

- b. If new equipment is involved, describe (preferably with a picture, brochure, etc.) and, where appropriate, provide a statement distinguishing proposed service from existing services;
- c. If proposed service results from customers request, so state giving, if available, the number of customers requesting proposed service.

_____ **Exhibit C-2** – If a change of classification, rule or regulation is proposed, a statement explaining reason for change.

 X **Exhibit C-3** – Statement explaining reason for any proposal not covered in exhibits C-1 or C-2.

5. This application will not result in an increase in any rate, joint rate, toll, classification, charge or rental.

Dated: June 27, 2017

Respectfully submitted,

/s/ Andrew J. Campbell

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ATTORNEYS FOR THE EAST OHIO GAS
COMPANY D/B/A DOMINION ENERGY OHIO

EXHIBIT A
Existing Schedules to be Superseded

GENERAL TERMS AND CONDITIONS OF ENERGY CHOICE POOLING SERVICE**SUPPLY SOURCES AND CAPACITY ASSIGNMENT****3. SOURCES OF SUPPLY AND CAPACITY**

- 3.1 Subject to the terms and conditions of the Agreement, East Ohio agrees to receive, for Supplier's account, Transportation Volumes (including Contract Storage), Production Volumes, Storage Volumes and/or Pool-to-Pool Volumes.
- 3.2 In determining Daily Available Volumes, Transportation Volumes and Production Volumes shall be adjusted by an appropriate Unaccounted-for Gas Percentage as they are received by East Ohio. For purposes of determining On-System Storage inventory volumes, this Unaccounted-for Gas Percentage shall be deemed to have been applied to volumes nominated for injection into On-System Storage.
- 3.3 Supplier must hold sufficient supply and/or capacity rights to meet 91.75% of its End Use Customers' design day requirements for the November through March period. Supplier may obtain such rights from East Ohio or secure Comparable Capacity from another source. East Ohio shall assign On-System Storage capacity to Supplier based on the pro rata share of such storage allocable to Supplier's End Use Customers. Such On-System Storage shall be deemed comparable for purposes of assessing Supplier's supply and/or capacity rights. Supplier may request additional supply and/or capacity rights from East Ohio which can be used to satisfy some or all of the Comparable Capacity requirement. If Supplier secures supply and/or capacity rights from another source to satisfy the Comparable Capacity requirement, East Ohio shall have the right to review those terms of Supplier's agreement(s) with the other source(s) necessary to assure the reliability of those rights.
- 3.4 The priority of service for the Comparable Capacity shall be no less than that required by East Ohio for the purpose of serving its Core Sales Demand. The primary delivery point of the Comparable Capacity used to deliver Transportation Volumes (including Contract Storage) shall be at East Ohio's interconnection with the Upstream Pipeline(s). Production Volumes may be used to satisfy some or all of the Comparable Capacity requirement. The adequacy of design day coverage shall be determined by the ability of the Supplier to meet the estimated design day requirements of its End Use Customers.

4. OPTIONAL ASSIGNMENT OF UPSTREAM CAPACITY

- 4.1 If requested by Supplier, Upstream Pipeline Primary Firm Transportation capacity made available by East Ohio shall be assigned to the Supplier on a pro rata basis

GENERAL TERMS AND CONDITIONS OF ENERGY CHOICE POOLING SERVICE

using the composition of such capacity held by East Ohio for the purpose of serving its Core Sales Demand. The assignment shall be structured as a release of capacity at the full maximum rates paid by East Ohio. The standard term of the release shall be through the termination date of the contract(s) between East Ohio and the Upstream Pipeline as adjusted for any seasonal or annual variations in the capacity rights provided by such contract(s). Supplier may request alternate arrangements which East Ohio shall evaluate in terms of the potential impact on reliability and stranded costs. The character of assigned Primary Firm Transportation service shall be agreed upon between East Ohio and the Upstream Pipeline prior to assignment to the Supplier.

