BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Joint Motion to Modify the December 2, 2009 Opinion and Order and the September 7, 2011 Second Opinion and Order in Case No. 08-1344-GA-EXM	)))))	Case No. 12-2637-GA-EXM

REVISED PROGRAM OUTLINE AND REVISED TARIFFS

On October 4, 2012, Columbia Gas of Ohio, Inc. ("Columbia") and other parties filed in this docket a Joint Motion to Modify Orders Granting Exemptions ("Joint Motion"). Attached to the Joint Motion was a Joint Stipulation and Recommendation ("Stipulation") setting forth the agreement of the stipulating parties. The Joint Motion stated that Columbia would be filing a revised Program Outline subsequent to the filing of the Joint Motion.

Attached hereto as Attachment A is Columbia's Revised Program Outline, which reflects changes necessary to implement the Stipulation, if approved by the Commission. Attached hereto as Attachment B is a clean copy of the revised tariff pages which reflect the changes necessary to implement the Stipulation, if approved by the Commission. Attached hereto as Attachment C is a marked-up copy of the same tariff pages, highlighting the changes proposed to the current tariffs.

Columbia respectfully requests that the Commission review and approve the Revised Program Outline and tariffs along with the Joint Motion and Stipulation.

Respectfully submitted,
COLUMBIA GAS OF OHIO, INC.

/s/ Stephen B. Seiple
Stephen B. Seiple (Counsel of Record)

Stephen B. Seiple, Asst. General Counsel
Brooke E. Leslie, Counsel
200 Civic Center Drive
P. O. Box 117
Columbus, Ohio 43216-0117
Telephone: (614) 460-4648
(614) 460-5558
Fax: (614) 460-6986
Email: sseiple@nisource.com
bleslie@nisource.com

Daniel R. Conway
Eric B. Gallon
Porter Wright Morris & Arthur LLP
Huntington Center
41 South High Street
Columbus, Ohio 43215
Telephone: (614) 227-2270
(614) 227-2190
Fax: (614) 227-2100
Email: dconway@porterwright.com
egallon@porterwright.com

Attorneys for
COLUMBIA GAS OF OHIO, INC.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Revised Program Outline and Revised Tariffs was served upon all parties of record by regular U.S. Mail this 31st day of October , 2012.

/s/ Stephen B. Seiple
Stephen B. Seiple

Attorney for
COLUMBIA GAS OF OHIO, INC.

SERVICE LIST

Stephen Reilly
Assistant Attorney General
Public Utilities Section
180 East Broad Street, 6th Floor
Columbus, OH 43215-3793
stephen.reilly@puc.state.oh.us

M. Howard Petricoff
Vorys, Sater, Seymour and Pease LLP
52 East Gay Street
P.O. Box 1008
Columbus, OH 43216-1008
mhpetricoff@vorys.com

Barth E. Royer
Bell & Royer Co., LPA
33 South Grant Avenue
Columbus, OH 43215-3927
barthroyer@aol.com

Larry S. Sauer
Joseph P. Serio
Office of the Ohio Consumers' Counsel
10 West Broad St., Suite 1800
Columbus, OH 43215-3485
sauer@occ.state.oh.us
serio@occ.state.oh.us

Dane Stinson
Bailey Cavalieri LLC
10 West Broad St., Suite 2100
Columbus, OH 43215
dane.stinson@baileycavalieri.com

Dave Rinebolt
Colleen L. Mooney
Ohio Partners for Affordable Energy
231 West Lima Street
P.O. Box 1793
Findlay, OH 45839-1793
drinebolt@ohiopartners.org
cmooney@ohiopartners.org

A. Brian McIntosh
McIntosh & McIntosh
1136 Saint Gregory Street, Suite 100
Cincinnati, OH 45202
brian@mcintoshlaw.com

Glenn S. Krassen
Matthew W. Warnock
Bricker & Eckler LLP
1001 Lakeside Avenue East, Suite 1350
Cleveland, Ohio 44114
gkrassen@bricker.com
mwarnock@bricker.com

ATTACHMENT A
REVISED PROGRAM OUTLINE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Joint Motion to Modify the December 2, 2009 Opinion and Order and the September 7, 2011 Second Opinion and Order in Case No. 08-1344-GA-EXM	)))))	Case No. 12-2637-GA-EXM

REVISED PROGRAM OUTLINE
October 31, 2012

TABLE OF CONTENTS

1. Introduction and Background

On December 28, 2007, Columbia and other parties, many of which comprise Columbia's Post-2010 Stakeholder Group as described below, filed a Joint Stipulation and Recommendation ("Stipulation") in Case Nos. 04-221-GA-GCR, et al. In that Stipulation, Columbia committed to filing, on or before February 1, 2009, an application to implement a gas supply auction for purposes of supplying commodity for Columbia's Standard Service Offer ("SSO") by no later than April 1, 2010. By Order dated January 23, 2008, the Commission approved the Joint Stipulation and Recommendation. In compliance with the January 23, 2008 Order, Columbia filed an Application, tariffs and testimony for a gas supply auction including a Program Outline which provided the implementation details for the auction as well as other service amendments.

A Columbia Post 2010 Stakeholder Group including Columbia's CHOICE commodity suppliers, other interested commodity suppliers, the Ohio Farm Bureau Federation, the Office of the Ohio Consumers' Counsel, Ohio Partners for Affordable Energy, various industrial customers, schools, and the Commission Staff was formed with the primary goal of developing a consensus as to the structure for gas service in the Columbia service territory following the expiration of the Transition Period[1].

On October 7, 2009, the parties filed a Joint Stipulation and Recommendation ("2009 Stipulation") in Case No 08-1344-GA-EXM that set forth the basis for implementation of an auction procedure ("Auction") to secure gas supply for Columbia's sales customers. On December 2, 2009, the Commission issued an Opinion and Order that provided for the approval of the Stipulation as filed. In accordance with the 2009 Stipulation, Columbia conducted two Auctions in order to implement two consecutive one-year long Standard Service Offer ("SSO") periods starting April 2010 and April 2011. Through these Auctions, Columbia obtained commodity gas supplies from alternative suppliers ("SSO Suppliers") for both its Percentage of Income and SSO/sales customer requirements.

[1] The Transition Period is defined as November 1, 2008 through March 31, 2010. *In the Matter of the Regulation of the Purchased Gas Adjustment Clause Contained within the Rate Schedules of Columbia Gas of Ohio, Inc., and Related Matters.* Opinion and Order (January 23, 2008) at p. 8.

The 2009 Stipulation further provided for the holding of a third auction scheduled for an annual period beginning April 2012.[2] The third auction was a Standard Choice Offer ("SCO") auction. The primary differences between the SSO and SCO are that: (1) the bid winners of the SCO auction are assigned individual customers while in each of the SSO auctions an undivided percentage of sales customers' demand was allocated to the bid winners; and (2) SCO customers are subject to sales tax rather than gross receipts tax on the gas purchased through the SCO Program.

Several provisions of the 2009 Stipulation expire March 31, 2013. In March 2012 Columbia initiated discussions with Staff, OCC, suppliers and numerous customer representatives. In May 2012, a Stakeholder Group including Columbia's CHOICE commodity suppliers and the Commission Staff met again to develop a consensus as to the structure for gas service in the Columbia service territory following the March 31, 2013 expiration of the initial three-year term of the 2009 Stipulation.

On October 4, 2012, the parties filed a Joint Stipulation and Recommendation ("2012 Stipulation") in which the parties agreed to implement five consecutive one-year-long SCO auctions, with the first SCO period starting April 1, 2013, and the fifth SCO period ending March 31, 2018. However, the 2012 Stipulation contains provisions that would enable Columbia to exit the merchant function if certain conditions as met. Thus, with regard to some customer classes it is possible that there may not be an SCO auction in each of the years specified above. This Program Outline details the operation of the SCO auctions, and will be revised if and when Columbia exits the merchant function for any customer class.

This Program Outline describes how Columbia shall implement the Standard CHOICE Offer (SCO) Auction process and the corresponding changes that Columbia believes must be made to existing processes and services in order to ensure the continuation of reliable services to all of Columbia's customers.

2. Definitions

The following terms and acronyms shall have the meaning as set forth below except for paragraph 39 which contains its own definitions

[2] DTE, OPAE and OCC stated in the Joint Stipulation that their support for the Joint Stipulation should not be interpreted as support for SCO auctions in general, or in the Joint Stipulation.

"Bcf" – Is an acronym which stands for Billion Cubic Feet of Natural Gas.

"BTU" – Is an acronym which stands for British Thermal Unit.

"Capacity Assignment Percentage" – Shall mean the percentage of the design peak day demand of a Supplier's customer group that the Supplier shall receive in total through direct capacity assignment by Columbia and as a peaking service provided by Columbia. This percentage, as calculated by Columbia, shall approximate but not exceed 100%.

"Ccf" – Is an acronym which stands for Hundred Cubic Feet of Natural Gas.

"CGT" – Is an acronym which stands for Columbia Gulf Transmission Company

"CHOICE" – Shall mean the program under which CHOICE Eligible Customers may choose their natural gas suppliers.

"CHOICE Customer" – Shall mean a CHOICE Eligible Customer who has enrolled with a CHOICE Supplier.

"CHOICE Eligible Customer" - Shall mean all Human Needs Customers and all Customers using less than 6,000 Mcf per year, excluding: 1) Customers on PIPP; 2) Customers on Transportation Service; and, 3) Customers that are more than 60 days in arrears, or more than 30 days in arrears if on a payment plan.

"CHOICE Supplier" – Shall mean a certified retail natural gas supplier participating in Columbia's Customer CHOICE program.

"Commission" – Shall mean the Public Utilities Commission of Ohio.

"CSRR" – Shall mean the CHOICE/SCO Reconciliation Rider to be charged to all CHOICE/SCO Customers based on their billed throughput.

"DSS" – Shall mean a Commission-regulated Default Sales Service provided by Columbia to Transition Customers, those customers not eligible to participate in the Choice program or Governmental Aggregation Programs and PIPP customers.

"Dth" – Is an acronym which stands for Dekatherm, One Million British Thermal Units.

"Local Gas Purchase Adjustment" – Shall mean an adjustment that Columbia shall make equally to all CHOICE, DSS and SCO Demand Curves that is representative of the Ohio Production supply quantities, firm city gate supplies, and those supplies purchased by Columbia via Operationally Retained Capacity.

"Local Gas Purchase Price" – Shall be defined as the TCO Monthly Index plus a fixed dollar amount, to be determined annually. The fixed dollar amount shall be determined through the comparison of Columbia's actual, normalized purchase rate, including demand costs, with the weighted TCO Monthly Index for the most recent November-October period. Columbia shall post the fixed dollar amount on its website at least two weeks prior to an auction.

"Local Gas Purchase Requirement" – Shall mean a volume of gas that CHOICE/SCO Suppliers shall purchase from Columbia monthly, which shall be equal to an estimate of the Columbia purchases of Ohio Production, firm city gate supplies, and supplies purchased via Operationally Retained Capacity that Columbia acquires to assure reliability and sufficiency of supply to all CHOICE and SCO eligible customers.

"Mcf" – Is an acronym which stands for Thousand Cubic Feet of Natural Gas.

"NCGT" – Is an acronym which stands for North Coast Gas Transmission, LLC

"NYMEX" – Is an acronym which stands for the New York Mercantile Exchange.

"Operationally Retained Capacity" – Shall mean that portion of Columbia's firm city gate and related upstream pipeline capacity that Columbia will not directly assign to CHOICE and SCO Suppliers under Columbia's Capacity Allocation Process.

"Peak Day Forecast" – Shall mean the projected Columbia system maximum daily firm demand determined annually by Columbia[3].

[3] This determination shall exclude the demand of qualifying TS customers that have elected Backup Service.

“PEPL” – Is an acronym which stands for Panhandle Eastern Pipe Line Company

“Pipeline Scheduling Point” or “PSP” - shall mean: (i) the single delivery point or set of delivery points grouped or designated by an upstream pipeline for purposes of scheduling gas supplies for delivery by such upstream pipeline; or (ii) the single delivery point or set of delivery points grouped or designated by Columbia for operational purposes. The Pipeline Scheduling Points of Columbia Gas Transmission, LLC shall be utilized by Columbia for the purpose of developing Demand Curves.

“Program Year” – Shall mean the twelve month period beginning April 1st through the following March 31st.

“Retail Price Adjustment” - Shall mean the rate per Mcf an auction bidder offers in addition to the NYMEX closing price to derive the retail sales price for SCO/DSS commodity service.

“SCO” – Is an acronym that stands for Standard CHOICE offer.

“SCO Auction” – An SCO Auction is an auction in which the winning bidders receive both the right and obligation to provide natural gas commodity for a specified list of Choice eligible customers that have not elected a CHOICE Supplier and are not served through Governmental Aggregation Programs plus their proportionate share of DSS customers’ load.

“SCO Customer” – Shall mean a Choice Eligible Customer that has not elected a CHOICE Supplier and is not served through a Governmental Aggregation Program.

“SCO Service” – Shall mean a commodity service available to Choice Eligible Customers that have not elected a CHOICE Supplier and are not served through Governmental Aggregation Programs in accordance with Columbia’s tariff which may be modified from time to time.

“SCO Supplier” – Shall mean a winning SCO Auction bidder that has received both the right and obligation to provide natural gas commodity for a specified list of CHOICE eligible customers that have not elected a CHOICE Supplier and are not served through Governmental Aggregation Programs plus their proportionate share of DSS customer requirements.

“Storage or Storage Capacity” – Shall mean TCO FSS and related SST and/or PEPL FS and related EFT.

“Supplier” – Shall mean a CHOICE Supplier or an SCO Supplier that has been approved to participate in Columbia’s SCO Auction and/or has won one or more tranches in Columbia’s SCO Auction.

“System-Wide Retention Factor” – Shall mean a percentage representing Columbia’s system average lost and unaccounted for volumes and company use gas.

“TCO” – Is an acronym which stands for Columbia Gas Transmission, LLC

“TCO Daily Index” – Shall mean the price as reported in Platts Gas Daily “Daily Price Survey” - for the applicable day for “Columbia Gas, Appalachia” under the heading “Midpoint.”

“TCO Monthly Index” – Shall mean the price as reported in Platts Inside FERC’s Gas Market Report for the month of purchase, in the monthly report titled “Pricing of spot gas delivered to pipelines”, under the column heading “Index” for “Columbia Gas, Appalachia.”

“TGP” – Is an acronym which stands for Tennessee Gas Pipeline Company, L.L.C.

“Transition Customers” – Shall mean those customers eligible to participate in the Choice Program or Governmental Aggregation programs not enrolled in either program or assigned to an SCO Supplier at the commencement of the billing month.

“TRK” – Is an acronym which stands for Trunkline Gas Company, LLC.

“XRD” – Is an acronym which stands for Crossroads Pipeline Company.

3. SCO Auction Goals and Objectives

A. Goals.

The primary goal of the stakeholder process is to develop a structure for gas services in Columbia's service territory to be effective April 1, 2013 which fulfills the State Policy as to natural gas and natural gas service as established in Section 4929.02, Revised Code.

B. Objectives.

1. To maintain reliable service for all customers.
2. To establish clear and user friendly administrative procedures.
3. To minimize operational complexities.
4. To create certainty and stability for all market participants.
5. To define roles and responsibilities of all parties.
6. To implement modifications to the auction processes to continue the SCO effective April 1, 2013 and annually thereafter for a five-year term, unless the SCO auctions become inapplicable to a customer class because Columbia has exited the merchant function with respect to that customer class prior to March 31, 2018.
7. To maintain a level playing field between the CHOICE program and SCO Service.

4. SCO Auction Calendar

The annual SCO Auction will be conducted in late January or early February 2013, and at approximately the same time of year thereafter.

On April 1, 2013 and each April 1st thereafter deliveries by SCO Suppliers for the SCO Program Year will commence.

5. Standard CHOICE Offer ("SCO")

1. Gas supply for SCO Service and Columbia's Default Sales Service ("DSS") will be provided by SCO Suppliers who will be determined via a single SCO Auction, as described in Section 9.

2. SCO Service will be a commodity service available to CHOICE Eligible Customers under Commission-regulated standards, terms and conditions, inclusive of a standard price determined via the SCO Auction process. SCO Service will apply to the following types of customers:

    a. CHOICE Eligible Customers that have not elected a CHOICE Supplier.
    b. CHOICE Eligible Customers that are not served as part of a Governmental Aggregation.

3. Columbia's DSS is a Commission-regulated sales service applicable to the following types of customers:

    a. PIPP Customers
    b. Choice ineligible customers
    c. Transition customers

4. After the conclusion of the SCO Auction all SCO Customers will be assigned to specific SCO Suppliers, and the SCO Supplier name will appear on each SCO Customer's monthly invoice. All DSS demand will also be served by winning SCO Suppliers. SCO Suppliers will serve a proportional share of DSS demand. DSS Customers will not be assigned to any SCO Supplier.

5. Under SCO Service:
    a. Columbia will bill SCO and DSS Customers at the SCO Rider per Ccf. (See Section 10). In addition, all applicable Riders and base rates will continue to be billed to SCO and DSS Customers.
    b. SCO customers' gas cost portion of the bill will be subject to sales tax, and DSS customers' gas cost portion of the bill will be subject to the Public Utility Gross Receipts Tax. The balance of both SCO and DSS customers' bills will be subject to the Gross Receipts Tax.
    c. Columbia shall collect sales tax and remit to the SCO Suppliers. Each SCO Supplier shall be responsible for collecting any applicable sales tax exemption forms and filing any and all sales tax returns with the appropriate taxing authority(ies).

6. SCO Tariff Revisions

No less than four months prior to the date of the 2013 SCO Auction, Columbia will file revisions to its tariff for implementation of any necessary changes related to the continuation of the SCO Auction process.

7. SCO Reporting

As applicable, Columbia will provide monthly program statistics including the following: monthly SCO Rider rate, number of SCO, DSS and CHOICE Customers, SCO, DSS and CHOICE volumes by revenue class, CHOICE participation rates by revenue class, the number of SCO Suppliers and their market share, and other information as desired by the Commission.

8. Timing of SCO Auctions

1. Each year, the SCO Auction will be conducted in late January or early February.

2. For customer billing purposes, the SCO Program Year will begin with the April billing cycle of the respective Program Year at which time the prior SCO Program Year Retail Price Adjustment will be replaced by the current SCO Program Year Retail Price Adjustment. The SCO Suppliers' obligation to deliver gas supplies for the SCO Program Year will commence April 1st of the respective SCO Program Year.

3. For customer billing purposes, the SCO Program Year will end with the March billing cycle for the respective Program Year. The SCO Suppliers' obligation to deliver gas supplies for the SCO Program Year will end on March 31st of the respective SCO Program Year.

4. The SCO Rider shall be subject to Commission approval. If the Commission does not approve the SCO Rider, then Columbia will request that the Commission provide direction regarding whether and when a follow up Auction or another action should take place.

9. SCO Auction Process

1. Columbia will conduct the SCO Auctions in a manner whereby competitive retail natural gas suppliers ("CRNGS"), certified by the Commission, can compete for the ability to supply one or more shares, or tranches, of Columbia's combined SCO and DSS customers' demand.

2. Columbia's auctioned supply requirements will consist of all SCO customers' estimated annual volume requirements (in Mcf), plus the estimated annual volume requirements (in Mcf) of Columbia's DSS customers.

3. The forecasted SCO/DSS requirements will be divided as equally as is practical into 16 tranches to be auctioned to potential SCO Suppliers. The approximate size of a tranche will be updated and provided to bidders not less than seven days prior to the SCO auction. The actual number, and size, of the tranches used in an auction may vary from year to year.

4. Each Supplier shall be assigned the responsibility to supply individual SCO customers. Columbia will assign customer accounts to each SCO Supplier tranche as described in Section 11. All SCO Suppliers will deliver supply quantities based on the identified customers' aggregate requirements. In addition, each SCO Supplier will be assigned the responsibility to serve a proportionate share of the aggregate demand of DSS customers.

5. SCO Suppliers will deliver to Columbia at the assigned Pipeline Scheduling Point ("PSP") the quantity specified by, and in accordance with, a Columbia-provided Demand Curve calculated in a manner identical to that provided to CHOICE Suppliers. If an SCO Supplier is also a CHOICE Supplier, Columbia will provide a single Demand Curve by PSP each month for the SCO Supplier to deliver in accordance with Section 27.

6. A maximum of 4 tranches will be awarded to any individual bidder. The 4-tranche limit also applies to bidders that are affiliated with and/or have an interest equal to or greater than 10% in other bidders. For example, if there are three bidders, two of which are affiliated by having the same corporate parent and a third in which that same corporate parent has a 10% or greater interest, then the three bidders in total could win a maxi-

mum of only four tranches, inclusive of any fractional interest. This maximum number of tranches may vary from year-to-year depending upon the number of tranches to be auctioned to potential SCO Suppliers.

7. Bidding in the SCO Auction will be for the Retail Price Adjustment, which will be added to the NYMEX final settlement price each month during the SCO Program Year to determine the monthly SCO and DSS Price. The Retail Price Adjustment will be fixed for the SCO Program Year. The Retail Price Adjustment, by being added to the NYMEX price will in effect, convert the NYMEX price from dollars per million British thermal units at the Henry Hub in Louisiana, to dollars per thousand cubic feet gas cost rate at the burner tip.

8. Columbia will utilize an independent Auctioneer to conduct a descending clock auction. In a descending clock auction, the Auctioneer reduces the offered price, in this case the Retail Price Adjustment (“price”), throughout the auction event, while bidders submit bids that quantify the number of tranches that bidder is willing to supply at the designated price. The Auctioneer continues ticking down the price until the total quantity bid across all bidders matches the quantity offered.

9. The descending clock auction will proceed in a series of rounds during a single day. At the beginning of each round, the Auctioneer will announce the offered price of the Retail Price Adjustment. Based upon that offered price, each bidder will bid the number of tranches that it is willing and able to supply at that price. Assuming that the number of tranches initially bid is in excess of sixteen[4], a second round will be initiated with a lower offered price. The offered price will decline from one round to the next, in decrements no smaller than five cents. In each succeeding round, a bidder can either bid the same number or fewer tranches than it bid in the preceding round. If the total number of tranches bid in a round at an offered price is greater than sixteen, the auction will move on to another round. The SCO Auction will end when the number of tranches bid at an offered price equals sixteen. However, if the number of tranches bid in a round drops to less than sixteen, the Auctioneer will revert back to the price of the previous round (which had bids for more than sixteen tranches) and begin the next round by reducing the

[4] Sixteen is utilized in this paragraph for demonstrated purposes. The actual number of tranches offered for bid for any SCO Period may change from year to year. Columbia shall notify all potential SCO Suppliers of the number to be bid prior to the SCO Auction.

price of that previous round by one cent, and will continue additional rounds using decrements of one cent until the number of tranches bid equals sixteen. If in this process, the number of tranches bid once again drops from greater than sixteen to less than sixteen between the two rounds, then the immediately prior round shall be considered the final round. In such event, if the final round has more than sixteen tranches bid, then the size of each tranche will be adjusted downward on a pro-rated basis such that the supply requirement of all tranches awarded is equal to the initial forecasted total SCO/DSS requirements.

10. Columbia will release upstream transportation and storage capacity to the winning bidders as described further in Sections 19 through 21. If an SCO/DSS Supplier is also a CHOICE Supplier, Columbia will make a single capacity assignment by PSP each month during the SCO Period and in accordance with Sections 19 through 21.

11. Immediately following the SCO Auction, the winning Retail Price Adjustment and the names of the winning bidders will be filed with the Commission for its approval. Names of winning bidder will be held confidential for the period of time directed by the Commission.

10. SCO Rider

1. The SCO Rider each month during an SCO will be the NYMEX final settlement price for the month plus the Retail Price Adjustment determined by the SCO Auction. The result will be a price per Mcf.

2. The SCO Rider paid by Columbia to SCO Suppliers shall represent full compensation for providing SCO supply service during the term of the SCO Program Year.

3. The SCO Rider paid by SCO and DSS Customers will be converted from dollars per Mcf ($/Mcf) to dollars per Ccf ($/Ccf) for billing purposes and for “Apples-to-Apples” posting purposes.

4. As an example of the prices and billings described above, assuming that the final settlement price for the April NYMEX was $5.00 per MMBtu, and the Retail Price Adjustment was $2.00, then the SCO Rider paid to SCO Suppliers for gas consumed by SCO and DDS Customers in the April billing cycle would be $7.00 per Mcf, and the SCO Rider paid by SCO and

DDS Customers to Columbia would be $0.700 per Ccf. (Note that the SCO and DDS Customers will also pay Columbia the applicable Columbia Base/Distribution Rate, CSRR and other applicable charges.)

11. SCO Customer and DSS Demand Allocations

Initial Allocations (each Program Year):

1. Columbia will use its best efforts to establish relatively homogeneous and relatively equivalent tranches. The initial allocation of SCO Customers to winning SCO Suppliers will be based on the following:

    a) Revenue Class
    b) Annual Demand
    c) Geographical area (PSP)
    d) Credit Ranking

2. The initial allocation of DSS customer demand will be a pro rata share of the total estimated DSS customer demand, by PSP, based on the number of tranches supplied by each SCO Supplier.

Monthly Allocations:

1. The monthly allocation of newly eligible SCO Customers to SCO Suppliers will be done by random assignment by PSP, based on the number of tranches supplied by each SCO Supplier.

2. The monthly allocation of DSS customer demand will be a pro rata share of the total estimated DSS customer demand, by PSP, based on the number of tranches supplied by each SCO Supplier.

Customer Information:

1. Upon completion of the allocation process, SCO Suppliers will be provided with specific customer information including, but not limited to, the following: customer name, account number, billed usage, billed charges, enrollments and drops.

2. All SCO Suppliers must utilize Columbia's internet-based website in order to receive file transactions for customer billing and enrollment information.

12. SCO Supplier Qualifications

1. The purpose of these qualification requirements is to help ensure that potential SCO Suppliers have the resources and the requisite intent to provide supply to Columbia pursuant to the SCO Supplier Agreement.

2. Bidders in the SCO Auction must:

- provide company information, contacts, and other pertinent identification and communication information as required by Columbia;
- agree to execute an SCO Supplier Agreement as presented by Columbia in the event that they are a winning bidder (see Section 14);
- be CRNGS certified and maintain that certification during the period in which the SCO Supplier serves in that capacity;
- successfully complete training as specified by Columbia no later than two weeks prior to initial flow;
- meet SCO Supplier creditworthiness requirements (see Section 15);
- agree to comply with all SCO Auction program rules and requirements as reflected in this Program Outline, SCO Supplier Agreement, Columbia tariff, and Commission Orders;
- meet all key deadlines for participation such as timely submission of application and supporting documents, signing of contracts, etc.;
- provide the number of tranches on which the applicant would like to be able to bid;
- acknowledge receipt of SCO Auction rules and procedures and agree to be bound by those rules and procedures;
- acknowledge receipt of SCO Customer supply requirement data;
- participate in preparatory and informational meetings directed toward bidders;
- acknowledge receipt from Columbia of the confidential notice from Columbia (to each bidder and the Auction Administrator) setting forth the maximum number of tranches on which the bidder is qualified to bid;
- execute a confidentiality agreement providing Columbia access to financial information for creditworthiness evaluation and to require non-disclosure of the confidential notice described directly above; and

- agree to provide Columbia with any additional documents and to take any additional steps that Columbia may request to perfect Columbia's interest in the Accounts Receivable being sold and assigned to Columbia pursuant to the SCO Supplier Agreement, including authorizing the filing of UCC-1 financing statements to perfect Columbia's interest.

3. Bidders must certify:

   - that they will maintain the confidentiality of their bidding strategy and not retain any bidding advisors or consultants providing similar service to another bidder; and
   - whether they will bid on a stand-alone basis or will be part of a bidding partnership, joint venture, or other arrangement related to the SCO Auction, and whether or not they have a 10% or greater interest in another registered bidder or have any relationship that would provide financial or other incentives based on the outcome of bidding efforts.

4. Sanctions may be imposed on a bidder for failing to abide by any of the preceding certifications. Such sanctions may include, but are not limited to:

   - the loss of any rights awarded in the SCO Auction;
   - immediate termination of any other arrangements with Columbia;
   - forfeiture of any monies owed to the bidder by Columbia;
   - liability for attorneys' fees and court costs incurred in any litigation that arises from failure to abide by the certifications; and
   - being subject to any other legal actions, including prosecution, as Columbia in its sole discretion deems appropriate under the circumstances.

13. SCO Supplier Information and Education

1. Prior to each Auction, Columbia shall make available to all potential bidders information which describes and details the historic and projected commodity load.

2. Columbia shall use its current website or another method of making information available to potential bidders, including answers to the most

frequently asked questions. The website will contain all public auction documents and will be updated regularly with the most recent data.

Examples of the information that will be provided on the website include:

Normalized calendar month delivered volumes

Normalized billing month volumes

Local Gas Purchase Adder

Number of Customers

Unaccounted-For Gas

BTU Factor

Monthly Demand Curves

Monthly Supply Curves

Capacity Assignment Example

3. One or more educational meetings will be held prior to each SCO Auction with potential SCO Suppliers interested in participating.

4. At the meetings, topics related to Columbia's SCO Auction will be discussed in detail.

14. SCO Supplier Agreement

1. SCO Suppliers must execute an SCO Supplier Agreement containing the terms and conditions applicable to the relationship between Columbia and the SCO Supplier.

15. SCO Supplier Security Requirements

1. Potential bidders in the SCO Auction must be pre-qualified to bid on up to 4 tranches or such other number of tranches as determined by Columbia. SCO Suppliers must complete and sign Columbia's Retail Natural Gas

Supplier Registration form to be considered for participation in Columbia's SCO Program and must pay Columbia a fee of $50.00 for each credit evaluation that Columbia performs. Pre-qualification shall include a creditworthiness evaluation and bidders must meet Columbia's security requirements in advance of participation in the Auction. Bidders will have their creditworthiness assessed against exposures that include 150% of the tranches that they express the intent to bid on. This level is required in order to allow for sufficient credit to enable an SCO Supplier to accept an increase in its tranche volumes in the event of an SCO Supplier default, up to a level equal to 150% of the design day demand of the original tranche level won by the SCO Supplier in the SCO Auction. Final creditworthiness requirements shall be communicated to potential bidders at the time that initial information packages for SCO Auction participation are sent to potential bidders.

2. Suppliers desiring to participate in the SCO Program will be evaluated by Columbia to establish credit levels acceptable to Columbia. Columbia will apply, on a non-discriminatory basis, reasonable financial standards to assess and examine an SCO Supplier's creditworthiness**.** These standards will take into consideration the scope of the operations of each SCO Supplier and the level of risk to Columbia in the event it has to address under-performance or nonperformance by the SCO Supplier.

   Evaluations will be based on standard credit factors including, but not limited to: previous customer history, financial and credit ratings, trade references, bank information, unused line of credit, financial information and the SCO Supplier's accounts receivable where Columbia is provided a first secured interest. Based on the number of standard credit factors met by the SCO Supplier, Columbia will assign a dollar credit level range for each SCO Supplier. Columbia shall have sole discretion to determine creditworthiness based on the above criteria, but will not deny creditworthiness without reasonable cause.

   The SCO Supplier will provide Columbia with: (1) its or its parent's most recent independently audited financial statements; (2) it and/or its parent's most recent Form 10-K and Form 10-Q reports; (3) a minimum of three bank and trade references; and, (4) a list of parent company affiliates and a description of corporate structure.

An SCO Supplier shall satisfy its security requirement, and receive an unsecured credit limit from Columbia, by demonstrating that it has and maintains investment grade long-term bond ratings from any two of the following four rating agencies:

Agency	Senior Securities Rating (Bonds)
Standard & Poors	BBB- or higher
Moody's Investors' Services	Baa3 or higher
Fitch IBCA	BBB- or higher
Duff & Phelps Credit Rating Company	BBB- or higher

Columbia may make reasonable alternative credit arrangements with an SCO Supplier that is unable to meet the aforementioned criteria and with those SCO Suppliers whose security requirements exceed their allowed unsecured credit limit. The form and format of the credit arrangements must be acceptable to Columbia. Columbia may, at its option, require the use of any of the following as a form of financial security: a guarantee of payment; an irrevocable letter of credit; a cash deposit; or other mutually agreeable security or arrangement. A party other than the SCO Supplier may provide credit agreements and financial security for the SCO Supplier, including a cash deposit, if acceptable to Columbia. The amount of security shall remain commensurate with the financial risks placed on Columbia by each SCO Supplier, as those financial risks are reevaluated by Columbia from time to time, as it deems necessary.

3. Columbia shall file with the Commission's Docketing Division a document that contains the formula used to determine Columbia's security requirements applicable to SCO Suppliers participating in its SCO Auction. The security requirement formula shall be applied in a non-discriminatory manner to determine the level of financial risk associated with each SCO Supplier. If there is a material change to the security requirement formula used by Columbia, Columbia may update the formula, and will also docket such updated formula. Notice of such filings and the reasons for any changes shall be filed with the Commission, no later than ten business days before the formula takes effect.

   Failure of an SCO Supplier to provide any of the required financial instruments pursuant to the security requirement formula may result in termination of service from the SCO Auction program. If the SCO Supplier is also a CHOICE Supplier, the SCO Supplier's failure to provide any of the required financial instruments pursuant to the security requirement formula may also result in the SCO Supplier's termination of service from the CHOICE program.

4. Columbia shall not provide financial security to SCO Suppliers related to Columbia's obligations under the SCO Supplier Agreement as long as Columbia continues to perform in compliance with said Agreement.

5. In addition to those creditworthiness requirements addressed above, upon the awarding of tranches, each SCO Supplier shall provide Columbia, by March 1 of each year, with a mutually agreeable irrevocable Letter of Credit in the amount of fifty cents per Mcf multiplied by the initial estimated annual delivery requirements for the SCO Period of the tranches won by that SCO Supplier. This financial security shall be held and administered by Columbia exclusively for the benefit of the other SCO Suppliers who receive an allocation of additional SCO supply requirements as a result of the default of the SCO Supplier that provided the security, to the extent Columbia receives funds for distribution. In the event of an SCO Supplier default, Columbia shall distribute to other SCO Suppliers the proceeds of the security that Columbia holds for the defaulting SCO Supplier. This distribution of the proceeds of the defaulting SCO Supplier's security shall be allocated on a pro rata basis to other SCO Suppliers in proportion to the amount of delivery requirements each SCO Supplier receives in the process set forth in Part 7 of Section VIII of the tariff. This allocation of the defaulting SCO Suppliers' security proceeds to non-defaulting SCO Suppliers does not require proof of damages from those non-defaulting SCO Suppliers, and constitutes the entire amount of monies that would be due the remaining SCO Suppliers from Columbia as a result of such default by an SCO Supplier.

6. In addition to the Letter of Credit discussed above, upon the awarding of tranches, each SCO Supplier shall provide Columbia, by March 1 of each year, with a cash deposit equal to ten cents multiplied by the number of Mcf in the initial estimated annual delivery requirements for the SCO Program Year of the tranches won by that SCO Supplier. This security will be used to provide a liquid account to meet supply default expenses other than those covered by the Letter of Credit discussed above. Any funds

remaining at the end of each SCO Program Year will be transferred to the CSRR.

7. Columbia reserves the right to conduct further creditworthiness evaluations during the course of the programs, when Columbia has received information that indicates the creditworthiness of an SCO Supplier may have deteriorated. SCO Suppliers agree to inform Columbia of any significant change in the SCO Supplier's current financial condition.

8. In the event of Default as defined in Columbia's tariff, Columbia shall have the right, upon satisfaction of the default requirements identified therein, to use the proceeds from SCO Supplier's financial security instrument(s) to satisfy all obligations under this tariff and any other agreements between the SCO Supplier and Columbia in accordance with this tariff, in accordance with the SCO Supplier Agreement and in accordance with any Retail Natural Gas Supplier Aggregation Agreement. The proceeds from such instruments shall be used to satisfy any outstanding claims that Columbia has against the SCO Supplier, including, but not limited to, interstate pipeline capacity charges, imbalance charges, cash-out charges, pipeline penalty charges, reservation charges, and any other amounts owed to Columbia, for which Columbia is or will be responsible, related to SCO Supplier's participation in the SCO auction program. Such proceeds may also be used to secure additional gas supplies, including payment of the costs of the gas supplies themselves, the costs of transportation, storage, gathering, taxes, and other related costs incurred in acquisition of those gas supplies.

   Columbia reserves the right to use SCO Supplier's assets associated with the SCO Program to offset or recoup any costs owed to and/or incurred by Columbia.

9. Columbia may offset against any SCO Supplier's obligations or financial responsibilities, any SCO payments held or billed by Columbia. Suppliers shall grant Columbia a perfected first priority security interest in any Customer Payments billed by Columbia.

16. SCO Supplier Failure to Perform

In the event that an SCO Supplier defaults:

1. Columbia will notify the defaulting SCO Supplier of the occurrence of the event of default and will identify the remedies available to cure the default which must be cured within a prescribed maximum of 5 days of the notice.

2. In the event that a defaulting SCO Supplier fails to cure the default, the Supplier will be terminated from further participation in the CHOICE and SCO programs.

3. If the default is not cured by the defaulting SCO Supplier, Columbia will ensure continuity of service in the short term until customers or tranches are re-assigned. During this time frame, Columbia will recall a defaulting Supplier's assigned capacity if the default is not cured by the Supplier. Columbia may purchase gas in the market as needed to supply the un-served demand.

4. If the failing Supplier is a CHOICE Supplier, the affected CHOICE Customers will pay their CHOICE contracted rate for the billing cycle in which the Supplier's termination from the CHOICE program occurs and they will pay the SCO rate in the subsequent billing cycles. If the customer of a defaulting CHOICE Supplier chooses a different CHOICE Supplier, that request will be processed within the standard timing of the CHOICE program and the customer will be placed under that CHOICE Supplier's rate accordingly.

