day Demand based upon Company's design day and forecasted weather, respectively; the number of Customers in the Tranche; and the historic usage characteristics of the applicable Customers. The forecast provided to SCO Suppliers will include the respective Peak Design Day Demand along with any requirements for Rate 310 (Residential Default Sales Service) and Rate 320 (General Default Sales Service) Customers, which will be based on equal divisions of the historical demand associated with these Customers.

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.

SUSPENDED

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.

Procedure for Gas Emergency Calls:

SCO Suppliers are required to adhere to Company's Gas Emergency Call Handling Procedure as it may be amended from time to time.

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.

SUSPENDED

SCO SUPPLIER TERMS AND CONDITIONS

ANNUAL VOLUME RECONCILIATION

1. SCO and Choice Suppliers' deliveries will be reconciled to their requirements on an annual basis.
2. For each month during the SCO Period, Company will compare each Supplier's Deliveries to the Supplier's Pool and Allocated Requirements to determine the Supplier's monthly Reconciliation Volumes.
 - a. The Supplier's Deliveries will be the sum of the Supplier's confirmed deliveries to the city-gate, its no-notice storage activity, and its allocated share of propane.
 - b. The Supplier's Pool Requirements will be determined by adjusting the Supplier's Pool's actual billed usage for annual Standard Btu Value and the UAFG % identified in Company's Tariff.
 - c. The Supplier's Allocated Requirements will include the Supplier's portion of Large Transporter Imbalance volumes, Company's Line Pack changes, and Company's Operational Balancing Agreement (OBA) volume changes.
3. The reconciliation cash-out price for each month will be the IFERC Gas Market Report First-of-the-month price for Columbia Gas Transmission Corp, Appalachia plus applicable variable costs including fuel retention and pipeline variable charges.
4. The sum of the monthly reconciliation cash-out amounts, plus any applicable taxes, will be the annual cash-out credit or charge. The annual cash-out credit or charge will recovered or passed back in the Exit Transition Cost (ETC) Rider.
5. Such reconciliations will be performed in the second month following the end of the last month of flow.
6. The Supplier's Annual Volume Reconciliation cash-out charges and credits will remain subject to revision based on any corrections to underlying data and any issues identified in the annual ETC Audits.

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 that SCO Supplier's 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 five percent (5%) of their TCO Storage Contract Quantity (SCQ) at the end of the SCO phase at the April first of the month "Monthly Contract Index" price for "Columbia Gas Transmission Corp, Appalachia" as reported by Inside FERC's Gas Market Report in the table "Prices of Spot Gas Deliveries to Pipelines" plus applicable variable costs, including fuel retention and pipeline variable costs.

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:

Btu	– British thermal unit
Ccf	– One hundred cubic feet
Cf	– Cubic foot
Cfh	– Cubic feet per hour
Dth	– One Dekatherm or 1,000,000 Btu's
FERC	– Federal Energy Regulatory Commission
GCR	– Gas Cost Recovery
Mcf	– One thousand cubic feet
OAC	– Ohio Administrative Code
OCC	– Ohio Consumers' Counsel
ORC	– Ohio Revised Code
PSIG	– Pounds per square inch gauge
PUCO	– 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.

Cash-out – The monetary settlement of over-delivery and under-delivery gas imbalances of Pool Operators, DSS Supplier 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.

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).

Filed pursuant to the Finding and Order dated _____ in Case No. 12-____-GA-EXM of The Public Utilities Commission of Ohio.

Issued _____ Issued by Jerrold L. Ulrey, Vice-President Effective April 1, 2012

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

DEFINITIONS (Continued)

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”.

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.

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

Commission’s Regulations – The OAC 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.

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 alternate peaking supplies.

Curtailment – The limitation of the Gas Service available to Customer pursuant to 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.

Customer Fuel Line – Gas piping installed, owned and maintained by Customer from outlet of meter setting to the shut-off valve upstream of each Customer-owned appliance or other gas-fueled device.

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Effective April 1, 2012

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

DEFINITIONS (Continued)

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.

Default Sales Service ("DSS") – Utility sales service provided to applicable Residential and General Service Customers and Dual Fuel Customers.

Delivered Supplies - The sum of the daily DDQs plus 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.

Distribution Replacement Program – PUCO approved program for the accelerated replacement of cast iron mains, and bare steel mains and service lines. Also encompasses replacement of natural gas service risers.

DSS Supplier – The supplier of Default Sales Service.

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

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 with or change of Choice Suppliers.

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

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

Gas Service – The provision by 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.

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

DEFINITIONS (Continued)

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

Group 2 – Company's designation for a Customer meter with a rated capacity of greater than 450 Cfh and less than or equal to 1,100 Cfh.

Group 3 – Company's designation for a Customer meter with a rated capacity of greater than 1,100 Cfh

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.

Load Tranche or Tranche - a share of Standard Choice Offer Service volumes to be supplied by SCO Supplier.

Maximum Daily Delivery Obligation ("MDDO") – The maximum daily volume of gas that may be delivered on Rate 345 and Rate 360 Customer's behalf and transported on Company's gas system.