- 4.2 If the above *pro rata* assignment calculation yields less than 1,000 dekatherms per day on a particular segment of Upstream Pipeline Primary Firm Transportation capacity to be assigned to the Supplier, East Ohio shall retain that segment of capacity to serve Core Sales Demand and permit the Supplier to select an alternate segment to be assigned by East Ohio on the same or another pipeline provided the alternate segment delivers gas to East Ohio at the same citygate(s) entering its system, i.e., East Side or West Side, as the segment it is replacing.
- 4.3 The Primary Firm Transportation capacity released pursuant to Paragraph 4.1 shall be recallable upon Supplier's failure to comply with the terms and conditions set forth in these General Terms and Conditions. Particular emphasis shall be placed on Supplier compliance with the Reconciliation of Daily Imbalance Volumes (Section 18 of these General Terms and Conditions), OFOs (Section 21) and Standards of Conduct (Section 24). If Supplier's End Use Customers return to system supply, East Ohio shall have the right to recall such Primary Firm Transportation capacity released pursuant to Paragraph 4.1 as may be needed to meet the estimated design day requirements of the returning End Use Customers.
- 4.4 If requested by Supplier, Contract Storage capacity and related storage demand/deliverability made available by East Ohio shall be assigned to the Supplier. The assignment shall be structured as a release of capacity at the full maximum rates paid by East Ohio. The standard term of the release shall be through the end of the then current storage season pursuant to the applicable Contract Storage rate schedule terms and conditions. Supplier may request alternate arrangements which East Ohio shall evaluate in terms of the potential impact on reliability and stranded costs. The character of assigned Contract Storage service shall be agreed upon between East Ohio and the Contract Storage operator prior to assignment to the Supplier.
- 4.5 The Contract Storage capacity released pursuant to Paragraph 4.4 shall be recallable upon Supplier's failure to comply with the terms and conditions set

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forth in these General Terms and Conditions. Particular emphasis shall be placed on Supplier compliance with the Reconciliation of Daily Imbalance Volumes (Section 18 of these General Terms and Conditions), OFOs (Section 21) and Standards of Conduct (Section 24). If Supplier's End Use Customers return to system supply, East Ohio shall have the right to recall such Contract Storage capacity released pursuant to Paragraph 4.4 as may be needed to meet the estimated design day requirements of the returning End Use Customers. If East Ohio recalls such capacity, it shall purchase the associated amount of Supplier's Contract Storage inventory in place. The purchase price shall equal the first of the month price index as published in *Inside F.E.R.C.'s Gas Market Report* (The McGraw-Hill Companies, Inc.) for Dominion Transmission Inc. Appalachia, or an appropriate successor index should it cease to be published, for the month in which the purchase takes place.

- 4.6 Supplier's failure to pay Upstream Pipeline for any Firm Transportation or Contract Storage capacity released pursuant to this Section may be deemed to be a material default within the meaning of OAC Rule 4901:1-27-12(J) and may be grounds for East Ohio requesting suspension or termination of the Agreement pursuant to OAC Rule 4901:1-27-12(J).
- 4.7 The capacity released pursuant to Sections 4.3 and 4.5 may be revised in the event of a material change in a Supplier's aggregate Customer demand. Any recalled capacity shall be made available to all Standard Service Offer, Standard Choice Offer and Energy Choice suppliers pursuant to the provisions set forth elsewhere in Section 4.

5. ASSIGNMENT OF ON-SYSTEM STORAGE CAPACITY

- 5.1 On-System Storage capacity and related storage demand/deliverability shall be assigned to the Supplier based on the pro rata share of such storage allocable to Supplier's End Use Customers. The costs associated with such capacity shall be recovered in the volumetric rates paid by End Use Customers under the ECTS and LVECTS rate schedules and shall not be the direct responsibility of the Supplier. The initial assignment shall commence the first month in which the Supplier renders commodity service to the End Use Customer and shall terminate the last month in which the Supplier renders commodity service to the End Use Customer on whose behalf the capacity had been assigned.
- 5.2 Supplier shall comply with the Summer Period storage injection schedule set forth in paragraph 13.8 of these General Terms and Conditions. Compliance may be achieved by: (1) modified On-System Storage injections and/or (2) On-System Storage inventory transfers to and from storage accounts of other Suppliers. East