5. CHOICE Customers, SCO Customer or DSS customer quantities that are unserved as a result of a CHOICE/SCO Supplier default will be allocated to the remaining SCO Suppliers, in concert with the monthly development of Demand Curves, in the next available monthly cycle according to the allocation process described below:

    i. Following a CHOICE/SCO Supplier default, non-defaulting SCO Suppliers will receive their pro rata share of the unserved SCO Customers by random assignment, by PSP, based on the number of tranches supplied by each non-defaulting SCO Supplier and pro rata share of estimated DSS demand, by PSP, based on the number of tranches served by each non-defaulting

SCO Supplier up to an amount not to exceed 150% of the SCO Supplier's initial annual delivery requirement.

ii. If, due to the 150% limit, the allocation described above does not result in all of the unassigned demand being assigned to non-defaulting SCO Suppliers, then Columbia shall supply the remaining demand, and shall retain associated upstream capacity related to that demand. If the unserved demand is the result of a CHOICE Supplier default, then the related customers will begin paying the SCO Rider, just as if their demand had transferred to non-defaulting SCO Suppliers. Associated gas supply and capacity costs incurred by Columbia will be charged to the CSRR.

iii. Capacity recalled by Columbia from a defaulting CHOICE Supplier will be allocated proportionally in accordance with the monthly recall and reassignment of capacity as required under Section 22.

6. Defaulting SCO Suppliers will be required to reimburse Columbia for any incremental costs incurred. Any such incremental costs not recovered from defaulting SCO Suppliers by Columbia will be included in the CSRR.

17. SCO Supplier Payments

All gas-cost related payments shall be credited to the CSRR.

1. Payments to SCO Suppliers shall be made on a net basis – i.e., all costs or charges owed Columbia directly or indirectly shall be offset against, or recouped from, what Columbia may otherwise owe SCO Suppliers.

2. Net payments to SCO Suppliers will be rendered each month, by the 25th day of the month, for the prior month's activity.

3. Columbia will pay the SCO Suppliers the amounts billed their allocated SCO Customers, including sales tax, plus their pro-rata share of DSS dollars billed each month, less costs and charges owed to Columbia.

4. Total DSS dollars for the billing month shall be computed through the multiplication of quantities identified from monthly billing reports, as generated through Columbia's revenue reporting system, by the effective

SCO Rider. DSS dollars paid to individual SCO Suppliers will be determined through the multiplication of the average revenue per tranche by the number of tranches being supplied by each SCO Supplier less costs and charges owed to Columbia.

5. Offsets to SCO Supplier costs or charges include the following:

   a. Local Gas Purchase Charge – A charge equal to the Local Gas Purchase Price multiplied by the Local Gas Purchase Requirement.

   b. Credit Evaluation Fee - A $50.00 charge per financial evaluation. This charge is not gas-cost related and shall not be credited to the CSRR.

   c. Demand Curve Non-Compliance - On days when an OFO/OMO is not in place, the higher of a $10.00 per Dth Demand Curve Non-Compliance Charge, or 150% times the TCO Daily Index adjusted for SST commodity and shrinkage will be billed based upon the quantity difference between the SCO Supplier's daily demand curve requirement using the actual temperature as posted by Columbia for the past day and the Supplier's actual pipeline daily confirmed volume after retroactive nominations, for each day of difference. On days when an OFO/OMO is in place, the higher of a $30.00 per Dth Demand Curve Non-Compliance Charge, or 150% times the TCO Daily Index adjusted for SST commodity and shrinkage will be billed based upon the quantity difference between the SCO Supplier's daily demand curve requirement using the actual temperature as posted by Columbia for the past day and the Supplier's actual pipeline daily confirmed volume after retroactive nominations, for each day of difference.

   d. Supply Curve Non-Compliance – The charges are the same as the Demand Curve Non-compliance, but the non-compliance volumes are based upon the quantity difference between the SSO Supplier's daily supply curve requirement using the latest forecast temperature as posted by Columbia that immediately precedes the timely nomination deadline for the current day, and the Supplier's actual pipeline daily confirmed volume.

   e. Related Charges. If Columbia seeks reimbursement from a SCO Supplier for upstream pipeline penalties and/or costs resulting from the SCO Supplier's failure to comply with Columbia's tariff, Columbia shall have the burden of establishing the SCO Supplier's failure to comply with Columbia's tariff. Additionally, Columbia shall provide such SCO Suppliers with documentation of how the applicable penalties or cost have been calculated.

f. All other amounts owed to Columbia as a result of SCO Supplier program participation except gas commodities provided by Columbia through the provision of its balancing and peaking services, which shall be paid for by the suppliers during the annual reconciliation process.

g. Gross receipts taxes, or any other applicable taxes, on amounts billed by Columbia to SCO Suppliers where applicable and where remitted by Columbia to the appropriate taxing authority.

h. Upon the next scheduled billing date, a late payment fee of 1.5% of the unpaid balance on the balance due Columbia from the SCO Suppliers. Interest shall only apply if, after netting all amounts Columbia owes the supplier as well as all amounts the supplier owes Columbia, there is still an outstanding balance more than thirty (30) days in arrears.

18. Columbia Capacity Contracts

A. City Gate Capacity/Supply

1. Columbia will retain a combination of firm interstate and intrastate pipeline transportation and storage capacity and local gas supplies that in aggregate will provide firm city gate deliverability of 1,963,178 Dth at April 1, 2013, reduced to 1,940,214 Dth effective November 1, 2013.

2. Columbia's holding of firm capacity facilitates:

a. Efficient and effective management of a widely-dispersed natural gas distribution network with over 840 measured points of receipt from capacity providers (excluding main line tap points of delivery) without the burdensome requirement of overseeing supplier contracts for all customers to ensure system integrity;

b. Allowing Columbia to release capacity to follow the customer upon migration to/from a CHOICE Supplier in accordance with the capacity reassignment provisions set forth in Section 19;

c. Utilization of a level-playing-field approach to system management including, but not limited to, assignment of capacity, balancing the system, and management of local gas and operationally retained capacity;

d. Enhanced reliability in the provision of firm services resulting from Columbia's ability to recall all assigned capacity from a defaulting CHOICE or SCO Supplier.

e. Minimizing barriers to entry for potential suppliers interested in providing supplies to Columbia's customers through the CHOICE or SCO programs.

B. Capacity Upstream of City Gate

Except for capacity held on XRD, which contract will be reduced commensurate with the reduction in the NCGT capacity effective November 1, 2013, Columbia will retain its existing upstream interstate pipeline contracts through March 31, 2016. Thereafter, except for a 25% reduction in its CGT FTS-1 capacity effective April 1, 2016, Columbia will retain the balance of its contracted upstream interstate pipeline capacity through March 31, 2018.

19. Capacity Allocation Process

1. Columbia shall allocate its capacity contracts to be temporarily assigned CHOICE and SCO Suppliers on a "level playing field" basis each Program Year.

2. Columbia shall allocate capacity based on the PSPs for TCO.

3. The level of capacity that Columbia shall utilize for this Capacity Allocation Process shall be equal to Columbia's total capacity/city gate supply portfolio including firm pipeline capacity contracts, Ohio Production supply contracts, and operationally required city gate supplies less the firm capacity retained by Columbia for release to TS Customers and less the

capacity retained by Columbia to provide Backup Service to TS Customers.

4. Capacity shall be assigned for each PSP equally to each CHOICE and SCO Supplier on a percentage of peak day demand basis; Columbia shall provide a peaking service for each PSP equally to each CHOICE and SCO Supplier on a percentage of peak day demand basis. Each CHOICE and SCO Supplier will receive assignments of capacity up to, but not to exceed, 100% of its Program Year design peak day supply requirement for each PSP to assist it in meeting its delivery obligation based on actual CHOICE and SCO peak day demand requirements and proportionate share of DSS peak day demand.

5. Columbia shall review the amount of capacity assigned to CHOICE and SCO Suppliers monthly. The capacity that Columbia assigns to CHOICE and SCO Suppliers on April 1st of each SCO Program Year shall be reassigned on a monthly basis to match as closely as possible each supplier's customer group.

6. The process of determining how Columbia will allocate capacity to each PSP shall be as follows:

    a. Columbia shall determine the percentage of capacity it shall assign each CHOICE and SCO Supplier annually up to but not to exceed 100% of its design peak day delivery obligation, taking into consideration the peaking service provided by Columbia ("Capacity Assignment Percentage"). The firm capacity assigned CHOICE and SCO Suppliers shall exclude capacity Columbia has retained for assignment to TS Customers and provision of Backup Service to TS Customers;

    b. Columbia shall retain TCO and PEPL storage capacity (including associated transportation capacity) equal to approximately 22% of the Peak Day Forecast quantity, all local gas contracts, any firm city gate supplies, all NCGT capacity, and all capacity not otherwise assignable as described hereinafter. Columbia shall use this retained capacity to provide firm peaking and other limited firm supply services for CHOICE and SCO Suppliers and to provide its non-firm banking and balancing service to its TS Customers;

c. Columbia shall next determine the percentage of the Peak Day Forecast quantity to be assigned as storage to each CHOICE and SCO Supplier by PSP. For the PSP that includes the Maumee Gate, the assignment of PEPL storage and related firm transportation capacity shall be within the percentage calculated hereunder;

d. Columbia shall then determine the percentage of the Peak Day Forecast quantity to be assigned as Firm Transportation Capacity to CHOICE and SCO Suppliers by PSP. For the PSP that includes the Maumee Gate, the assignment of PEPL non-storage related firm transportation capacity shall be within the percentage calculated hereunder. For those PSPs that require the upstream delivery of natural gas from TGP to TCO, any TCO FTS capacity assigned in those PSPs shall have TGP FT-A capacity assigned for upstream supply delivery. All TCO FTS capacity assigned, with the exception of that capacity which requires the delivery by TGP, shall be assigned CGT FTS-1 capacity in proportion to the CGT FTS-1 capacity held by Columbia.

e. To the extent that, under this methodology, Columbia assigns less than 100% of all city gate firm capacity including PEPL/TRK and TCO/TGP capacities, Columbia shall retain the remaining capacity as operationally required capacity and utilize this capacity in providing peaking and other gas supply services as necessary

f. In the event that any pipeline capacity provider that Columbia has contracted with for capacity changes the configuration or scheduling requirements at its PSP(s), Columbia shall have the right to recall and reassign capacity from/to CHOICE and SCO Suppliers as it deems necessary.

20. Transportation Capacity Release

1. The assignment of Columbia's firm transportation capacity to all CHOICE and SCO Suppliers shall be made effective April 1st of each SCO Program Year and shall be refreshed monthly consistent with changes in the CHOICE and SCO Suppliers customers' peak day delivery obligation and their proportionate share of the DSS peak day delivery obligations.

2. The assignment of Columbia's pipeline firm transportation capacity, including all city gate and upstream capacities, will be conducted on a tem-

porary basis, with recall rights, to CHOICE and SCO Suppliers during the term of the SCO annual period in accordance with the Capacity Assignment Process as set forth in Section 19. The projected volumes and costs associated with these firm transportation capacities will be provided to each potential bidder prior to the beginning of the SCO Auction process.

3. Suppliers will not be permitted to change any primary points of receipt or delivery associated with assigned pipeline transportation contracts during the term of the capacity release.

4. Columbia holds discounted contracts with PEPL and TRK where the utilization of alternate points will cause additional charges to be incurred by Columbia. More specifically, for releases under Columbia's PEPL Contract No. 18604, the Supplier must transport from the primary receipt point of Bourbon (PBRBN) to the primary delivery point of Columbia of Ohio Maumee (COLOH) or the following approved secondary delivery points: Lebanon Lateral (02821), Columbia Gas Maumee (COLGA), or Columbia Gas Cecil (CECIL). Also, approved secondary points at a 2 cent incremental commodity cost are NIPSCO (NIPS) and East Ohio (EOHIO). For releases under Columbia's TRK Contract No. 18122, the Supplier must transport to the primary delivery point of Bourbon-TGC (80023) from ELA or WLA receipt points. In the event the Supplier receives and/or delivers natural gas at points other than those approved points specified above and in so doing causes incremental costs to be incurred by Columbia, the Supplier shall pay Columbia for any and all associated incremental costs and/or penalties billed by PEPL and/or TRK due to such receipts or deliveries. Columbia shall have the right, through setoff in the CHOICE and SCO Suppliers' payments, to collect any costs owed Columbia as a result of a CHOICE and SCO Supplier utilizing a receipt or delivery point other than those provided for in Columbia's PEPL and TRK contracts.

5. Columbia holds discounted contracts with TGP for delivery to TCO at Broad Run Cobb (Meter #020001) and for delivery to TCO at Dungannon OH (Meter #020060) where the utilization of alternate points will cause additional charges to be incurred by Columbia. The approved receipt and delivery points under these TGP contracts and the commodity pricing will be set forth in Columbia's tariff. In the event a Supplier assigned TGP capacity from Columbia receives and/or delivers natural gas at points other than those approved points set forth in the tariff and in so doing causes incremental costs to be incurred by Columbia, the Supplier shall pay Co-

lumbia for any and all associated incremental costs and/or charges billed by TGP due to such receipts and/or deliveries. Columbia shall have the right, through setoff in the Suppliers' payments, to collect any costs owed Columbia as a result of a Supplier utilizing a receipt and/or delivery point other than those provided for in Columbia's TGP contracts.

6. The capacity released by Columbia to CHOICE and SCO Suppliers is subject to recall by Columbia if at any time a Supplier does not perform in accordance with the applicable Supplier agreement or fails to comply with other relevant provisions set forth in Columbia's tariff.

7. Suppliers may re-release on a recallable basis any transportation capacity assigned hereunder, provided that:

    a. Supplier will continue to be responsible to the pipeline for all capacity charges associated with the assigned capacity and will hold Columbia harmless in the event charges are not paid;
    b. Any re-release of such capacity remains subject to the requirements and restrictions identified in Columbia's tariff; and,
    c. The re-release of capacity does not alter in any fashion the Supplier's requirement to deliver gas supplies to Columbia in accordance with the Columbia provided Supply and/or Demand Curve.

    A Supplier is free to use other pipeline capacity to deliver supply as required by its Demand and/or supply Curves and re-release portions of its Columbia-released pipeline capacity, subject to the previously mentioned restrictions.

8. Any re-release of PEPL city gate capacity, with or without associated upstream capacity, to a third party does not entitle that third party access to Columbia's Maumee Gate. Should a Supplier re-release capacity to a third party (other than an agency or similar arrangement whereby the deliveries are made on behalf of the Supplier), Columbia will not accept delivery of gas from such a third party at the Maumee Gate. Regardless of re-release activity engaged in by a Supplier, they will remain fully responsible for delivering the correct amount of supply to meet their Maumee Gate Supply Curve provided by Columbia.

9. Any re-release of TGP capacity does not alter the Supplier's responsibility to abide by the delivery requirements of its Dungannon Supply Curve.

10. The costs of the released capacity will be paid directly to the pipelines by the Suppliers pursuant to applicable pipelines' capacity release payment procedures.

21. Storage Capacity Release

1. The assignment to all CHOICE and SCO Suppliers of Columbia's storage and related firm transportation capacity shall be made effective April 1st of each SCO Program Year and shall be refreshed monthly consistent with the changes in CHOICE and SCO Suppliers customer's peak day delivery obligations.

2. Columbia's TCO and PEPL storage and related firm transportation capacity will be released to each CHOICE and SCO Supplier on a proportionate basis in accordance with the capacity allocation process defined in Section 19.

3. CHOICE and SCO Suppliers shall manage natural gas supply nominations and deliveries to Columbia to match deliveries as specified by their individual Demand Curves at the actual temperatures experienced through utilization of TCO FSS and SST capacity. All CHOICE and SCO Suppliers shall be obligated to provide confirmed nominations to Columbia that exactly matches the Demand Curve requirement as specified at actual incurred temperatures during the months of October through April. For the months of May through September CHOICE and SCO deliveries shall be made on an average day basis and shall exactly match the delivery requirements as specified by the Columbia provided Demand Curve.

4. Suppliers shall utilize assigned PEPL storage and related firm transportation capacity and non-storage related firm transportation capacity to match the Maumee Gate specific Supply Curve to be provided each CHOICE and SCO Supplier by Columbia during the months of November through March based on the latest forecast temperature provided by Columbia that immediately precedes the timely nomination deadline for PEPL for the Pipeline Scheduling Point that includes the Maumee Gate. The Maumee Gate Supply Curve shall be separate and distinct from the CHOICE and SCO Demand Curves provided by Columbia for the PSP that includes the Maumee Gate. Supplies nominated at the Maumee Gate may be used by the Suppliers to satisfy Demand Curve requirements of

the PSP that includes the Maumee Gate, nominate supplies for TS Customers in the PSP that includes the Maumee Gate, sell gas to another CHOICE or SCO Supplier, or any combination of these options. Regardless of the decision made by a Supplier regarding the subsequent disposition of supplies delivered to the Maumee Gate, the daily delivery of such supplies must be equal to the Maumee Gate Supply Curve for the Supplier.

5. A Supplier may re-release on a recallable basis any storage and/or related transportation capacity assigned to it hereunder, provided that: 1) Supplier will continue to be responsible to the pipeline for all capacity charges associated with the assigned capacity and will hold Columbia harmless in the event charges are not paid; 2) any re-release of such capacity remains subject to the requirements and restrictions identified in Columbia's tariff; and, 3) the re-release of capacity does not alter in any fashion the Supplier's requirement to deliver gas supplies to Columbia in accordance with the Columbia provided Demand and/or Supply Curve. Supplier is free to use other pipeline capacity to deliver supply as required by its Demand and/or Supply Curve and re-release portions of its Columbia-released pipeline capacity, subject to the previously mentioned restrictions.

6. The costs of the released storage and related transportation capacity will be paid directly to the pipelines by the Suppliers pursuant to applicable pipeline capacity release payment procedures.

7. The released capacity is subject to recall at any time if Supplier does not perform in accordance with any applicable Supplier Agreement or fails to comply with other relevant provisions set forth in Columbia's tariff.

22. Comparable Firm Capacity Requirement

1. To the extent that the approved Capacity Allocation Process identified in Section 19 is not altered by the Commission and Columbia is permitted to continue to contract for the level of capacity as set forth in Section 18, Columbia will not require the demonstration of comparable firm capacity for Suppliers. However, to the extent the Capacity Allocation Process is modified by the Commission, and/or Columbia is not permitted to continue to contract for the level of capacity specified in Section 18 during the term of the Stipulation ending March 31, 2018, Columbia reserves the right to re-

quire a demonstration of comparable firm capacity by all Suppliers by PSP.

2. Should Columbia institute a Comparable Capacity Requirement, each Supplier agrees to acquire and retain sufficient firm interstate pipeline transportation and/or storage capacity with primary delivery points to the Columbia city gates and/or city gate firm gas supply arrangements to meet 100% of the monthly[5] design peak day demands of its customers/tranches by PSP, less a percentage during certain winter months reflecting the provision of a Columbia provided peaking service to CHOICE and SCO Suppliers.

3. Columbia may verify the Supplier's compliance with a Comparable Capacity Requirement at any time. The Supplier agrees to provide Columbia on a timely basis all documentation necessary to verify its compliance with this requirement.

4. Should Columbia impose a Comparable Capacity Requirement, each Supplier will provide capacity plans twice a year, in September and March to demonstrate its plans for the upcoming winter and summer seasons, respectively.

23. System Balancing

1. Effective with the implementation of the SCO Program Year on April 1, 2013 and each SCO Program Year thereafter, Columbia will retain a portion of TCO and PEPL storage capacity equal to approximately 22% of the then current Peak Day Forecast Quantity to perform the system balancing function.

2. Columbia may utilize operational purchases and sales to ensure that the system is properly balanced. Examples include, but are not limited to, items such as purchases utilizing Operationally Retained Capacity and purchases/sales in managing storage inventory levels.

3. All costs incurred by Columbia in performing system balancing and all revenues received by Columbia for providing system balancing shall be recognized in the computation of the CSRR.

---

[5] For the months of December through February the monthly design peak day demand shall be equal to the annual design peak day demand.

4. Columbia shall utilize the TCO and PEPL storage capacity retained to provide system balancing to its non-firm banking and balancing service for TS Customers. All revenues received from TS Customers pursuant to Columbia's provision of the non-firm banking and balancing service shall be flowed to CHOICE and SCO Customers through the CSRR.

24. Pipeline Delivery Point Imbalances

1. As meter operator, Columbia has the responsibility to manage daily imbalances that occur between all confirmed nominations at the PSP and system levels to the actual demand, which occur at the individual points of delivery. Columbia will manage these imbalances as follows:

TCO delivery points

a. Imbalances at TCO city gates will be managed utilizing the no-notice service provided under the TCO FSS/SST capacity Columbia will retain to provide CHOICE and SCO balancing services.

Panhandle – Maumee

a. Currently imbalances are managed under the existing FS storage service. Columbia will retain a portion of the existing FS storage service to balance this gate. Retention of PEPL FS capacity will be included in the level of no-notice capacity Columbia has identified it must retain to provide CHOICE and SCO balancing.
b. Delivery point serves only the Toledo market.

Texas Eastern – Southern Supply Line

a. Imbalances are managed under the existing Operational Balancing Agreement ("OBA").
b. Texas Eastern controls this meter remotely. Columbia works with TETCO's Gas Control to adjust the flow so that imbalances are minimized.
c. Month-end imbalance carries month to month.
d. Imbalance is not cashed out.
e. Delivery point serves only the Columbus market.
f. No CHOICE or SCO deliveries presently flow through this point.

Dominion Transmission – Southern Supply Line

a. This station is presently inactive and there is no OBA in place.

b. When active, DTI controls this meter remotely and Columbia works with DTI's Gas Control to adjust the flow so that imbalances are minimized.
c. Historically, month-end imbalances were rolled into DTI's park and loan service and were subject to a daily fee until volumetrically resolved during the following month. Should this station be reactivated Columbia would investigate alternate balancing solutions with DTI.
d. Delivery point serves only the Columbus market.
e. No CHOICE or SCO deliveries presently flow through this point.

ANR – Maumee

a. Imbalances are managed under the existing OBA.
b. ANR controls this meter remotely. Columbia works with ANR's Gas Control to adjust the flow so that imbalances are minimized.
c. Month–end imbalance is carried month to month.
d. Imbalances are not cashed out.
e. Delivery point serves only the Toledo market
f. No CHOICE or SCO deliveries presently flow through this point.

North Coast – Findlay, Fostoria, Norwalk, Oberlin, Hinckley, Parma and Toledo

a. Imbalances are managed under several OBAs: one for Norwalk and Oberlin, one for Findlay and Fostoria, one for Hinckley, one for Parma and one for Toledo.
b. Columbia controls the meters at the various locations. Columbia works with NCGT to adjust flow so that imbalances are minimized.
c. Month-end imbalance carries month to month.
d. Imbalance is not cashed out.
e. Delivery points serve only the markets specific to the individual delivery points.
f. Deliveries at the individual points of delivery are applicable to customer requirements for the PSP in which the NCGT point of delivery resides.
g. No CHOICE or SCO delivery will be required to flow through these points.

25. Ohio Production, Firm City Gate Supplies and Operationally Retained Capacity

1. Columbia purchases certain local gas supplies to satisfy location-specific customer supply requirements (Ohio Production) that cannot be served via other means. These supplies are provided to Columbia under contracts that are either: (a) not assignable under terms of the contract or (b) are of such small volume that direct assignment is impractical.

2. Utilizing the Capacity Allocation Process identified in Section 19, Columbia will have certain TCO FTS capacity that must have supplies delivered by TGP at specific locations such that it will not be able to assign CHOICE or SCO Suppliers. Additionally, Columbia will not assign NCGT FT capacity to CHOICE or SCO Suppliers. Columbia will retain and refer to this capacity as Operationally Retained Capacity.

3. Columbia shall manage the Ohio Production, Firm City Gate Supplies, and Operationally Retained Capacity to the benefit of all CHOICE and SCO Suppliers and Customers. Columbia shall utilize this capacity to provide each CHOICE and SCO Supplier a peaking service of equal percentage of the applicable peak day demand.

4. Columbia shall use the Ohio Production, Firm City Gate supplies and the operational purchases made with its Operationally Retained Capacity ("Local Gas Purchase Requirement") to reduce the Demand Curve daily delivery requirements of CHOICE and SCO Suppliers.

5. Annually, Columbia shall determine its expected Local Gas Purchase Requirement. That requirement will be used to modify the CHOICE and SCO Demand Curves to reflect Columbia's delivery of these daily and annual supplies and provide the basis for the monthly purchases by CHOICE and SCO Suppliers. This percentage shall be known as the Local Gas Adjustment Percentage. Each month, CHOICE and SCO Suppliers shall purchase from Columbia the equivalent volume represented by this Demand Curve adjustment.

6. Monthly purchases of the Local Gas Purchase Requirement shall be determined by the following formula:

Local Gas Purchase Requirement = (Actual monthly deliveries * Local Gas Adjustment Percentage) / (1 - Local Gas Adjustment Percentage)

7. The purchase price, including demand costs for the Local Gas Purchase Requirement, shall be defined as the TCO Monthly Index plus a fixed dollar amount per Mcf ("Local Gas Purchase Price"). Columbia shall determine the prospective fixed dollar amount annually by performing a historical analysis of actual purchases that will be normalized, with actual purchase prices applied to the normalized volumes. This cost will then be compared to the TCO Monthly Index price weighted by the normalized purchases by month to determine the fixed dollar amount.

8. All costs incurred by Columbia for its Local Gas Purchase Requirement, including demand costs, shall be charged to the CSRR. All revenue received from the CHOICE and SCO Suppliers from the Local Gas Purchase Requirement shall be credited to the CSRR.

9. All Local Gas Purchase Requirement purchases shall be included in the annual volume reconciliation process for CHOICE and SCO Suppliers.

26. Storage Management

1. Columbia shall establish certain minimum volume in storage recommendations based on Columbia's historical planning practices, expressed as a percentage of the assigned SCQ for each Supplier's Columbia-released TCO storage in order to ensure system reliability. TCO storage parameters will apply to the Supplier's Columbia-released TCO storage with the additional recommendation that the Suppliers' Columbia-released TCO storage capacity be 98% full by November 1st of each program year.

2. Inventory level recommendations established by Columbia for each Supplier's TCO storage capacity shall reflect Columbia's use of its historic planning practices to plan for Design Peak Day Demand, as well as late winter cold days and to meet TCO's total storage inventory balance limits as contained in TCO's tariff.

3. Upon execution of the monthly assignment of capacity as set forth in Section 19, each Supplier shall be solely responsible for the acquisition and/or disposition of any storage volumes to satisfy the provisions of Section 19, the provisions of the TCO and PEPL tariffs, and/or to satisfy the delivery

requirements of their individual Demand and/or Supply Curves. CHOICE/SCO Suppliers will be able to use their capacity assets interchangeably for nomination purposes.

4. SCO Suppliers not continuing for any subsequent annual auction term and/or any CHOICE Supplier exiting the CHOICE program will be responsible to dispose of any gas inventory, at their own expense. Furthermore, any SCO Supplier(s) not continuing, or continuing but with a fewer number of tranches, as a Supplier for a subsequent SCO Program Year must offer for sale to the replacement SCO Supplier(s) (and the replacement SCO Supplier(s) must purchase) an amount of storage inventory equal to two percent of the SCQ assigned to the replacement SCO Supplier on April 1st of the new SCO Program Year. For example, on April 1, 2013, SCO Suppliers for the period ending March 31, 2013 are required to sell, and replacement SCO Suppliers are required to purchase, gas in storage in an amount equal to two-percent of the SCQ assigned to the new Supplier on April 1, 2013. The sale shall be completed using the index based price formula set forth below. Payment for such transfers will occur not later than five days after receipt of an invoice. Columbia will not be required to be in the stream of the transfer of the volumes, but may be called upon to help facilitate communications between parties.

   Price per Dth to be Paid by Replacement SCO Supplier = {(April first of the month TCO Monthly Index price for the new SCO Program Year / (1-TCO SST retainage rate) + TCO SST commodity rate) / (1- TCO FSS retainage rate) + TCO FSS injection charges}

5. Any CHOICE or SCO Supplier terminated from participation as a CHOICE or SCO Supplier for failure to deliver gas supplies to Columbia in accordance with a Columbia provided Demand and/or Supply Curve shall provide Columbia with a right of first refusal to purchase the Supplier's gas storage inventory in its Columbia assigned TCO FSS and PEPL FS storage capacities. The price to be paid for any gas purchased by Columbia shall be:

   The average of the TCO Monthly Index prices for the April through October time period immediately preceding the date of purchase by Columbia, adjusted for the TCO SST commodity rate, TCO SST retainage rate, TCO FSS retainage rate, and TCO FSS injection charges. Should a Supplier be terminated in a month during the April through October time period, the price to be applied shall be the average of the TCO Monthly Index prices for the time period of the immediately preceding April through the month in which termination occurs. The rate to be paid per Dth by Columbia shall be calculated according to the following formula:

Price per Dth Paid by Columbia = {(Average TCO Monthly Index price / (1-TCO SST retainage rate) + TCO SST commodity rate) / (1- TCO FSS retainage rate) + TCO FSS injection charges}

27. Daily Nominations – Demand and/or Supply Curves

1. Demand Curves for SCO Suppliers shall be determined based on actual SCO customer requirements and a proportionate share of DSS customer requirements.

2. All CHOICE and SCO Suppliers shall nominate all gas supplies delivered to Columbia through Aviator, Columbia's internet-based nomination system.

3. Columbia shall proportionally adjust the Demand Curves, determined from monthly customer billing data, to the Peak Day Forecast quantity. Columbia shall determine an adjustment factor each month based on the current Peak Day Demand Forecast and current month Demand Curves. This factor shall be applied to each Demand Curve for each Pipeline Scheduling Point. Columbia shall provide each Supplier, and place on its website, a copy of the Demand Curve for each PSP applicable to the Supplier.

4. Columbia may modify the Demand Curves during the calendar months of October and November to provide for deliveries by Suppliers that are less than the projected consumption level of the CHOICE Suppliers Aggregation Pool and the demand of the customers being provided supply via the SCO Suppliers. Likewise, Columbia may modify the Demand Curves during the calendar months of May through August to offset such planned under-deliveries in the months of October and November. After notice to Suppliers, Columbia may also revise the Demand Curves as it deems necessary for operational reasons.

5. Columbia shall determine the Demand Curve for each CHOICE Supplier's Aggregation Pool for each PSP consistent with current CHOICE prac-

tices. Demand Curves for SCO Suppliers shall be determined in a manner similar to that used in the CHOICE Program. Columbia shall determine a Demand Curve for SCO Suppliers based on assigned customer load requirements and their proportionate share of DSS customer load requirements for each Pipeline Scheduling Point. The proportionate share of DSS load requirements shall be determined through the establishment of a base Demand Curve for DSS customers to be divided by the number of winning tranches to determine the per tranche DSS Demand Curve. For SCO Suppliers that are the winners of multiple tranches, Columbia shall multiply the per-tranche Demand Curve for each PSP by the number of tranches won by each SCO Supplier.

6. Demand Curves for the months of October through April shall require the delivery of increasing quantities of supply as the temperature declines, leveling off when the temperature reaches a level where Columbia's peaking service is employed, and subject to increase when the temperature exceeds Columbia's design peak day temperature. Demand Curves for the months of May through September will require the same quantity of gas be delivered each day of the month.

7. By 8:00 a.m. Eastern Clock Time (ECT) each day (including Saturdays, Sundays, and Holidays), Columbia will post on its internet based website the forecasted temperatures by pipeline scheduling point for the gas day beginning 10:00 a.m. ECT the following day.

8. By 11:30 a.m. Eastern Clock Time (ECT) each day (including Saturdays, Sundays, and Holidays), Columbia will post on its internet based website the actual temperature by pipeline scheduling point for the gas day ending 10:00 a.m. ECT on the same day.

9. As soon as practical following the receipt of its afternoon forecast from its weather service provider, Columbia will post on its internet based website the updated forecast temperatures by PSP for both the current gas day and for the gas day beginning 10:00 a.m. ECT the following calendar day. Furthermore, to the extent Columbia receives additional forecast temperature updates from its weather service provider Columbia shall post such updates to its internet based website at its earliest opportunity.

10. All Demand Curves shall include Columbia system retention and a statewide BTU conversion factor. The Demand Curve volumes will be stated in city gate Dths.

11. Separate Supply Curves shall be created for the Maumee Gate and for deliveries to TCO from TGP at Dungannon. Supply Curves at the Maumee Gate will be determined based on Columbia's supply requirements. Supply Curves for Dungannon will be determined based on minimum delivery requirements established by TCO to maintain city gate delivery entitlements.

12. All nominations to the Maumee Gate and to TCO from TGP at Dungannon will be made using the location specific Supply Curves and relevant forecasted temperature for that location. Columbia may request intra-day changes to these nominations if it experiences sufficient differences between forecasted and actual temperatures to risk operational problems.

13. Supplies at the Maumee Gate are required operationally and nominations constitute daily required deliveries during the months of November through March. Suppliers must match both: (a) their Maumee Gate Supply Curve, as well as (b) their overall CHOICE and SCO Demand Curve requirements for the PSP that includes the Maumee Gate. For purposes of meeting the Supply Curve at the Maumee Gate, supplies may be purchased at the Maumee Gate by a Supplier from another supplier that is delivering gas supplies through PEPL directly to the Maumee Gate prior to the nomination of such supplies on Aviator.

14. Failure to deliver the specific volume of gas as required by the Maumee Gate Supply Curves at the prescribed forecast temperature and/or the CHOICE and SCO Demand Curves by PSP at the actual temperature shall result in the Supplier incurring a per Dth Demand Curve Noncompliance Charge (see Section 17(5)(c)). The charges to be paid to Columbia shall be based on the difference between the nomination required as specified by the Maumee Gate Supply Curve at forecasted temperatures and/or by each Demand Curve at the actual temperature and the actual nominations. All Noncompliance Charge revenues received shall be credited to customers via the CSRR.

15. Supply deliveries to TCO from TGP at Dungannon are required operationally. Suppliers must deliver, at a minimum, the volume specified by

the Dunganonn Supply Curve at the forecasted temperature provided by Columbia that immediately precedes the timely nomination deadline for TGP. Suppliers must match their overall CHOICE and SCO Demand Curve at the PSPs as well as deliver at least the minimum level of supply specified by their Dungannon Supply Curve from TGP to TCO at Dungannon.

16. Failure to deliver the minimum volume of gas as specified by the Dungannon Supply Curves from TGP to TCO, at the prescribed forecast temperature, shall result in the Supplier incurring a per Dth Demand Curve Noncompliance Charge (see Section 17(5)(c)). The charges to be paid to Columbia shall be based on the difference between the minimum nomination required as specified by the Dungannon Supply Curve and the actual nominations.

17. CHOICE and SCO nominations from TCO to Columbia shall be utilized in conjunction with any supplies nominated from pipelines other than TCO, if any, to match the Demand Curve requirements for each PSP at the actual temperature posted for that PSP. Suppliers may utilize the forecasted temperature as a guideline but must utilize the actual posted temperature when making final nominations to Columbia.

18. All Suppliers agree to adhere to the current nominating practices and guidelines set out in the applicable FERC or state approved tariff of the applicable upstream pipeline and to comply with any Columbia operating and/or upstream pipeline restrictions communicated by Columbia or the relevant pipeline.

19. In the event that Columbia incurs penalties assessed by any upstream pipeline for a violation, the penalties will be assessed to each Supplier and/or TS customer (or their agent) that contributed to the penalty proportional to their contribution to the violation. If such penalties cannot be attributed to any specific supplier or TS customer Columbia shall recover the penalty through the CSRR.

28. BTU Value

1. Columbia's CHOICE, SCO and DSS Customers will be billed volumetrically in Ccf.

2. Daily CHOICE and SCO nomination requirements for each Supplier's Demand Curve shall be converted to Dth utilizing Columbia's statewide weighted average BTU value.

3. Columbia shall post its weighted average BTU value prior to February 1 of each year.

4. Columbia shall determine its statewide weighted average BTU value annually based on data from the most recent twelve month period available for posting February 1 of each year. The weighted average BTU value shall be in effect for a twelve month period effective April 1 of each year.

29. Annual Volume Reconciliations

1. Supplier deliveries will be reconciled with customer consumption annually, for the twelve-month period ending March 31 of each SCO Program Year.

2. CHOICE and SCO deliveries shall include all nominations confirmed by an upstream pipeline to a Columbia PSP and the Local Gas Purchase Requirement volumes purchased monthly by the Suppliers from Columbia. The sum of these deliveries will then be converted to a Mcf basis through the use of Columbia's then current statewide BTU conversion factor and adjusted by Columbia's System-Wide Retention Factor. Commodity volumes provided by Columbia through its peaking service shall be paid for by Suppliers through the annual reconciliation process.

3. Each SCO Supplier will have a specific delivery requirement, for each pipeline scheduling point, comprised of actual SCO and allocated DSS Customer consumption. The annual delivery quantity shall be equal to the sum total of the Supplier's deliveries as specified in item 2 above (as adjusted for Columbia's retention and BTU conversion factor). This delivery quantity shall be compared to the SCO Customer consumption plus the allocated DSS Customer consumption. Columbia shall determine the DSS Customer consumption allocated to each tranche through the division of quantities identified from monthly billing reports, as generated from Columbia's billing system, by the number of winning tranches to determine the per tranche consumption. Total DSS consumption for individual SCO Suppliers will then be determined through the multiplication of consumption per tranche, as adjusted for retention and BTU conversion, by the

number of tranches being supplied by each SCO Supplier. Any imbalance shall be cashed in/cashed out annually at either: (1) a price equal to the arithmetic average of the TCO Monthly Index, adjusted for the TCO SST commodity rate, TCO SST retainage rate, TCO FSS retainage rate, and TCO FSS Injection charges for the corresponding April through March annual period, times the imbalance between total annual volumes billed compared to the total annual volumes delivered (inclusive of BTU conversion, on-system retainage and other adjustments to reflect the local gas purchase adjustment); or, (2) a monthly price calculated in accordance with the Tariff, times the monthly billed volumes compared to monthly delivered volumes (inclusive of BTU conversion, on-system retainage and other adjustments to reflect the local gas purchase adjustments). SCO Suppliers must elect one of the two options in advance of each auction period.

30. Customer Eligibility

CHOICE/SCO Customer Eligibility.

All CHOICE Eligible Customers.

Transportation Service ("TS") Customer Eligibility.

Non-residential customer accounts using less than 6,000 Mcf/year that have subscribed to 100% Backup Service.

Non-residential Human Needs customer accounts with operable alternative fuel capabilities that consume 6,000 Mcf or more annually.

Other non-residential customer accounts that consume 6,000 Mcf or more annually.