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.

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

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

Operational Flow Order (OFO) – An order issued by 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.

Over-delivery Imbalance Volume - The volume by which a Pool's Delivered Supplies exceeds the Pool's Usage for the same period of time.

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

DEFINITIONS (Continued)

Pool – 1.) A group of Transportation Customers aggregated by a Pool Operator for gas supply management purposes or 2) A group of Customers receiving Gas Service pursuant to Rate 315, Residential Transportation Service, and/or Rate 325, General Transportation Service, who have been joined together with other Customers subscribing to the same Transportation Service by a single 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 Operator – A marketer, supplier, or Transportation Customer that provides gas supply management for a Transportation Customer Pool.

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

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.

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.

Rider – A rate applied to Customer's Bill that recovers or passes back Company costs and revenues approved by the Commission

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

SCO Customer – A Customer subscribing to a Standard Choice Offer Service Rate Schedule (Suspended).

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

DEFINITIONS (Continued)

SCO Supplier - A supplier that meets the Requirements for SCO Supplier Participation set out in Rate 396 (Suspended).

SCO-Supplied Gas – Gas provided by SCO Supplier and distributed to Customer for end-use during an SCO Period.

Standard Choice Offer (“SCO”) Service – A suspended standard market pricing choice service provided by retail natural gas suppliers certified by the Commission.

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.

Service Line – Gas pipe installed from main through meter setting serving Customer.

Space heating – The use of Gas Service as fuel for the heating of some portion or all of Customer’s Premises.

Summer Season - The months of April through October, inclusive.

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

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

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.

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.

Unaccounted for Gas Percentage - The portion of Supplier’s city gate deliveries required 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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GENERAL TERMS AND CONDITIONS **APPLICABLE TO GAS SERVICE**

DEFINITIONS (Continued)

Under-delivery Imbalance Volume - The volume by which a Pool's Delivered Supplies is less than the Pool's Usage for the same period of time.

Winter Season – The calendar months of November through March, inclusive, used only for Alternate 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, 345, or 360 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 DSS-Supplied gas to meet the demands of DSS 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 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 and Rate 360 Non-Pooling Customers, and Pool Operators' Pools shall be subject to the Cold Weather OFO set forth in Nomination and Balancing Provisions (Large General, Large Volume, and Pool Operator). Choice Suppliers and DSS Supplier 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 DSS-Supplied Gas for Space heating shall be interrupted 100%.
- (3) Next, as determined by Company, all Rate 320 Firm Curtailment Customers' purchases of DSS-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 Rate 320 Firm Curtailment Customers' purchases of DSS-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 Rate 320 Firm Curtailment Customers' purchases of DSS-Supplied Gas shall be curtailed to a daily quantity equal to their respective Plant Protection Levels.
- (6) Next, Rate 345 and Rate 360 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 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 and Rate 360 Non-Pooling Customers and Pool Operators' Pools shall be subject to the Cold Weather OFO set forth in Nomination and Balancing Provisions (Large General, Large Volume, and Pool Operator). Choice Suppliers and DSS Supplier 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 DSS-Supplied Gas for Space heating shall be interrupted 100%.
- (3) Next, as determined by Company, all Firm Curtailment Customers' transportation quantities or purchases of DSS-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 DSS-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**

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 DSS Supplier, 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 DSS Supplier, 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 DSS Supplier, 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**

15. DEFAULT SALES SERVICE SUPPLIER TERMS AND CONDITIONS

DSS Supplier shall provide Default Sales Service under the terms and conditions specified in the following sections:

CAPACITY AND OPERATING REQUIREMENTS

Comparable Firm Capacity Requirement:

DSS Supplier agrees to secure sufficient firm interstate pipeline capacity, of which a portion shall be from Company-retained 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 DSS Customers, less a percentage during the winter months reflecting the DSS Supplier's entitlement to Company's alternate peaking supplies as described below (Comparable Firm Capacity Requirement). All obligations of DSS Supplier with respect to such capacity and supply shall be the sole responsibility of DSS Supplier.

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

Company may periodically verify DSS Supplier's compliance with this Comparable Firm Capacity Requirement. DSS Supplier will provide to Company upon request copies of contracts for upstream pipeline capacity not retained by Company and supply contracts showing the firm quantities reserved or purchased and the specific points of delivery. If DSS Supplier is securing firm city gate supplies, DSS 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 DSS Supplier of additional firm pipeline capacity.

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

15. **DEFAULT SALES SERVICE SUPPLIER TERMS AND CONDITIONS (Continued)**

Mandatory Assignment of Pipeline Capacity:

DSS Supplier will be assigned Company-retained pipeline transportation and storage capacity for a percentage to be confirmed annually of the Peak Design Day Demand of DSS Supplier's Pool.

Monthly Reassignment of Capacity:

Company-retained transportation and storage capacity assigned 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 migrations occur.