GENERAL TERMS AND CONDITIONS OF ENERGY CHOICE POOLING SERVICE

Ohio shall use its best efforts to accommodate Supplier requests for over-injections above the firm injection rights specified in Section 13 of these General Terms and Conditions. East Ohio shall accommodate Supplier's On-System Storage inventory transfer requests to the extent permitted under the respective pooling and storage service provisions. If, notwithstanding its best efforts, Supplier is unable to attain the specified On-System Storage inventory levels, Supplier shall purchase from or sell to East Ohio On-System Storage volumes in place in an amount necessary to attain such inventory. East Ohio may, at its option, purchase or sell volumes above the minimum level needed to achieve compliance if requested by Supplier, or if needed to meet operational requirements. The transfer price shall equal the first of the month price index as published in *Inside F.E.R.C.'s Gas Market Report* (The McGraw-Hill Companies, Inc.) for Dominion Transmission Inc. Appalachia, or an appropriate successor index should it cease to be published, for the month in which the purchase or sale takes place plus the 100% load factor cost of transportation on Dominion Energy Transmission Inc. to East Ohio's city gate. Such price shall be adjusted by the Unaccounted-for Gas Percentage, the conversion to Mcf pursuant to Paragraph 7.2 of these General Terms and Conditions, and associated excise tax if applicable. On-System Storage volumes purchased from East Ohio shall be credited to Supplier's inventory for nomination purposes only. Title and possession shall remain with East Ohio until payment for such purchase is received from Supplier, at which time title and possession shall transfer to Supplier.

- 5.3 Supplier shall attain a first of month On-System Storage inventory level consistent with the ranges set forth in Paragraph 13.12 of these General Terms and Conditions. Supplier may achieve such a level by (1) On-System Storage inventory transfers to and from storage accounts of other Suppliers or (2) a purchase from or sale to East Ohio of On-System Storage volumes in place in an amount necessary to attain such inventory. East Ohio may, at its option, purchase or sell volumes above the minimum level needed to achieve compliance if requested by Supplier, or if needed to meet operational requirements. The transfer price shall equal the first of the month price index as published in *Inside F.E.R.C.'s Gas Market Report* (The McGraw-Hill Companies, Inc.) for Dominion Transmission Inc. Appalachia, or an appropriate successor index should it cease to be published, for the month in which the purchase or sale takes place plus the 100% load factor cost of transportation on Dominion Energy Transmission Inc. to East Ohio's city gate. Such price shall be adjusted by the Unaccounted-for Gas Percentage, the conversion to Mcf pursuant to Paragraph 7.2 of these General Terms and Conditions, and associated excise tax if applicable. On-System Storage volumes purchased from East Ohio shall be credited to Supplier's inventory for nomination purposes only. Title and possession shall remain with

GENERAL TERMS AND CONDITIONS OF ENERGY CHOICE POOLING SERVICE

East Ohio until payment for such purchase is received from Supplier, at which time title and possession shall transfer to Supplier.

- 5.4 The On-System Storage assignment made pursuant to Paragraph 5.1 shall be withdrawn only under the following circumstances: (1) the End Use Customer on whose behalf the capacity has been assigned is no longer served by the Supplier or (2) the Supplier has failed to comply with the terms and conditions set forth in these General Terms and Conditions. Particular emphasis shall be placed on Supplier compliance with the Reconciliation of Daily Imbalance Volumes (Section 18 of these General Terms and Conditions), OFOs (Section 21) and Standards of Conduct (Section 24).

6. ASSESSMENT OF SUPPLY AND CAPACITY

- 6.1 East Ohio shall assess the sufficiency of Supplier's supply and/or capacity rights on a monthly basis during the November through March period. If East Ohio adopts enrollment procedures that permit intra-month changes in the number of Customers served by Supplier, East Ohio may update its assessment during the month. If such assessment indicates that Supplier's rights are deficient relative to 91.75% of its End Use Customers' design day requirements for the following month, East Ohio shall notify Supplier, which shall then correct the deficiency within ten business days. East Ohio may also require Supplier to submit a capacity and supply plan for the remainder of the November through March period in order to determine whether Supplier's plan and capabilities are sufficient to meet future Customer requirements. Supplier's failure to correct any deficiencies may be deemed to be a material default within the meaning of OAC Rule 4901:1-27-12(J) and may be grounds for East Ohio requesting suspension or termination of the Agreement pursuant to OAC Rule 4901:1-27-12(J). In the event such deficiency remains uncorrected, East Ohio may also, at its sole discretion and in accordance with reasonable and standard industry practice, recall or otherwise withdraw any capacity rights assigned to the Supplier pursuant to Sections 4 and 5 of these General Terms and Conditions upon five (5) days' written notice to the Supplier.
- 6.2 The capacity retained by East Ohio for operational balancing purposes shall be comprised of 75% Contract Storage capacity and 25% On-System Storage capacity. East Ohio shall review annually the amount and composition of its operational balancing capacity. If such review indicates that this designated amount and/or composition of operational balancing is not required to maintain system integrity, the amount and/or composition may be modified after review by the PUCO Staff.