Asphalt plants and grain dryers with annual usage less than 6,000 Mcf.

Public School Districts that were receiving Transportation Service as of the date of October 7, 2009, including any new or existing facility placed into service in any such Public School District prior to March 31, 2013.

A TS customer account that is currently grandfathered and not paying the PIPP or DSM rider as of June 3, 1994, will continue to be grandfathered and will not pay the PIPP or DSM rider after April 1, 2013, whether it defaults to CHOICE or SCO service or elects to remain on TS.[6]

[6] Commercial customers that do not pay the DSM Rider are not eligible to participate in Colum-

31. Rate Schedules Subject to SCO Rider

1. The SCO Rider will apply to all customers receiving service under the following rate schedules:

    a. Small General Service Sales Rate;
    b. Small General Service Schools Sales Rate;
    c. General Service Sales Rate;
    d. General Service Schools Sales Rate; and
    e. Large General Service Sales Rate (Human Needs Only).

32. Customer Education – SCO Program

1. A Stakeholder Group approach will be used to develop the initial customer education program.

2. Costs incurred by Columbia for the Customer Education program will be recovered through the CSRR (See Section 40).

33. CHOICE Program Customer Migration

1. Customer migration to and from the CHOICE and SCO program each billing cycle will be allowed.

2. Customers who move into Columbia's service area will be permitted to enroll immediately in the CHOICE program or Governmental Aggregation Program without a mandatory minimum stay with SCO Service.

3. "New Customers" will be defined as: (a) customers establishing service with Columbia for the first time, including both the initial installation of a new meter at a premise as well as an account transfer or switch from one customer to another; or, (b) customers relocating within Columbia's service territory. New customers served within a political subdivision with a Governmental Aggregation will not be assigned to an SCO Supplier during that customer's first two billing cycles. During that time period, the new customers will be served under the DSS. The customer may join a Governmental Aggregation or the CHOICE Program at any time. If the customer has not taken action to join a Governmental Aggregation or the

bia's DSM program.

CHOICE Program by the end of the first two billing cycles, the customer will be assigned to an SCO Supplier.

34. SCO and DSS Customer Billing

1. The billing month will be comprised of 21 billing units with the SCO Rider being the effective NYMEX price for the billing month plus the Retail Price Adjustment.

2. SCO and DSS Customers will continue to be billed on a billing cycle basis. There will be no proration of bills to compensate for the variance between calendar month deliveries and billing period deliveries.

3. SCO and DSS Customers will be billed at the monthly effective SCO Rider per one hundred cubic feet.

4. Columbia shall directly bill CHOICE, SCO and DSS customers a non-temperature balancing and peaking service fee (“Balancing Fee”) of twenty-seven cents ($0.27) per Mcf. Balancing service costs shall be trued-up through the CSRR by reconciling the actual costs incurred by Columbia associated with the retained assets to provide Balancing/Peaking Service and the revenues received from the Balancing fee.

5. SCO and DSS Customers will be subject to all applicable service charges and billing adjustments set forth in Columbia’s tariff plus any additional riders resulting from the auction process.

6. For each SCO Customer, the name of the customer’s SCO Supplier will appear on each customer’s bill in the same manner that a customer’s CHOICE Supplier’s name appears on a CHOICE Customer’s bill. The SCO Supplier’s name will not appear on the DSS customers’ bills.

35. Transportation Service (“TS”) Banking and Balancing Provisions

1. TS Customers may select monthly bank tolerance levels equal to 1, 2, 3, or 4% of their Annual Transportation Volume (“ATV”). Selected monthly bank tolerance levels will be reduced by 50% at the end of each November billing cycle.

2. ATV will be calculated by Columbia using the arithmetic average of the actual Customer account consumption for the thirty-six month period ending each October billing cycle. These ATV revisions will be effective each January 1.

3. TS Customers may change their monthly bank tolerance level by notifying Columbia in writing of the revised monthly bank tolerance level by January 2. The revised monthly bank tolerance level will become effective the following April 1.

4. Imbalance Charges

   a. In any month when a TS Customer's deliveries, when added to its available bank volume and applicable Backup Service quantities, are less than its usage, the incremental shortfall will be sold to the TS Customer at a price equal to 130% of the average of the TCO Daily Index prices for each day of the applicable month, plus the 100% load factor TCO FTS costs (including demand, commodity and retainage), plus the gross receipts or other applicable taxes plus the applicable Columbia transportation. In addition, if, in any month, Columbia incurs other charges, including gas costs, penalty charges or cash-outs caused by excess monthly usage, the TS Customer shall be charged its pro rata share of such charges. All non-Columbia transportation revenue from such sales and charges paid by the TS Customer to Columbia shall be credited to the CSRR.

   b. In any month when a TS Customer's Volume Bank exceeds the allowed bank level, Columbia will purchase the excess volumes. The purchase price shall be equal to 70% of the average of the TCO Daily Index prices for each day of the applicable month, plus the 100% load factor TCO FTS costs (including demand, commodity and retainage). In addition, if, in any month, Columbia incurs other charges, including gas costs, penalty charges or cash-outs caused by excess monthly gas supply, the TS Customer shall be charged its pro rata share of such charges. All costs from such purchases made by Columbia from the TS Customer shall be debited to the CSRR with all revenues for the TS Customer credited to the CSRR.

5. Columbia will continue to offer a Monthly Bank Transfer Service.

6. Columbia will continue to offer Backup Service to TS Customers.

36. Operational Flow Orders/Operational Matching Orders.

No change from current tariff.

37. CHOICE Supplier Credit Requirements

1. Current CHOICE Suppliers must continue to meet their existing CHOICE Program creditworthiness requirements.

2. If a CHOICE Supplier is also an SCO Supplier, the requirements for SCO Supplier creditworthiness shall be in addition to those for existing CHOICE Program requirements.

3. If a CHOICE Supplier is also an SCO Supplier, Columbia will net the credit exposures of the two programs.

4. If a Supplier participates in both Columbia's CHOICE program and Columbia's SCO auction, the occurrence and continuation of an event of default in either the SCO or CHOICE programs by a Supplier shall be considered a cross default in the other program and any other Columbia program that the Supplier participates in.

38. Off System Sales and Capacity Release

1. Though most of Columbia's upstream capacity assets will be released to CHOICE and SCO Suppliers, certain capacity, as described in Sections 23 and 25, will be retained by Columbia for purposes of providing non-temperature balancing, peaking and operational balancing services to the CHOICE and SCO Suppliers, as well as non-firm banking and balancing services to TS Customers.

2. The current definition of Off System Sales and limitations approved by the Commission in the Stipulation in Case No. 05-221-GA-GCR shall remain in effect, and shall be expanded to include the following:

   "Columbia is prohibited from shifting Off-System Sales from Ohio to another jurisdiction in order to avoid the sharing mechanism cap. For purposes of this Agreement, Off-System Sales are defined as a sale between Columbia Gas of Ohio and a buyer for the sale of unbundled or rebundled gas supply and capacity products, including the sale of a right to such arrangements that create value from the gas supply and capacity assets available to Columbia Gas of Ohio, including but not limited to flowing gas sales, incremental gas sales, physical gas options, exchanges, contract management fees, capacity release transactions, park transactions, loan transactions, exchange transactions, backhaul transactions, swap transactions and any other transaction or agreement of the foregoing types that uses any Interstate or Intrastate pipeline capacity, Interstate or Intrastate storage capacity, Columbia Gas of Ohio distribution lines, any gathering lines, or any peaking services or commodity that was or is planned to be retained for, or paid for, by customers."

3. Columbia shall maintain records of each Off System Sales transaction in a form that can be subsequently audited and will accurately reflect all sales and transactions. There will be an annual financial audit of the CSRR that will include Off System Sales conducted by an outside auditor, paid for by Columbia.

4. Columbia will retain 11,500 Dth/day of TCO FTS capacity, for release to TS Customers, the cost of which will be excluded from the CSRR and borne by Columbia. As a result of excluding the costs from the CSRR, all revenue from the release of such capacity will be kept by Columbia to mitigate those costs. In its efforts to mitigate these costs, Columbia may temporarily release or permanently assign this capacity to the TS Customers, suppliers of those customers, or other entities. Revenue and cost information concerning the retained TCO FTS capacity will be available through the CSRR financial audit.

5. Off System Sales and Capacity Release revenue generated by Columbia in an SCO Program Year will be shared between Columbia and customers based on the formula below.

   The customers' share will be reflected as a credit to the CSRR.

OSS & CR Revenue	Customer Share	Columbia Share
$0 to $2 million	-	100%
$2 to $20 million	50%	50%
Over $20 million	75%	25%

6. Columbia's retention of Off System Sales and Capacity Release revenues shall be subject to an annual cap of $20 million for each SCO Program Year of the five Program Years and a total cap on the five-year period (April 1, 2013 through March 31, 2018) of $60 million.

39. CHOICE/SCO Reconciliation Rider ("CSRR")

1. Columbia's CHOICE and SCO programs will include a CSRR applicable to CHOICE and SCO Customers that provides for the recovery or pass back of the Unrecovered Gas Cost Balance; Flow-through of Refunds; Reconciliation Adjustments; Flow-through of Shared Off-System Sales Revenue; and Recovery of Incremental Program Costs. This adjustment is computed quarterly based on the most recent four quarters of financial data available. Recognition of activity within a quarter will be made as follows:

Month Quarter Ended	Billing Month Effective
December 31	April
March 31	July
June 30	October
September 30	January

2. "Unrecovered Gas Cost Balance" means the change each quarter in the Deferred Purchase Gas balance, to be recovered or passed back to customers through the CHOICE/SCO Reconciliation Rider. These deferred gas purchase costs will include:

Banking & Balancing Service Revenue
Capacity Costs
Commodity Costs
Miscellaneous Costs
Non-Temperature Balancing Service Revenue
Operational Sales or Purchases
Penalty Charges
Standby Service Revenue
Storage Carrying Costs
Transportation Service Cash-outs

3. "Banking & Balancing Service Revenue" means revenue received from Columbia's Banking & Balancing Service to customers served under Columbia's SGTS, GTS and LGTS rate schedules.

4. "Capacity Costs" means the cost of that capacity not assigned to CHOICE and SCO Suppliers and capacity retained by Columbia to meet the opera-

tional, balancing and peaking requirements of customers served through Columbia's SCO, CHOICE and TS programs. These costs include reservation charges for upstream pipeline capacity retained by Columbia and leased pipeline costs. These costs may also include any reservation charges for interstate or intrastate pipeline capacity recalled by Columbia when a CHOICE or SCO Supplier defaults. These costs will be offset by revenue received by Columbia in providing balancing and peaking services and any demand related costs recovered by Columbia in the pass-through of local gas costs.

5. "Commodity Costs" means the cost of gas purchased to meet the daily, seasonal and short-term delivery requirements of customers served through Columbia's SCO, CHOICE and TS programs. These costs include the cost of gas; transportation commodity costs; injection and withdrawal costs and shrinkage costs. These costs will be offset by the revenue received by Columbia related to the pass-through of local gas and retained capacity commodity purchase costs; Supplier cash-outs; etc.

6. "Incremental Program Costs" means any prudent and necessary expense incurred by Columbia resulting from the implementation of the SCO programs. These include, but are not limited to, actual incremental SCO educational expenses; audit expenses; and information technology expenses incurred in development of revisions to current programs and development of new programs necessary to meet operational and reporting requirements.

7. "Miscellaneous Costs" means any prudent and necessary gas costs incurred by Columbia in the provision of CHOICE and SCO service approved by the Commission.

8. "Non-Temperature Balancing Service Revenue" means revenue received by Columbia for the provision of balancing and peaking service available to SCO, DSS and CHOICE Program Customers.

9. "Operational Sale or Purchase" means a sale or purchase of gas by Columbia necessary for the effective management of Columbia's system. These include, but are not limited to, transactions such as sales or purchases to avoid penalties from a transmission provider; purchases of gas commodity to provide peaking services; purchases of gas commodity uti-

lizing operationally retained capacity; purchases under retained peaking services; etc.

10. "Penalty Charge" means a charge billed by an interstate or intrastate pipeline resulting from the violation of a tariff provision of an interstate or intrastate pipeline.

11. "Quarter" means the three-month period used to calculate the current CSRR quarterly rate.

12. "Reconciliation Adjustment" means a positive or negative adjustment to a future CSRR to reconcile variance between actual and projected CSRR Rider revenue to be received or passed back.

13. "Refunds" means the refunds received from an interstate pipeline or other upstream transportation or storage service provider each quarter to be passed back to CHOICE and SCO Customers where such refund is received as a lump sum or credit.

14. "Revenue" means all revenue received from sale of gas; provision of a balancing service(s); billing of a penalty charge(s); OFO/OMO charge(s); Reconciliation Adjustment; or CHOICE program and TS Program Cash-Out(s).

15. "Shared OSS/CR Revenue" means all revenue to be shared with customers through the OSS/CR Program in accordance with those provisions set forth in Section 38 of this SCO Program Description.

16. "Storage Carrying Costs" means carrying costs incurred by Columbia on gas stored underground for daily and seasonal balancing purposes.

17. "Throughput" means all historic deliveries to customers participating in the CHOICE and SCO programs for the twelve month period ending with the last month of current quarter.

18. "Upstream Pipeline" means those pipeline companies delivering supply both directly and indirectly to Columbia. These are primarily interstate pipelines, but can include, without limitation, intrastate and gathering pipelines, as well as LDCs.

ATTACHMENT B
REVISED TARIFFS – CLEAN

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

D. "**Commercial Customer"** is a Customer using gas through a single meter in commercial activities such as apartment buildings, rooming and boarding dwellings, residential hotels, multifamily row housing, doubles, duplexes, combination commercial and residential accounts be considered commercial if usage is half or more than half of the total service, and for all other situations where gas is supplied to consumers in two or more dwelling units designed for the primary purposes of residences. Includes warehousing, distributing or selling commodities, providing professional services, wholesale and retail stores, offices, office buildings, hotels, clubs, lodges, associations, restaurants, railroad and bus stations, banks, laundries, dry cleaners, mortuaries, garages for commercial activity, gasoline stations, theaters, bowling alleys, billiard parlors, motor courts, camps, bars, grills, taverns, retail bakeries, hospitals, schools, churches, religious and charitable institutions, governmental agencies or the like.

E. **"Company" or "Columbia"** means Columbia Gas of Ohio, Inc.

F. **"Company's Billing Cycle"** means the Company's accounting revenue month.

G. **"Customer"** means any individual, governmental, or corporate entity taking sales service hereunder. A Customer may have more than one Account, as defined herein. The Company's service under the applicable rate schedules is provided to a single Account.

H. **"Customer's Billing Cycle"** means the monthly period that occurs between monthly meter readings taken by Company for billing purposes at Customer's facilities.

I. **"Customer's Facilities"** means the Customer's property, factories, and buildings where natural gas is being consumed.

J. **"Day"** means 24-hour period beginning at 9:00 a.m. central clock time.

K. **"Default Sales Service" or "DSS"** means a Commission-regulated sales service provided by Columbia to: (1) Transition Customers, (2) those customers not eligible to participate in the CHOICE program or a Governmental Aggregation Program, and, (3) PIPP customers.

L. **"Dekatherm"** or **"Dth"** means one million British thermal units (Btu's).

M. **"High Priority"** means the Customer has contracted for a better quality of service. The order of interruption, which determines the quality of service, is as follows: (1) All volumes exceeding Authorized Daily Volumes; (2) volumes consumed by or delivered to Customers served under Rate Schedules LGS, FRLGTS and LGTS; (3) volumes consumed by or delivered to Customers served under Rate Schedules GS, FRGTS, FRCTS and GTS; (4) Backup Service; (5) volumes consumed by or delivered to Customers served under Rate Schedules SGS, SGTS and FRSGTS; and (6) non-Transportation Service Human Needs Customers.

N. **"Industrial Customer"** means a Customer using gas in a process which either involves the extraction of raw or unfinished materials in another form or product through the application of heat or heat treating, steam agitation, evaporation, baking, extraction, drying, distilling, etc.

O. **"Mcf"** means one thousand cubic feet of natural gas.

P. **"PUCO"** means Public Utilities Commission of Ohio.

Q. **"Residential Customer"** means Customer using gas in a single-family residential dwelling or unit for space heating, air conditioning, cooking, water heating, incineration, refrigeration, laundry drying, lighting, incidental heating, or other domestic purposes. Includes a tenant billed for natural gas consumption or use by other tenants at the same premises.

R. **"SCO Rider"** means a rider established to collect the cost of the natural gas commodity on Ccf basis used to provide SCO and DSS service. The SCO Rider each month will be the NYMEX final settlement price for the applicable month plus the Retail Price Adjustment determined by the SCO auction divided by 10.

	On and After December 3, 2009
All gas consumed per account per month	$.0000 per Mcf
Monthly Delivery Charge per account	$16.92 per Month

The maximum delivery charge for all deliveries by Company to Customer of Customer-owned gas under this provision will be equal to the Small General Schools Sales base rate then in effect. When a Customer can demonstrate to the Company and requests that a charge lower than the maximum delivery charge is necessary because of competition from a pipeline, distribution system or non natural gas fuel source, then the Company may charge a rate lower than the maximum delivery charge for all deliveries.

The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to total Company fixed costs. Unless otherwise agreed by Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder.

Low Usage, Low Income Incentive

Availability

The Low Usage, Low Income Incentive credit of $4 per account per month is available to a total of 6,000 residential customer accounts each month during the period from March 31, 2009 through the last billing unit of March, 2013. A Customer is eligible provided that the Customer qualifies or has qualified for the Home Energy Assistance Program, is not a participant in the Percentage of Income Payment Plan, and has annual weather-normalized throughput of less than 85 Mcf. The first 6,000 eligible Customers with the lowest annual consumption for the review period will receive the credit for the twelve months beginning with Unit 1 of billing in April of each year.

BILLING ADJUSTMENTS

For all gas sold hereunder, the bill shall be computed to reflect the following billing adjustments as set forth in Section V, Part No. 3 of the Company's Rules and Regulations governing the distribution and sale of gas.

(1) Standard Choice Offer Rider;
(2) PIP Plan Tariff Schedule Rider;
(3) Uncollectible Expense Rider;
(4) Gross Receipts Tax Rider;
(5) Excise Tax Rider;
(6) CHOICE/SCO Reconciliation Rider;
(7) Infrastructure Replacement Rider;
(8) Regulatory Assessment Rider;
(9) Demand Side Management Rider; and
(10) Non-Temperature Balancing Service Fee.

LATE PAYMENT CHARGE:

Upon next scheduled billing date, one and one-half percent (1-1/2%) will be applied to the unpaid balance, as provided in Section IV, Part No. 6 of the Company's Rules and Regulations governing the distribution and sales of gas.

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

First 25 Mcf per account per month	\$1.6324 per Mcf
Next 75 Mcf per account per month	\$1.2350 per Mcf
Over 100 Mcf per account per month	\$0.9809 per Mcf

A Customer Charge of \$21.37 per account per month, regardless of gas consumed.

The maximum delivery charge for all deliveries by Company to Customer of Customer-owned gas under this provision will be equal to the General Schools base rate then in effect. When a Customer can demonstrate to the Company and requests that a charge lower than the maximum delivery charge is necessary because of competition from a pipeline, distribution system or non natural gas fuel, then the Company may charge a rate lower than the maximum delivery charge for all deliveries.

The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to total Company fixed costs. Unless otherwise agreed by Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder

BILLING ADJUSTMENTS

For all gas sold hereunder, the bill shall be computed to reflect the following billing adjustments as set forth in Section V, Part No. 3 of the Company's Rules and Regulations governing the distribution and sale of gas.

(1) Standard Choice Offer Rider;
(2) PIP Plan Tariff Schedule Rider;
(3) Uncollectible Expense Rider;
(4) Gross Receipts Tax Rider;
(5) Excise Tax Rider;
(6) CHOICE/SCO Reconciliation Rider;
(7) Regulatory Assessment Rider;
(8) Infrastructure Replacement Program Rider; and
(9) Non-Temperature Balancing Service Fee.

LATE PAYMENT CHARGE:

Upon next scheduled billing date, one and one-half percent (1-1/2%) will be applied to the unpaid balance, as provided in Section IV, Part No. 6 of the Company's Rules and Regulations governing the distribution and sales of gas.

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to total Company fixed costs. Unless otherwise agreed by Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder.

In the event that Customer no longer qualifies for service hereunder, Company may, upon thirty (30) days notice, terminate service hereunder and commence service under its Small General Service or General Service schedule.

BILLING ADJUSTMENTS

For all gas sold hereunder, the bill shall be computed to reflect the following billing adjustments as set forth in Section V, Part No. 3 of the Company’s Rules and Regulations governing the distribution and sale of gas.

(1) Standard Choice Offer Rider (SCO);
(2) PIP Plan Tariff Schedule Rider;
(3) Gross Receipts Tax Rider;
(4) Excise Tax Rider;
(5) CHOICE/SCO Reconciliation Rider;
(6) Regulatory Assessment Rider;
(7) Infrastructure Replacement Program Rider; and
(8) Non-Temperature Balancing Service fee

LATE PAYMENT CHARGE:

Upon next scheduled billing date, one and one-half percent (1-1/2%) will be applied to the unpaid balance, as provided in Section IV, Part No. 6 of the Company's Rules and Regulations governing the distribution and sales of gas.

NON-TEMPERATURE BALANCING SERVICE

Applicability

Applicable to all customer accounts served under Rate Schedule SGS, GS, and LGS.

Rate

All gas consumed per account per month	$0.27/Mcf

SECTION VII
PART 2 - DEFINITIONS OF TERMS

The following definitions apply only to Sections VII and VIII of this tariff:

"Account" includes all gas consumption of the same individual, governmental entity, or corporate entity (including subsidiaries and affiliates) that (1) occurs at a single service address; (2) is measured by a master meter; or (3) Columbia treated as single "Account" prior to November 1, 2008.

"Aggregation Agreement" is a contract between the Retail Natural Gas Supplier and the Company that specifies the terms and conditions for participation in Columbia's Customer CHOICE^{SM} Program that the Retail Natural Gas Supplier must comply with in order to be eligible to participate in Columbia's Customer CHOICE^{SM} Program. Also referred to "Full Requirements Aggregation Agreement" and Retail Natural Gas Supplier Aggregation Agreement.

"Ancillary Service" has the meaning set forth in division (B) of Section 4929.01 of the Ohio Revised Code.

"Applicant" means a person who files an application for certification or certification renewal under Chapter 4901:1-27 of the Ohio Administrative Code.

"Application Form" means a form, approved by the Commission, that an applicant seeking certification or certification renewal as a Retail Natural Gas Supplier or as a Governmental Aggregator shall file with the Commission as set forth in this chapter.

"BCF" means billion cubic feet of natural gas

"Business Day" means a 24-hour period beginning 12:01 a.m. Eastern Standard time, Monday through Friday, excluding holidays.

"BTU" means British Thermal Unit.

"Ccf" means one hundred cubic feet of natural gas.

"Capacity Allocation Process" means the process Columbia shall utilize in determining levels of pipeline capacity assigned to CHOICE and SCO Suppliers.

"Choice Aggregation Pool" means a group of customers served by a Retail Natural Gas Supplier that are located within the same PSP. A Retail Natural Gas Supplier may have more than one Choice Aggregation Pool. A Retail Natural Gas Supplier must in the aggregate, across all Choice Aggregation Pools, serve more than 100 customers or 10,000 Mcf of annual throughput, and have executed a Full Requirements Aggregation Service Agreement with the Company prior to initiating service as a Retail Natural Gas Supplier.

"Cooperative Aggregation Pool" means a group of Cooperatives served by a common Supplier. Cooperatives with a Supplier's Cooperative Aggregation Pool must be located within the same PSP.

SECTION VII

PART 2 - DEFINITIONS OF TERMS

"Capacity Assignment Percentage" shall mean the percentage of the Design Demand of a Supplier's customer group that the Supplier shall receive in total through direct capacity assignment by Columbia and a peaking service provided by Columbia. This percentage as calculated by Columbia shall be approximate to but not exceed 100% .

"Ccf: _ Is an acronym which stands for Hundred Cubic Feet of Natural Gas.

"CGT" means Columbia Gulf Transmission Company.

"CHOICE"- means the program under which CHOICE Eligible Customers may choose their natural gas suppliers.

"CHOICE Customer"- means a CHOICE Eligible Customer who has enrolled with a CHOICE Supplier.
CHOICE Eligible Customer- means all Human Needs Customers and all Customers using less than 6,000 Mcf per year, excluding 1) Customers of PIPP, 2) Customers of Transportation Service and 3) Customers that are more than 60 days in arrears, or more than 30 days in arrears if on a payment plan.

"CHOICE Supplier" means a certified retail natural gas supplier participating in Columbia's Customer CHOICE Program.

"Columbia Customer CHOICE^{SM} Program" means gas transportation service provided under Columbia's FRSGTS, FRGTS, FRLGTS and FRCTS rate schedules in combination with Columbia's Full Requirements Aggregation Service set forth in Section VII of this tariff.

"Commercial Customer" is a customer using gas through a single meter in commercial activities, including but not limited to, warehousing, distributing or selling commodities, providing professional services, wholesale and retail stores, offices, office buildings, hotels, clubs, lodges, associations, restaurants, railroad and bus stations, banks, laundries, dry cleaners, mortuaries, garages for commercial activity, gasoline stations, theaters, bowling alleys, billiard parlors, motor courts, camps, bars, grills, taverns, retail bakeries, hospitals, schools, churches, religious and charitable institutions, governmental agencies, apartment buildings, rooming and boarding dwellings, residential hotels, multifamily row housing, doubles, duplexes. The combination of commercial and residential accounts will be considered commercial if usage is half or more than half of the total service, and for all other situations where gas is supplied to consumers in two or more dwelling units designed for the primary purposes of residences.

"Commission" means the Public Utilities Commission of Ohio.

"Commodity Sales Service" has the meaning set forth in division (C) of Section 4929.01 of the Ohio Revised Code.

"Company" or "Columbia" means Columbia Gas of Ohio, Inc.

SECTION VII
PART 2 - DEFINITIONS OF TERMS

"Company's Billing Cycle" means the Company's accounting revenue month.

"Comparable Service" has the meaning set forth in division (D) of Section 4929.01 of the Ohio Revised Code.

"Competitive Retail Natural Gas Service" has the meaning set forth in division (J) of Section 4929.01 of the Ohio Revised Code.

"Consumer" has the meaning set forth in division (E) of Section 4929.01 of the Ohio Revised Code.

"Cooperative" means an association organized pursuant and subject to Ohio Cooperative Law, Chapter 1729 of the Ohio Revised Code and any subsequent amendments thereto. The Cooperative itself is the customer to whom Columbia provides transportation service. However, under no circumstances, shall a master metered system as defined in Ohio Revised Code Section 4905.90 (e), or any customers of such system, be deemed a Cooperative under this tariff.

"Cooperative Construction Coordinator" means person retained on site by Columbia, during construction of facilities by a Cooperative or a contractor selected by a Cooperative, to coordinate and guide the activities associated with natural gas facilities construction in accordance with all applicable requirements.

"Cooperative's Facilities" means the property and facilities constructed and maintained by the Cooperative for delivery of natural gas to its members.

"Cooperative Service Agreement" means a formal agreement between Columbia and a Cooperative that must be executed prior to the commencement of service that provides for, but not limited to, the identification of the types; size, location and costs of pipe and facilities that must be installed by the Cooperative, any contribution in aid of construction that may be required by Columbia to provide service; the point(s) of delivery; the maximum delivery pressure per hour at the inlet side of the meter to be provided by Columbia; and Columbia's establishment of an opportunity for first refusal rights should downstream facilities be sold.

"CSRR" means the CHOICE/SCO Reconciliation Rider to be charged all CHOICE, SCO and DSS Customers based on their billed throughput.

"Customer" means any individual, governmental, or corporate entity taking service hereunder. A Customer may have more than one Account. The Company's service under the applicable rate schedules is provided to a single Account. The term "Customer" also means a consumer as defined in division (E) of Section 4929.01 of the Ohio Revised Code. The term "Customer" also refers to a Cooperative who contracts with or is solicited by a Retail Natural Gas Supplier or Governmental Aggregator for the provision of a Competitive Retail Natural Gas Service.

"Customer's Billing Cycle" means the monthly period that occurs between monthly meter readings taken or estimated by Company for billing purposes at Customer's facilities.

"Customer's Facilities" means the Customer's property, facilities, and buildings where natural gas is being consumed, and Cooperative's facilities as defined herein.

SECTION VII
PART 2 - DEFINITIONS OF TERMS

“Customer Information Agreement” means a contract between the Company and party requesting the receipt of a listing of customers eligible to participate in the Company’s Customer CHOICE℠ Program that must be executed prior to the Company’s release of Eligible Customer lists.

"Customer's Maximum Daily Quantity" means Customer's maximum estimated usage during any 24-hour period as determined by Company.

“Daily Demand" means Aggregation Pool demand on any day.

"Day" means a 24-hour period beginning at 12:01 a.m. Eastern time.

"Dekatherm" or "Dth" means one million British thermal units (Btu's).

“Default Sales Service” or “DSS” means a Commission-regulated sales service provided by Columbia to: (1) Transition Customers, (2) those customers not eligible to participate in the CHOICE program or a Governmental Aggregation Program, and, (3) PIPP customers.

“Demand Curve” means an equation relating the Daily Demand of an Aggregation Pool to such explanatory variables as the daily temperature and the impacts of weekday, weekends and holidays. This equation will include daily temperature as an explanatory variable only during the heating months. Company will utilize a weather service vendor to provide the temperature data, both forecast and actual, and will provide this temperature data to Choice and SCO Suppliers. The projected values of the explanatory variables and the Demand Curve equation together provide the projected Daily Demand of the Aggregation Pool. Company calculates the weighted average temperature for each PSP based on the temperature for the individual weather stations. The Demand Curve uses this weighted average temperature.
.

“Deposit” means a sum of money a Retail Natural Gas Supplier or Governmental Aggregator collects from a Customer as a condition for initiating service.

“Design Demand” means Customer demand on a day with Design Temperature.

“Design Temperature” means the coldest daily temperature for which Columbia plans capacity and supply.

“Direct Solicitation” means face-to-face solicitation of a Customer initiated by a Retail Natural Gas Supplier or Governmental Aggregator at the home of a customer or at a place other than the normal place of business of the Retail Natural Gas Supplier or Governmental Aggregator and includes door-to-door solicitations.

“Disclosure Statement” means any communication between a Customer and a Governmental Aggregator including operation and governance plans and opt-out notices.

“Distribution Service” has the meaning set forth in division (F) of Section 4929.01 of the Ohio Revised Code.

“Electronic Flow Control (EFC)”is an electronic instrument used for natural gas flow correction. A typical EFC is a meter mounted, single run, flow computer with an internal pressure transducer and temperature probe.

SECTION VII

PART 2 - DEFINITIONS OF TERMS

"Eligible Customer" means a Customer that is eligible to participate in a governmental aggregation in accordance with Sections 4929.26 and 4929.27 of the Ohio Revised Code and does not include any of the following: a person that is a both a Distribution Service Customer and a Mercantile Customer on the date of commencement of service to the Governmental Aggregation, or the person becomes a Distribution Service Customer after the service commencement date and is also a Mercantile Customer; a person that is supplied with commodity sales service pursuant to a contract with a Retail Natural Gas Supplier that is in effect on the effective date of the ordinance or resolution authorizing the aggregation; a person that is supplied with commodity sales service as part of the percentage of income payment plan program; or a Customer that has failed to discharge, or enter into a plan to discharge, all existing arrearages owed to or being billed by a natural gas company from which the person is receiving service.

"End-Use Customer" means the final user of gas and regulated delivery services.

"Flowing Supply" means gas delivered from sources other than storage, generally via firm or interruptible transportation capacity.

"Full Requirements Aggregation Agreement". See Aggregation Agreement.

"Gas Day" means a 24-hour period beginning 9:00 a.m. Central time.

"Governmental Aggregation" means a Competitive Retail Natural Gas Service program offered by Governmental Aggregator for the purpose of the provision of gas or natural gas to End-Use Customers.

"Governmental Aggregator" has the meaning set forth in division (K)(1) of Section 4929.01 of the Ohio Revised Code. For purposes of this tariff, "Governmental Aggregator" specifically excludes a municipal corporation acting exclusively under Section 4 of Article XVIII, Ohio constitution, as an aggregator for the provision of competitive retail natural gas service.

"Human Needs Customer" means any service account, including Cooperative member customers, where the use of natural gas is for space heating of a permanent residence or for use by a governmental agency or public service organization that provides emergency or life support services. Human needs customers shall include, but is not limited to hospitals, nursing homes, student dormitories, and residential correctional institutions, but shall exclude schools, hotels and motels.

"Industrial Customer" means a Customer using gas primarily in a process which either involves the extraction of raw or unfinished materials in another form or product through the application of heat or heat treating, steam agitation, evaporation, baking, extraction, drying, distilling, etc.

"Local Gas Purchase Adjustment" means an adjustment that Columbia shall make equally to all CHOICE, DSS and SCO Demand Curves that is representative of the Ohio Production supply quantities, firm city gate supplies, and those supplies purchased by Columbia through Operationally Retained Capacity.

Local Gas Purchase Adjustment- means an adjustment that Columbia shall make equally to all CHOICE, DSS and SCO Demand Curves that is representative of the Ohio Production supply quantities, firm city gate supplies, and those supplies purchased by Columbia via Operationally Retained capacity.

"Local Gas Purchase Percentage" means the percentage adjustment that Columbia shall apply equally to all CHOICE and SCO Demand Curves representative of the expected annual volume of Ohio Production, purchases

SECTION VII

PART 2 - DEFINITIONS OF TERMS

under city gate gas purchase contracts and supplies purchased by Columbia via the Operationally Retained Capacity.

"Local Gas Purchase Price" means the TCO Monthly Index plus a fixed dollar amount, to be determined annually. The fixed dollar amount shall be determined through the comparison of Columbia's actual, normalized purchase rate, including demand costs, with the weighted TCO Monthly Index for the most recent November-October period.

"Local Gas Purchase Requirement" means a volume of gas that CHOICE and SCO Suppliers shall purchase from Columbia monthly, which shall be approximately equal to Columbia's purchases of Ohio Production, purchases under city gate gas purchase contracts, and supplies purchased via Operationally Retained Capacity that Columbia acquires to assure reliability and sufficiency of supply for all CHOICE and SCO eligible customers.

"Maumee Gate" means the interconnection between PEPL and Columbia located at Maumee Ohio.

"Mcf" means one thousand cubic feet of natural gas.

"MDQ" means maximum daily quantity.

"Mercantile Customer" has the meaning set forth in division (L) of Section 4929.01 of the Ohio Revised Code.

"NAESB"- Is an acronym which stands for the North American Energy Standards Board.

"Natural Gas Company" has the meaning set forth in division (G) of Section 4929.01 of the Ohio Revised Code.

"NCGT" means North Coast Gas Transmission, LLC.

"New Customers" means (a) customers establishing service with Columbia for the first time, including both the initial installation of a new meter at a premise as well as an account transfer or switch from one customer to another; or (b) customers relocating within Columbia's service territory.

"NYMEX" means the New York Mercantile Exchange.

"NYMEX Price" means the final settlement price of the natural gas futures contract each month.

"Operationally Retained Capacity" means that portion of Columbia's firm city gate and related upstream pipeline capacity that Columbia is unable to directly assign to CHOICE and SCO Suppliers under Columbia's Capacity Allocation Process.

"Operations and Governance Plan" means a plan adopted by a Governmental Aggregator pursuant to division (C) of Section 4929.26 of the Ohio Revised Code.

"Opt-In Governmental Aggregator" means those Governmental Aggregators who perform aggregation pursuant to Section 4929.27 of the Ohio Revised Code.

SECTION VII

PART 2 - DEFINITIONS OF TERMS

"Opt-Out Governmental Aggregator" means those Governmental Aggregators who perform automatic governmental aggregation pursuant to Section 4929.26 of the Ohio Revised Code.

"Opt-Out Notice" means a notice provided to Customers pursuant to Section 4929.26 of the Ohio Revised Code.

"Peak Day Forecast"- Shall mean the projected Columbia system maximum daily firm demand determined annually by Columbia. This determination shall exclude the demand of qualifying TS customers that have elected Backup Service.

"Peaking Service" means a firm delivery service provided to Suppliers by Columbia utilizing TCO and PEPL storage assets retained to provide daily balancing services, Ohio Production Contracts, and Operationally Retained Capacity. This service is provided to meet CHOICE and SCO customer demand once Suppliers have delivered all supplies as specified by their Demand Curves.

"PEPL" means Panhandle Eastern Pipe Line Company.

"Person" has the meaning set forth in division (H) of Section 4929.01 of the Ohio Revised Code.

"Pipeline Scheduling Point" or "PSP" means a single delivery point or set of delivery points grouped or designated by an upstream pipeline for purposes of scheduling gas supplies for delivery by such upstream pipeline and shall consist of the following: interconnections with Panhandle Eastern Pipe Line Company, and Columbia Gas Transmission, LLC. The interconnections with Columbia Gas Transmission, LLC include the Market Areas and Master List of Interconnections as defined in the General Terms and Conditions of the FERC Gas Tariff of Columbia Gas Transmission, LLC. As of December 2, 2009, the Columbia Gas Transmission, LLC Pipeline Scheduling Points included: 22 (Portsmouth); 23-1 (Toledo); 23-3 (Lima); 23-4 (Alliance); 23-5 (Columbus); 23-6 (Dayton); 23-8 (Mansfield); 23-9 (Ohio Misc.); 23N-2 (Parma); 23N-7 (Sandusky); 24-35 (Pittsburgh); and 24-39 (New Castle).

"Points of Receipt" means those measurement locations where Customer-owned gas is delivered into Company's system.

"Pre-enrollment List" means a list of Customers and associated Customer information compiled by a Natural Gas Company pursuant to Section 4929.22(F) of the Ohio Revised Code and as directed by the Commission.

"Program Year"- means the twelve month period beginning April 1st through the following March 31st.

"PUCO" means the Public Utilities Commission of Ohio.

"Residential Customer" means a Customer who contracts for a Competitive Retail Natural Gas Service for Residential purposes.

"Retail Customer" means a Person who is the final user of the natural gas and regulated delivery services.