Operational System Balancing:

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

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

15. DEFAULT SALES SERVICE SUPPLIER TERMS AND CONDITIONS (Continued)

PDAs will be established with TCO at the beginning of each month proportional to the percentage of TCO storage capacity assigned to Suppliers. Each day DSS Supplier will be allocated a portion of the daily system imbalance based on its PDA percentage. DSS 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 Supplier that contributed to the penalty proportional to their contribution to the violation.

DSS Supplier will agree to provide Company access to its daily TCO storage balances. DSS Supplier will also 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 DSS Supplier's Company-assigned TCO storage inventory volume be less than the minimum specified by Company.

Provider of Last Resort ("POLR") Service:

Choice Suppliers and DSS Supplier shall temporarily provide supply from Company-assigned 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 Choice Suppliers.

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

- (1) Choice Suppliers and DSS Supplier 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.

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

15. **DEFAULT SALES SERVICE SUPPLIER TERMS AND CONDITIONS (Continued)**

- (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 the applicable Default Sales Service.

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, DSS 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 DSS 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 DSS 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 DSS Supplier periodically. Absent unforeseen circumstances, a minimum four months' notice will be provided on changes to the city-gate allocation tables.

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

15. **DEFAULT SALES SERVICE SUPPLIER TERMS AND CONDITIONS (Continued)**

DSS Suppliers are required to nominate scheduled storage injections and withdrawals to the pipelines and to Company for all Company-assigned 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, DSS Supplier shall nominate to Company via 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. DSS 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 DSS Supplier's prorata share of the system imbalance per the monthly PDA. Company may at its discretion perform a No-Notice nomination to DSS Supplier's Company-assigned TCO storage for the prior day's flow if the DSS Supplier has not (1) delivered adequate supplies to meet its DDQ or (2) met its TCO minimum city-gate allocation delivery requirement.

Allocation of Alternate Peaking Supplies:

During the months of December through March, Company shall reserve a portion of its alternate peaking supplies for Choice and DSS 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 alternate peaking supplies that month. The portion reserved shall be applied as a reduction to the Peak Design Day Demand that DSS Supplier must meet pursuant to its Comparable Firm Capacity Requirement.

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

DSS Supplier will be assessed a proportionate share, as determined by Company, of the costs of alternate peaking supplies used for peak shaving, for hourly load shaving, and any other uses of alternate peaking supplies 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 alternate peaking capacity, Company shall indicate the percentage of DSS Supplier Pool's Peak Design Day Demand that will be met with Company's alternative peaking supplies allocated by Company to such Pool.

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

15. DEFAULT SALES SERVICE SUPPLIER TERMS AND CONDITIONS (Continued)

ANNUAL VOLUME RECONCILIATION

1. DSS Supplier's and Choice Suppliers' deliveries will be reconciled to their requirements on an annual basis.
2. For each month, Company will compare each Supplier's Deliveries to the Supplier's Pool and Allocated Requirements to determine the Supplier's monthly Reconciliation Volumes.
 - a. The Supplier's Deliveries will be the sum of the Supplier's confirmed deliveries to the city-gate and its no-notice storage activity, and its allocated share of alternate peaking supplies.
 - b. The Supplier's Pool Requirements will be determined by adjusting the Supplier's Pool's actual billed usage for annual Standard Btu Value and the UAFG % identified in Company's Tariff.
 - c. The Supplier's Allocated Requirements will include the Supplier's portion of Large Transporter Imbalance volumes, Company's Line Pack changes, and Company's Operational Balancing Agreement (OBA) volume changes.
3. The reconciliation cash-out price for each month will be the IFERC Gas Market Report First-of-the-month price for Columbia Gas Transmission Corp, Appalachia plus applicable variable costs including fuel retention and pipeline variable charges.
4. The sum of the monthly reconciliation cash-out amounts, plus any applicable taxes, will be the annual cash-out credit or charge. The annual cash-out credit or charge will be recovered or passed back in the Exit Transition Cost (ETC) Rider.
5. Such reconciliations will be performed in the second month following the end of the last month of flow.
6. The Supplier's Annual Volume Reconciliation cash-out charges and credits will remain subject to revision based on any corrections to underlying data and any issues identified in the annual ETC and DSS Rider Audits.

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

15. **DEFAULT SALES SERVICE SUPPLIER TERMS AND CONDITIONS (Continued)**

MONTHLY STATEMENT

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

Annual Reconciliation Amount:

Charge or credit as determined by the Annual Volume Reconciliation as set out in Sheet No. 56.

Alternate Supplies Charge:

The cost of alternate supplies provided by Company for DSS Supplier's Pool.

Meter Operator Charges:

DSS 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 DSS Supplier for providing Provider of Last Resort services.

Customer Billing Amount:

DSS Rider amounts billed to DSS Customers.

Delivery Point Balancing Amount:

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

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Summary: Application In the Matter of the Application and Joint Stipulation and Recommendation of Vectren Energy Delivery of Ohio, Inc., et al. for Approval of its Exemption Authority Granted in Case No. 07-1285-GA-EXM. electronically filed by Ms. Vicki L. Leach-Payne on behalf of Hummel, Gretchen J. Ms.