GENERAL TERMS AND CONDITIONS OF ENERGY CHOICE POOLING SERVICE**UPSTREAM PIPELINE VOLUMES****7. TRANSPORTATION RECEIPT POINTS**

- 7.1 All Transportation Volumes shall be measured at Transportation Receipt Points specified by Supplier and accepted by East Ohio in accordance with the terms of East Ohio's agreement with the Upstream Pipeline. Such measurement shall be conclusive for purposes of the Agreement.
- 7.2 When Transportation Volumes are received by East Ohio on an MMBtu basis, East Ohio will make a heat content adjustment in order to convert Supplier's Transportation Volumes to an Mcf basis. For each calendar year, East Ohio will calculate the weighted average heat content of all such gas delivered to East Ohio during this period (the "Heat Content Adjustment Factor"). This Heat Content Adjustment Factor, expressed as MMBtu per Mcf, will be used to adjust all Transportation Volumes received during the following twelve (12) month period commencing on April 1, unless East Ohio and Supplier agree in writing to an alternative Heat Content Adjustment Factor. East Ohio shall review annually the use of a system-wide Heat Content Adjustment Factor. If such a review indicates that area or point-specific Heat Content Adjustment Factors are required, East Ohio may implement them after review by the PUCO staff.
- 7.3 Transportation Volumes received by East Ohio at Transportation Receipt Points shall conform to Upstream Pipeline's gas quality standards, unless such standards have not been filed with, and approved by, either the FERC or the PUCO, in which case Transportation Volumes must conform to the gas quality standards of East Ohio in effect at the time.
- 7.4 East Ohio shall use its best efforts to receive Transportation Volumes for Supplier's account, unless Supplier has made an election pursuant to Section 9 of these General Terms and Conditions.

8. NOMINATION OF TRANSPORTATION VOLUMES

- 8.1 All Transportation Volumes received for Supplier's account at Transportation Receipt Points shall be nominated to East Ohio in advance according to the procedures outlined in this Section.
- 8.2 Nominations are to be transmitted to East Ohio via East Ohio's EBB and are to be received by East Ohio by the dates and times specified in East Ohio's calendar of

GENERAL TERMS AND CONDITIONS OF ENERGY CHOICE POOLING SERVICE

nominations, as amended from time to time, which is available on East Ohio's EBB.

- 8.3 Nominations must conform, in content and format, with East Ohio's specifications for Transportation Volume nominations, which shall include, at a minimum: Supplier's East Ohio contract number; Upstream Pipeline; Upstream Pipeline contract number; and requested daily Transportation Volume.
- 8.4 East Ohio will either confirm, in total or in part, or reject Supplier's Transportation Volume nomination based upon East Ohio's operating conditions, the limits and requirements of East Ohio's system and facilities, previously confirmed nominations and timely confirmation by Upstream Pipelines. Confirmed Transportation Volumes will be posted on East Ohio's EBB. In order to support system operations, maintain system integrity, and minimize Positive or Negative Imbalance Volumes, East Ohio may request Supplier to nominate and deliver Transportation Volumes to designated Transportation Receipt Points. Such requests shall be posted in advance on East Ohio's EBB. If, in East Ohio's sole discretion, voluntary compliance by Suppliers fails to correct operational deficiencies, East Ohio may exercise its authority under Paragraph 21.1 to issue Supplier-specific and/or system-wide OFOs.
- 8.5 Confirmed nominations will become effective on the date specified in Supplier's nomination and will remain in force until the last day of the current calendar month, subject to continued receipt by East Ohio from Upstream Pipeline of the confirmed volume, unless superseded by a subsequent Transportation Volume nomination.
- 8.6 Nominations made in accordance with this Section do not relieve Supplier of the obligation to submit corresponding nominations for service with an Upstream Pipeline.

9. FIRM RECEIPT POINT OPTION

- 9.1 Supplier may elect to designate specific Transportation Receipt Points as firm receipt points. Each such firm receipt point, and the corresponding maximum daily transportation quantity for each such firm receipt point, shall be specified in a separate agreement. The sum of the maximum daily transportation quantities for all firm receipt points shall not exceed the total Maximum Daily Allocation Quantity specified in the Agreement.

GENERAL TERMS AND CONDITIONS OF ENERGY CHOICE POOLING SERVICE

- 9.2 Access to any receipt points on East Ohio's system, as to which an election pursuant to Paragraph 9.1 above has not been made, shall be on a best efforts basis.
- 9.3 Supplier making an election pursuant to Paragraph 9.1 above shall be assessed a firm receipt point surcharge; the actual amount of the surcharge shall be determined through competitive bidding with minimum bid amounts to be determined by East Ohio.