"Retail Natural Gas Aggregation Service" means combining the natural gas load of multiple retail Residential Customers, small Commercial Customers or small Industrial Customers for the purpose of purchasing Competitive Retail Natural Gas Service on an aggregated basis.

"Retail Natural Gas Aggregator" means a Person who contracts with Customers to combine the Customers' natural gas load for the purposes of purchasing Competitive Retail Natural Gas Service on an aggregated basis.

SECTION VII

PART 2 - DEFINITIONS OF TERMS

"Retail Natural Gas Brokerage Service" is the assumption of the contractual and legal responsibility for the sale and/or arrangement for the supply of Competitive Retail Natural Gas Service to a Retail Customer in this state without taking title to the natural gas.

"Retail Natural Gas Broker" means a Person who provides Retail Natural Gas Brokerage Service.

"Retail Natural Gas Marketer" means a Person who provides Retail Natural Gas Marketing Service.

"Retail Natural Gas Marketing Service" is the assumption of the contractual and legal responsibility for the sale and provision of Competitive Retail Natural Gas Service to a Retail Natural Gas Service Customer in this state and having title to natural gas at some point during the transaction.

"Retail Natural Gas Service" has the meaning set forth in division (M) of Section 4929.01 of the Ohio Revised Code.

"Retail Natural Gas Supplier" has the meaning set forth in division (N) of Section 4929.01 of the Ohio Revised Code.

"Retail Natural Gas Supplier Aggregation Agreement" see Aggregation Agreement.

"Retail Natural Gas Supplier's Receivables" means an amount due a Retail Natural Gas Supplier.

"Retail Price Adjustment" means the price adjustment in dollars and cents that shall be applied to the NYMEX Price, monthly throughout the SCO period, the combination of which when divided by ten (10), shall represent the price paid by Columbia's SCO and DSS Customers per Ccf of consumption, exclusive of Commission approved transportation charges, fixed charges, surcharges, riders or taxes.

"SCO"- Is an acronym that stands for Standard CHOICE Offer.

"SCO Auction" – An SCO Auction is an auction in which the winning bidders receive both the right and obligation to provide natural gas commodity for a specified list of Choice eligible customers that have not elected a CHOICE Retail Natural Gas Supplier and are not served through Governmental Aggregation Programs plus their proportionate share of DSS customers' load.

"SCO Customer" – means a Choice Eligible Customer that has not elected a CHOICE Retail Natural Gas Supplier and is not served through a Governmental Aggregation Program.

"SCO Service" means commodity service available to CHOICE eligible customers that have not elected a CHOICE Retail Natural Gas Supplier and are not served though Governmental Aggregation Programs in accordance with Columbia's tariff, as modified from time to time.

"SCO Supplier" means a winning SCO Auction bidder that has received the right, and has the obligation, to provide natural gas commodity for a specified list of CHOICE eligible customers that have not elected a Competitive Retail Natural Gas Supplier and that are not served through Governmental Aggregation Programs.

"Slamming Complaint" means a Customer's allegation that the Customer was switched to or from the Customer's Retail Natural Gas Supplier or Governmental Aggregator without the Customer's authorization.

SECTION VII

PART 2 - DEFINITIONS OF TERMS

"Small Commercial Customer" means a Commercial Customer that is not a Mercantile Customer.

"Solicitation" means any communication intended to elicit a Customer's agreement to purchase or contract for a Competitive Retail Natural Gas Service.

"SCO" means Standard CHOICE Offer.

"SCO Auction" means the process that determines the Retail Price Adjustment and auctions off Tranches of SCO and DSS customer supply requirements to potential SCO Suppliers.

"SCO Supplier Agreement" means the contract between Columbia and each SCO supplier setting forth the terms and conditions of the gas supply service to be provided by the SCO supplier.

"Staff" means the Staff of the Public Utilities Commission of Ohio.

"Storage" or "Storage Capacity" means TCO Firm Storage Service (FSS) and related Storage Service Transportation (SST) capacity unless specified otherwise.

"Supplier" means the combination of all CHOICE Suppliers and all SCO Suppliers.

"Supply Curve" means the daily delivery requirement of a Supplier to Columbia from a pipeline other than TCO or the daily delivery requirement of a Supplier from TGP to TCO at Dungannon.

"System-Wide Retention Factor" means a percentage applied to consumption representing Columbia's system average lost and unaccounted for volumes and company use gas.

"TCO" means Columbia Gas Transmission, LLC.

"TCO Daily Index" means the price as reported in *Platts Inside FERC Gas Market Report* for the applicable day for "Columbia Gas , Appalachia" under the heading "Midpoint".

"TCO Monthly Index" means the price as reported in *Platts Inside FERC Gas Market Report* for the month of purchase, in the monthly report titled "Pricing of spot gas delivered to pipelines", under the column heading "Index for Columbia Gas, Appalachia".

"Technical Support and Assistance" is defined as support and assistance that may be provided by the Company to a Retail Natural Gas Supplier, Governmental Aggregator, Retail Natural Gas Broker and their Agents in connection with questions raised and research requests by a Retail Natural Gas Supplier, Governmental Aggregator, Retail Natural Gas Broker and their Agents in support of their participation in the Company's Customer CHOICE^{SM} Program.

"TGP" means Tennessee Gas Pipeline Company, L.L.C..

"Toll Free" means telephone access provided to a Customer without toll charges to the Customer.

"Transition Customers" means those customers eligible to participate in the CHOICE Program or Governmental Aggregation programs but who are not enrolled in either program nor assigned an SCO Supplier at the commencement of the billing month.

"TRK" means Trunkline Gas Company, LLC.

SECTION VII

PART 2 - DEFINITIONS OF TERMS

“Tranche” means a relatively equal portion of Columbia’s SCO and DSS supply requirements to be put up for bid in the SCO Auction.

“Weighted Average BTU Conversion Factor” means the calculation of a BTU value, performed on an annual basis, weighted by deliveries at each Pipeline Scheduling Point at which Columbia receives natural gas supplies.

“XRD” means Crossroads Pipeline Company.

SECTION VII

PART 16 - DAILY DELIVERY REQUIREMENTS

16.1 Daily Delivery Requirements

Columbia shall develop Demand Curves and Supply Curves for CHOICE and SCO Suppliers on an equivalent basis.

16.2 Demand Curves

Unless otherwise directed by Columbia, each Supplier shall deliver daily to Columbia on a firm basis, gas volumes for each of the Supplier's Aggregation Pools or Tranche(s) as indicated by the applicable Demand Curve, based on the actual temperature experienced for each Gas Day. Columbia shall post actual temperatures on its interactive website, on the day after the applicable Gas Day. If an SCO Supplier is also a CHOICE Supplier, Columbia will provide a single Demand Curve by PSP each month.

CHOICE program Demand Curves will be based on contracted customer load requirements. SCO Demand Curves will be based on assigned customer load requirements and their proportionate share of DSS load requirements for each Pipeline Scheduling Point. The per tranche proportionate share of DSS load requirements shall be determined through the establishment of a base Demand Curve divided by the number of winning tranches.

Columbia shall develop the Demand Curves through the use of historical monthly customer billing data; proportionally adjusted to Columbia's Design Demand; adjusted to reflect Columbia's purchase of Ohio Production, purchases under Operationally Retained Capacity and the Columbia provided Peaking Service; incorporation of Columbia's System-Wide Retention Factor and Weighted Average BTU Conversion Factor; and any other component identified by Columbia as beneficial to the development of the Demand Curves.

Upon prior notice to Choice and SCO Suppliers, Columbia may modify the Demand Curves during the calendar months of October and November to provide for deliveries by the Supplier that are less than the projected consumption level of Supplier's Aggregation Pool or Tranche allocation. Likewise, Columbia may modify the Demand Curves during the months of May through August to offset any such planned under-deliveries in the months of October and November. Columbia may also revise the Demand or Supply Curves, as it deems necessary for operational reasons.

Unless otherwise specified by the Company to improve system operations, the Pipeline Scheduling Points of Columbia Gas Transmission, LLC shall be utilized by Columbia for purposes of developing Demand Curves.

16.3 Provision of Peaking Service

Columbia shall provide Suppliers a firm Peaking Service utilizing the TCO and PEPL storage capacity retained to provide daily balancing services, Ohio Production contracts and Operationally Retained Capacity. Annually Columbia shall determine the percentage of Design Demand provided by this Peaking Service and post this percentage no later than February 1st.

Columbia's provision of this Peaking Service shall result in a Demand Curve with a constant Supplier delivery requirement between: (1) the Design Temperature; and, (2) the temperature at which the delivery requirement set forth on the Demand Curve is equal to 100% less the annually calculated Peaking Service percentage.

At temperatures colder than the Design Temperature, Suppliers shall be responsible for delivering to Columbia all incremental supply requirements as set forth in the Demand Curve in excess of their delivery requirements at the Design Temperature.

SECTION VII

PART 16 - DAILY DELIVERY REQUIREMENTS

All commodity volumes provided by Columbia under this Peaking Service shall be accounted for as part of the Supplier's total actual consumption for each Aggregation Pool or Tranche allocation in the Annual Reconciliation as described in Section 7, Part 23, Page 1 of this tariff.

16.4. Supply Curves

A. Maumee Gate

Columbia shall provide separate Supply Curves for each Supplier assigned PEPL/TRK pipeline capacity with a primary delivery point of the Maumee Gate.

Supplies at the Maumee Gate are operationally required and the associated nominations constitute daily required deliveries during the months of November through March. Supplier deliveries through the Maumee Gate for the months of April through October shall be zero.

During the months of November through March, Suppliers shall utilize the Maumee Gate Supply Curve provided by Columbia and the relevant forecast temperature to determine volumes to be delivered to Columbia at the Maumee Gate. Suppliers shall deliver to Columbia each day for the months of November through March the volumes set forth by their Columbia provided Maumee Gate Supply Curve at the forecast temperature of the PSP in which the Maumee Gate is located. Supplies nominated at the Maumee Gate may be allocated by the Suppliers to satisfy Demand Curve requirements of the PSP that includes the Maumee Gate, nominate supplies for Transportation Service Customers in the PSP that includes the Maumee Gate, sell gas to another Supplier or any combination of these options. Only supplies delivered by a Supplier to Columbia at the Maumee Gate and allocated to their Aggregation Pool or Tranche for the PSP in which the Maumee Gate is located shall count as a portion of the Supplier's Demand Curve requirements for that PSP.

Failure to deliver the specific volume of gas as required by the Maumee Gate Supply Curve at the forecast temperature shall result in the Supplier incurring a per Dth Demand Curve Noncompliance Charge to be paid Columbia based on the difference between the nomination required by the Maumee Gate Supply Curve and the actual volumes nominated. In the event that Columbia requests a modification of the nomination requirements specified by the Maumee Gate Supply Curve, such changes shall be incorporated into any determination regarding a Supplier's satisfying the Supply Curve delivery requirements.

SECTION VII

PART 16 - DAILY DELIVERY REQUIREMENTS

B. TGP Interconnection with TCO at Dungannon ("Dungannon")

Columbia shall provide separate Supply Curves for each Supplier assigned TGP pipeline capacity with a primary delivery point to TCO at Dungannon.

Supplies delivered via TGP to TCO at Dungannon are operationally required and the associated nominations constitute daily required deliveries during colder weather generally experienced during the months of November through March. Suppliers shall deliver to TCO at Dungannon each day the volumes set forth by their Columbia provided Dungannon Supply Curve at the forecast temperature of the PSP in which Dungannon is located. Supplies delivered to TCO at Dungannon may be utilized by the Suppliers as they determine in their sole judgment including, satisfying their Demand Curve requirements, providing supplies for Transportation Service Customers, selling gas to another Supplier behind the Dungannon interconnection or any combination of these options. Only supplies delivered by a Supplier to TCO at Dungannon and further nominated to Columbia via TCO and allocated to one of their Aggregation Pools or Tranches shall count as a portion of the Supplier's Demand Curve requirements for that PSP in which the nomination to Columbia is made and confirmed by TCO.

Failure by a Supplier to deliver, at a minimum, from TGP to TCO at Dungannon, the specific volume of gas as required by the Dungannon Supply Curve at the forecast temperature shall result in the Supplier incurring a per Dth Demand Curve Noncompliance Charge to be paid Columbia based on the difference between the nomination required by the Dungannon Supply Curve and the actual volumes nominated. In the event that Columbia requests a modification of the nomination requirements specified by the Dungannon Supply Curve, such changes shall be incorporated into any determination regarding a Supplier's satisfying the Dungannon Supply Curve delivery requirements.

C. Coordination with TCO Deliveries

Supplier nominations from TCO to Columbia shall be utilized in conjunction with any supplies nominated from a pipeline other than TCO, if any, to match each Demand Curve's supply requirements at the actual temperature posted for the relevant PSP. Suppliers may utilize forecast temperatures as a guideline in scheduling supplies from TCO but must utilize the actual posted temperature when making final Demand Curve nominations to Columbia.

16.5 Delivery by Location

Suppliers shall deliver on a firm basis, sufficient supplies of natural gas to meet their Demand Curves. For each Demand Curve, such delivery shall be made at Columbia receipt points within the specific TCO PSP for which the Demand Curve is developed.

SECTION VII

PART 16 - DAILY DELIVERY REQUIREMENTS

16.6 Request for an Alternate Delivery Point

Columbia will consider, to the extent operationally feasible, Supplier requests to deliver supplies to Columbia receipt points from interstate pipelines other than TCO, on a case-by-case basis. Such requests shall be for deliveries to satisfy Demand Curve requirements in the same TCO PSP in which the requested alternate delivery point is located. To the extent a request is granted in writing by Columbia, deliveries to such Alternate Delivery Point shall be performed by the Supplier in accordance with a Columbia supplied Supply Curve specific to the Alternate Delivery Point.

16.7 Service Reliability

Each Supplier agrees to assist Columbia when requested to answer any questions Columbia receives from the Commission or the Office of the Consumers' Counsel with regard to reliability of service.

16.8 Failure to Deliver to Demand and Supply Curves – Non-Compliance Charges

Non-Compliance Charges - On days when an OFO/OMO is not in place, a per Dth Non-Compliance Charge equal to the higher of $10.00 or 150% times the TCO Daily Index adjusted for SST commodity and shrinkage will be billed the Supplier based upon the Dth quantity difference between the Supplier's daily Demand and/or Supply Curve delivery requirement and the actual pipeline daily confirmed volume delivered to Columbia, for each day of difference.

On days when an OFO/OMO is in place, a per Dth Non-Compliance Charge equal to the higher of $30.00 or 150% times the TCO Daily Index adjusted for SST commodity and shrinkage will be billed the Supplier based upon the Dth quantity difference between the Supplier's daily Demand and/or Supply Curve delivery requirement and the actual pipeline daily confirmed volume delivered to Columbia, for each day of difference.

In addition to the above Non-Compliance Charges, on days when Columbia incurs a penalty from an upstream pipeline provider, CHOICE and/or SCO Suppliers that have failed to match deliveries to Columbia with those specified by their Demand Curves and/or Supply Curves applicable to deliveries by the penalizing pipeline, shall pay a proportionate share of the penalty costs incurred by Columbia.

16.9 Combined Daily Nominations

Any Supplier that serves one or more Choice Aggregation Pools and also serves one or more SCO Tranches must make combined daily nominations for Choice and SCO. These combined nominations apply to both Demand Curves and Supply Curves.

16.9.

RESERVED FOR FUTURE USE

SECTION VII

PART 17 - CAPACITY ASSIGNMENT

17.1 Capacity Allocation Process

Columbia will retain a combination of firm interstate and intrastate pipeline transportation and storage capacity, local gas supplies, and operationally required city gate supplies referred to as its "Capacity Portfolio.

A. Columbia shall allocate its capacity contracts to be temporarily assigned all Suppliers on a "level playing field" basis each program year.

B. Columbia shall allocate capacity based on the Pipeline Scheduling Points of TCO.

C. The level of capacity that Columbia shall utilize for this Capacity Allocation Process shall be equal to Columbia's total capacity/city gate supply portfolio including firm pipeline contracts, Ohio Production supply contracts, and operationally required city gate supplies, less the firm capacity retained by Columbia for release to Transportation Service Customers and less the capacity retained by Columbia to provide Backup Service to Transportation Service Customers.

D. Capacity shall be assigned for each PSP equally to each Supplier on a percentage of Design Demand basis. Columbia shall provide a Peaking Service for each PSP equally to each Supplier on a percentage of Design Demand basis. Each Supplier will receive equal percentage assignments of capacity not to exceed 100% of its Program Year Design Demand for each PSP to meet their delivery obligation.

E. Capacity assignment under this process to be effective April 1st, of each SCO Program Year shall be refreshed each month consistent with changes in the CHOICE/SCO Suppliers customer groups or delivery obligations.

F. The process of determining how Columbia will allocate capacity to each PSP shall be as follows:

1. Columbia shall determine the percentage of capacity it shall assign each Supplier up to but not to exceed 100% of its Design Demand delivery obligation, including the Peaking Service provided by Columbia ("Capacity Assignment Percentage"). The firm capacity assigned to suppliers shall exclude capacity Columbia has retained for assignment to Transportation Service Customers and to provide Backup Service to Transportation Service Customers.

2. Columbia shall retain TCO FSS and PEPL FS storage capacity (including associated transportation capacity) to provide CHOICE/SCO and DSS balancing services. This retained storage capacity shall be equal to approximately 22% of the Design Demand. Columbia shall also retain all Ohio Production contracts, firm city gate supplies and all Operationally Retained Capacity not otherwise assignable as described hereinafter. Columbia shall use the capacity retained to first provide its firm Peaking Service and the other limited firm supply services for Suppliers and thereafter to provide its non-firm Banking and Balancing Service to its Transportation Service Customers.

3. Columbia shall next determine the percentage of Design Demand to be assigned as storage to each Supplier by PSP. The level of storage capacity assigned as a percentage of Design Demand shall be equal for all PSPs. For the PSP that includes the Maumee Gate, the assignment of PEPL storage and related firm transportation capacity shall be within the percentage calculated hereunder.

SECTION VII

PART 17 - CAPACITY ASSIGNMENT

4. Columbia shall then determine the percentage of Design Demand to be assigned as Firm Transportation Capacity to each Supplier by PSP. The level of firm transportation capacity assigned as a percentage of Design Demand shall be equal for all PSPs. For the PSP that includes the Maumee Gate, the assignment of PEPL non-storage related firm transportation capacity shall be within the percentage calculated hereunder. For those PSP that require the upstream delivery of natural gas from TGP to TCO, any TCO FTS capacity assigned in those PSP shall have TGP FT-A capacity assigned in association with the TCO FTS capacity. At all other PSP, TCO FTS capacity assigned shall also have upstream CGT FTS-1 capacity assigned in proportion to Columbia Gulf FTS-1 capacity held by Columbia.

5. To the extent that Columbia is unable under this methodology to fully assign all city gate firm capacity including PEPL, PEPL/TRK, and TCO/TGP capacities, Columbia shall retain this capacity as Operationally Retained Capacity and utilize this capacity in providing its Peaking Service and other gas supply services to Suppliers as necessary.

6. In the event that any pipeline capacity provider with which Columbia has contracted changes the configuration of its system or the scheduling requirements at its PSP(s), Columbia shall have the right to recall and reassign capacity from/to Suppliers as it deems necessary.

17.2 Assignment of Capacity

A. All assignments by Columbia will be priced at the price Columbia would have paid under its contract with the upstream interstate pipeline.

B. Capacity to be assigned by Columbia to Suppliers shall include the following:
   1) TCO Rate Schedules Firm Transportation Service (“FTS”), Firm Storage Service (“FSS”) including Storage Service Transportation (“SST”)
   2) CGT Rate Schedule Firm Transportation Service (“FTS-1”).
   3) PEPL Rate Schedules Enhanced Firm Transportation Service (“EFT”) and Flexible Storage Service (“FS”)
   4) TRK Rate Schedule Firm Transportation Service (“FT”)
   5) TGP Rate Schedule Firm Transportation Service (“FT-A”)

C. The PEPL and TRK capacity shall be deemed delivered to Columbia’s distribution system at the PSP in which the Maumee Gate is located. The sum of daily Suppliers volumes delivered via PEPL and TRK and allocated to the Suppliers’ Aggregation Pool or Tranche for that PSP, plus the Supplier volumes delivered via TCO at the PSP in which the Maumee Gate is located must equal the Demand Curve for the PSP in which the Maumee Gate is located as specified in Section 16.4 of this tariff.

SECTION VII
PART 17 - CAPACITY ASSIGNMENT

D. Suppliers shall deliver natural gas supplies to Columbia from its capacity at the Maumee Gate during the months of November through March in accordance with a Supply Curve supplied by Columbia specific to Columbia's physical requirements and receipt capability at the Maumee Gate. This Supply Curve shall be separate from each Supplier's Demand Curve for the PSP in which the Maumee Gate is located. A Supplier that fails to deliver the supplies required by the Maumee Gate Supply Curve shall incur the same non-compliance charge associated with failure to deliver natural gas supplies under their Demand Curves. The Supply Curve for the Maumee Gate during the months of April through October shall be equal to zero.

E. Regardless of any other provision of this tariff, Suppliers shall nominate natural gas supplies to Columbia at the Maumee Gate based upon the volume specified by the Columbia provided Supply Curve for the Maumee Gate at the forecast temperature projected on the day preceding the Gas Day. There will be no adjustment to nominated volumes delivered to Columbia at the Maumee Gate based upon the actual temperature experienced.

F. Columbia will provide Suppliers with Supply Curves for the required deliveries from TGP to TCO at Dungannon. These Supply Curves will be determined based upon TCO's requirements to serve downstream markets. The TGP Dungannon Supply Curves shall represent the minimum amount of supply that a Supplier must nominate from TGP to TCO at the forecasted temperature for the PSP in which Dungannon is located. A Supplier that schedules quantities from TGP to TCO at Dungannon which is less than that required by the associated Supply Curve at the forecast temperature shall incur the same non-compliance charge associated with failure to deliver natural gas supplies under their Demand Curves.

G. To the extent that Suppliers have taken direct assignment of capacity from Columbia, Columbia will pass through to such Suppliers their proportionate share of capacity-related refunds received by Columbia, when such refunds are directly related to the assigned capacity. All refunds distributed by Columbia pursuant to this tariff provision will be distributed proportionately based upon the cost of capacity assigned the Supplier as compared to the total amount of the capacity costs charged to Columbia for the capacity to which the refund applies during the refund period. Suppliers shall not be entitled to refunds to the extent such Suppliers have received refunds directly from a pipeline company with regard to the same capacity. No refunds will be issued to Suppliers that receive assignment of capacity from Columbia where the total refund received by Columbia is less than $100,000. Refunds will not be made to Suppliers that have terminated participation in Columbia's CHOICE program or Columbia's SCO Auction prior to Columbia's receipt of any refund. Any refund under $100,000, and any refund amounts not passed through to Suppliers that have terminated participation in Columbia's CHOICE program or Columbia's SCO Auction, will be credited to the CSRR.

SECTION VII

PART 17 - CAPACITY ASSIGNMENT

H. In the event that the Commission would find in an order or entry that any refund passed on to any party by Columbia pursuant to this tariff should have instead been credited to Columbia's CSRR, all parties will return to Columbia all refund amounts subject to said Commission order or entry, and Columbia will then credit such refund amounts to the CSRR.

17.3 Capacity Assignment: Methodology for Initial Assignment

A. The initial assignment of Columbia's firm transportation and storage capacity to all Suppliers shall be made effective April 1st of each SCO Program Year and refreshed monthly consistent with changes in the CHOICE and SCO Suppliers customers' Design Demand delivery obligation and SCO Supplier's proportionate share of DSS Design Demand delivery obligation, each at the rate Columbia would have otherwise paid for the capacity.

B. Columbia shall assign to each Supplier for each PSP in which they have delivery requirements, firm city gate and associated upstream transportation capacity and storage and related transportation capacity on a pro rata basis in accordance with the Capacity Allocation Process. Suppliers will not be permitted to change any primary points of receipt or delivery associated with assigned pipeline transportation contracts during the term of the capacity assignment.

C. Columbia holds discounted contracts with PEPL and TRK, Contract Nos. 18604 and 18122 respectively, where the utilization of alternate points will cause additional charges to be incurred by Columbia. The approved receipt and delivery points under these PEPL and TRK contracts are set forth in the table below. In the event the Supplier receives and/or delivers natural gas at points other than those approved points set forth in the table below and in so doing causes incremental costs to be incurred by Columbia, the Supplier shall pay Columbia for any and all associated incremental costs and/or penalties billed by PEPL and/or TRK due to such receipts and/or deliveries. Columbia shall have the right, through setoff in the Suppliers' payments, to collect any costs owed Columbia as a result of a Supplier utilizing a receipt or delivery point other than those provided for in Columbia's PEPL and TRK contracts.

PEPL Contract No. 18604

Approved Receipt Points

Primary	Bourbon (PBRBN)

Approved Delivery Points

Primary	Columbia of Ohio Maumee (COLOH)
Secondary	Lebanon Lateral (02821)
Secondary	Columbia Gas Maumee (COLGA)
Secondary	Columbia Gas Cecil (CECIL)
Secondary	NIPSCO (NIPS)*
Secondary	East Ohio (EOHIO)*

*Incremental 2 cent commodity cost

TRK Contract No. 18122

Approved Receipt Points

Primary	Patterson-ANR (80368)
Secondary	ELA or WLA

Approved Delivery Points

Primary	Bourbon-TGC (80023)

SECTION VII
PART 17 - CAPACITY ASSIGNMENT

E. The assigned TCO FSS Storage Contract Quantity (SCQ) will be in the same ratio to the assigned Maximum Daily Storage Quantity (MDSQ) as the ratio that exists between the SCQ and the MDSQ in Columbia's TCO FSS contract. The assigned PEPL FS Maximum Stored Quantity (MSQ) will be in the same ratio to the assigned Maximum Daily Withdrawal Quantity (MDWQ) as the ratio that exists between the MSQ and the MDWQ in Columbia's PEPL FS contract.

F. Suppliers assigned TCO FSS capacity shall also be assigned the associated TCO SST capacity. The TCO SST quantity to be assigned for the months of October through March shall be equivalent to the MDSQ of the assigned TCO FSS capacity. The TCO SST quantity assigned for the months April through September shall be equivalent to 50% of the MDSQ of the assigned TCO FSS capacity, rounded up to the nearest whole Dth. Suppliers assigned PEPL FS capacity shall also be assigned the associated PEPL EFT capacity. The PEPL EFT quantity to be assigned for the months of November through March shall be equivalent to the MDWQ of the assigned PEPL FS capacity adjusted for retainage on PEPL. The PEPL EFT quantity assigned for the months April through October shall be equivalent to 38.9% of the MDWQ of the assigned PEPL FS capacity adjusted for retainage on PEPL, rounded up to the nearest whole Dth.

G. In addition to the requirements of this tariff, Suppliers assigned capacity by Columbia are subject to the terms and conditions of the tariffs of those transmission companies on whose facilities capacity was assigned. The costs of the assigned capacity will be paid directly to the pipelines by the Suppliers pursuant to the applicable pipeline capacity release payment procedures.

17.4. Adjustments to Assignment: Monthly Review and Release.

A. Following Columbia's assignment of capacity to Suppliers made on April 1st of each Program Year Columbia shall review the amount of capacity assigned to Suppliers monthly and shall release capacity for subsequent months based on the Columbia determined Design Demand of each Supplier's then current customer group(s) or delivery obligation.

B. Subsequent to Columbia's release of capacity to Suppliers on April 1st of each Program Year for any release, recall and reassignment of capacity by Columbia pursuant to this Section, each Supplier shall be responsible for the acquisition and/or disposition of any storage volumes to satisfy the provisions of this tariff, the provisions of the tariffs of all pipelines on which the Suppliers are assigned capacity, and/or to satisfy the delivery requirements of their individual Demand and/or Supply Curves. Columbia shall not have any responsibility to purchase and/or sell storage volumes to Suppliers pursuant to this Paragraph 17.4.B.

SECTION VII
PART 17 - CAPACITY ASSIGNMENT

C. Notwithstanding the provisions of Section 17.4.B of this tariff, the following exemptions shall apply:

1. If a CHOICE or SCO Supplier(s) leaves or if a CHOICE or SCO Supplier is terminated from Columbia's CHOICE Program® or SCO Auction, respectively, Columbia shall recall from the departing Supplier(s) the related capacity assigned by Columbia and Columbia shall have the option to purchase the storage gas associated with the recalled TCO FSS and PEPL FS capacity. The price to be paid for any gas purchased by Columbia shall be:

   The average of the TCO Monthly Index prices for the April through October time period immediately preceding the date of purchase by Columbia, adjusted for the TCO SST commodity rate, TCO SST retainage rate, TCO FSS retainage rate, and TCO FSS injection charges. Should a CHOICE or SCO Supplier leave or a CHOICE or SCO Supplier be terminated in a month during the April through October time period, the price to be applied shall be the average of the TCO Monthly Index prices for the time period of the immediately preceding April through the month in which the departure event occurs. The rate to be paid per Dth by Columbia shall be calculated according to the following formula:

Price per Dth Paid by Columbia = {(Average TCO Monthly Index Price / (1 –TCO SST Shrinkage Rate) + TCO SST Commodity Charge) / (1 – TCO FSS Shrinkage Rate) + TCO FSS Injection Charges}

D. Regardless of the reason for the recall/reassignment of capacity, the affected Supplier shall remain responsible for all demand and commodity costs, fees, penalties, and other costs incurred from the interstate pipeline and related to service prior to the recall/reassignment of the capacity.

E. If a new CHOICE Supplier enters the CHOICE Program® Columbia will assign capacity in accordance with the Capacity Allocation Process and Paragraph 17.4.A of this tariff. CHOICE Suppliers so assigned capacity shall be responsible for the acquisition of any and all commodity supplies necessary to provide the required supplies to Columbia under their Demand and/or Supply Curves, including but not limited to storage inventory volumes.

17.5 Storage Gas Inventory Transfers

On April 1st of each Program Year, each SSO Supplier not continuing as an SCO Supplier, or continuing as an SCO Supplier with fewer tranches in the SCO Program, must offer for sale to the replacement SCO Supplier(s) and the replacement SCO Supplier(s) must purchase, an amount of storage inventory equal to 2% of the TCO FSS SCQ assigned the Supplier by Columbia effective April 1st of the applicable Program Year. The price of the storage inventory sold to each SCO Supplier shall be equal to the first of the month TCO Monthly Index price, for April of the applicable Program Year, adjusted for the TCO SST commodity rate, TCO SST retainage rate, TCO FSS retainage rate, and TCO FSS injection charges. Payment for such transfers will occur not more than five days subsequent to the receipt of an invoice. More specifically, the price shall be determined as follows:

Price per Dth Paid to Supplier = {((April first of the month TCO Monthly Index Price for new SCO Program Year / (1 –TCO SST Shrinkage Rate) + TCO SST Commodity Charge) / (1 – TCO FSS Shrinkage Rate) + TCO FSS Injection Charges}

SECTION VII

PART 17 - CAPACITY ASSIGNMENT

Columbia will not be required to either purchase or sell storage inventory volumes as part of such a transfer, but may be called upon to help facilitate communications between parties.

Columbia will not purchase or sell storage commodity volumes associated with the monthly assignment of capacity except as provided for in Section 17.4.C.

Any CHOICE Supplier exiting the CHOICE Program will be solely responsible for the disposal of any gas inventory in its Columbia assigned storage capacity, at its own expense. Any SCO Supplier not continuing, or continuing but with a fewer number of tranches, as a Supplier for the next SCO period must offer for sale to the succeeding SCO Supplier(s), and the succeeding SCO supplier must purchase, an amount of storage inventory equal to 2% of the TCO FSS SCQ assigned to the Suppliers by Columbia effective April 1 of the next Program Year. The sale shall be completed on April 1st of each subsequent Program Year using the same index based price formula as was used for the prior April 1st sale, and replacing the prior April first of the month TCO Monthly Index price with the first of the month TCO Monthly Index price for the April in which the sale occurs. Columbia will not be required to either purchase or sell storage inventory volumes as part of such a transfer, but may be called upon to help facilitate communications between parties.

17. 6 Reassignment of Capacity

Suppliers may reassign capacity, subject to recall by Columbia. The original assignee shall remain subject to all Operational Flow Orders (OFO) and Operational Matching Orders (OMO) and all recall provisions invoked by Columbia. The assignee continues to be responsible to Columbia for payment of all upstream pipeline charges associated with the assigned capacity, including, but not limited to demand and commodity charges, shrinkage, injection and withdrawal charges, ACA charges, cash outs, transition costs, pipeline overrun, actual cost adjustments and all other applicable charges. The reassignment of capacity by a Supplier will not alter or amend, in any fashion, the Supplier's obligation to deliver gas supplies to Columbia in accordance with the Demand and/or Supply Curves provided the Supplier by Columbia.

SECTION VII

PART 17 - CAPACITY ASSIGNMENT OPTION

A Supplier may reassign PEPL and TRK capacity to a third party subject to recall by Columbia. However, the reassignment of any volume of PEPL and/or TRK capacity will not alter or amend, in any fashion, the Supplier's obligation to deliver gas supplies to the Maumee Gate, in accordance with the Supply Curve for the Maumee Gate provided the Supplier by Columbia. Furthermore, should a Supplier reassign any of the PEPL capacity to a third party (other than an agency or similar arrangement whereby the deliveries are made on behalf of the Supplier), Columbia will not accept delivery of gas from such a third party at the Maumee Gate. Should a Supplier reassign a portion or all of its assigned PEPL capacity to a third party under an agency or similar arrangement whereby such third party will have the responsibility of making deliveries on behalf of the Supplier, Supplier shall notify Columbia at least 15 days prior to the initiation of deliveries under such Agency or similar arrangement and provide Columbia with the name of such third party and any additional information related to such arrangement as requested by Columbia.

A Supplier may reassign TGP capacity to a third party, subject to recall by Columbia. The reassignment of any TGP capacity will not alter or amend, in any fashion the TGP Supply Curve for delivery to TCO at Dungannon provided the Supplier by Columbia. The sum of all daily nominations by the Supplier and the third party to which TGP capacity is released by the Supplier, at the TGP/TCO Dungannon interconnect, must, at a minimum, meet the Supply Curve delivery quantity at the forecast temperature for the Dungannon interconnect.

A Supplier may use other pipeline capacity to deliver supply as required under the Demand Curves and reassign portions of its Columbia-released pipeline capacity, subject to the limitations and restrictions as set forth in this tariff.

17.7 Recommended Storage Guidelines

Inventory Level Recommendations

Date	Percent of Assigned SCQ
1-Nov	98%
15-Feb	>30%
5-Mar	>20%
22-Mar	>10%
31-Mar	>2%

SECTION VII

PART 18 - BALANCING SERVICES

18.1 System Balancing

A. Columbia shall provide Suppliers a Non-Temperature Balancing Service. Non-Temperature Balancing Service provides for balancing of the difference between (1) actual customer demand and (2) the total volume indicated by the Demand Curves at the actual temperature experienced for the applicable Gas Day.

B. Effective with implementation of each SCO Program Year, on April 1st Columbia will retain a portion of its TCO FSS and PEPL FS storage capacity equal to approximately 22% of the Design Demand to perform the system balancing function.

C. Columbia may utilize operational purchases and sales to ensure that the system is properly balanced. Examples include, but are not limited to, items such as purchases utilizing Operationally Retained Capacity and purchases/sales performed in managing storage inventory levels.

D. All costs incurred by Columbia in performing system balancing and all revenues received by Columbia for providing system balancing, including operational purchases/sales performed in managing storage inventory levels, shall be recognized in the computation of the CSRR.

E. Columbia shall utilize the TCO FSS and PEPL FS storage capacity retained to provide system balancing, when not required to provide Non-Temperature balancing service for its CHOICE, SCO and DSS customers, to provide its non-firm Banking and Balancing Service for Transportation Service Customers. All Banking and Balancing Service revenues received by Columbia from Transportation Service Customers from the provision of its non-firm Banking and Balancing Service shall be flowed to CHOICE, SCO and DSS Customers through the CSRR.

18.2 Pipeline Delivery Point Imbalances

As meter operator, Columbia has the responsibility to manage imbalances that occur between all confirmed nominations, at the PSP and system demand, which occurs at the individual points of delivery.

SECTION VII
PART 20 - PAYMENTS TO SUPPLIERS

4) Related Charges for reimbursement to Columbia for a pro-rata share of all charges Columbia incurs in connection with interstate pipeline transportation of Supplier-Delivered Gas including any gas costs, penalty charges or cash-outs.

5) A Credit Evaluation Fee which is a $50.00 charge for each financial evaluation.

6) Late Payment Charge(s) for failure to make payment prior to the next scheduled billing date equal to 1.5% of the unpaid balance.

7) All amounts or costs for which Company is or will be responsible if not paid Supplier; including, but not limited to, capacity charges billed by interstate pipeline companies.

8) All other amounts owed directly to Columbia by a Supplier, except for gas commodities provided by Columbia through the provision it's balancing and peaking services which shall be paid for by suppliers during the annual reconciliation process.

9) All other documented amounts which Columbia is entitled to recoup from a Supplier.

10) Gross receipts taxes, or any other applicable taxes, on amounts billed by Columbia to Suppliers.

20.3 DISPUTED BILLS

In the event of a bona fide dispute as to whether Supplier owes money to Company, the process of offset or recoupment of such amounts from Supplier shall be tolled pending a good faith review of the dispute.

Suppliers shall provide a detailed description of the dispute, including disputed amounts, to the Company within five (5) calendar days of receipt of a statement that shows quantities delivered and amounts owed, if any. Company will not provide payment of that portion being disputed until said dispute has been resolved.

SECTION VII
PART 23 - RECONCILIATION OF CONSUMPTION AND SUPPLIER DELIVERIES

23.1 Annual Reconciliation of Imbalances

A. Columbia will reconcile imbalances on an annual basis as of March 31st for each Supplier, through determination of the difference between the CHOICE Supplier's deliveries for the twelve-month period ended March 31st for each of its CHOICE Supplier's Aggregation Pools with the actual consumption of the CHOICE Supplier's Aggregation Pools, including any adjustments applicable to the annual period ended March 31st for CHOICE Suppliers. CHOICE Supplier's deliveries shall include all nominations confirmed by an upstream pipeline to Columbia at the appropriate PSP and the Local Gas Purchase Requirement volumes purchased monthly by the Supplier from Columbia, adjusted as applicable by Columbia's System-Wide Retention Factor and Weighted Average BTU Conversion Factor. The consumption of a Supplier's Choice Aggregation Pools shall incorporate an unbilled adjustment.

B. Effective each April 1st, Columbia will reconcile imbalances on an annual basis as of March 31st for each SCO Supplier, through determination of the difference between the SCO Supplier's deliveries for the twelve-month period ended March 31st and the actual consumption of the SCO Supplier's allocated customers, including any adjustments applicable to the annual period ended March 31st, plus the allocated DSS Customer consumption per Tranche for the twelve-month period ending March 31st multiplied by the number of Tranches for which the SCO Supplier is responsible for providing natural gas supplies to Columbia. The SCO consumption shall reflect billed volumes. SCO Supplier's deliveries shall include all nominations confirmed by an upstream pipeline to Columbia at the appropriate PSP and the Local Gas Purchase Requirement volumes purchased monthly by the Supplier from Columbia, adjusted as applicable by Columbia's System-Wide Retention Factor and Weighted Average BTU Conversion Factor. SCO Suppliers that are also CHOICE Suppliers will be reconciled on a combined basis in accordance with the formulas set forth in Parts 23.1A and 23.1B above.

C. The cash-out price per Dth shall be equal to the TCO Monthly Index adjusted for TCO SST retainage, the TCO SST Commodity charge, FSS retainage and the FSS Injection charge. For any month that the TCO Monthly Index price is not available for the first day, the price for the most recent preceding month will be used. The formula is as follows:

Monthly Price per Dth = {TCO Monthly Index Price / (1-TCO SST retainage rate) + TCO SST commodity charge} / (1- TCO FSS retainage rate) + TCO FSS injection charge

D. Imbalances will be eliminated through payment from Columbia to Suppliers for excess deliveries and through payment from Suppliers to Columbia for under-deliveries. The payment shall be determined by multiplying the imbalance calculated pursuant to Paragraph 23.1.A. by the cash-out price pursuant to Paragraph 23.1.B. If a Supplier is both an SCO Supplier and a CHOICE Supplier, the Supplier must elect the same Cash out option for both programs.

E. The Supplier must elect one of two options.

1. Option 1. Cash out = Annual imbalance * (Sum of Monthly Price per Dth For 12-Months/12)
2. Option 2. Cash out = Twelve month sum of the products Monthly imbalance * Monthly Price per Dth.

F. If the Supplier must pay Columbia as a result of the calculation in Paragraph 23.1.C, then the payment shall be increased by a factor equal to (1 + Gross Receipts Tax Rate).

SECTION VII

PART 25 - FULL REQUIREMENTS SMALL GENERAL TRANSPORTATION SERVICE (FRSGTS)

25.7 Delivery Charge – Full Requirements Small General Schools Transportation Service

Availability

Available to all primary and secondary school Customer accounts provided that Customer consumes less than 300 Mcf per year between September 1 and August 31. Annual consumption for Customer's service hereunder will be reviewed each August 31st.

The maximum rates for all Customer-owned volumes delivered by Company to Customer's facility where gas is being consumed are:

	On and After December 3, 2009
Monthly Delivery Charge	$16.92 per Month

The maximum delivery charge for all deliveries by Company to Customer of Customer-owned gas under this provision will be equal to the Full Requirements Small General Schools Transportation Service base rate then in effect. When a Customer can demonstrate to the Company and requests that a charge lower than the maximum delivery charge is necessary because of competition from a pipeline, distribution system or non natural gas fuel source, then the Company may charge a rate lower than the maximum delivery charge for all deliveries.

The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to fixed costs. Unless otherwise agreed by Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder.

25.8 Billing Adjustments

For all gas delivered hereunder, the bill shall be computed to reflect the following billing adjustments as set forth in Section VII, Part 29 of this tariff:

1) Interim Emergency and Temporary PIP Plan Tariff Schedule Rider;
2) Gross Receipts Tax Rider;
3) Excise Tax Rider;
4) CHOICE/SCO Reconciliation Rider;
5) Uncollectible Expense Rider;
6) Infrastructure Replacement Program Rider;
7) Demand Side Management Rider, and
8) Non-Temperature Balancing Service fee.

25.9 Late Payment Charge

Upon next scheduled billing date, an additional amount of 1.5% of the unpaid balance on the subsequent bill will become due and payable as part of the Customer's total obligation. This provision is not applicable to unpaid account balances of Customers enrolled in payment plans pursuant to Section 4901:1-18-04 of the Ohio Administrative Code.

SECTION VII

PART 26 – OHIO PRODUCTION AND OPERATIONALLY RETAINED CAPACITY

Columbia requires Ohio Production, firm city gate supplies and Operationally Retained Capacity to meet the daily, seasonal and Design Demand requirements of its CHOICE, SCO eligible and DSS customers.

26.1 Columbia purchases certain Ohio Production and firm city gate supply volumes to satisfy location-specific customer supply requirements that cannot be served via other means. These supplies are purchased by Columbia under contracts that are either: (a) not assignable to Suppliers under terms of the contract; or (b) are of such small volume that direct assignment to Suppliers is impractical.

26.2 Pursuant to the Capacity Allocation Process set forth in Part 17.1 of this Section VII, Columbia will have certain pipeline capacity assets that it will not be able to directly assign Suppliers that must be utilized to meet the Design Demand of CHOICE, SCO and DSS Customers at various locations on Columbia's system. Columbia shall retain such capacity and refer to this capacity as Operationally Retained Capacity.

26.3 Columbia shall manage the Ohio Production, firm city gate supplies, and Operationally Retained Capacity to the benefit of all Suppliers and CHOICE, SCO and DSS Customers. Columbia shall utilize these resources to provide limited seasonal supplies and provide a Peaking Service to all Suppliers on an equal percentage of Design Demand basis.

26.4 Columbia shall modify the Demand Curves of all Suppliers for all PSPs in recognition of its daily purchases of Ohio Production and firm city gate supplies as well as purchase of supplies under the Operationally Retained Capacity. Annually Columbia shall determine its expected annual purchases from these resources and calculate the percentage by which the Demand Curves will be modified. This percentage shall be known as the Local Gas Adjustment Percentage.

26.5 Each month, each Supplier shall purchase from Columbia the equivalent volume represented by the Local Gas Adjustment Percentage to the Demand Curves. These monthly purchases shall be known as the Local Gas Purchase Requirement and shall be determined by the following formula:

Local Gas Purchase Requirement = (Suppliers Demand Curve requirement * Local Gas Adjustment Percentage) / (1 – Local Gas Adjustment Percentage)

26.6 The purchase price for the Local Gas Purchase Requirement, known as the Local Gas Purchase Price, shall be defined as the TCO Monthly Index plus a fixed adder. Columbia shall determine the fixed adder prospectively, on an annual basis, by performing a historical analysis of actual purchases of Ohio Production, firm city gate supply purchases and purchases under the Operationally Retained Capacity that will be normalized to normal weather conditions. Columbia will apply the actual purchases prices, including demand costs, of these historical purchases to the normalized volumes. The total costs of these normalized purchases will be compared to the TCO Monthly Index price weighted by the normalized volumes to determine the fixed adder.

SECTION VII

PART 26 – OHIO PRODUCTION AND OPERATIONALLY RETAINED CAPACITY

26.7 All costs incurred by Columbia to purchase Ohio Production, firm city gate supplies and supplies purchased utilizing the Operationally Retained Capacity, including demand costs, shall be charged to the CSRR. All revenue received from Suppliers through the Local Gas Purchase Requirements shall be credited the CSRR.

26.8 All Local Gas Purchase Requirement purchases shall be included in the annual reconciliation process for Suppliers.

SECTION VII

PART 27 - FULL REQUIREMENTS GENERAL TRANSPORTATION SERVICE (FRGTS)

27.8 Full Requirements General Schools Transportation Service Delivery Charge

Company will charge the following maximum rates for all Customer-owned volumes delivered by Company to Customer's facility where gas is being consumed:

1) First 25 Mcf per account per month $1.6324 per Mcf
2) Next 75 Mcf per account per month $1.2350 per Mcf
3) Over 100 Mcf per account per month $0.9809 per Mcf
4) A Customer charge of $21.37 per account per month, regardless of gas consumed.

The maximum delivery charge for all deliveries by Company to Customer of Customer-owned gas under this provision will be equal to the Full Requirements General Schools Transportation Service base rate then in effect. When a Customer can demonstrate to the Company and requests that a charge lower than the maximum delivery charge is necessary because of competition from a pipeline, distribution system or non natural gas fuel source, then the Company may charge a rate lower than the maximum delivery charge for all deliveries.

The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to fixed costs. Unless otherwise agreed by Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder.

27.9 Billing Adjustments

For all gas delivered hereunder, the bill shall be computed to reflect the following billing adjustments as set forth in Section VII, Part 29 of this tariff.

1) Interim Emergency and Temporary PIP Plan Tariff Schedule Rider;
2) Gross Receipts Tax Rider;
3) Excise Tax Rider;
4) CHOICE/SCO Reconciliation Rider;
5) Uncollectible Expense Rider,
6) Infrastructure Replacement Program Rider, and,
7) Non-Temperature Balancing Service fee.

27.10 Late Payment Charge

Upon next scheduled billing date, an additional amount of 1.5% of the unpaid balance on the subsequent bill will become due and payable as part of the Customer's total obligation.

This provision is not applicable to unpaid account balances of Customers enrolled in payment plans pursuant to Section 4901:1-18-04 of the Ohio Administrative Code.

SECTION VII

PART 28 - FULL REQUIREMENTS LARGE GENERAL TRANSPORTATION SERVICE (FRLGTS)

28.3 Transfer of Service

Without limiting any rights or remedies of a Retail Natural Gas Supplier, customers may leave a Retail Natural Gas Supplier's Aggregation Pool and join any other Aggregation Pool upon assessment of a $5.00 switching fee to the succeeding Retail Natural Gas Supplier by Company, or revert to sales service from Company for which there will be no switching fee.

28.4 Character of Service

Service provided under this schedule shall be considered firm service.

28.5 Delivery Service

The Company shall charge the following rates for all Customer-owned volumes delivered by Company to Customer's facility where gas is being consumed:

1) First 2,000 Mcf per account per month	$0.4110 per Mcf
2) Next 13,000 Mcf per account per month	$0.2520 per Mcf
3) Next 85,000 Mcf per account per month	$0.2200 per Mcf
4) Over 100,000 Mcf per account per month	$0.1740 per Mcf

28.6 A 'Customer Charge' of $595.00 per Account per month, regardless of gas consumed.

28.7 Flexible Delivery Charge

The maximum delivery charge for all deliveries by Company to Customer of Customer-owned gas under this provision will be equal to the Full Requirements Large General Transportation Service (FRLGTS) base rate then in effect. When a Customer can demonstrate to the Company and requests that a charge lower than the maximum delivery charge is necessary because of competition from a pipeline, distribution system or non natural gas fuel source, then the Company may charge a rate lower than the maximum delivery charge for all deliveries.

The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to total Company fixed costs. Unless otherwise agreed by Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder.

28.8 Billing Adjustments

For all gas delivered hereunder, the bill shall be computed to reflect the following billing adjustments as set forth in Section VII, Part 29 of this tariff.

1) Interim Emergency and Temporary PIP Plan Tariff Schedule Rider;
2) Gross Receipts Tax Rider;
3) Excise Tax Rider;
4) Infrastructure Replacement Program Rider,
5) CHOICE/SCO Reconciliation Rider, and
6) Non-Temperature Balancing Service fee.

SECTION VII
PART 30 - ANCILLARY SERVICE RATES

NON-TEMPERATURE BALANCING SERVICE

30.1 Applicability

Applicable to all volumes consumed by CHOICE, SCO Customers and DSS Customers under rate schedules FRSGTS, FRGTS or FRLGTS.

30.2 Rate

All gas consumed per account per month $0.27/Mcf.

SECTION VIII – GAS SUPPLY AUCTION FOR STANDARD CHOICE OFFER
TABLE OF CONTENTS

SECTION VIII
PART 3 – SCO AUCTION PROCESS

3.1 SCO AUCTION

1) Columbia will conduct an SCO Auction in which Competitive Retail Natural Gas Suppliers ("CRNGS") certified by the Commission can compete for the ability to supply a share of the gas supply requirements for Columbia's Standard CHOICE Offer.

3.2 AUCTION BID VOLUME

1) The forecasted SCO supply requirements to be auctioned will be divided as equally as is practical into the maximum number of Tranches offered Suppliers ("Tranches"). The number and approximate size of a Tranche will be calculated by Columbia and provided to potential bidders, prior to the SCO Auction. The actual number, and size, of the tranches used in an auction may vary from year to year.

2) A maximum of four Tranches may be bid on and awarded to any individual bidder. The four Tranche limit also applies to groups of affiliated bidders and/or bidders where one bidder has an interest equal to or greater than 10% in another bidders. The maximum number of Tranches a Supplier may bid upon may vary from year-to-year dependent upon the number of Tranches to be offered suppliers. Columbia shall notify potential bidders, prior to the SCO Auction of any change to the maximum number of Tranches that may be bid upon.

3.3 AUCTION BID PRICE

1) Bidding in the SCO Auction will be for the Retail Price Adjustment, which will be fixed for the entire SCO Program Year.

2) The Retail Price Adjustment will be added to the final settlement price of the NYMEX natural gas futures contract each month ("NYMEX Price") during the SCO Program Year to determine the monthly SCO Price per Mcf that will be converted to the rate per Ccf billed to SCO Customers for gas delivered by SCO Supplier to allocated Customers and billed by Columbia to the DSS Customers.

3.4 AUCTION METHODOLOGY

1) Columbia will utilize an independent auctioneer to conduct a descending clock auction.

2) The descending clock auction will proceed in a series of rounds during a single day.

3) At the beginning of each round, the auctioneer will announce the offered Retail Price Adjustment. Based upon that offered price, each bidder will bid the number of Tranches that it is willing and able to supply at that price.

4) Assuming that the number of Tranches initially bid is in excess of sixteen, a second round will be initiated with a lower offered price. The offered price will decline from one round to the next, in decrements no smaller than five cents.

SECTION VIII
PART 3 – SCO AUCTION PROCESS

5) In each round, a bidder can either bid the same number or fewer Tranches than it bid in the preceding round.

6) The SCO Auction will end when the number of Tranches bid at an offered price equals the maximum number offered by Columbia. However, if the number of Tranches bid in a round is less than the maximum number offered by Columbia, then the auctioneer will revert back to the price of the previous round and begin the next round by reducing the price of that previous round by one cent, and will continue additional rounds using decrements of one cent until the number of Tranches bid equals the maximum number offered by Columbia. If in this process, the number of Tranches bid once again drops to less than the maximum number of Tranches offered, then the immediately prior round shall be considered the final round. In such event, because the final round will have more than the maximum number of Tranches offered by Columbia bid, the size of each Tranche will be proportionally lower as the number of customers assigned each Tranche shall be reduced accordingly. The actual number, and size, of the tranches used in an auction may vary from year to year.

7) In the event unforeseen circumstances occur during the SCO Auction that call for a modification to the process, Columbia may confer with the Commission Staff in attendance, and upon agreement, make such changes as may be deemed necessary.

3.5 COMMISSION APPROVAL

1) Immediately following the SCO Auction, the winning Retail Price Adjustment and the names of the winning bidders will be filed with the Commission for its approval.
2) Winning bidders shall execute an SCO Supplier Agreement within one week following the approval of the SCO results by the Commission.

3.6 BIDDER CONFIDENTIALITY

1) Bidders' names will be held confidential for the period of time directed by the Commission.

SECTION VIII
PART 4 – SCO SUPPLIER QUALIFICATIONS

4.1 QUALIFICATION REQUIREMENTS FOR SCO AUCTION PARTICIPANTS

1) Potential bidders in the SCO Auction will demonstrate that they have the resources and the requisite intent to perform pursuant to an SCO Supplier Agreement. Prior to the SCO Auction prospective bidders must:

   A) Provide company information, contacts, and other pertinent identification and communication information as required by Columbia;

   B) Agree to execute an SCO Supplier Agreement;

   C) Be CRNGS certified and maintain that certification during the period in which the SCO Supplier serves in that capacity;

   D) Successfully complete training as specified by Columbia no later than two weeks prior to initial flow of gas as an SCO Supplier;

   E) Agree to comply with all SCO Auction program rules and requirements as reflected in the Program Outline, SCO Supplier Agreement, Columbia's tariff, and applicable Commission orders;

   F) Meet SCO Supplier credit requirements;

   G) Meet key deadlines for participation such as timely submission of application and supporting documents, and the signing of contracts;

   H) Designate the number of Tranches on which the potential SCO Supplier would like to be able to bid;

   I) Acknowledge the receipt of SCO Auction rules and procedures and agree to be bound by those rules and procedures;

   J) Acknowledge receipt of forecasted SCO customer supply requirement data;

   K) Participate in preparatory and informational meetings directed toward potential bidders;

   L) Acknowledge the receipt from Columbia of the confidential notice setting forth the maximum number of Tranches on which the bidder is qualified to bid; and,

   M) Execute a confidentiality agreement providing Columbia access to financial information for creditworthiness evaluation and to require non-disclosure of the confidential notice described in 4.1.1.I of this Tariff.

N) Agree to provide Columbia with any additional documents and to take any additional steps that Columbia may request to perfect Columbia's interest in the Accounts Receivable being sold and assigned to Columbia pursuant to the SCO Supplier Agreement including authorizing the filing of UCC-1 financing statements to perfect Columbia's interest.

SECTION VIII
PART 4 – SCO SUPPLIER QUALIFICATIONS

2) Potential bidders in the SCO Auction must certify:

A) That bidder will maintain the confidentiality of their bidding strategy and will not retain any bidding advisors or consultants providing similar service to another bidder; and,

B) Whether bidder will bid on a stand alone basis or will be part of a bidding partnership, joint venture, or other arrangement related to the SCO Auction, and whether or not they have a 10% or greater interest in another registered bidder.

4.2 SANCTIONS

1) Sanctions may be imposed on a bidder for failing to abide by any of the preceding certification requirements. Such sanctions may include, but are not limited to the following:

A) The loss of any rights to bidder awarded in the SCO Auction.

B) Immediate termination of any other arrangements with Columbia.

C) Forfeiture of any monies owed to the bidder by Columbia.

D) Liability for Columbia's attorneys fees and court costs incurred in any litigation that arises from failure to abide by the certifications.

E) Being subject to any other legal actions, including prosecution, as Columbia in its sole discretion deems appropriate under the circumstances.

SECTION VIII
PART 5 – TIMING OF SCO AUCTIONS

5.1 TIMING OF AUCTIONS

1) An SCO Auction will be conducted in the months of January or February on an annual basis.

2) For customer billing purposes, the SCO Program Year will begin with the April billing cycle of the respective SCO Program Year at which time the prior SCO Program Year Retail Price Adjustment will be replaced by the current SCO Program Year Retail Price Adjustment. For billing purposes the SCO Program Year will end with the March billing cycle for the respective Program Year.

3) The SCO Suppliers' obligation to deliver gas supplies for the SCO Program Year will commence April 1 and end on March 31 for each respective Program Year.

4) Upon completion of the SCO Auction, the results of the SCO Auction, including the winning bid price, will be filed with the Commission for approval.

5) If the Commission does not approve the results of an SCO Auction, then Columbia will request direction from the Commission as to whether and when to conduct a follow up SCO Auction for the SCO Period or other action should take place, taking into account important factors such as the need to begin storage injections in April of each year.

6) If the Commission decides that a follow up SCO Auction should not be held, Columbia will provide GCR sales service or other default commodity sales service, and will effectuate all other changes approved by the Commission pursuant to Columbia's Application.

SECTION VIII
PART 6 – SCO SUPPLIER SECURITY REQUIREMENTS

6.1 INITIAL CREDITWORTHINESS EVALUATION

1) Each potential bidder in the SCO Auction must be pre-qualified for the number of Tranches on which it would like to be able to bid, up to a maximum of four Tranches or the number of tranches as determined by Columbia.

2) Potential SCO Suppliers must complete and sign the Company's Retail Natural Gas Supplier Registration form to be considered for participation in the Company's SCO Program and must pay the Company a fee of $50.00 for each credit evaluation that Columbia performs. Along with the Retail Natural Gas Supplier Registration form, potential SCO Suppliers must provide two executed Confidentiality Agreements in the form provided by the Company.

3) Pre-qualification shall include a creditworthiness evaluation and bidders must meet Columbia's creditworthiness/security requirements in advance of participation in the SCO Auction.

4) Bidders will have their creditworthiness assessed against exposures that include 150% of the Tranches that they express the intent to bid on to allow for sufficient credit to enable an SCO Supplier to accept an increase in its Tranche volumes, in the event of an SCO or CHOICE Supplier default, up to a level equal to 150% of the initial forecasted annual delivery requirements for the SCO Period of the Tranches won by the SCO Supplier.

5) Final creditworthiness requirements shall be communicated to potential bidders at the time that initial information packages for SCO Auction participation are sent to potential bidders..

6.2 DETERMINATION OF CREDITWORTHINES

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

Evaluations will be based on standard credit factors such as previous customer history, financial and credit ratings, trade references, bank information, unused line of credit, financial information and SCO Supplier's accounts receivable where the Company is provided a first secured interest. Based on the number of standard credit factors met by the SCO Supplier, the Company will assign a dollar credit level range for each SCO Supplier. The Company shall have sole discretion to determine creditworthiness based on the above criteria, but will not deny creditworthiness without reasonable cause.

The SCO Supplier will provide the Company with (1) its most recent financial statements (audited where available) and most recent annual report. If applicants credit should be evaluated based on a parent or other corporate credit support provider, applicant must provide the most recent fiscal financial statements of the applicable credit support providers as well. If applicant or guarantor is a publically traded company with annual 10-K and 10-Q reports filed with the SEC,

SECTION VIII
PART 6 – SCO SUPPLIER SECURITY REQUIREMENTS

applicant must further provide copies of these reports or a web address for these reports; (2) a minimum of three bank and trade references; and (3) a list of parent company affiliates and a description of corporate structure.

An SCO Supplier shall satisfy its credit security requirement, and receive an unsecured credit limit from the Company, by demonstrating that is has and maintains investment grade long-term bond ratings from any two of the following four rating agencies:

Agency	Senior Securities Rating (Bonds)
Standard & Poors	BBB- or higher
Moody’s Investors’ Services	Baa3 or higher
Fitch IBCA	BBB- or higher
Duff & Phelps Credit Rating Company	BBB- or higher

The Company may make reasonable alternative credit arrangements with an SCO Supplier that is unable to meet the aforementioned criteria and with those SCO Suppliers whose credit/security requirements exceed their allowed unsecured credit limit. The form and format of the credit arrangements must be acceptable to the Company. The Company may, at its option, require the use of any of the following as a form of financial security: a guarantee of payment; a mutually agreeable irrevocable Letter of Credit; a cash deposit; or other mutually agreeable security or arrangement. A party other than an SCO Supplier may provide credit agreements and financial security for the SCO Supplier, including a cash deposit, if acceptable to the Company. The amount of security shall remain commensurate with the financial risks placed on the Company by each SCO Supplier, as those financial risks are reevaluated by the Company from time to time, as it deems necessary.

6.3 NOTICE FILING AND DETERMINATION OF SECURITY REQUIREMENT

The Company shall file with the Commission’s Docketing Division a document that contains the formula used to determine the Company's security requirements applicable to SCO Suppliers participating in the SCO auction. The security requirement formula shall be applied in a non-discriminatory manner to determine the level of financial risk associated with each SCO Supplier. If there is a material change to the security requirement formula used by the Company, the Company may update the formula, and will file such updated formula. Notice of such filings and the reasons for any changes shall be filed with the Commission, no later than ten business days before the formula takes effect.

6.4 FINANCIAL SECURITY FOR DEFAULT EXPENSES

In addition to the Letter of Credit discussed above, upon the awarding of tranches, each SCO Supplier shall provide Columbia, by March 1 of each year, with a cash deposit equal to ten cents multiplied by the number of Mcf in the initial estimated annual delivery requirements for the SCO Program Year of the tranches won by that SCO Supplier. This security will be used to provide a liquid account to meet supply default expenses other than those covered by the Letter of Credit discussed above. Any funds remaining at the end of each SCO Program Year will be transferred to the CSRR.

SECTION VIII
PART 6 – SCO SUPPLIER SECURITY REQUIREMENTS

6.5 FINANCIAL ASSURANCE FROM COLUMBIA

The Company shall not provide Financial Assurance to SCO Suppliers related to the Company's obligations under the SCO Supplier Agreement as long as the Company continues to perform in compliance with said Agreement.

6.6 ON-GOING CREDITWORTHINESS EVALUATION

The Company reserves the right to conduct further creditworthiness evaluations during the course of the program, when information has been received by the Company that indicates the creditworthiness of a SCO Supplier may have deteriorated. SCO Suppliers agree to inform the Company of any significant change in the SCO Supplier's current financial condition.

6.7 RIGHT TO PROCEEDS

In the event of Default as defined in the Company's tariff, the Company shall have the right, upon satisfaction of the default requirements identified in Section VII, Part 24.2 of this tariff, to use the proceeds from SCO Supplier's financial security instrument(s) to satisfy all obligations under this tariff and any other agreements between the SCO Supplier and the Company in accordance with this tariff and the SCO Supplier Agreement. The proceeds from such instruments shall be used to satisfy any outstanding claims that the Company has against the SCO Supplier, including, but not limited to, interstate pipeline capacity charges, imbalance charges, cash-out charges, pipeline penalty charges, reservation charges, and any other amounts owed to the Company, for which the Company is or will be responsible, related to SCO Supplier's participation in the Program. Such proceeds may also be used to secure additional gas supplies, including payment of the costs of the gas supplies themselves, the costs of transportation, storage, gathering, taxes, and other related costs incurred in acquisition of those gas supplies.

The Company reserves the right to use SCO Supplier's assets associated with the SCO Program to offset or recoup any costs owed to and/or incurred by the Company.

6.8 FINANCIAL SECURITY FOR SCO SUPPLIERS

1) In addition to those creditworthiness/security requirements addressed above, upon the awarding of Tranches following the approval by the Commission of the SCO auction results, each SCO Supplier shall provide the Company by March 1of each year with a mutually agreeable irrevocable Letter of Credit in the amount of fifty cents per Mcf ($0.50/Mcf) multiplied by the initial estimated annual delivery requirements for the SCO Period of the Tranches won by that SCO Supplier.

2) This financial security shall be held and administered by the Company exclusively for the benefit of the other SCO Suppliers who receive an allocation of additional delivery requirements as a result of a default of the SCO Supplier that provided that security to the extent funds for distribution are received by the Company.

3) In the event of an SCO Supplier default, the Company shall distribute to other SCO Suppliers the proceeds of the security that the Company holds for the defaulting SCO Supplier to the extent the Company receives funds for distribution. This distribution of the proceeds of the defaulting SCO Supplier's security shall be allocated on a pro rata basis to other SCO Suppliers in proportion to the amount of delivery requirements each SCO Supplier receives in the process set forth in Part 7 of Section

VIII of the tariff. This allocation of the defaulting SCO Suppliers' security proceeds to non-defaulting SCO Suppliers does not require proof of damages from those non-defaulting SCO Suppliers, and constitutes the entire amount of monies that would be due the remaining SCO Suppliers from the Company as a result of such default by an SCO Supplier.

SECTION VIII
PART 7 – SUPPLIER DEFAULT

7.1 REPLACING THE SUPPLY OBLIGATIONS OF A DEFAULTING SUPPLIER

In the event that an SCO Supplier or a CHOICE Supplier defaults on its obligations as set forth in this Tariff and/or associated contractual agreements, Columbia will implement the following procedure to assure that gas supplies, that are required to serve customers in a reliable manner continue to be delivered.

1) When a Supplier defaults, Columbia will notify the defaulting Supplier of the occurrence of the default and will identify the remedies available to cure the default. A default must be cured within five (5) days of such notice.

2) In the event that a defaulting Supplier fails to cure the default, the Supplier will be terminated from further participation in the CHOICE and SCO programs.

3) If the default is not cured by the defaulting Supplier, Columbia will recall a defaulting Supplier’s assigned capacity and acquire gas supply as needed to serve the supply requirements formerly served by the defaulting Supplier.

4) If the defaulting Supplier is a CHOICE Supplier, the affected CHOICE customers will be charged their CHOICE contracted rate for the billing cycle in which the CHOICE Supplier’s termination from the CHOICE program occurs and they will pay the SCO rate in the subsequent billing cycles. If the customer of a defaulting CHOICE Supplier chooses another CHOICE Supplier from which to purchase gas, that request will be processed within the standard timing of the CHOICE program and the customer will be placed under that CHOICE Supplier’s rate accordingly.

5) CHOICE, SCO and DSS supply requirements that are un-served as a result of a Supplier default will be allocated to the remaining SCO Suppliers, as part of the monthly development of Demand Curves, in the next available monthly cycle using the allocation process described below.

   A) Following a CHOICE/SCO Supplier default, non-defaulting SCO Suppliers will receive their pro rata share of the unserved SCO customers by random assignment, by PSP, based on the number of tranches supplied by each non-defaulting SCO Supplier and pro rata share of estimated DSS demand, by PSP, based on the number of tranches served by each non-defaulting SCO Supplier up to an amount not to exceed 150% of the SCO Supplier’s initial annual delivery requirement.

   B) If, due to the 150% limit set forth directly above, this allocation process does not result in all of the supply requirements formerly served by the defaulting Supplier being assigned to non-defaulting SCO Suppliers, then Columbia shall supply the remaining supply requirements for the remainder of the SCO Period, and shall retain associated upstream capacity associated with that supply requirement. If the un-served supply requirement is the result of a CHOICE Supplier default, then the related CHOICE customers that do not select another CHOICE Supplier will begin paying the SCO Price, just as if their supply requirements had transferred to non-defaulting SCO Suppliers instead of to Columbia, and all associated gas supply and capacity costs incurred by Columbia to serve the remaining supply requirement will be charged to the CSRR.

SECTION VIII
PART 7 – SUPPLIER DEFAULT

related CHOICE customers that do not select another CHOICE Supplier will begin paying the SCO Price, just as if their supply requirements had transferred to non-defaulting SCO Suppliers instead of to Columbia, and all associated gas supply and capacity costs incurred by Columbia to serve the remaining supply requirement will be charged to the CSRR.

7.2 CAPACITY RECALLED FROM A DEFAULTING SUPPLIER

The capacity recalled by Columbia from a defaulting Supplier will be reallocated proportionally in accordance with the monthly recall and reassignment of capacity for CHOICE and SCO Suppliers specified in Part 17, Section VII of the tariff.

7.3 COSTS RESULTING FROM A SUPPLIER DEFAULT

Defaulting Suppliers are required to reimburse Columbia for any incremental costs incurred by Columbia as a result of the default. Any such costs not recovered from defaulting SCO Suppliers will be included in the CSRR.

SECTION VIII
PART 8 – SCO CUSTOMER AND DSS DEMAND ALLOCATIONS

8.1 INITIAL ALLOCATION OF SCO CUSTOMERS

On or about March 18 of each year Columbia will use its best efforts to assign to winning SCO Suppliers CHOICE eligible customers that have not elected a CHOICE Retail Natural Gas Supplier and are not served through Governmental Aggregation Programs for the SCO Program year. This annual assignment of these customers will be performed through an allocation of these customers based on revenue class; annual demand; geographical location (PSP) and credit ranking.

8.2 INITIAL ALLOCATION OF DSS CUSTOMERS

On or about the 18th day of each month, SCO Suppliers will be allocated a proportionate share of customer demand not eligible to participate in the CHOICE Program or Governmental Aggregation Programs, by PSP, based on the number of Tranches supplied.

8.3 MONTHLY ALLOCATION OF SCO CUSTOMERS

Customers may migrate to and from the CHOICE and SCO programs each billing cycle. Customers that move into Columbia's service area may enroll immediately in a CHOICE or Governmental Aggregation Program. Subsequent to the initial allocation of CHOICE eligible customers that have not elected a CHOICE Program Retail Natural Gas Supplier and are not served through Governmental Aggregation Programs, each month thereafter, on or about the 18th day of that month, Columbia will assign New Customers through the random assignment of customers, by PSP, based on the number of Tranches supplied by each SCO Supplier.

8.4 MONTHLY ALLOCATION OF DSS CUSTOMERS

Subsequent to the allocation of DSS customer demand, in accordance with Part 8.2 of this tariff, on or about the 18th day of each month thereafter, SCO Suppliers will be allocated a proportionate share of customers not eligible to participate in the CHOICE Program or Governmental Aggregation Programs, by PSP, based on the number of Tranches supplied.

8.5 ALLOCTION OF NEW CUSTOMERS

New Customers served within a political subdivision with a Governmental Aggregation program that have not joined the CHOICE Program® or Governmental Aggregation, must be served as a DSS customer during the first two billing cycles. New Customers that have not taken action to join a Governmental Aggregation or CHOICE Program at the end of the first two billing cycles will be assigned to an SCO Supplier if eligible.

8.6 CUSTOMER INFORMATION PROVIDED SCO SUPPLIERS

Upon the completion of the allocation process, SCO Suppliers will be provided with specific customer information for customers including, but not limited to, customer name, account number, billed usage, billed charges, enrollments and drops. An SCO Supplier must utilize Columbia's internet-base website in order to receive file transactions for customer billing and enrollment information.

ATTACHMENT C
REVISED TARIFFS – MARKED UP

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

D. "**Commercial Customer"** is a Customer using gas through a single meter in commercial activities such as apartment buildings, rooming and boarding dwellings, residential hotels, multifamily row housing, doubles, duplexes, combination commercial and residential accounts be considered commercial if usage is half or more than half of the total service, and for all other situations where gas is supplied to consumers in two or more dwelling units designed for the primary purposes of residences. Includes warehousing, distributing or selling commodities, providing professional services, wholesale and retail stores, offices, office buildings, hotels, clubs, lodges, associations, restaurants, railroad and bus stations, banks, laundries, dry cleaners, mortuaries, garages for commercial activity, gasoline stations, theaters, bowling alleys, billiard parlors, motor courts, camps, bars, grills, taverns, retail bakeries, hospitals, schools, churches, religious and charitable institutions, governmental agencies or the like.

E. **"Company" or "Columbia"** means Columbia Gas of Ohio, Inc.

F. **"Company's Billing Cycle"** means the Company's accounting revenue month.

G. **"Customer"** means any individual, governmental, or corporate entity taking sales service hereunder. A Customer may have more than one Account, as defined herein. The Company's service under the applicable rate schedules is provided to a single Account.

H. **"Customer's Billing Cycle"** means the monthly period that occurs between monthly meter readings taken by Company for billing purposes at Customer's facilities.

I. **"Customer's Facilities"** means the Customer's property, factories, and buildings where natural gas is being consumed.

J. **"Day"** means 24-hour period beginning at 9:00 a.m. central clock time.

K. **"Default Sales Service" or "DSS"** means a Commission-regulated sales service provided by Columbia to: (1) Transition Customers, (2) those customers not eligible to participate in the CHOICE program or a Governmental Aggregation Program, and, (3) PIPP customers.

L. **"Dekatherm"** or **"Dth"** means one million British thermal units (Btu's).

M. **"High Priority"** means the Customer has contracted for a better quality of service. The order of interruption, which determines the quality of service, is as follows: (1) All volumes exceeding Authorized Daily Volumes; (2) volumes consumed by or delivered to Customers served under Rate Schedules LGS, FRLGTS and LGTS; (3) volumes consumed by or delivered to Customers served under Rate Schedules GS, FRGTS, FRCTS and GTS; (4) Backup Service; (5) volumes consumed by or delivered to Customers served under Rate Schedules SGS, SGTS and FRSGTS; and (6) non-Transportation Service Human Needs Customers.

N. **"Industrial Customer"** means a Customer using gas in a process which either involves the extraction of raw or unfinished materials in another form or product through the application of heat or heat treating, steam agitation, evaporation, baking, extraction, drying, distilling, etc.

O. **"Mcf"** means one thousand cubic feet of natural gas.

P. **"PUCO"** means Public Utilities Commission of Ohio.

Q. **"Residential Customer"** means Customer using gas in a single-family residential dwelling or unit for space heating, air conditioning, cooking, water heating, incineration, refrigeration, laundry drying, lighting, incidental heating, or other domestic purposes. Includes a tenant billed for natural gas consumption or use by other tenants at the same premises.

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

~~R. **"SCO Rider"** means rider established to collect the cost of the natural gas commodity on Ccf basis used to provide SCO and DSS service.~~

	On and After December 3, 2009
All gas consumed per account per month	$.0000 per Mcf
Monthly Delivery Charge per account	$16.92 per Month

The maximum delivery charge for all deliveries by Company to Customer of Customer-owned gas under this provision will be equal to the Small General Schools Sales base rate then in effect. When a Customer can demonstrate to the Company and requests that a charge lower than the maximum delivery charge is necessary because of competition from a pipeline, distribution system or non natural gas fuel source, then the Company may charge a rate lower than the maximum delivery charge for all deliveries.

The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to total Company fixed costs. Unless otherwise agreed by Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder.

Low Usage, Low Income Incentive

Availability

The Low Usage, Low Income Incentive credit of $4 per account per month is available to a total of 6,000 residential customer accounts each month during the period from March 31, 2009 through the last billing unit of March, 2013. A Customer is eligible provided that the Customer qualifies or has qualified for the Home Energy Assistance Program, is not a participant in the Percentage of Income Payment Plan, and has annual weather-normalized throughput of less than 85 Mcf. The first 6,000 eligible Customers with the lowest annual consumption for the review period will receive the credit for the twelve months beginning with Unit 1 of billing in April of each year.

BILLING ADJUSTMENTS

For all gas sold hereunder, the bill shall be computed to reflect the following billing adjustments as set forth in Section V, Part No. 3 of the Company's Rules and Regulations governing the distribution and sale of gas.

(1) Standard Choice Offer Rider;
(2) PIP Plan Tariff Schedule Rider;
(3) Uncollectible Expense Rider;
(4) Gross Receipts Tax Rider;
(5) Excise Tax Rider;
(6) CHOICE/SCO Reconciliation Rider;
(7) Infrastructure Replacement Rider;
(8) Regulatory Assessment Rider; ~~and~~
(9) Demand Side Management Rider; and
(10) Non-Temperature Balancing Service Fee.