GENERAL TERMS AND CONDITIONS OF ENERGY CHOICE POOLING SERVICE**SUPPLIER DEFAULT****26. CONDITIONS OF SUPPLIER DEFAULT**

- 26.1 Supplier's failure to pay Upstream Pipeline for any Firm Transportation or Contract Storage capacity released pursuant to Section 4 of these General Terms and Conditions.
- 26.2 Supplier's failure to correct a deficiency of Supplier's comparable supply and/or capacity rights pursuant to Section 6 of these General Terms and Conditions.
- 26.3 Supplier's failure to comply with an On-System Storage OFO pursuant to Section 13 of these General Terms and Conditions.
- 26.4 Supplier's failure to provide cumulative Daily Available Volumes plus Imbalance Trading Volumes equal to at least 90% of cumulative Daily Pool Requirements over a given month pursuant to Section 18 of these General Terms and Conditions.
- 26.5 Supplier's failure to provide Daily Available Volumes plus Imbalance Trading Volumes equal to at least 80% of Daily Pool Requirements for five or more days in a given month pursuant to Section 18 of these General Terms and Conditions.
- 26.6 Supplier informs East Ohio, or East Ohio otherwise becomes aware, that Supplier does not intend to perform its obligations under the Agreement, or East Ohio determines that Supplier no longer has the Upstream Pipeline or Storage capacity, inventory or gas supply necessary to perform Supplier's obligations as described in Section 18 of these General Terms and Conditions.
- 26.7 Supplier's failure to comply with an OFO pursuant to Section 21 of these General Terms and Conditions.
- 26.8 Supplier's failure to pay to East Ohio amounts due under the Agreement pursuant to Section 22 of these General Terms and Conditions.
- 26.9 Supplier's failure to meet and/or maintain creditworthiness requirements pursuant to Section 23 of these General Terms and Conditions.

EXHIBIT B
Proposed Schedule Sheets

GENERAL TERMS AND CONDITIONS OF ENERGY CHOICE POOLING SERVICE**SUPPLY SOURCES AND CAPACITY ASSIGNMENT****3. SOURCES OF SUPPLY AND CAPACITY**

- 3.1 Subject to the terms and conditions of the Agreement, East Ohio agrees to receive, for Supplier's account, Transportation Volumes (including Contract Storage), Production Volumes, Storage Volumes and/or Pool-to-Pool Volumes.
- 3.2 In determining Daily Available Volumes, Transportation Volumes and Production Volumes shall be adjusted by an appropriate Unaccounted-for Gas Percentage as they are received by East Ohio. For purposes of determining On-System Storage inventory volumes, this Unaccounted-for Gas Percentage shall be deemed to have been applied to volumes nominated for injection into On-System Storage.
- 3.3 Supplier must hold sufficient supply and/or capacity rights to meet 91.75% of its End Use Customers' design day requirements for the November through March period. Supplier may obtain such rights from East Ohio or secure Comparable Capacity from another source. East Ohio shall assign On-System Storage capacity to Supplier based on the pro rata share of such storage allocable to Supplier's End Use Customers. Such On-System Storage shall be deemed comparable for purposes of assessing Supplier's supply and/or capacity rights. Supplier may request additional supply and/or capacity rights from East Ohio which can be used to satisfy some or all of the Comparable Capacity requirement. If Supplier secures supply and/or capacity rights from another source to satisfy the Comparable Capacity requirement, East Ohio shall have the right to review those terms of Supplier's agreement(s) with the other source(s) necessary to assure the reliability of those rights.
- 3.4 The priority of service for the Comparable Capacity shall be no less than that required by East Ohio for the purpose of serving its Core Sales Demand. The primary delivery point of the Comparable Capacity used to deliver Transportation Volumes (including Contract Storage) shall be at East Ohio's interconnection with the Upstream Pipeline(s). Production Volumes may be used to satisfy some or all of the Comparable Capacity requirement. The adequacy of design day coverage shall be determined by the ability of the Supplier to meet the estimated design day requirements of its End Use Customers.