LATE PAYMENT CHARGE:

Upon next scheduled billing date, one and one-half percent (1-1/2%) will be applied to the unpaid balance, as provided in Section IV, Part No. 6 of the Company's Rules and Regulations governing the distribution and sales of gas.

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

First 25 Mcf per account per month	$1.6324per Mcf
Next 75 Mcf per account per month	$1.2350 per Mcf
Over 100 Mcf per account per month	$0.9809per Mcf

A Customer Charge of $21.37 per account per month, regardless of gas consumed.

The maximum delivery charge for all deliveries by Company to Customer of Customer-owned gas under this provision will be equal to the General Schools base rate then in effect. When a Customer can demonstrate to the Company and requests that a charge lower than the maximum delivery charge is necessary because of competition from a pipeline, distribution system or non natural gas fuel, then the Company may charge a rate lower than the maximum delivery charge for all deliveries.

The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to total Company fixed costs. Unless otherwise agreed by Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder

BILLING ADJUSTMENTS

For all gas sold hereunder, the bill shall be computed to reflect the following billing adjustments as set forth in Section V, Part No. 3 of the Company's Rules and Regulations governing the distribution and sale of gas.

(1) Standard Choice Offer Rider;
(2) PIP Plan Tariff Schedule Rider;
(3) Uncollectible Expense Rider;
(4) Gross Receipts Tax Rider;
(5) Excise Tax Rider;
(6) CHOICE/SCO Reconciliation Rider;
(7) Regulatory Assessment Rider; ~~and~~
(8) Infrastructure Replacement Program Rider; and
(9) Non-Temperature Balancing Service Fee.

LATE PAYMENT CHARGE:

Upon next scheduled billing date, one and one-half percent (1-1/2%) will be applied to the unpaid balance, as provided in Section IV, Part No. 6 of the Company's Rules and Regulations governing the distribution and sales of gas.

RULES AND REGULATIONS GOVERNING THE DISTRIBUTION AND SALE OF GAS

The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to total Company fixed costs. Unless otherwise agreed by Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder.

In the event that Customer no longer qualifies for service hereunder, Company may, upon thirty (30) days notice, terminate service hereunder and commence service under its Small General Service or General Service schedule.

BILLING ADJUSTMENTS

For all gas sold hereunder, the bill shall be computed to reflect the following billing adjustments as set forth in Section V, Part No. 3 of the Company's Rules and Regulations governing the distribution and sale of gas.

(1) Standard Choice Offer Rider (SCO);
(2) PIP Plan Tariff Schedule Rider;
(3) Gross Receipts Tax Rider;
(4) Excise Tax Rider;
(5) CHOICE/SCO Reconciliation Rider;
(6) Regulatory Assessment Rider; ~~and~~
(7) Infrastructure Replacement Program Rider~~.~~; and
(8) Non-Temperature Balancing Service fee

LATE PAYMENT CHARGE:

Upon next scheduled billing date, one and one-half percent (1-1/2%) will be applied to the unpaid balance, as provided in Section IV, Part No. 6 of the Company's Rules and Regulations governing the distribution and sales of gas.

NON-TEMPERATURE BALANCING SERVICE

Applicability

~~THIS SHEET IS BEING RESERVED FOR FUTURE USE.~~ Applicable to all customer accounts served under Rate Schedule SGS, GS, and LGS.

Rate

All gas consumed per account per month $0.27/Mcf

SECTION VII
PART 2 - DEFINITIONS OF TERMS

The following definitions apply only to Sections VII and VIII of this tariff:

"Account" includes all gas consumption of the same individual, governmental entity, or corporate entity (including subsidiaries and affiliates) that (1) occurs at a single service address; (2) is measured by a master meter; or (3) Columbia treated as single "Account" prior to November 1, 2008.

"Aggregation Agreement" is a contract between the Retail Natural Gas Supplier and the Company that specifies the terms and conditions for participation in Columbia's Customer CHOICE^SM Program that the Retail Natural Gas Supplier must comply with in order to be eligible to participate in Columbia's Customer CHOICE^SM Program. Also referred to "Full Requirements Aggregation Agreement" and Retail Natural Gas Supplier Aggregation Agreement.

"Ancillary Service" has the meaning set forth in division (B) of Section 4929.01 of the Ohio Revised Code.

"Applicant" means a person who files an application for certification or certification renewal under Chapter 4901:1-27 of the Ohio Administrative Code.

"Application Form" means a form, approved by the Commission, that an applicant seeking certification or certification renewal as a Retail Natural Gas Supplier or as a Governmental Aggregator shall file with the Commission as set forth in this chapter.

"BCF" means billion cubic feet of natural gas

"Business Day" means a 24-hour period beginning 12:01 a.m. Eastern Standard time, Monday through Friday, excluding holidays.

"BTU" means British Thermal Unit.

"Ccf" means one hundred cubic feet of natural gas.

"Capacity Allocation Process" means the process Columbia shall utilize in determining levels of pipeline capacity assigned to CHOICE and SCO Suppliers.

"Choice Aggregation Pool" means a group of customers served by a Retail Natural Gas Supplier that are located within the same PSP. A Retail Natural Gas Supplier may have more than one Choice Aggregation Pool. A Retail Natural Gas Supplier must in the aggregate, across all Choice Aggregation Pools, serve more than 100 customers or 10,000 Mcf of annual throughput, and have executed a Full Requirements Aggregation Service Agreement with the Company prior to initiating service as a Retail Natural Gas Supplier.

"Cooperative Aggregation Pool" means a group of Cooperatives served by a common Supplier. Cooperatives with a Supplier's Cooperative Aggregation Pool must be located within the same PSP.

SECTION VII
PART 2 - DEFINITIONS OF TERMS

"Capacity Assignment Percentage" ~~means a percentage calculated by Columbia that shall be equal to the sum total of Columbia's contractual firm city gate pipeline capacity and firm city gate supply contracts, less pipeline capacity retained by Columbia for assignment to Transportation Service Customers and less the pipeline capacity retained to provide Backup Service for Transportation Service Customers, the sum total of which will be divided by the Design Demand of all CHOICE, SCO eligible and DSS customers~~shall mean the percentage of the Design Demand of a Supplier's customer group that the Supplier shall receive in total through direct capacity assignment by Columbia and a peaking service provided by Columbia. This percentage as calculated by Columbia shall be approximate to but not exceed 100% .

"Ccf: Is an acronym which stands for Hundred Cubic Feet of Natural Gas.

"CGT" means Columbia Gulf Transmission Company.

"CHOICE"- means the program under which CHOICE Eligible Customers may choose their natural gas suppliers.

"CHOICE Customer"- means a CHOICE Eligible Customer who has enrolled with a CHOICE Supplier.
CHOICE Eligible Customer- means all Human Needs Customers and all Customers using less than 6,000 Mcf per year, excluding 1) Customers of PIPP, 2) Customers of Transportation Service and 3) Customers that are more than 60 days in arrears, or more than 30 days in arrears if on a payment plan.

"CHOICE Supplier" ~~means a Retail Natural Gas Supplier.~~ means a certified retail natural gas supplier participating in Columbia's Customer CHOICE Program.

"Columbia Customer CHOICE^{SM} Program" means gas transportation service provided under Columbia's FRSGTS, FRGTS, FRLGTS and FRCTS rate schedules in combination with Columbia's Full Requirements Aggregation Service set forth in Section VII of this tariff.

"Commercial Customer" is a customer using gas through a single meter in commercial activities, including but not limited to, warehousing, distributing or selling commodities, providing professional services, wholesale and retail stores, offices, office buildings, hotels, clubs, lodges, associations, restaurants, railroad and bus stations, banks, laundries, dry cleaners, mortuaries, garages for commercial activity, gasoline stations, theaters, bowling alleys, billiard parlors, motor courts, camps, bars, grills, taverns, retail bakeries, hospitals, schools, churches, religious and charitable institutions, governmental agencies, apartment buildings, rooming and boarding dwellings, residential hotels, multifamily row housing, doubles, duplexes. The combination of commercial and residential accounts will be considered commercial if usage is half or more than half of the total service, and for all other situations where gas is supplied to consumers in two or more dwelling units designed for the primary purposes of residences.

"Commission" means the Public Utilities Commission of Ohio.

"Commodity Sales Service" has the meaning set forth in division (C) of Section 4929.01 of the Ohio Revised Code.

"Company" or "Columbia" means Columbia Gas of Ohio, Inc.

~~**"Company's Billing Cycle"** means the Company's accounting revenue month.~~

~~**"Comparable Service"** has the meaning set forth in division (D) of Section 4929.01 of the Ohio Revised Code.~~

~~**"Competitive Retail Natural Gas Service"** has the meaning set forth in division (J) of Section 4929.01 of the Ohio Revised Code.~~

~~**"Consumer"** has the meaning set forth in division (E) of Section 4929.01 of the Ohio Revised Code.~~

~~**"Cooperative"** means an association organized pursuant and subject to Ohio Cooperative Law, Chapter 1729 of the Ohio Revised Code and any subsequent amendments thereto. The Cooperative itself is the customer to whom Columbia provides transportation service. However, under no circumstances, shall a~~

SECTION VII

PART 2 - DEFINITIONS OF TERMS

"Company's Billing Cycle" means the Company's accounting revenue month.

"Comparable Service" has the meaning set forth in division (D) of Section 4929.01 of the Ohio Revised Code.

"Competitive Retail Natural Gas Service" has the meaning set forth in division (J) of Section 4929.01 of the Ohio Revised Code.

"Consumer" has the meaning set forth in division (E) of Section 4929.01 of the Ohio Revised Code.

"Cooperative" means an association organized pursuant and subject to Ohio Cooperative Law, Chapter 1729 of the Ohio Revised Code and any subsequent amendments thereto. The Cooperative itself is the customer to whom Columbia provides transportation service. However, under no circumstances, shall a master metered system as defined in Ohio Revised Code Section 4905.90 (e), or any customers of such system, be deemed a Cooperative under this tariff.

"Cooperative Construction Coordinator" means person retained on site by Columbia, during construction of facilities by a Cooperative or a contractor selected by a Cooperative, to coordinate and guide the activities associated with natural gas facilities construction in accordance with all applicable requirements.

"Cooperative's Facilities" means the property and facilities constructed and maintained by the Cooperative for delivery of natural gas to its members.

"Cooperative Service Agreement" means a formal agreement between Columbia and a Cooperative that must be executed prior to the commencement of service that provides for, but not limited to, the identification of the types; size, location and costs of pipe and facilities that must be installed by the Cooperative, any contribution in aid of construction that may be required by Columbia to provide service; the point(s) of delivery; the maximum delivery pressure per hour at the inlet side of the meter to be provided by Columbia; and Columbia's establishment of an opportunity for first refusal rights should downstream facilities be sold.

"CSRR" means the CHOICE/SCO Reconciliation Rider to be charged all CHOICE, SCO and DSS Customers based on their billed throughput.

"Customer" means any individual, governmental, or corporate entity taking service hereunder. A Customer may have more than one Account. The Company's service under the applicable rate schedules is provided to a single Account. The term "Customer" also means a consumer as defined in division (E) of Section 4929.01 of the Ohio Revised Code. The term "Customer" also refers to a Cooperative who contracts with or is solicited by a Retail Natural Gas Supplier or Governmental Aggregator for the provision of a Competitive Retail Natural Gas Service.

"Customer's Billing Cycle" means the monthly period that occurs between monthly meter readings taken or estimated by Company for billing purposes at Customer's facilities.

"Customer's Facilities" means the Customer's property, facilities, and buildings where natural gas is being consumed, and Cooperative's facilities as defined herein.

~~**"Customer Information Agreement"** means a contract between the Company and party requesting the receipt of a listing of customers eligible to participate in the Company's Customer CHOICE[SM] Program that must be executed prior to the Company's release of Eligible Customer lists.~~

~~**"Customer's Maximum Daily Quantity"** means Customer's maximum estimated usage during any 24-hour period as determined by Company.~~

~~**"Daily Demand"** means Aggregation Pool demand on any day.~~

~~**"Day"** means a 24-hour period beginning at 12:01 a.m. Eastern time.~~

~~**"Dekatherm" or "Dth"** means one million British thermal units (Btu's).~~

SECTION VII
PART 2 - DEFINITIONS OF TERMS

"Customer Information Agreement" means a contract between the Company and party requesting the receipt of a listing of customers eligible to participate in the Company's Customer CHOICE[SM] Program that must be executed prior to the Company's release of Eligible Customer lists.

"Customer's Maximum Daily Quantity" means Customer's maximum estimated usage during any 24-hour period as determined by Company.

"Daily Demand" means Aggregation Pool demand on any day.

"Day" means a 24-hour period beginning at 12:01 a.m. Eastern time.

"Dekatherm" or "Dth" means one million British thermal units (Btu's).

"Default Sales Service" or "DSS" means a Commission-regulated sales service provided by Columbia to: (1) Transition Customers, (2) those customers not eligible to participate in the CHOICE program or a Governmental Aggregation Program, and, (3) PIPP customers.

"Demand Curve" means an equation relating the Daily Demand of an Aggregation Pool to such explanatory variables as the daily temperature and the impacts of weekday, weekends and holidays. This equation will include daily temperature as an explanatory variable only during the heating months. Company will utilize a weather service vendor to provide the temperature data, both forecast and actual, and will provide this temperature data to Choice and SCO Suppliers. The projected values of the explanatory variables and the Demand Curve equation together provide the projected Daily Demand of the Aggregation Pool. Company calculates the weighted average temperature for each PSP based on the temperature for the individual weather stations. The Demand Curve uses this weighted average temperature.
.
"Deposit" means a sum of money a Retail Natural Gas Supplier or Governmental Aggregator collects from a Customer as a condition for initiating service.

"Design Demand" means Customer demand on a day with Design Temperature.

"Design Temperature" means the coldest daily temperature for which Columbia plans capacity and supply.

"Direct Solicitation" means face-to-face solicitation of a Customer initiated by a Retail Natural Gas Supplier or Governmental Aggregator at the home of a customer or at a place other than the normal place of business of the Retail Natural Gas Supplier or Governmental Aggregator and includes door-to-door solicitations.

"Disclosure Statement" means any communication between a Customer and a Governmental Aggregator including operation and governance plans and opt-out notices.

"Distribution Service" has the meaning set forth in division (F) of Section 4929.01 of the Ohio Revised Code.

"Electronic Flow Control (EFC)"is an electronic instrument used for natural gas flow correction. A typical EFC is a meter mounted, single run, flow computer with an internal pressure transducer and temperature probe.

~~**"Eligible Customer"** means a Customer that is eligible to participate in a governmental aggregation in accordance with Sections 4929.26 and 4929.27 of the Ohio Revised Code and does not include any of the following: a person that is a both a Distribution Service Customer and a Mercantile Customer on the date of commencement of service to the Governmental Aggregation, or the person becomes a Distribution Service Customer after the service commencement date and is also a Mercantile Customer; a person that is supplied with commodity sales service pursuant to a contract with a Retail Natural Gas Supplier that is in effect on the effective date of the ordinance or resolution authorizing the aggregation; a person that is supplied with commodity sales service as part of the percentage of income payment plan program; or a Customer that has failed to discharge, or enter into a plan to discharge, all existing arrearages owed to or being billed by a natural gas company from which the person is receiving service.~~

~~**"End-Use Customer"** means the final user of gas and regulated delivery services.~~

~~**"Flowing Supply"** means gas delivered from sources other than storage, generally via firm or interruptible transportation capacity.~~

~~**"Full Requirements Aggregation Agreement"**. See Aggregation Agreement.~~

~~**"Gas Day"** means a 24-hour period beginning 9:00 a.m. Central time.~~

~~**"Governmental Aggregation"** means a Competitive Retail Natural Gas Service program offered by Governmental Aggregator for the purpose of the provision of gas or natural gas to End-Use Customers.~~

SECTION VII
PART 2 - DEFINITIONS OF TERMS

"Eligible Customer" means a Customer that is eligible to participate in a governmental aggregation in accordance with Sections 4929.26 and 4929.27 of the Ohio Revised Code and does not include any of the following: a person that is a both a Distribution Service Customer and a Mercantile Customer on the date of commencement of service to the Governmental Aggregation, or the person becomes a Distribution Service Customer after the service commencement date and is also a Mercantile Customer; a person that is supplied with commodity sales service pursuant to a contract with a Retail Natural Gas Supplier that is in effect on the effective date of the ordinance or resolution authorizing the aggregation; a person that is supplied with commodity sales service as part of the percentage of income payment plan program; or a Customer that has failed to discharge, or enter into a plan to discharge, all existing arrearages owed to or being billed by a natural gas company from which the person is receiving service.

"End-Use Customer" means the final user of gas and regulated delivery services.

"Flowing Supply" means gas delivered from sources other than storage, generally via firm or interruptible transportation capacity.

"Full Requirements Aggregation Agreement". See Aggregation Agreement.

"Gas Day" means a 24-hour period beginning 9:00 a.m. Central time.

"Governmental Aggregation" means a Competitive Retail Natural Gas Service program offered by Governmental Aggregator for the purpose of the provision of gas or natural gas to End-Use Customers.

"Governmental Aggregator" has the meaning set forth in division (K)(1) of Section 4929.01 of the Ohio Revised Code. For purposes of this tariff, "Governmental Aggregator" specifically excludes a municipal corporation acting exclusively under Section 4 of Article XVIII, Ohio constitution, as an aggregator for the provision of competitive retail natural gas service.

"Human Needs Customer" means any service account, including Cooperative member customers, where the use of natural gas is for space heating of a permanent residence or for use by a governmental agency or public service organization that provides emergency or life support services. Human needs customers shall include, but is not limited to hospitals, nursing homes, student dormitories, and residential correctional institutions, but shall exclude schools, hotels and motels.

"Industrial Customer" means a Customer using gas primarily in a process which either involves the extraction of raw or unfinished materials in another form or product through the application of heat or heat treating, steam agitation, evaporation, baking, extraction, drying, distilling, etc.

"Local Gas Purchase Adjustment" means an adjustment that Columbia shall make equally to all CHOICE, DSS and SCO Demand Curves that is representative of the Ohio Production supply quantities, firm city gate supplies, and those supplies purchased by Columbia through Operationally Retained Capacity.

Local Gas Purchase Adjustment- means an adjustment that Columbia shall make equally to all CHOICE, DSS and SCO Demand Curves that is representative of the Ohio Production supply quantities, firm city gate supplies, and those supplies purchased by Columbia via Operationally Retained capacity.

"Local Gas Purchase Percentage" means the percentage adjustment that Columbia shall apply equally to all CHOICE and SCO Demand Curves representative of the expected annual volume of Ohio Production, purchases

~~under city gate gas purchase contracts and supplies purchased by Columbia via the Operationally Retained Capacity.~~

~~**"Local Gas Purchase Price"** means the TCO Monthly Index plus a fixed dollar amount, to be determined annually. The fixed dollar amount shall be determined through the comparison of Columbia's actual, normalized purchase rate, including demand costs, with the weighted TCO Monthly Index for the most recent November-October period.~~

~~**"Local Gas Purchase Requirement"** means a volume of gas that CHOICE and SCO Suppliers shall purchase from Columbia monthly, which shall be approximately equal to Columbia's purchases of Ohio Production, purchases under city gate gas purchase contracts, and supplies purchased via Operationally Retained Capacity that Columbia acquires to assure reliability and sufficiency of supply for all CHOICE and SCO eligible customers.~~

~~**"Maumee Gate"** means the interconnection between PEPL and Columbia located at Maumee Ohio.~~

~~**"Mcf"** means one thousand cubic feet of natural gas.~~

~~**"MDQ"** means maximum daily quantity.~~

~~**"Mercantile Customer"** has the meaning set forth in division (L) of Section 4929.01 of the Ohio Revised Code.~~

~~**"Natural Gas Company"** has the meaning set forth in division (G) of Section 4929.01 of the Ohio Revised Code.~~

SECTION VII

PART 2 - DEFINITIONS OF TERMS

under city gate gas purchase contracts and supplies purchased by Columbia via the Operationally Retained Capacity.

"Local Gas Purchase Price" means the TCO Monthly Index plus a fixed dollar amount, to be determined annually. The fixed dollar amount shall be determined through the comparison of Columbia's actual, normalized purchase rate, including demand costs, with the weighted TCO Monthly Index for the most recent November-October period.

"Local Gas Purchase Requirement" means a volume of gas that CHOICE and SCO Suppliers shall purchase from Columbia monthly, which shall be approximately equal to Columbia's purchases of Ohio Production, purchases under city gate gas purchase contracts, and supplies purchased via Operationally Retained Capacity that Columbia acquires to assure reliability and sufficiency of supply for all CHOICE and SCO eligible customers.

"Maumee Gate" means the interconnection between PEPL and Columbia located at Maumee Ohio.

"Mcf" means one thousand cubic feet of natural gas.

"MDQ" means maximum daily quantity.

"Mercantile Customer" has the meaning set forth in division (L) of Section 4929.01 of the Ohio Revised Code.

"NAESB"- Is an acronym which stands for the North American Energy Standards Board.

"Natural Gas Company" has the meaning set forth in division (G) of Section 4929.01 of the Ohio Revised Code.

"NCGT" means North Coast Gas Transmission, LLC.

"New Customers" means (a) customers establishing service with Columbia for the first time, including both the initial installation of a new meter at a premise as well as an account transfer or switch from one customer to another; or (b) customers relocating within Columbia's service territory.

"NYMEX" means the New York Mercantile Exchange.

"NYMEX Price" means the final settlement price of the natural gas futures contract each month.

"Operationally Retained Capacity" means that portion of Columbia's firm city gate and related upstream pipeline capacity that Columbia is unable to directly assign to CHOICE and SCO Suppliers under Columbia's Capacity Allocation Process.

"Operations and Governance Plan" means a plan adopted by a Governmental Aggregator pursuant to division (C) of Section 4929.26 of the Ohio Revised Code.

"Opt-In Governmental Aggregator" means those Governmental Aggregators who perform aggregation pursuant to Section 4929.27 of the Ohio Revised Code.

~~**"Opt-Out Governmental Aggregator"** means those Governmental Aggregators who perform automatic governmental aggregation pursuant to Section 4929.26 of the Ohio Revised Code.~~

~~**"Opt-Out Notice"** means a notice provided to Customers pursuant to Section 4929.26 of the Ohio Revised Code.~~

~~**"Peak Day Forecast"** means the projected Columbia system maximum daily demand.~~

~~**"Peaking Service"** means a firm delivery service provided to Suppliers by Columbia utilizing TCO and PEPL storage assets retained to provide daily balancing services, Ohio Production Contracts, Peaking Contracts and Operationally Retained Capacity. This service is provided to meet CHOICE and SCO customer demand once Suppliers have delivered all supplies as specified by their Demand Curves.~~

~~**"PEPL"** means Panhandle Eastern Pipe Line Company.~~

~~**"Person"** has the meaning set forth in division (H) of Section 4929.01 of the Ohio Revised Code.~~

~~**"Pipeline Scheduling Point" or "PSP"** means a single delivery point or set of delivery points grouped or designated by an upstream pipeline for purposes of scheduling gas supplies for delivery by such upstream pipeline and shall consist of the following: interconnections with Panhandle Eastern Pipe Line Company, Tennessee Gas Pipeline, North Coast Gas Transmission, LLC, and Columbia Gas Transmission, LLC. The interconnections with Columbia Gas Transmission, LLC include the Market Areas and Master List of Interconnections as defined in the General Terms and Conditions of the FERC Gas Tariff of Columbia Gas Transmission, LLC. As of December 2, 2009, the Columbia Gas Transmission, LLC Pipeline Scheduling Points included: 22 (Portsmouth); 23-1 (Toledo); 23-3 (Lima); 23-4 (Alliance); 23-5 (Columbus); 23-6 (Dayton); 23-8 (Mansfield); 23-9 (Ohio Misc.); 23N-2 (Parma); 23N-7 (Sandusky); 24-35 (Pittsburgh); and 24-39 (New Castle).~~

~~**"Points of Receipt"** means those measurement locations where Customer-owned gas is delivered into Company's system.~~

~~**"Pre-enrollment List"** means a list of Customers and associated Customer information compiled by a Natural Gas Company pursuant to Section 4929.22(F) of the Ohio Revised Code and as directed by the Commission.~~

SECTION VII

PART 2 - DEFINITIONS OF TERMS

"Opt-Out Governmental Aggregator" means those Governmental Aggregators who perform automatic governmental aggregation pursuant to Section 4929.26 of the Ohio Revised Code.

"Opt-Out Notice" means a notice provided to Customers pursuant to Section 4929.26 of the Ohio Revised Code.

"Peak Day Forecast"- Shall mean the projected Columbia system maximum daily firm demand determined annually by Columbia. This determination shall exclude the demand of qualifying TS customers that have elected Backup Service.

"Peaking Service" means a firm delivery service provided to Suppliers by Columbia utilizing TCO and PEPL storage assets retained to provide daily balancing services, Ohio Production Contracts, and Operationally Retained Capacity. This service is provided to meet CHOICE and SCO customer demand once Suppliers have delivered all supplies as specified by their Demand Curves.

"PEPL" means Panhandle Eastern Pipe Line Company.

"Person" has the meaning set forth in division (H) of Section 4929.01 of the Ohio Revised Code.

"Pipeline Scheduling Point" or "PSP" means a single delivery point or set of delivery points grouped or designated by an upstream pipeline for purposes of scheduling gas supplies for delivery by such upstream pipeline and shall consist of the following: interconnections with Panhandle Eastern Pipe Line Company, and Columbia Gas Transmission, LLC. The interconnections with Columbia Gas Transmission, LLC include the Market Areas and Master List of Interconnections as defined in the General Terms and Conditions of the FERC Gas Tariff of Columbia Gas Transmission, LLC. As of December 2, 2009, the Columbia Gas Transmission, LLC Pipeline Scheduling Points included: 22 (Portsmouth); 23-1 (Toledo); 23-3 (Lima); 23-4 (Alliance); 23-5 (Columbus); 23-6 (Dayton); 23-8 (Mansfield); 23-9 (Ohio Misc.); 23N-2 (Parma); 23N-7 (Sandusky); 24-35 (Pittsburgh); and 24-39 (New Castle).

"Points of Receipt" means those measurement locations where Customer-owned gas is delivered into Company's system.

"Pre-enrollment List" means a list of Customers and associated Customer information compiled by a Natural Gas Company pursuant to Section 4929.22(F) of the Ohio Revised Code and as directed by the Commission.

"Program Year"- means the twelve month period beginning April 1st through the following March 31st.

"PUCO" means the Public Utilities Commission of Ohio.

"Residential Customer" means a Customer who contracts for a Competitive Retail Natural Gas Service for Residential purposes.

"Retail Customer" means a Person who is the final user of the natural gas and regulated delivery services.

"Retail Natural Gas Aggregation Service" means combining the natural gas load of multiple retail Residential Customers, small Commercial Customers or small Industrial Customers for the purpose of purchasing Competitive Retail Natural Gas Service on an aggregated basis.

"Retail Natural Gas Aggregator" means a Person who contracts with Customers to combine the Customers' natural gas load for the purposes of purchasing Competitive Retail Natural Gas Service on an aggregated basis.

~~**"Retail Natural Gas Brokerage Service"** is the assumption of the contractual and legal responsibility for the sale and/or arrangement for the supply of Competitive Retail Natural Gas Service to a Retail Customer in this state without taking title to the natural gas.~~

~~**"Retail Natural Gas Broker"** means a Person who provides Retail Natural Gas Brokerage Service.~~

~~**"Retail Natural Gas Marketer"** means a Person who provides Retail Natural Gas Marketing Service.~~

~~**"Retail Natural Gas Marketing Service"** is the assumption of the contractual and legal responsibility for the sale and provision of Competitive Retail Natural Gas Service to a Retail Natural Gas Service Customer in this state and having title to natural gas at some point during the transaction.~~

~~**"Retail Natural Gas Service"** has the meaning set forth in division (M) of Section 4929.01 of the Ohio Revised Code.~~

~~**"Retail Natural Gas Supplier"** has the meaning set forth in division (N) of Section 4929.01 of the Ohio Revised Code.~~

~~**"Retail Natural Gas Supplier Aggregation Agreement"** see Aggregation Agreement.~~

~~**"Retail Natural Gas Supplier's Receivables"** means an amount due a Retail Natural Gas Supplier.~~

~~**"Retail Price Adjustment"** means the price adjustment in dollars and cents that shall be applied to the NYMEX Price, monthly throughout the SCO period, the combination of which when divided by ten (10), shall represent the price paid by Columbia's SCO and DSS Customers per Ccf of consumption, exclusive of Commission approved transportation charges, fixed charges, surcharges, riders or taxes.~~

~~**"SCO Service"** means commodity service available to CHOICE eligible customers that have not elected a Retail Natural Gas Supplier and are not served though Governmental Aggregation Programs in accordance with Columbia's tariff, as modified from time to time.~~

SECTION VII

PART 2 - DEFINITIONS OF TERMS

"Retail Natural Gas Brokerage Service" is the assumption of the contractual and legal responsibility for the sale and/or arrangement for the supply of Competitive Retail Natural Gas Service to a Retail Customer in this state without taking title to the natural gas.

"Retail Natural Gas Broker" means a Person who provides Retail Natural Gas Brokerage Service.

"Retail Natural Gas Marketer" means a Person who provides Retail Natural Gas Marketing Service.

"Retail Natural Gas Marketing Service" is the assumption of the contractual and legal responsibility for the sale and provision of Competitive Retail Natural Gas Service to a Retail Natural Gas Service Customer in this state and having title to natural gas at some point during the transaction.

"Retail Natural Gas Service" has the meaning set forth in division (M) of Section 4929.01 of the Ohio Revised Code.

"Retail Natural Gas Supplier" has the meaning set forth in division (N) of Section 4929.01 of the Ohio Revised Code.

"Retail Natural Gas Supplier Aggregation Agreement" see Aggregation Agreement.

"Retail Natural Gas Supplier's Receivables" means an amount due a Retail Natural Gas Supplier.

"Retail Price Adjustment" means the price adjustment in dollars and cents that shall be applied to the NYMEX Price, monthly throughout the SCO period, the combination of which when divided by ten (10), shall represent the price paid by Columbia's SCO and DSS Customers per Ccf of consumption, exclusive of Commission approved transportation charges, fixed charges, surcharges, riders or taxes.

"SCO"- Is an acronym that stands for Standard CHOICE Offer.

"SCO Auction" – An SCO Auction is an auction in which the winning bidders receive both the right and obligation to provide natural gas commodity for a specified list of Choice eligible customers that have not elected a CHOICE Retail Natural Gas Supplier and are not served through Governmental Aggregation Programs plus their proportionate share of DSS customers' load.

"SCO Customer" – means a Choice Eligible Customer that has not elected a CHOICE Retail Natural Gas Supplier and is not served through a Governmental Aggregation Program.

"SCO Service" means commodity service available to CHOICE eligible customers that have not elected a CHOICE Retail Natural Gas Supplier and are not served though Governmental Aggregation Programs in accordance with Columbia's tariff, as modified from time to time.

"SCO Supplier" means a winning SCO Auction bidder that has received the right, and has the obligation, to provide natural gas commodity for a specified list of CHOICE eligible customers that have not elected a Competitive Retail Natural Gas Supplier and that are not served through Governmental Aggregation Programs.

"Slamming Complaint" means a Customer's allegation that the Customer was switched to or from the Customer's Retail Natural Gas Supplier or Governmental Aggregator without the Customer's authorization.

~~**"Small Commercial Customer"** means a Commercial Customer that is not a Mercantile Customer.~~

~~**"Solicitation"** means any communication intended to elicit a Customer's agreement to purchase or contract for a Competitive Retail Natural Gas Service.~~

~~**"SCO"** means Standard CHOICE Offer.~~

~~**"SCO Auction"** means the process that determines the Retail Price Adjustment and auctions off Tranches of SCO and DSS customer supply requirements to potential SCO Suppliers.~~

~~**"SCO Supplier Agreement"** means the contract between Columbia and each SCO supplier setting forth the terms and conditions of the gas supply service to be provided by the SCO supplier.~~

~~**"Staff"** means the Staff of the Public Utilities Commission of Ohio.~~

~~**"Storage" or "Storage Capacity"** means TCO Firm Storage Service (FSS) and related Storage Service Transportation (SST) capacity unless specified otherwise.~~

~~**"Supplier"** means the combination of all CHOICE Suppliers and all SCO Suppliers.~~

~~**"Supply Curve"** means the daily delivery requirement of a Supplier to Columbia from a pipeline other than TCO or the daily delivery requirement of a Supplier from TGP to TCO at Dungannon.~~

~~**"System-Wide Retention Factor"** means a percentage applied to consumption representing Columbia's system average lost and unaccounted for volumes and company use gas.~~

~~**"TCO"** means Columbia Gas Transmission, LLC.~~

~~**"TCO Daily Index"** means the price as reported in *Platts Inside FERC Gas Market Report* for the applicable day for "Columbia Gas , Appalachia" under the heading "Midpoint".~~

~~**"TCO Monthly Index"** means the price as reported in *Platts Inside FERC Gas Market Report* for the month of purchase, in the monthly report titled "Pricing of spot gas delivered to pipelines", under the column heading "Index for Columbia Gas, Appalachia".~~

~~**"Technical Support and Assistance"** is defined as support and assistance that may be provided by the Company to a Retail Natural Gas Supplier, Governmental Aggregator, Retail Natural Gas Broker and their Agents in connection with questions raised and research requests by a Retail Natural Gas Supplier, Governmental Aggregator, Retail Natural Gas Broker and their Agents in support of their participation in the Company's Customer CHOICE[SM] Program.~~

~~**"TGP"** means Tennessee Gas Pipeline.~~

~~**"Toll Free"** means telephone access provided to a Customer without toll charges to the Customer.~~

SECTION VII
PART 2 - DEFINITIONS OF TERMS

"Small Commercial Customer" means a Commercial Customer that is not a Mercantile Customer.

"Solicitation" means any communication intended to elicit a Customer's agreement to purchase or contract for a Competitive Retail Natural Gas Service.

"SCO" means Standard CHOICE Offer.

"SCO Auction" means the process that determines the Retail Price Adjustment and auctions off Tranches of SCO and DSS customer supply requirements to potential SCO Suppliers.

"SCO Supplier Agreement" means the contract between Columbia and each SCO supplier setting forth the terms and conditions of the gas supply service to be provided by the SCO supplier.

"Staff" means the Staff of the Public Utilities Commission of Ohio.

"Storage" or "Storage Capacity" means TCO Firm Storage Service (FSS) and related Storage Service Transportation (SST) capacity unless specified otherwise.

"Supplier" means the combination of all CHOICE Suppliers and all SCO Suppliers.

"Supply Curve" means the daily delivery requirement of a Supplier to Columbia from a pipeline other than TCO or the daily delivery requirement of a Supplier from TGP to TCO at Dungannon.

"System-Wide Retention Factor" means a percentage applied to consumption representing Columbia's system average lost and unaccounted for volumes and company use gas.

"TCO" means Columbia Gas Transmission, LLC.

"TCO Daily Index" means the price as reported in *Platts Inside FERC Gas Market Report* for the applicable day for "Columbia Gas , Appalachia" under the heading "Midpoint".

"TCO Monthly Index" means the price as reported in *Platts Inside FERC Gas Market Report* for the month of purchase, in the monthly report titled "Pricing of spot gas delivered to pipelines", under the column heading "Index for Columbia Gas, Appalachia".

"Technical Support and Assistance" is defined as support and assistance that may be provided by the Company to a Retail Natural Gas Supplier, Governmental Aggregator, Retail Natural Gas Broker and their Agents in connection with questions raised and research requests by a Retail Natural Gas Supplier, Governmental Aggregator, Retail Natural Gas Broker and their Agents in support of their participation in the Company's Customer CHOICE^{SM} Program.

"TGP" means Tennessee Gas Pipeline Company, L.L.C..

"Toll Free" means telephone access provided to a Customer without toll charges to the Customer.

"Transition Customers" means those customers eligible to participate in the CHOICE Program or Governmental Aggregation programs but who are not enrolled in either program nor assigned an SCO Supplier at the commencement of the billing month.

"TRK" means Trunkline Gas Company, LLC.

~~**"Tranche"** means a relatively equal portion of Columbia's SCO and DSS supply requirements to be put up for bid in the SCO Auction.~~

~~**"Weighted Average BTU Conversion Factor"** means the calculation of a BTU value, performed on an annual basis, weighted by deliveries at each Pipeline Scheduling Point at which Columbia receives natural gas supplies.~~

~~**"XRD"** means Crossroads Gas Pipeline.~~

SECTION VII

PART 16 - DAILY DELIVERY REQUIREMENTS

16.1 Daily Delivery Requirements

Columbia shall develop Demand Curves and Supply Curves for CHOICE and SCO Suppliers on an equivalent basis.

16.2 Demand Curves

Unless otherwise directed by Columbia, each Supplier shall deliver daily to Columbia on a firm basis, gas volumes for each of the Supplier's Aggregation Pools or Tranche(s) as indicated by the applicable Demand Curve, based on the actual temperature experienced for each Gas Day. Columbia shall post actual temperatures on its interactive website, on the day after the applicable Gas Day. If an SCO Supplier is also a CHOICE Supplier, Columbia will provide a single Demand Curve by PSP each month.

CHOICE program Demand Curves will be based on contracted customer load requirements. SCO Demand Curves will be based on assigned customer load requirements and their proportionate share of DSS load requirements for each Pipeline Scheduling Point. The per tranche proportionate share of DSS load requirements shall be determined through the establishment of a base Demand Curve divided by the number of winning tranches.

Columbia shall develop the Demand Curves through the use of historical monthly customer billing data; proportionally adjusted to Columbia's Design Demand; adjusted to reflect Columbia's purchase of Ohio Production, purchases under Operationally Retained Capacity and the Columbia provided Peaking Service; incorporation of Columbia's System-Wide Retention Factor and Weighted Average BTU Conversion Factor; and any other component identified by Columbia as beneficial to the development of the Demand Curves.

Upon prior notice to Choice and SCO Suppliers, Columbia may modify the Demand Curves during the calendar months of October and November to provide for deliveries by the Supplier that are less than the projected consumption level of Supplier's Aggregation Pool or Tranche allocation. Likewise, Columbia may modify the Demand Curves during the months of May through August to offset any such planned under-deliveries in the months of October and November. Columbia may also revise the Demand or Supply Curves, as it deems necessary for operational reasons.

Unless otherwise specified by the Company to improve system operations, the Pipeline Scheduling Points of Columbia Gas Transmission, LLC shall be utilized by Columbia for purposes of developing Demand Curves.

16.3 Provision of Peaking Service

Columbia shall provide Suppliers a firm Peaking Service utilizing the TCO and PEPL storage capacity retained to provide daily balancing services, Ohio Production contracts~~, Peaking Contracts~~ and Operationally Retained Capacity. Annually Columbia shall determine the percentage of Design Demand provided by this Peaking Service and post this percentage no later than February 1st.

Columbia's provision of this Peaking Service shall result in a Demand Curve with a constant Supplier delivery requirement between: (1) the Design Temperature; and, (2) the temperature at which the delivery requirement set forth on the Demand Curve is equal to 100% less the annually calculated Peaking Service percentage.

At temperatures colder than the Design Temperature, Suppliers shall be responsible for delivering to Columbia all incremental supply requirements as set forth in the Demand Curve in excess of their delivery requirements at the Design Temperature.

SECTION VII

PART 16 - DAILY DELIVERY REQUIREMENTS

All commodity volumes provided by Columbia under this Peaking Service shall be accounted for as part of the Supplier's total actual consumption for each Aggregation Pool or Tranche allocation in the Annual Reconciliation as described in Section 7, Part 23, Page 1 of this tariff.

16.4. Supply Curves

A. Maumee Gate

Columbia shall provide separate Supply Curves for each Supplier assigned PEPL/TRK pipeline capacity with a primary delivery point of the Maumee Gate.

Supplies at the Maumee Gate are operationally required and the associated nominations constitute daily required deliveries during the months of November through March. Supplier deliveries through the Maumee Gate for the months of April through October shall be zero.

During the months of November through March, Suppliers shall utilize the Maumee Gate Supply Curve provided by Columbia and the relevant forecast temperature to determine volumes to be delivered to Columbia at the Maumee Gate. Suppliers shall deliver to Columbia each day for the months of November through March the volumes set forth by their Columbia provided Maumee Gate Supply Curve at the forecast temperature of the PSP in which the Maumee Gate is located. Supplies nominated at the Maumee Gate may be allocated by the Suppliers to satisfy Demand Curve requirements of the PSP that includes the Maumee Gate, nominate supplies for Transportation Service Customers in the PSP that includes the Maumee Gate, sell gas to another Supplier or any combination of these options. Only supplies delivered by a Supplier to Columbia at the Maumee Gate and allocated to their Aggregation Pool or Tranche for the PSP in which the Maumee Gate is located shall count as a portion of the Supplier's Demand Curve requirements for that PSP.

Failure to deliver the specific volume of gas as required by the Maumee Gate Supply Curve at the forecast temperature shall result in the Supplier incurring a per Dth Demand Curve Noncompliance Charge to be paid Columbia based on the difference between the nomination required by the Maumee Gate Supply Curve and the actual volumes nominated. In the event that Columbia requests a modification of the nomination requirements specified by the Maumee Gate Supply Curve, such changes shall be incorporated into any determination regarding a Supplier's satisfying the Supply Curve delivery requirements.

~~B. NCGT Interconnects~~

~~Columbia shall provide separate Supply Curves for each Supplier assigned NCGT and NCGT/XRD pipeline capacity. The NCGT capacity, with no associated upstream XRD capacity, has a primary delivery point to Columbia at Parma. The NCGT/XRD capacity has primary delivery points at other interconnects between NCGT and Columbia. Suppliers assigned NCGT/XRD shall utilize a combination of the NCGT and XRD capacity to facilitate deliveries to Columbia. Suppliers assigned NCGT Parma capacity shall be responsible for upstream delivery/acquisition of supplies to Dominion~~

~~East Ohio's Maumee receipt point with PEPL or ANR Pipeline Company, the primary receipt point of Columbia's NCGT Parma capacity.~~

SECTION VII

PART 16 - DAILY DELIVERY REQUIREMENTS

~~During the months of April through October the assigned MDQ of the NCGT capacity with a primary delivery point of Parma shall equal approximately 42.9 % of the assigned MDQ for the months of November through March.~~

~~Supplier's assigned NCGT and/or NCGT/XRD capacity may utilize NGCT's Oberlin point of delivery with TCO (NCGT/TCO Oberlin Interconnect) on a secondary basis with limitations. During the months of November through March, Suppliers assigned NCGT and/or NCGT/XRD capacity shall be limited in their secondary delivery point nominations at the NCGT/TCO Oberlin Interconnect to 61% of the total NCGT MDQ assigned to the Supplier. Furthermore, within this total secondary nomination limitation of 61% of total assigned NCGT MDQ, nominations on a secondary basis to the NCGT/TCO Oberlin Interconnect using the NCGT Parma capacity may not exceed 57% of the assigned NCGT Parma MDQ.~~

~~During the months of April through October, Suppliers assigned NCGT and/or NCGT/XRD capacity shall be limited in their secondary delivery point nominations at the NCGT/TCO Oberlin Interconnect to 87% of the total NCGT MDQ assigned the Supplier. Nothing in this tariff shall be construed to indicate that TCO is obligated to accept nominations made to the NCGT/TCO Oberlin interconnection on a firm basis.~~

B. TGP Interconnection with TCO at Dungannon ("Dungannon")

Columbia shall provide separate Supply Curves for each Supplier assigned TGP pipeline capacity with a primary delivery point to TCO at Dungannon.

~~Supplies at the NCGT interconnects are not required operationally. While the assignment of NCGT capacity will be part of the pipeline capacity Columbia assigns Suppliers for certain PSPs, Suppliers may use alternate capacity deliverable on a primary basis to those PSPs. To the extent feasible Columbia may combine individual NCGT Supply Curves contained within the same PSP.~~

~~Columbia will determine the NCGT Supply Curves based upon its ability to accept volumes through the NCGT interconnections. Suppliers shall utilize the NCGT Supply Curves provided by Columbia and the relevant forecast temperature to determine the maximum volumes that may be delivered to Columbia at the NCGT Interconnects. Over-scheduling of supply at an NCGT interconnect~~Supplies delivered via TGP to TCO at Dungannon are operationally required and the associated nominations constitute daily required deliveries during colder weather generally experienced during the months of November through March. Suppliers shall deliver to TCO at Dungannon each day the volumes set forth by their Columbia provided Dungannon Supply Curve at the forecast temperature of the PSP in which Dungannon is located. Supplies delivered to TCO at Dungannon may be utilized by the Suppliers as they determine in their sole judgment including, satisfying their Demand Curve requirements, providing supplies for Transportation Service Customers, selling gas to another Supplier behind the Dungannon interconnection or any combination of these options. Only supplies delivered by a Supplier to TCO at Dungannon and further nominated to Columbia via TCO and allocated to one of their Aggregation Pools or Tranches shall count as a portion of the Supplier's Demand Curve requirements for that PSP in which the nomination to Columbia is made and confirmed by TCO.

Failure by a Supplier to deliver, at a minimum, from TGP to TCO at Dungannon, the specific volume of gas as required by the Dungannon Supply Curve at the forecast temperature shall result in the Supplier incurring a per Dth Demand Curve Noncompliance Charge to be paid Columbia based on the difference between the ~~maximum~~ nomination ~~allowed~~required by the ~~NCGT~~Dungannon Supply Curve ~~at the forecast temperature for the relevant Gas Day~~ and the actual volumes nominated. In the event that Columbia requests a modification of the nomination requirements specified by the Dungannon Supply Curve, such changes shall be incorporated into any determination regarding a Supplier's satisfying the Dungannon Supply Curve delivery requirements.

C. Coordination with TCO Deliveries

Supplier nominations from TCO to Columbia shall be utilized in conjunction with any supplies nominated from a pipeline other than TCO, if any, to match each Demand Curve's supply requirements at the actual temperature posted for the relevant PSP. Suppliers may utilize forecast temperatures as a guideline in scheduling supplies from TCO but must utilize the actual posted temperature when making final Demand Curve nominations to Columbia.

~~Supplies nominated at an NCGT interconnect may be allocated by a Supplier to satisfy its Demand Curve requirement at the PSP that includes the interconnect, nominate supplies for Transportation Service Customers at that PSP, sell gas to another Supplier, or any combination of these options. Only supplies delivered by a Supplier to Columbia at an NCGT Interconnect and allocated to the Aggregation Pool or Tranche for the appropriate PSP in which the NCGT Interconnect is located shall count as a portion of the Supplier's Demand Curve requirements for that PSP.~~

16.5 Delivery by Location

Suppliers shall deliver on a firm basis, sufficient supplies of natural gas to meet their Demand Curves. For each Demand Curve, such delivery shall be made at Columbia receipt points within the specific TCO PSP for which the Demand Curve is developed.

SECTION VII

PART 16 - DAILY DELIVERY REQUIREMENTS

16.6 Request for an Alternate Delivery Point

~~C. TGP Interconnection with TCO at Dungannon ("Dungannon")~~

Columbia ~~shall provide separate Supply Curves for each Supplier assigned TGP pipeline capacity with a primary delivery point to TCO at Dungannon.~~will consider, to the extent operationally feasible, Supplier requests to deliver supplies to Columbia receipt points from interstate pipelines other than TCO, on a case-by-case basis. Such requests shall be for deliveries to satisfy Demand Curve requirements in the same TCO PSP in which the requested alternate delivery point is located. To the extent a request is granted in writing by Columbia, deliveries to such Alternate Delivery Point shall be performed by the Supplier in accordance with a Columbia supplied Supply Curve specific to the Alternate Delivery Point.

~~Supplies delivered via TGP to TCO at Dungannon are operationally required and the associated nominations constitute daily required deliveries during colder weather generally experienced during the months of November through March. Suppliers shall deliver to TCO at Dungannon each day the volumes set forth by their Columbia provided Dungannon Supply Curve at the forecast temperature of the PSP in which Dungannon is located. Supplies delivered to TCO at Dungannon may be utilized by the Suppliers as they determine in their sole judgment including, satisfying their Demand Curve requirements, providing supplies for Transportation Service Customers, selling gas to another Supplier behind the Dungannon interconnection or any combination of these options. Only supplies delivered by a Supplier to TCO at Dungannon and further nominated to Columbia via TCO and allocated to one of their Aggregation Pools or Tranches shall count as a portion of the Supplier's Demand Curve requirements for that PSP in which the nomination to Columbia is made and confirmed by TCO.~~

16.7 Service Reliability

Each Supplier agrees to assist Columbia when requested to answer any questions Columbia receives from the Commission or the Office of the Consumers' Counsel with regard to reliability of service.

~~Failure by a Supplier to deliver, at a minimum, from TGP to TCO at Dungannon, the specific volume of gas as required by the Dungannon Supply Curve at the forecast temperature shall result in the Supplier incurring a per Dth Demand Curve Noncompliance Charge to be paid Columbia based on the difference between the nomination required by the Dungannon Supply Curve and the actual volumes nominated. In the event that Columbia requests a modification of the nomination requirements specified by the Dungannon Supply Curve, such changes shall be incorporated into any determination regarding a Supplier's satisfying the Dungannon Supply Curve delivery requirements.~~

16.8 Failure to Deliver to Demand and Supply Curves – Non-Compliance Charges

~~D. Coordination with TCO Deliveries~~

~~Supplier nominations from TCO to Columbia shall be utilized in conjunction with any supplies nominated from a pipeline other than TCO, if any, to match each Demand Curve's supply requirements at the actual temperature posted for the relevant PSP. Suppliers may utilize forecast temperatures as a guideline in scheduling supplies from TCO but must utilize the actual posted temperature when making final Demand Curve nominations to Columbia.~~

Non-Compliance Charges - On days when an OFO/OMO is not in place, a per Dth Non-Compliance Charge equal to the higher of $10.00 or 150% times the TCO Daily Index adjusted for SST commodity and shrinkage will be billed the Supplier based upon the Dth quantity difference between the Supplier's daily Demand and/or Supply Curve delivery requirement and the actual pipeline daily confirmed volume delivered to Columbia, for each day of difference.

~~16.5 Delivery by Location~~

On days when an OFO/OMO is in place, a per Dth Non-Compliance Charge equal to the higher of $30.00 or 150% times the TCO Daily Index adjusted for SST commodity and shrinkage will be billed the Supplier based upon the Dth quantity difference between the Supplier's daily Demand and/or Supply Curve delivery requirement and the actual pipeline daily confirmed volume delivered to Columbia, for each day of difference.

~~Suppliers shall deliver on a firm basis, sufficient supplies of natural gas to meet their Demand Curves. For each Demand Curve, such delivery shall be made at Columbia receipt points within the specific TCO PSP for which the Demand Curve is developed.~~

In addition to the above Non-Compliance Charges, on days when Columbia incurs a penalty from an upstream pipeline provider, CHOICE and/or SCO Suppliers that have failed to match deliveries to Columbia with those specified by their Demand Curves and/or Supply Curves applicable to deliveries by the penalizing pipeline, shall pay a proportionate share of the penalty costs incurred by Columbia.

16.9 Combined Daily Nominations

Any Supplier that serves one or more Choice Aggregation Pools and also serves one or more SCO Tranches must make combined daily nominations for Choice and SCO. These combined nominations apply to both Demand Curves and Supply Curves.

~~16.6 Request for an Alternate Delivery Point~~

~~Columbia will consider, to the extent operationally feasible, Supplier requests to deliver supplies to Columbia receipt points from interstate pipelines other than TCO, on a case-by-case basis. Such requests shall be for deliveries to satisfy Demand Curve requirements in the same TCO PSP in which the requested alternate delivery point is located. To the extent a request is granted in writing by Columbia, deliveries to such Alternate Delivery Point shall be performed by the Supplier in accordance with a Columbia supplied Supply Curve specific to the Alternate Delivery Point.~~

~~16.7 Service Reliability~~

~~Each Supplier agrees to assist Columbia when requested to answer any questions Columbia receives from the Commission or the Office of the Consumers' Counsel with regard to reliability of service.~~

~~16.8 Failure to Deliver to Demand and Supply Curves – Non-Compliance Charges~~

~~**Non-Compliance Charges** – On days when an OFO/OMO is not in place, a per Dth Non-Compliance Charge equal to the higher of a $10.00 or 150% times the TCO Daily Index adjusted for SST commodity and shrinkage will be billed the Supplier based upon the Dth quantity difference between the Supplier's daily Demand and/or Supply Curve delivery requirement and the actual pipeline daily confirmed volume delivered to Columbia, for each day of difference.~~

~~On days when an OFO/OMO is in place, a per Dth Non-Compliance Charge equal to the higher of a $30.00 or 150% times the TCO Daily Index adjusted for SST commodity and shrinkage will be billed the Supplier based upon the Dth quantity difference between the Supplier's daily Demand and/or Supply Curve delivery requirement and the actual pipeline daily confirmed volume delivered to Columbia, for each day of difference.~~

~~In addition to the above Non-Compliance Charges, on days when Columbia incurs a penalty from an upstream pipeline provider, CHOICE and/or SCO Suppliers that have failed to match deliveries to Columbia with those specified by their Demand Curves and/or Supply Curves applicable to deliveries by the penalizing pipeline, shall pay a proportionate share of the penalty costs incurred by Columbia.~~

16.9. ~~Any Supplier that serves one or more Choice Aggregation Pools and also serves one or more SCO Tranches must make combined daily nominations for Choice and SCO. These combined nominations apply to both Demand Curves and Supply Curves.~~

RESERVED FOR FUTURE USE

SECTION VII

PART 17 - CAPACITY ASSIGNMENT

17.1 Capacity Allocation Process

Columbia will retain a combination of firm interstate and intrastate pipeline transportation and storage capacity, local gas supplies, and operationally required city gate supplies ~~and firm contract peaking services,~~ referred to as its "Capacity Portfolio.

A. Columbia shall allocate its capacity contracts to be temporarily assigned all Suppliers on a "level playing field" basis ~~utilizing Columbia's Design Demand~~each program year.

B. Columbia shall allocate capacity based on the Pipeline Scheduling Points of TCO.

C. The level of capacity that Columbia shall utilize for this Capacity Allocation Process shall be equal to Columbia's ~~Capacity Portfolio~~total capacity/city gate supply portfolio including firm pipeline contracts, Ohio Production supply contracts, and operationally required city gate supplies, less the firm capacity retained by Columbia for release to Transportation Service Customers and less the capacity retained by Columbia to provide Backup Service to Transportation Service Customers.

D. Capacity shall be assigned for each PSP equally to each Supplier on a percentage of Design Demand basis. Columbia shall provide a Peaking Service for each PSP equally to each Supplier on a percentage of Design Demand basis. ~~There will be no designation by Columbia of constrained or non-constrained PSP.~~ Each Supplier will receive equal percentage assignments of capacity not to exceed 100% of its Program Year Design Demand for each PSP to meet their delivery obligation.

E. Capacity assignment under this process to be effective April ~~1, 2012~~1st, of each SCO Program Year shall be refreshed each month consistent with changes in the CHOICE/SCO Suppliers customer groups or delivery obligations.

F. The process of determining how Columbia will allocate capacity to each PSP shall be as follows:

1. Columbia shall determine the percentage of capacity it shall assign each Supplier up to but not to exceed 100% of its Design Demand delivery obligation, including the Peaking Service provided by Columbia ("Capacity Assignment Percentage"). ~~This percentage shall be equal to Columbia's Capacity Portfolio effective April 1, 2012 less the firm capacity~~The firm capacity assigned to suppliers shall exclude capacity Columbia has retained for assignment to Transportation Service Customers and to provide Backup Service to Transportation Service Customers~~, divided by the Design Demand~~.

2. Columbia shall retain TCO FSS and PEPL FS storage capacity (including associated transportation capacity) to provide CHOICE/SCO and DSS balancing services. This retained storage capacity shall be equal to approximately 22% of the Design Demand~~.~~. Columbia shall also retain all Ohio Production contracts, ~~any contract peaking service,~~ firm city gate supplies and all Operationally Retained Capacity not otherwise assignable as described hereinafter. Columbia shall use the capacity retained to first provide its firm Peaking Service and the other limited firm supply services for Suppliers ~~noted hereinabove~~and thereafter to provide its non-firm Banking and Balancing Service to its Transportation Service Customers~~ after satisfying the firm balancing needs of its CHOICE/SCO and DSS customers and after meeting its Backup Service obligations~~.

3. Columbia shall next determine the percentage of Design Demand to be assigned as storage to each Supplier by PSP. The level of storage capacity assigned as a percentage of Design Demand shall be equal for all PSPs. For the

PSP that includes the Maumee Gate, the assignment of PEPL storage and related firm transportation capacity shall be within the percentage calculated hereunder.

SECTION VII

PART 17 - CAPACITY ASSIGNMENT

4. Columbia shall then determine the percentage of Design Demand to be assigned as Firm Transportation Capacity to each Supplier by PSP. The level of firm transportation capacity assigned as a percentage of Design Demand shall be equal for all PSPs. For the PSP that includes the Maumee Gate, the assignment of PEPL non-storage related firm transportation capacity shall be within the percentage calculated hereunder. ~~For those PSP within which Columbia has contracted for firm transportation capacity with NCGT, the assignment of NCGT firm transportation capacity shall be within the percentage calculated hereunder.~~ For those PSP that require the upstream delivery of natural gas from TGP to TCO, any TCO FTS capacity assigned in those PSP shall have TGP FT-A capacity assigned in association with the TCO FTS capacity. At all other PSP, TCO FTS capacity assigned shall also have upstream CGT FTS-1 capacity assigned in proportion to Columbia Gulf FTS-1 capacity held by Columbia.

5. To the extent that Columbia is unable under this methodology to fully assign all city gate firm capacity including PEPL, PEPL/TRK, ~~NCGT, NCGT/XRD~~ and TCO/TGP capacities, Columbia shall retain this capacity as Operationally Retained Capacity and utilize this capacity in providing its Peaking Service and other gas supply services to Suppliers as necessary.

6. In the event that any pipeline capacity provider with which Columbia has contracted changes the configuration of its system or the scheduling requirements at its PSP(s), Columbia shall have the right to recall and reassign capacity from/to Suppliers as it deems necessary.

17.2 Assignment of Capacity

A. All assignments by Columbia will be priced at the price Columbia would have paid under its contract with the upstream interstate pipeline.

B. Capacity to be assigned by Columbia to Suppliers shall include the following:
   1) TCO Rate Schedules Firm Transportation Service ("FTS"), Firm Storage Service ("FSS") including Storage Service Transportation ("SST")
   2) CGT Rate Schedule Firm Transportation Service ("FTS-1").
   3) PEPL Rate Schedules Enhanced Firm Transportation Service ("EFT") and Flexible Storage Service ("FS")
   4) TRK Rate Schedule Firm Transportation Service ("FT")
   5~~) NCGT Natural Gas Transportation Service~~
   ~~6) XRD Rate Schedule Firm Transportation Service ("FT-1")7~~) TGP Rate Schedule Firm Transportation Service ("FT-A")

C. The PEPL and TRK capacity shall be deemed delivered to Columbia's distribution system at the PSP in which the Maumee Gate is located. The sum of daily Suppliers volumes delivered via PEPL and TRK and allocated to the Suppliers' Aggregation Pool or Tranche for that PSP, plus the Supplier volumes delivered via TCO at the PSP in which the Maumee Gate is located must equal the Demand Curve for the PSP in which the Maumee Gate is located as specified in Section 16.4 of this tariff.

SECTION VII

PART 17 - CAPACITY ASSIGNMENT

D. Suppliers shall deliver natural gas supplies to Columbia from its capacity at the Maumee Gate during the months of November through March in accordance with a Supply Curve supplied by Columbia specific to Columbia's physical requirements and receipt capability at the Maumee Gate. This Supply Curve shall be separate from each Supplier's Demand Curve for the PSP in which the Maumee Gate is located. A Supplier that fails to deliver the supplies required by the Maumee Gate Supply Curve shall incur the same non-compliance charge associated with failure to deliver natural gas supplies under their Demand Curves. The Supply Curve for the Maumee Gate during the months of April through October shall be equal to zero.

E. Regardless of any other provision of this tariff, Suppliers shall nominate natural gas supplies to Columbia at the Maumee Gate based upon the volume specified by the Columbia provided Supply Curve for the Maumee Gate at the forecast temperature projected on the day preceding the Gas Day. There will be no adjustment to nominated volumes delivered to Columbia at the Maumee Gate based upon the actual temperature experienced.

F. ~~Separate Supply Curves will also be provided for the various delivery points between NCGT and Columbia's distribution facilities. To the extent feasible Columbia may combine individual Supply Curves contained within the same PSP. These Supply Curves will be determined based upon Columbia's ability to accept volumes through these specific interconnections. While the assignments of NCGT capacity will be part of the capacity Columbia assigns for certain PSP's, Suppliers may use alternate capacity deliverable to those PSP's. The NCGT Supply Curves shall represent the maximum amount of supply that a Supplier may nominate at the forecasted temperature to Columbia through the NCGT interconnections. A Supplier that schedules quantities at any of the NCGT interconnects in excess of the associated Supply Curve at the forecast temperature shall incur the same non-compliance charge associated with failure to deliver natural gas supplies under their Demand Curves. G. Columbia will also~~Columbia will provide Suppliers with Supply Curves for the required deliveries from TGP to TCO at Dungannon. These Supply Curves will be determined based upon TCO's requirements to serve downstream markets. The TGP Dungannon Supply Curves shall represent the minimum amount of supply that a Supplier must nominate from TGP to TCO at the forecasted temperature for the PSP in which Dungannon is located. A Supplier that schedules quantities from TGP to TCO at Dungannon which is less than that required by the associated Supply Curve at the forecast temperature shall incur the same non-compliance charge associated with failure to deliver natural gas supplies under their Demand Curves.

~~H~~G. To the extent that Suppliers have taken direct assignment of capacity from Columbia, Columbia will pass through to such Suppliers their proportionate share of capacity-related refunds received by Columbia, when such refunds are directly related to the assigned capacity. All refunds distributed by Columbia pursuant to this tariff provision will be distributed proportionately based upon the cost of capacity assigned the Supplier as compared to the total amount of the capacity costs charged to Columbia for the capacity to which the refund applies during the refund period. Suppliers shall not be entitled to refunds to the extent such Suppliers have received refunds directly from a pipeline company with regard to the same capacity. No refunds will be issued to Suppliers that ~~purchase~~receive assignment of capacity from Columbia where the total refund received by Columbia is less than $100,000. Refunds will not be made to Suppliers that have terminated participation in Columbia's CHOICE program or Columbia's SCO Auction prior to Columbia's receipt of any refund. Any refund under $100,000, and any refund amounts not passed through to Suppliers that have terminated participation in Columbia's CHOICE program or Columbia's SCO Auction, will be credited to the CSRR.

SECTION VII

PART 17 - CAPACITY ASSIGNMENT

~~I~~H. In the event that the Commission would find in an order or entry that any refund passed on to any party by Columbia pursuant to this tariff should have instead been credited to Columbia's CSRR, all parties will return to Columbia all refund amounts subject to said Commission order or entry, and Columbia will then credit such refund amounts to the CSRR.

17.3 Capacity Assignment: Methodology for Initial Assignment

A. The initial assignment of Columbia's firm transportation and storage capacity to all Suppliers shall be made effective April ~~1, 2012~~1st of each SCO Program Year and refreshed monthly consistent with changes in the CHOICE and SCO Suppliers customers' ~~peak day~~Design Demand delivery obligation and SCO Supplier's proportionate share of DSS ~~peak day~~ Design Demand delivery obligation, each at the rate Columbia would have otherwise paid for the capacity.

B. Columbia shall assign to each Supplier for each PSP in which they have delivery requirements, firm city gate and associated upstream transportation capacity and storage and related transportation capacity on a pro rata basis in accordance with the Capacity Allocation Process. Suppliers will not be permitted to change any primary points of receipt or delivery associated with assigned pipeline transportation contracts during the term of the capacity assignment.

C. Columbia holds discounted contracts with PEPL and TRK, Contract Nos. 18604 and 18122 respectively, where the utilization of alternate points will cause additional charges to be incurred by Columbia. The approved receipt and delivery points under these PEPL and TRK contracts are set forth in the table below. In the event the Supplier receives and/or delivers natural gas at points other than those approved points set forth in the table below and in so doing causes incremental costs to be incurred by Columbia, the Supplier shall pay Columbia for any and all associated incremental costs and/or penalties billed by PEPL and/or TRK due to such receipts and/or deliveries. Columbia shall have the right, through setoff in the Suppliers' payments, to collect any costs owed Columbia as a result of a Supplier utilizing a receipt or delivery point other than those provided for in Columbia's PEPL and TRK contracts.

PEPL Contract No. 18604

Approved Receipt Points

Primary	Bourbon (PBRBN)

Approved Delivery Points

Primary	Columbia of Ohio Maumee (COLOH)
Secondary	Lebanon Lateral (02821)
Secondary	Columbia Gas Maumee (COLGA)
Secondary	Columbia Gas Cecil (CECIL)
Secondary	NIPSCO (NIPS)*
Secondary	East Ohio (EOHIO)*

*Incremental 2 cent commodity cost

TRK Contract No. 18122

Approved Receipt Points

Primary	Patterson-ANR (80368)
Secondary	ELA or WLA

Approved Delivery Points

Primary	Bourbon-TGC (80023)

SECTION VII
PART 17 - CAPACITY ASSIGNMENT

E. The assigned TCO FSS Storage Contract Quantity (SCQ) will be in the same ratio to the assigned Maximum Daily Storage Quantity (MDSQ) as the ratio that exists between the SCQ and the MDSQ in Columbia's TCO FSS contract. The assigned PEPL FS Maximum Stored Quantity (MSQ) will be in the same ratio to the assigned Maximum Daily Withdrawal Quantity (MDWQ) as the ratio that exists between the MSQ and the MDWQ in Columbia's PEPL FS contract.

F. Suppliers assigned TCO FSS capacity shall also be assigned the associated TCO SST capacity. The TCO SST quantity to be assigned for the months of October through March shall be equivalent to the MDSQ of the assigned TCO FSS capacity. The TCO SST quantity assigned for the months April through September shall be equivalent to 50% of the MDSQ of the assigned TCO FSS capacity, rounded up to the nearest whole Dth. Suppliers assigned PEPL FS capacity shall also be assigned the associated PEPL EFT capacity. The PEPL EFT quantity to be assigned for the months of November through March shall be equivalent to the MDWQ of the assigned PEPL FS capacity adjusted for retainage on PEPL. The PEPL EFT quantity assigned for the months April through October shall be equivalent to 38.9% of the MDWQ of the assigned PEPL FS capacity adjusted for retainage on PEPL, rounded up to the nearest whole Dth.

G. In addition to the requirements of this tariff, Suppliers assigned capacity by Columbia are subject to the terms and conditions of the tariffs of those transmission companies on whose facilities capacity was assigned. The costs of the assigned capacity will be paid directly to the pipelines by the Suppliers pursuant to the applicable pipeline capacity release payment procedures.

17.4. Adjustments to Assignment: Monthly Review and Release.

A. Following Columbia's assignment of capacity to Suppliers made on April ~~1, 2012,~~1st of each Program Year Columbia shall review the amount of capacity assigned to Suppliers monthly and shall release capacity for subsequent months based on the Columbia determined Design Demand of each Supplier's then current customer group(s) or delivery obligation.

B. Subsequent to Columbia's release of capacity to Suppliers on April ~~1, 2012,~~1st of each Program Year for any release, recall and reassignment of capacity by Columbia pursuant to this Section, each Supplier shall be responsible for the acquisition and/or disposition of any storage volumes to satisfy the provisions of this tariff, the provisions of the tariffs of all pipelines on which the Suppliers are assigned capacity, and/or to satisfy the delivery requirements of their individual Demand and/or Supply Curves. Columbia shall not have any responsibility to purchase and/or sell storage volumes to Suppliers pursuant to this Paragraph 17.4.B.

SECTION VII
PART 17 - CAPACITY ASSIGNMENT

C. Notwithstanding the provisions of Section 17.4.B of this tariff, the following exemptions shall apply:

1. If a CHOICE or SCO Supplier(s) leaves or if a CHOICE or SCO Supplier is terminated from Columbia's CHOICE Program® or SCO Auction, respectively, Columbia shall recall from the departing Supplier(s) the related capacity assigned by Columbia and Columbia shall have the option to purchase the storage gas associated with the recalled TCO FSS and PEPL FS capacity. The price to be paid for any gas purchased by Columbia shall be:

The average of the TCO Monthly Index prices for the April through October time period immediately preceding the date of purchase by Columbia, adjusted for the TCO SST commodity rate, TCO SST retainage rate, TCO FSS retainage rate, and TCO FSS injection charges. Should a CHOICE or SCO Supplier leave or a CHOICE or SCO Supplier be terminated in a month during the April through October time period, the price to be applied shall be the average of the TCO Monthly Index prices for the time period of the immediately preceding April through the month in which the departure event occurs. The rate to be paid per Dth by Columbia shall be calculated according to the following formula:

Price per Dth Paid by Columbia = {(Average TCO Monthly Index Price / (1 –TCO SST Shrinkage Rate) + TCO SST Commodity Charge) / (1 – TCO FSS Shrinkage Rate) + TCO FSS Injection Charges}

D. Regardless of the reason for the recall/reassignment of capacity, the affected Supplier shall remain responsible for all demand and commodity costs, fees, penalties, and other costs incurred from the interstate~~/intrastate~~ pipeline and related to service prior to the recall/reassignment of the capacity.

E. If a new CHOICE Supplier enters the CHOICE Program® Columbia will assign capacity in accordance with the Capacity Allocation Process and Paragraph 17.4.A of this tariff. CHOICE Suppliers so assigned capacity shall be responsible for the acquisition of any and all commodity supplies necessary to provide the required supplies to Columbia under their Demand and/or Supply Curves, including but not limited to storage inventory volumes.

17.5 Storage Gas Inventory Transfers

On April ~~1, 2012,~~1st of each Program Year, each SSO Supplier not continuing as an SCO Supplier, or continuing as an SCO Supplier with fewer tranches in the SCO Program, must offer for sale to the replacement SCO Supplier(s) and the replacement SCO Supplier(s) must purchase, an amount of storage inventory equal to 2% of the TCO FSS SCQ assigned the Supplier by Columbia effective April ~~1, 2012.~~1st of the applicable Program Year. The price of the storage inventory sold to each SCO Supplier shall be equal to the ~~April 2012~~ first of the month TCO Monthly Index price, for April of the applicable Program Year, adjusted for the TCO SST commodity rate, TCO SST retainage rate, TCO FSS retainage rate, and TCO FSS injection charges. Payment for such transfers will occur not more than five days subsequent to the receipt of an invoice. More specifically, the price shall be determined as follows:

Price per Dth Paid to Supplier = {((April ~~2010~~ first of the month TCO Monthly Index Price for new SCO Program Year / (1 –TCO SST Shrinkage Rate) + TCO SST Commodity Charge) / (1 – TCO FSS Shrinkage Rate) + TCO FSS Injection Charges}

SECTION VII

PART 17 - CAPACITY ASSIGNMENT

~~.~~Columbia will not be required to either purchase or sell storage inventory volumes as part of such a transfer, but may be called upon to help facilitate communications between parties.

Columbia will not purchase or sell storage commodity volumes associated with the monthly assignment of capacity ~~to be effective on or after May 1, 2010~~ except as provided for in Section 17.4.C.

Any CHOICE Supplier exiting the CHOICE Program will be solely responsible for the disposal of any gas inventory in its Columbia assigned storage capacity, at its own expense. Any SCO Supplier not continuing, or continuing but with a fewer number of tranches, as a Supplier for the next SCO period must offer for sale to the succeeding SCO Supplier(s), and the succeeding SCO supplier must purchase, an amount of storage inventory equal to 2% of the TCO FSS SCQ assigned to the Suppliers by Columbia effective April 1 of the next ~~SSO period~~Program Year. The sale shall be completed on April 1st of each subsequent ~~SCO period~~Program Year using the same index based price formula as was used for the prior April ~~1, 2012~~1st sale, and replacing the prior April ~~1, 2012~~ first of the month TCO Monthly Index price with the first of the month TCO Monthly Index price for the April in which the sale occurs. Columbia will not be required to either purchase or sell storage inventory volumes as part of such a transfer, but may be called upon to help facilitate communications between parties.

17. 6 Reassignment of Capacity

Suppliers may reassign capacity, subject to recall by Columbia. The original assignee shall remain subject to all Operational Flow Orders (OFO) and Operational Matching Orders (OMO) and all recall provisions invoked by Columbia. The assignee continues to be responsible to Columbia for payment of all upstream pipeline charges associated with the assigned capacity, including, but not limited to demand and commodity charges, shrinkage, injection and withdrawal charges, ACA charges, cash outs, transition costs, pipeline overrun, actual cost adjustments and all other applicable charges. The reassignment of capacity by a Supplier will not alter or amend, in any fashion, the Supplier's obligation to deliver gas supplies to Columbia in accordance with the Demand and/or Supply Curves provided the Supplier by Columbia.

SECTION VII
PART 17 - CAPACITY ASSIGNMENT OPTION

A Supplier may reassign PEPL and TRK capacity to a third party subject to recall by Columbia. However, the reassignment of any volume of PEPL and/or TRK capacity will not alter or amend, in any fashion, the Supplier's obligation to deliver gas supplies to the Maumee Gate, in accordance with the Supply Curve for the Maumee Gate provided the Supplier by Columbia. Furthermore, should a Supplier reassign any of the PEPL capacity to a third party (other than an agency or similar arrangement whereby the deliveries are made on behalf of the Supplier), Columbia will not accept delivery of gas from such a third party at the Maumee Gate. Should a Supplier reassign a portion or all of its assigned PEPL capacity to a third party under an agency or similar arrangement whereby such third party will have the responsibility of making deliveries on behalf of the Supplier, Supplier shall notify Columbia at least 15 days prior to the initiation of deliveries under such Agency or similar arrangement and provide Columbia with the name of such third party and any additional information related to such arrangement as requested by Columbia.

~~A Supplier may reassign NCGT Parma and NCGT/XRD capacity to a third party, subject to recall by Columbia. The reassignment of any NCGT and/or XRD capacity will not alter or amend, in any fashion the NCGT Supply Curves provided the Supplier by Columbia. The sum of all daily nominations by the Supplier and the third party to which NCGT capacity is released by the Supplier, at each NCGT/Columbia interconnect, shall not exceed the Supply Curve delivery quantity at the forecast temperature for that interconnect. The sum of daily deliveries by the Supplier and the third party at the NCGT/TCO Oberlin Interconnect shall not exceed the limits set forth in Section VII, Part 16 based on the MDQ of the capacity directly assigned the Supplier by Columbia.~~

A Supplier may reassign TGP capacity to a third party, subject to recall by Columbia. The reassignment of any TGP capacity will not alter or amend, in any fashion the TGP Supply Curve for delivery to TCO at Dungannon provided the Supplier by Columbia. The sum of all daily nominations by the Supplier and the third party to which TGP capacity is released by the Supplier, at the TGP/TCO Dungannon interconnect, must, at a minimum, meet the Supply Curve delivery quantity at the forecast temperature for the Dungannon interconnect.

A Supplier may use other pipeline capacity to deliver supply as required under the Demand Curves and reassign portions of its Columbia-released pipeline capacity, subject to the limitations and restrictions as set forth in this tariff.

17.7 Recommended Storage Guidelines

Inventory Level Recommendations

Date	Percent of Assigned SCQ
1-Nov	98%
15-Feb	>30%
5-Mar	>20%
22-Mar	>10%
31-Mar	>2%

SECTION VII
PART 18 - BALANCING SERVICES

18.1 System Balancing

A. Columbia shall provide Suppliers a Non-Temperature Balancing Service. Non-Temperature Balancing Service provides for balancing of the difference between (1) actual customer demand and (2) the total volume indicated by the Demand Curves at the actual temperature experienced for the applicable Gas Day.

B. Effective ~~April 1, 2012,~~with implementation of each SCO Program Year, on April 1st Columbia will retain a portion of its TCO FSS and PEPL FS storage capacity equal to approximately 22% of the Design Demand to perform the system balancing function.

C. Columbia may utilize operational purchases and sales to ensure that the system is properly balanced. Examples include, but are not limited to, items such as purchases utilizing Operationally Retained Capacity and purchases/sales performed in managing storage inventory levels.

D. All costs incurred by Columbia in performing system balancing and all revenues received by Columbia for providing system balancing, including operational purchases/sales performed in managing storage inventory levels, shall be recognized in the computation of the CSRR.

E. Columbia shall utilize the TCO FSS and PEPL FS storage capacity retained to provide system balancing, when not required to provide Non-Temperature balancing service for its CHOICE, SCO and DSS customers, to provide its non-firm Banking and Balancing Service for Transportation Service Customers. All Banking and Balancing Service revenues received by Columbia from Transportation Service Customers from the provision of its non-firm Banking and Balancing Service shall be flowed to CHOICE, SCO and DSS Customers through the CSRR.

18.2 Pipeline Delivery Point Imbalances

As meter operator, Columbia has the responsibility to manage imbalances that occur between all confirmed nominations, at the PSP and system demand, which occurs at the individual points of delivery.

SECTION VII
PART 20 - PAYMENTS TO SUPPLIERS

4) Related Charges for reimbursement to Columbia for a pro-rata share of all charges Columbia incurs in connection with interstate pipeline transportation of Supplier-Delivered Gas including any gas costs, penalty charges or cash-outs.

~~5) Suppliers' payment of balancing service charges resulting from Columbia's provision of its Non-temperature balancing service. SCO and DSS charges, for this service, shall be computed through the multiplication of the Non-temperature balancing service fee by: (a) the billed throughput for each SCO Supplier's customers; and (b) the prorated allocation of billed DSS throughput based on the percentage of total load served. CHOICE Suppliers' charges for this service shall be computed through the multiplication of the prior month's deliveries to their customers by the Non-temperature Balancing Service fee.~~

5) ~~6)~~ A Credit Evaluation Fee which is a $50.00 charge for each financial evaluation.

6) ~~7)~~ Late Payment Charge(s) for failure to make payment prior to the next scheduled billing date equal to 1.5% of the unpaid balance.

7) ~~8)~~ All amounts or costs for which Company is or will be responsible if not paid Supplier; including, but not limited to, capacity charges billed by interstate pipeline companies.

8) ~~9)~~ All other ~~documented~~ amounts owed directly to Columbia by a Supplier, except for gas commodities provided by Columbia through the provision it's balancing and peaking services which shall be paid for by suppliers during the annual reconciliation process.

~~10)~~ 9) All other documented amounts which Columbia is entitled to recoup from a Supplier.

~~11)~~10) Gross receipts taxes, or any other applicable taxes, on amounts billed by Columbia to Suppliers.

20.3 DISPUTED BILLS

In the event of a bona fide dispute as to whether Supplier owes money to Company, the process of offset or recoupment of such amounts from Supplier shall be tolled pending a good faith review of the dispute.

Suppliers shall provide a detailed description of the dispute, including disputed amounts, to the Company within five (5) calendar days of receipt of a statement that shows quantities delivered and amounts owed, if any. Company will not provide payment of that portion being disputed until said dispute has been resolved.

SECTION VII
PART 23 - RECONCILIATION OF CONSUMPTION AND SUPPLIER DELIVERIES

23.1 Annual Reconciliation of Imbalances

A. Columbia will reconcile imbalances on an annual basis as of March 31st for each Supplier, through determination of the difference between the CHOICE Supplier's deliveries for the twelve-month period ended March 31st for each of its CHOICE Supplier's Aggregation Pools with the actual consumption of the CHOICE Supplier's Aggregation Pools, including any adjustments applicable to the annual period ended March 31st for CHOICE Suppliers. CHOICE Supplier's deliveries shall include all nominations confirmed by an upstream pipeline to Columbia at the appropriate PSP and the Local Gas Purchase Requirement volumes purchased monthly by the Supplier from Columbia, adjusted as applicable by Columbia's System-Wide Retention Factor and Weighted Average BTU Conversion Factor. The consumption of a Supplier's Choice Aggregation Pools shall incorporate an unbilled adjustment.

B. Effective each April ~~1, 2012,~~1st, Columbia will reconcile imbalances on an annual basis as of March 31st for each SCO Supplier, through determination of the difference between the SCO Supplier's deliveries for the twelve-month period ended March 31st and the actual consumption of the SCO Supplier's allocated customers, including any adjustments applicable to the annual period ended March 31st, plus the allocated DSS Customer consumption per Tranche for the twelve-month period ending March 31st multiplied by the number of Tranches for which the SCO Supplier is responsible for providing natural gas supplies to Columbia. The SCO consumption shall reflect billed volumes. SCO Supplier's deliveries shall include all nominations confirmed by an upstream pipeline to Columbia at the appropriate PSP and the Local Gas Purchase Requirement volumes purchased monthly by the Supplier from Columbia, adjusted as applicable by Columbia's System-Wide Retention Factor and Weighted Average BTU Conversion Factor. SCO Suppliers that are also CHOICE Suppliers will be reconciled on a combined basis in accordance with the formulas set forth in Parts 23.1A and 23.1B above.

C. The cash-out price per Dth shall be equal to the TCO Monthly Index adjusted for TCO SST retainage, the TCO SST Commodity charge, FSS retainage and the FSS Injection charge. For any month that the TCO Monthly Index price is not available for the first day, the price for the most recent preceding month will be used. The formula is as follows:

Monthly Price per Dth = {TCO Monthly Index Price / (1-TCO SST retainage rate) + TCO SST commodity charge} / (1- TCO FSS retainage rate) + TCO FSS injection charge

D. Imbalances will be eliminated through payment from Columbia to Suppliers for excess deliveries and through payment from Suppliers to Columbia for under-deliveries. The payment shall be determined by multiplying the imbalance calculated pursuant to Paragraph 23.1.A. by the cash-out price pursuant to Paragraph 23.1.B. If a Supplier is both an SCO Supplier and a CHOICE Supplier, the Supplier must elect the same Cash out option for both programs.

E. The Supplier must elect one of two options.

1. Option 1. Cash out = Annual imbalance * (Sum of ~~TCO~~ Monthly ~~Index Prices~~Price per Dth For 12-Months/12)
2. Option 2. Cash out = Twelve month sum of the products Monthly imbalance * ~~TCO~~ Monthly ~~Index~~ Price per Dth.

F. If the Supplier must pay Columbia as a result of the calculation in Paragraph 23.1.C, then the payment shall be increased by a factor equal to (1 + Gross Receipts Tax Rate).

SECTION VII

PART 25 - FULL REQUIREMENTS SMALL GENERAL TRANSPORTATION SERVICE (FRSGTS)

25.7 Delivery Charge – Full Requirements Small General Schools Transportation Service

Availability

Available to all primary and secondary school Customer accounts provided that Customer consumes less than 300 Mcf per year between September 1 and August 31. Annual consumption for Customer's service hereunder will be reviewed each August 31st.

The maximum rates for all Customer-owned volumes delivered by Company to Customer's facility where gas is being consumed are:

	On and After December 3, 2009
Monthly Delivery Charge	$16.92 per Month

The maximum delivery charge for all deliveries by Company to Customer of Customer-owned gas under this provision will be equal to the Full Requirements Small General Schools Transportation Service base rate then in effect. When a Customer can demonstrate to the Company and requests that a charge lower than the maximum delivery charge is necessary because of competition from a pipeline, distribution system or non natural gas fuel source, then the Company may charge a rate lower than the maximum delivery charge for all deliveries.

The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to fixed costs. Unless otherwise agreed by Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder.

25.8 Billing Adjustments

For all gas delivered hereunder, the bill shall be computed to reflect the following billing adjustments as set forth in Section VII, Part 29 of this tariff:

1) Interim Emergency and Temporary PIP Plan Tariff Schedule Rider;
2) Gross Receipts Tax Rider;
3) Excise Tax Rider;
4) CHOICE/SCO Reconciliation Rider;
5) Uncollectible Expense Rider;
6) Infrastructure Replacement Program Rider; ~~and~~
7) Demand Side Management Rider, and
8) Non-Temperature Balancing Service fee.

25.9 Late Payment Charge

Upon next scheduled billing date, an additional amount of 1.5% of the unpaid balance on the subsequent bill will become due and payable as part of the Customer's total obligation. This provision is not applicable to unpaid account balances of Customers enrolled in payment plans pursuant to Section 4901:1-18-04 of the Ohio Administrative Code.

SECTION VII

PART 26 – OHIO PRODUCTION~~, PEAKING CONTRACTS~~ AND OPERATIONALLY RETAINED CAPACITY

Columbia requires Ohio Production, firm city gate supplies~~, Peaking Contracts~~ and Operationally Retained Capacity to meet the daily, seasonal and Design Demand requirements of its CHOICE, SCO eligible and DSS customers.

26.1 Columbia purchases certain Ohio Production and firm city gate supply volumes to satisfy location-specific customer supply requirements that cannot be served via other means. These supplies are purchased by Columbia under contracts that are either: (a) not assignable to Suppliers under terms of the contract; or (b) are of such small volume that direct assignment to Suppliers is impractical.

~~26.2 Columbia has a single peaking contract with limited seasonal capabilities that is not assignable to Suppliers under the terms of the contract.~~

26.2 ~~26.3~~ Pursuant to the Capacity Allocation Process set forth in Part 17.1 of this Section VII, Columbia will have certain pipeline capacity assets that it will not be able to directly assign Suppliers that must be utilized to meet the Design Demand of CHOICE, SCO and DSS Customers at various locations on Columbia's system. Columbia shall retain such capacity and refer to this capacity as Operationally Retained Capacity.

26.3 ~~26.4~~ Columbia shall manage the Ohio Production, firm city gate supplies, ~~Peaking Contract~~ and Operationally Retained Capacity to the benefit of all Suppliers and CHOICE, SCO and DSS Customers. Columbia shall utilize these resources to provide limited seasonal supplies ~~to~~ and provide a Peaking Service to all Suppliers on an equal percentage of Design Demand basis.

26.4 ~~26.5~~ Columbia shall modify the Demand Curves of all Suppliers for all PSPs in recognition of its daily purchases of Ohio Production and firm city gate supplies as well as purchase of supplies under the ~~Peaking Contract and~~ Operationally Retained Capacity. Annually Columbia shall determine its expected annual purchases from these resources and calculate the percentage by which the Demand Curves will be modified. This percentage shall be known as the Local Gas Adjustment Percentage.

26.5 ~~26.6~~ Each month, each Supplier shall purchase from Columbia the equivalent volume represented by the Local Gas Adjustment Percentage to the Demand Curves. These monthly purchases shall be known as the Local Gas Purchase Requirement and shall be determined by the following formula:

Local Gas Purchase Requirement = (Suppliers Demand Curve requirement * Local Gas Adjustment Percentage) / (1 – Local Gas Adjustment Percentage)

26.6 ~~26.7~~ The purchase price for the Local Gas Purchase Requirement, known as the Local Gas Purchase Price, shall be defined as the TCO Monthly Index plus a fixed adder. Columbia shall determine the fixed adder prospectively, on an annual basis, by performing a historical analysis of actual purchases of Ohio Production, firm city gate supply purchases~~,~~ and purchases under the ~~Peaking Contract and~~ Operationally Retained Capacity that will be normalized to normal weather conditions. Columbia will apply the actual purchases prices, including demand costs, of these historical purchases to the normalized volumes. The total costs of these normalized purchases will be compared to the TCO Monthly Index price weighted by the normalized volumes to determine the fixed adder.

SECTION VII

PART 26 – OHIO PRODUCTION~~, PEAKING CONTRACTS~~ AND OPERATIONALLY RETAINED CAPACITY

~~26.8~~ 26.7 All costs incurred by Columbia to purchase Ohio Production, firm city gate supplies~~, supplies provided by the Peaking Contract~~ and supplies purchased utilizing the Operationally Retained Capacity, including demand costs, shall be charged to the CSRR. All revenue received from Suppliers through the Local Gas Purchase Requirements shall be credited the CSRR.

~~26.9~~ 26.8 All Local Gas Purchase Requirement purchases shall be included in the annual reconciliation process for Suppliers.

SECTION VII

PART 27 - FULL REQUIREMENTS GENERAL TRANSPORTATION SERVICE (FRGTS)

27.8 Full Requirements General Schools Transportation Service Delivery Charge

Company will charge the following maximum rates for all Customer-owned volumes delivered by Company to Customer's facility where gas is being consumed:

1) First 25 Mcf per account per month $1.6324 per Mcf
2) Next 75 Mcf per account per month $1.2350 per Mcf
3) Over 100 Mcf per account per month $0.9809 per Mcf
4) A Customer charge of $21.37 per account per month, regardless of gas consumed.

The maximum delivery charge for all deliveries by Company to Customer of Customer-owned gas under this provision will be equal to the Full Requirements General Schools Transportation Service base rate then in effect. When a Customer can demonstrate to the Company and requests that a charge lower than the maximum delivery charge is necessary because of competition from a pipeline, distribution system or non natural gas fuel source, then the Company may charge a rate lower than the maximum delivery charge for all deliveries.

The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to fixed costs. Unless otherwise agreed by Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder.

27.9 Billing Adjustments

For all gas delivered hereunder, the bill shall be computed to reflect the following billing adjustments as set forth in Section VII, Part 29 of this tariff.

1) Interim Emergency and Temporary PIP Plan Tariff Schedule Rider;
2) Gross Receipts Tax Rider;
3) Excise Tax Rider;
4) CHOICE/SCO Reconciliation Rider;
5) Uncollectible Expense Rider~~; and~~,
6) Infrastructure Replacement Program Rider, and,
7) Non-Temperature Balancing Service fee.

27.10 Late Payment Charge

Upon next scheduled billing date, an additional amount of 1.5% of the unpaid balance on the subsequent bill will become due and payable as part of the Customer's total obligation.

This provision is not applicable to unpaid account balances of Customers enrolled in payment plans pursuant to Section 4901:1-18-04 of the Ohio Administrative Code.

SECTION VII

PART 28 - FULL REQUIREMENTS LARGE GENERAL TRANSPORTATION SERVICE (FRLGTS)

28.3 Transfer of Service

Without limiting any rights or remedies of a Retail Natural Gas Supplier, customers may leave a Retail Natural Gas Supplier's Aggregation Pool and join any other Aggregation Pool upon assessment of a $5.00 switching fee to the succeeding Retail Natural Gas Supplier by Company, or revert to sales service from Company for which there will be no switching fee.

28.4 Character of Service

Service provided under this schedule shall be considered firm service.

28.5 Delivery Service

The Company shall charge the following rates for all Customer-owned volumes delivered by Company to Customer's facility where gas is being consumed:

1) First 2,000 Mcf per account per month	$0.4110 per Mcf
2) Next 13,000 Mcf per account per month	$0.2520 per Mcf
3) Next 85,000 Mcf per account per month	$0.2200 per Mcf
4) Over 100,000 Mcf per account per month	$0.1740 per Mcf

28.6 A 'Customer Charge' of $595.00 per Account per month, regardless of gas consumed.

28.7 Flexible Delivery Charge

The maximum delivery charge for all deliveries by Company to Customer of Customer-owned gas under this provision will be equal to the Full Requirements Large General Transportation Service (FRLGTS) base rate then in effect. When a Customer can demonstrate to the Company and requests that a charge lower than the maximum delivery charge is necessary because of competition from a pipeline, distribution system or non natural gas fuel source, then the Company may charge a rate lower than the maximum delivery charge for all deliveries.

The minimum rate shall not be less than the variable cost of providing service hereunder plus some contribution to total Company fixed costs. Unless otherwise agreed by Company and Customer, Customer shall pay the maximum rate for all volumes delivered hereunder.

28.8 Billing Adjustments

For all gas delivered hereunder, the bill shall be computed to reflect the following billing adjustments as set forth in Section VII, Part 29 of this tariff.

1) Interim Emergency and Temporary PIP Plan Tariff Schedule Rider;
2) Gross Receipts Tax Rider;
3) Excise Tax Rider;
4) Infrastructure Replacement Program Rider~~; and~~,

5) CHOICE/SCO Reconciliation Rider~~.~~, and
6) Non-Temperature Balancing Service fee.

Columbia Gas of Ohio, Inc.

SECTION VII
PART 30 - ANCILLARY SERVICE RATES

NON-TEMPERATURE BALANCING SERVICE

30.1 Applicability

Applicable to all volumes consumed by CHOICE, SCO Customers and DSS Customers under rate schedules FRSGTS, FRGTS or FRLGTS ~~and to all volumes consumed by SCO and DSS Customers~~.

30.2 Rate

~~A fixed fee of $0.32 per Mcf charged to a CHOICE Supplier for all volumes consumed by the customers in the CHOICE Supplier's Aggregation Pool(s) for each billing month and charged to an SCO Supplier for all SCO and DSS customer billed volumes allocated to the SCO Supplier for each billing month.~~

~~30.3 Payment~~
All gas consumed per account per month $0.27/Mcf.

~~Columbia shall determine the payment (rate times applicable billing month volume) to be provided Columbia each month by each Supplier and include such payment in the monthly invoice to each Supplier.~~

SECTION VIII – GAS SUPPLY AUCTION FOR STANDARD CHOICE OFFER
TABLE OF CONTENTS

SECTION VIII
PART 3 – SCO AUCTION PROCESS

3.1 SCO AUCTION

1) Columbia will conduct an SCO Auction in which ~~qualified gas suppliers~~Competitive Retail Natural Gas Suppliers ("CRNGS") certified by the Commission can compete for the ability to supply a share of the gas supply requirements for Columbia's Standard CHOICE Offer.

3.2 AUCTION BID VOLUME

1) The forecasted SCO supply requirements to be auctioned will be divided ~~into sixteen equal portions~~as equally as is practical into the maximum number of Tranches offered Suppliers ("Tranches"). The number and approximate size of a Tranche will be calculated by Columbia and provided to potential bidders, prior to the SCO Auction. The actual number, and size, of the tranches used in an auction may vary from year to year.

2) A maximum of four Tranches may be bid on and awarded to any individual bidder. The four Tranche limit also applies to groups of affiliated bidders and/or bidders where one bidder has an interest equal to or greater than 10% in another bidders. The maximum number of Tranches a Supplier may bid upon may vary from year-to-year dependent upon the number of Tranches to be offered suppliers. Columbia shall notify potential bidders, prior to the SCO Auction of any change to the maximum number of Tranches that may be bid upon.

3.3 AUCTION BID PRICE

1) Bidding in the SCO Auction will be for the Retail Price Adjustment, which will be fixed for the entire SCO ~~Period~~Program Year.

2) The Retail Price Adjustment will be added to the final settlement price of the NYMEX natural gas futures contract each month ("NYMEX Price") during the SCO ~~Period~~Program Year to determine the monthly SCO Price per Mcf that will be converted to the rate per Ccf billed to SCO Customers for gas delivered by SCO Supplier to allocated Customers and billed by Columbia to the DSS Customers.

3.4 AUCTION METHODOLOGY

1) Columbia will utilize an independent auctioneer to conduct a descending clock auction.

2) The descending clock auction will proceed in a series of rounds during a single day.

3) At the beginning of each round, the auctioneer will announce the offered Retail Price Adjustment. Based upon that offered price, each bidder will bid the number of Tranches that it is willing and able to supply at that price.

SECTION VIII
PART 3 – SCO AUCTION PROCESS

5) In each round, a bidder can either bid the same number or fewer Tranches than it bid in the preceding round.

6) The SCO Auction will end when the number of Tranches bid at an offered price equals ~~sixteen~~the maximum number offered by Columbia. However, if the number of Tranches bid in a round is less than ~~sixteen~~the maximum number offered by Columbia, then the auctioneer will revert back to the price of the previous round and begin the next round by reducing the price of that previous round by one cent, and will continue additional rounds using decrements of one cent until the number of Tranches bid equals ~~sixteen~~the maximum number offered by Columbia. If in this process, the number of Tranches bid once again drops to less than ~~sixteen~~the maximum number of Tranches offered, then the immediately prior round shall be considered the final round. In such event, because the final round will have more than ~~sixteen~~the maximum number of Tranches offered by Columbia bid, the size of each Tranche will be ~~adjusted downward on a prorated basis such that the total forecasted supply requirement of all the awarded Tranches equals the forecasted supply requirements of the original sixteen Tranches~~proportionally lower as the number of customers assigned each Tranche shall be reduced accordingly. The actual number, and size, of the tranches used in an auction may vary from year to year.

7) In the event unforeseen circumstances occur during the SCO Auction that call for a modification to the process, Columbia may confer with the Commission Staff in attendance, and upon agreement, make such changes as may be deemed necessary.

3.5 COMMISSION APPROVAL

1) Immediately following the SCO Auction, the winning Retail Price Adjustment and the names of the winning bidders will be filed with the Commission for its approval.
2) Winning bidders shall execute an SCO Supplier Agreement within one week following the approval of the SCO results by the Commission.

3.6 BIDDER CONFIDENTIALITY

1) Bidders' names will be held confidential ~~until the first day of gas deliveries to Columbia by the SCO Suppliers, or thirty (30) days, whichever comes first~~for the period of time directed by the Commission.

N) Agree to provide Columbia with any additional documents and to take any additional steps that Columbia may request to perfect Columbia's interest in the Accounts Receivable being sold and assigned to Columbia pursuant to the SCO Supplier Agreement including authorizing the filing of UCC-1 financing statements to perfect Columbia's interest.

SECTION VIII
PART 4 – SCO SUPPLIER QUALIFICATIONS

2) Potential bidders in the SCO Auction must certify:

   A) That bidder will maintain the confidentiality of their bidding strategy and will not retain any bidding advisors or consultants providing similar service to another bidder; and,

   B) Whether bidder will bid on a stand alone basis or will be part of a bidding partnership, joint venture, or other arrangement related to the SCO Auction, and whether or not they have a 10% or greater interest in another registered bidder.

4.2 SANCTIONS

1) Sanctions may be imposed on a bidder for failing to abide by any of the preceding certification requirements. Such sanctions may include, but are not limited to the following:

   A) The loss of any rights to bidder awarded in the SCO Auction.

   B) Immediate termination of any other arrangements with Columbia.

   C) Forfeiture of any monies owed to the bidder by Columbia.

   D) Liability for Columbia's attorneys fees and court costs incurred in any litigation that arises from failure to abide by the certifications.

   E) Being subject to any other legal actions, including prosecution, as Columbia in its sole discretion deems appropriate under the circumstances.

Columbia Gas of Ohio, Inc.

SECTION VIII
PART 5 – TIMING OF SCO AUCTIONS

5.1 TIMING OF AUCTIONS

1) An SCO Auction will be conducted ~~on~~in the months of January or ~~about~~ February ~~8annually~~on an annual basis.

2) For customer billing purposes, the ~~first~~ SCO ~~Period~~Program Year will begin with the April ~~2012~~ billing cycle of the respective SCO Program Year at which time the ~~SSO rate from the second SSO Period~~prior SCO Program Year Retail Price Adjustment will be replaced by the current SCO ~~Price for the first SCO Period~~ Program Year Retail Price Adjustment. For billing purposes the SCO Program Year will end with the March billing cycle for the respective Program Year.

3) The SCO Suppliers' obligation to deliver gas supplies for the ~~First~~ SCO ~~Period~~Program Year will commence April ~~1, 2012~~1 and end on March ~~31, 2013. The SCO Suppliers' obligation to deliver gas supplies for subsequent SCO periods will commence April 1 of each year and end the following March 31.~~31 for each respective Program Year.

4) Upon completion of the SCO Auction, the results of the SCO Auction, including the winning bid price, will be filed with the Commission for approval.

5) If the Commission does not approve the results of an SCO Auction, then Columbia will request direction from the Commission as to whether and when to conduct a follow up SCO Auction for the SCO Period or other action should take place, taking into account important factors such as the need to begin storage injections in April of each year.

6) If the Commission decides that a follow up SCO Auction should not be held, Columbia will ~~continue to~~ provide ~~SSO~~GCR sales service or other default commodity sales service, and will effectuate all other changes approved by the Commission pursuant to Columbia's Application.

SECTION VIII
PART 6 – SCO SUPPLIER SECURITY REQUIREMENTS

6.1 INITIAL CREDITWORTHINESS EVALUATION

1) Each potential bidder in the SCO Auction must be pre-qualified for the number of Tranches on which it would like to be able to bid, up to a maximum of four ~~(4)~~ Tranches or the number of tranches as determined by Columbia.

2) Potential SCO Suppliers must complete and sign the Company's Retail Natural Gas Supplier Registration form to be considered for participation in the Company's SCO Program and must pay the Company a fee of $50.00 for each credit evaluation that Columbia performs. Along with the Retail Natural Gas Supplier Registration form, potential SCO Suppliers must provide two executed Confidentiality Agreements in the form provided by the Company.

3) Pre-qualification shall include a creditworthiness evaluation and bidders must meet Columbia's creditworthiness/security requirements in advance of participation in the SCO Auction.

4) Bidders will have their creditworthiness assessed against exposures that include 150% of the Tranches that they express the intent to bid on to allow for sufficient credit to enable an SCO Supplier to accept an increase in its Tranche volumes, in the event of an SCO or CHOICE Supplier default, up to a level equal to 150% of the initial forecasted annual delivery requirements for the SCO Period of the Tranches won by the SCO Supplier.

5) Final creditworthiness requirements shall be communicated to potential bidders at the time that initial information packages for SCO Auction participation are sent to potential bidders. ~~The creditworthiness requirements shall include the timelines and process for evaluations, a detailed list of the information required to complete the evaluation and the methodology for calculating the amount of credit exposure~~.

6.2 DETERMINATION OF ~~CREDITWORTHINESS~~CREDITWORTHINES

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

Evaluations will be based on standard credit factors such as previous customer history, financial and credit ratings, trade references, bank information, unused line of credit, financial information and SCO Supplier's accounts receivable where the Company is provided a first secured interest. Based on the number of standard credit factors met by the SCO Supplier, the Company will assign a dollar credit level range for each SCO Supplier. The Company shall have sole discretion to determine creditworthiness based on the above criteria, but will not deny creditworthiness without reasonable cause.

The SCO Supplier will provide the Company with (1) its most recent financial statements (audited where available) and most recent annual report. If applicants credit should be evaluated based on a parent or other corporate credit support provider, applicant must provide the most recent fiscal financial statements of the applicable credit support providers as well. If applicant or guarantor is a publically traded company with annual 10-K and 10-Q reports filed with the SEC,

SECTION VIII
PART 6 – SCO SUPPLIER SECURITY REQUIREMENTS

applicant must further provide copies of these reports or a web address for these reports; (2) a minimum of three bank and trade references; and (3) a list of parent company affiliates and a description of corporate structure ~~description~~.

An SCO Supplier shall satisfy its credit security requirement, and receive an unsecured credit limit from the Company, by demonstrating that is has and maintains investment grade long-term bond ratings from any two of the following four rating agencies:

Agency	Senior Securities Rating (Bonds)
Standard & Poors	BBB- or higher
Moody's Investors' Services	Baa3 or higher
Fitch IBCA	BBB- or higher
Duff & Phelps Credit Rating Company	BBB- or higher

The Company may make reasonable alternative credit arrangements with an SCO Supplier that is unable to meet the aforementioned criteria and with those SCO Suppliers whose credit/security requirements exceed their allowed unsecured credit limit. The form and format of the credit arrangements must be acceptable to the Company. The Company may, at its option, require the use of any of the following as a form of financial security: a guarantee of payment; a mutually agreeable irrevocable Letter of Credit; a cash deposit; or other mutually agreeable security or arrangement. A party other than an SCO Supplier may provide credit agreements and financial security for the SCO Supplier, including a cash deposit, if acceptable to the Company. The amount of security shall remain commensurate with the financial risks placed on the Company by each SCO Supplier, as those financial risks are reevaluated by the Company from time to time, as it deems necessary.

6.3 NOTICE FILING AND DETERMINATION OF SECURITY REQUIREMENT

The Company shall file with the Commission's Docketing Division a document that contains the formula used to determine the Company's security requirements applicable to SCO Suppliers participating in the SCO ~~Auction~~auction. The security requirement formula shall be applied in a non-discriminatory manner to determine the level of financial risk associated with each SCO Supplier. If there is a material change to the security requirement formula used by the Company, the Company may update the formula, and will file such updated formula. Notice of such filings and the reasons for any changes shall be filed with the Commission, no later than ten ~~(10)~~ business days before the formula takes effect.

6.4 FINANCIAL ~~ASSURANCE FROM COLUMBIA~~SECURITY FOR DEFAULT EXPENSES

~~The Company shall not provide Financial Assurance to SCO Suppliers related to the Company's obligations under the SCO Supplier Agreement as long as the Company continues to perform in compliance with said Agreement.~~

~~6.5 ON-GOING CREDITWORTHINESS EVALUATION~~

~~The Company reserves the right to conduct further creditworthiness evaluations during the course of the program, when information has been received by the Company that indicates the creditworthiness of a SCO Supplier may have~~

Columbia Gas of Ohio, Inc.

~~deteriorated. SCO Suppliers agree to inform the Company of any significant change in the SCO Supplier's current financial condition.~~

In addition to the Letter of Credit discussed above, upon the awarding of tranches, each SCO Supplier shall provide Columbia, by March 1 of each year, with a cash deposit equal to ten cents multiplied by the number of Mcf in the initial estimated annual delivery requirements for the SCO Program Year of the tranches won by that SCO Supplier. This security will be used to provide a liquid account to meet supply default expenses other than those covered by the Letter of Credit discussed above. Any funds remaining at the end of each SCO Program Year will be transferred to the CSRR.

SECTION VIII
PART 6 – SCO SUPPLIER SECURITY REQUIREMENTS

6.5 FINANCIAL ASSURANCE FROM COLUMBIA

The Company shall not provide Financial Assurance to SCO Suppliers related to the Company's obligations under the SCO Supplier Agreement as long as the Company continues to perform in compliance with said Agreement.

6.6 ON-GOING CREDITWORTHINESS EVALUATION

The Company reserves the right to conduct further creditworthiness evaluations during the course of the program, when information has been received by the Company that indicates the creditworthiness of a SCO Supplier may have deteriorated. SCO Suppliers agree to inform the Company of any significant change in the SCO Supplier's current financial condition.

6.7 RIGHT TO PROCEEDS

In the event of Default as defined in the Company's tariff, the Company shall have the right, upon satisfaction of the default requirements identified in Section VII, Part 24.2 of this tariff, to use the proceeds from SCO Supplier's financial security instrument(s) to satisfy all obligations under this tariff and any other agreements between the SCO Supplier and the Company in accordance with this tariff and the SCO Supplier Agreement. The proceeds from such instruments shall be used to satisfy any outstanding claims that the Company has against the SCO Supplier, including, but not limited to, interstate pipeline capacity charges, imbalance charges, cash-out charges, pipeline penalty charges, reservation charges, and any other amounts owed to the Company, for which the Company is or will be responsible, related to SCO Supplier's participation in the Program. Such proceeds may also be used to secure additional gas supplies, including payment of the costs of the gas supplies themselves, the costs of transportation, storage, gathering, taxes, and other related costs incurred in acquisition of those gas supplies.

The Company reserves the right to use SCO Supplier's assets associated with the SCO Program to offset or recoup any costs owed to and/or incurred by the Company.

~~6.7~~6.8 FINANCIAL SECURITY FOR SCO SUPPLIERS

1) In addition to those creditworthiness/security requirements addressed above, upon the awarding of Tranches following the approval by the Commission of the ~~SSO~~SCO auction results, each ~~winning bidder~~SCO Supplier shall provide the Company by March 1of each year with a mutually agreeable irrevocable Letter of Credit ~~or other mutually agreeable security or arrangement~~ in the amount of fifty cents per Mcf ($0.50/Mcf) multiplied by the initial estimated annual delivery requirements for the SCO Period of the Tranches won by that SCO Supplier.

2) This financial security shall be held and administered by the Company exclusively for the benefit of the other SCO Suppliers who receive an allocation of additional delivery requirements as a result of a default of the SCO Supplier that provided that security to the extent funds for distribution are received by the Company.

3) In the event of an SCO Supplier default, the Company shall distribute to other SCO Suppliers the proceeds of the security that the Company holds for the defaulting SCO Supplier to the extent the Company receives funds for distribution. This distribution of the proceeds of the defaulting SCO Supplier's security shall be allocated on a pro rata basis to other SCO Suppliers in proportion to the amount of delivery requirements each SCO Supplier receives in the process set forth in Part 7 of Section ~~VIII of the tariff. This allocation of the defaulting SCO Suppliers' security proceeds to non-defaulting SCO Suppliers does not require proof of damages from those~~

~~non-defaulting SCO Suppliers, and constitutes the entire amount of monies that would be due the remaining SCO Suppliers from the Company as a result of such default by an SCO Supplier.~~

SECTION VIII
PART 7 – SUPPLIER DEFAULT

7.1 REPLACING THE SUPPLY OBLIGATIONS OF A DEFAULTING SUPPLIER

In the event that an SCO Supplier or a CHOICE Supplier defaults on its obligations as set forth in this Tariff and/or associated contractual agreements, Columbia will implement the following procedure to assure that gas supplies, that are required to serve customers in a reliable manner continue to be delivered.

1) When a Supplier defaults, Columbia will notify the defaulting Supplier of the occurrence of the default and will identify the remedies available to cure the default. A default must be cured within ~~of~~ five (5) days of such notice.

2) In the event that a defaulting Supplier fails to cure the default, the Supplier will be terminated from further participation in the CHOICE and SCO programs.

3) If the default is not cured by the defaulting Supplier, Columbia will recall a defaulting Supplier's assigned capacity and acquire gas supply as needed to serve the supply requirements formerly served by the defaulting Supplier.

4) If the defaulting Supplier is a CHOICE Supplier, the affected CHOICE customers will be charged their CHOICE contracted rate for the billing cycle in which the CHOICE Supplier's termination from the CHOICE program occurs and they will pay the SCO rate in the subsequent billing cycles. If the customer of a defaulting CHOICE Supplier chooses another CHOICE Supplier from which to purchase gas, that request will be processed within the standard timing of the CHOICE program and the customer will be placed under that CHOICE Supplier's rate accordingly.

5) CHOICE, SCO and DSS supply requirements that are un-served as a result of a Supplier default will be allocated to the remaining SCO Suppliers, as part of the monthly development of Demand Curves, in the next available monthly cycle using the allocation process described below.

   A) ~~Each non-~~Following a CHOICE/SCO Supplier default, non-defaulting SCO ~~Supplier~~Suppliers will receive ~~a pro rata share of the unassigned supply requirements resulting from the default based upon the initial forecasted~~ their pro rata share of the unserved SCO customers by random assignment, by PSP, based on the number of tranches supplied by each non-defaulting SCO Supplier and pro rata share of estimated DSS demand, by PSP, based on the number of tranches served by each non-defaulting SCO Supplier up to an amount not to exceed 150% of the SCO Supplier's initial annual delivery ~~requirements for the SCO Period of the Tranches won by the SCO Supplier.~~ requirement.

   ~~B) An SCO Supplier shall not be allocated a total SCO supply responsibility of more than 150% of the initial forecasted annual delivery requirements for the SCO Period of the Tranches won by the SCO Supplier as a result of this allocation process related to a default.~~

   B) ~~C)~~ If, due to the 150% limit set forth directly above, this allocation process does not result in all of the supply requirements formerly served by the defaulting Supplier being assigned to non-defaulting

SCO Suppliers, then Columbia shall supply the remaining supply requirements for the remainder of the SCO Period, and shall retain associated upstream capacity associated with that supply requirement. If the un-served supply requirement is the result of a CHOICE Supplier default, then the related CHOICE customers that do not select another CHOICE Supplier will begin paying the SCO Price, just as if their supply requirements had transferred to non-defaulting SCO Suppliers instead of to Columbia, and all associated gas supply and capacity costs incurred by Columbia to serve the remaining supply requirement will be charged to the CSRR.

SECTION VIII
PART 8 – SCO CUSTOMER AND DSS DEMAND ALLOCATIONS

8.1 INITIAL ALLOCATION OF SCO CUSTOMERS

On or about March 18 of each year Columbia will use its best efforts to assign to winning SCO Suppliers CHOICE eligible customers that have not elected a CHOICE Retail Natural Gas Supplier and are not served through Governmental Aggregation Programs for the SCO Program year. This annual assignment of these customers will be performed through an allocation of these customers based on revenue class; annual demand; geographical location (PSP) and credit ranking.

8.2 INITIAL ALLOCATION OF DSS CUSTOMERS

On or about the 18th day of each month, SCO Suppliers will be allocated a proportionate share of ~~customers~~customer demand not eligible to participate in the CHOICE Program or Governmental Aggregation Programs, by PSP, based on the number of Tranches supplied.

8.3 MONTHLY ALLOCATION OF SCO CUSTOMERS

Customers may migrate to and from the CHOICE and SCO programs each billing cycle. Customers that move into Columbia's service area may enroll immediately in a CHOICE or Governmental Aggregation Program. Subsequent to the initial allocation of CHOICE eligible customers that have not elected a CHOICE Program Retail Natural Gas Supplier and are not served through Governmental Aggregation Programs, each month thereafter, on or about the 18th day of that month, Columbia will assign New Customers through the random assignment of customers, by PSP, based on the number of Tranches supplied by each SCO Supplier.

8.4 MONTHLY ALLOCATION OF DSS CUSTOMERS

Subsequent to the allocation of DSS ~~customers~~customer demand, in accordance with Part 8.2 of this tariff, on or about the 18th day of each month thereafter, SCO Suppliers will be allocated a proportionate share of customers not eligible to participate in the CHOICE Program or Governmental Aggregation Programs, by PSP, based on the number of Tranches supplied.

8.5 ALLOCTION OF NEW CUSTOMERS

New Customers served within a political subdivision with a Governmental Aggregation program~~,~~ that have not joined the CHOICE Program® or Governmental Aggregation, must be served as a DSS customer during the first two billing cycles. New Customers that have not taken action to join a Governmental Aggregation or CHOICE Program at the end of the first two billing cycles will be assigned to an SCO Supplier if eligible.

8.6 CUSTOMER INFORMATION PROVIDED SCO SUPPLIERS

Upon the completion of the allocation process, SCO Suppliers will be provided with specific customer information for customers including, but not limited to, customer name, account number, billed usage, billed charges, enrollments and drops. An SCO Supplier must utilize Columbia's internet-base website in order to receive file transactions for customer billing and enrollment information.