4. ASSIGNMENT OF UPSTREAM CAPACITY

- 4.1 Upstream Pipeline Primary Firm Transportation capacity not needed for operational balancing purposes shall be made available by East Ohio on a pro rata

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Issued:

Effective:

Filed under authority of the Public Utilities Commission of Ohio in Case No. 17-XXXX-GA-ATA

Jeffrey A. Murphy, Vice President and General Manager

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GENERAL TERMS AND CONDITIONS OF ENERGY CHOICE POOLING SERVICE

basis. The assignment shall be structured as a release of capacity at the full maximum rates paid by East Ohio. The standard term of the release shall be through the earlier of March 31, 2010, or the termination date of the contract(s) between East Ohio and the Upstream Pipeline as adjusted for any seasonal or annual variations in the capacity rights provided by such contract(s). East Ohio shall retain all rights of first refusal that accompany such capacity upon contract termination. Supplier may request alternate arrangements which East Ohio shall evaluate in terms of the potential impact on reliability and stranded costs. In the event that any such capacity remains unreleased after first being made available to Suppliers on a voluntary basis, Supplier shall be required to accept a pro rata release of such capacity.

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- 4.2 In order to ensure adequate deliveries into East Ohio's Ashtabula market area, Suppliers shall be obligated to accept a release of the associated Tennessee Gas Pipeline ("Tennessee") and corresponding downstream Dominion Transmission, Inc. ("DTI") capacity needed to serve that area on a pro rata basis. The amount of Tennessee and corresponding downstream DTI capacity to be released will be adjusted each Summer and Winter Period or monthly in the case of material changes in pro rata market shares. If the pro rata amount of capacity that would be released to the Supplier is de minimus, East Ohio shall not require Supplier to accept the release. Because Tennessee deliveries to the Cochranton, Pennsylvania interconnection must be delivered to East Ohio through DTI, only the DTI portion of the release shall count towards the Supplier's comparable capacity requirement.

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- 4.3 The Primary Firm Transportation capacity released pursuant to Paragraph 4.1 shall be recallable in the event of a material decrease in Supplier's aggregate end user demand or upon Supplier's failure to comply with the terms and conditions set forth in these General Terms and Conditions. Particular emphasis shall be placed on Supplier compliance with the Reconciliation of Daily Imbalance Volumes (Section 18 of these General Terms and Conditions), OFOs (Section 21) and Standards of Conduct (Section 24). If Supplier's End Use Customers return to system supply, East Ohio shall have the right to recall such Primary Firm Transportation capacity released pursuant to Paragraph 4.1 as may be needed to meet the estimated design day requirements of the returning End Use Customers.

Deleted: If the above *pro rata* assignment calculation yields less than 1,000 dekatherms per day on a particular segment of Upstream Pipeline Primary Firm Transportation capacity to be assigned to the Supplier, East Ohio shall retain that segment of capacity to serve Core Sales Demand and permit the Supplier to select an alternate segment to be assigned by East Ohio on the same or another pipeline provided the alternate segment delivers gas to East Ohio at the same citygate(s) entering its system, i.e., East Side or West Side, as the segment it is replacing.

- 4.4 Contract Storage capacity and related storage demand/deliverability not needed for operational balancing purposes shall be made available by East Ohio on a pro rata basis. The assignment shall be structured as a release of capacity at the full maximum rates paid by East Ohio. The standard term of the release shall be through the earlier of March 31, 2010 or the termination date of the contract(s) between East Ohio and the Upstream Pipeline as adjusted for any seasonal or annual variations in the capacity rights provided by such contract(s). East Ohio

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GENERAL TERMS AND CONDITIONS OF ENERGY CHOICE POOLING SERVICE

shall retain all rights of first refusal that accompany such capacity upon contract termination. Supplier may request alternate arrangements which East Ohio shall evaluate in terms of the potential impact on reliability and stranded costs. In the event that any such capacity remains unreleased after first being made available to Suppliers on a voluntary basis, Supplier shall be required to accept a pro rata release of such capacity.

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- 4.5 The Contract Storage capacity released pursuant to Paragraph 4.4 shall be recallable in the event of a material decrease in Supplier's aggregate end user demand or upon Supplier's failure to comply with the terms and conditions set forth in these General Terms and Conditions. Particular emphasis shall be placed on Supplier compliance with the Reconciliation of Daily Imbalance Volumes (Section 18 of these General Terms and Conditions), OFOs (Section 21) and Standards of Conduct (Section 24). If Supplier's End Use Customers return to system supply, East Ohio shall have the right to recall such Contract Storage capacity released pursuant to Paragraph 4.4 as may be needed to meet the estimated design day requirements of the returning End Use Customers. If East Ohio recalls such capacity, it shall purchase the associated amount of Supplier's Contract Storage inventory in place. The purchase price shall equal the first of the month price index as published in *Inside F.E.R.C.'s Gas Market Report* (The McGraw-Hill Companies, Inc.) for Dominion Transmission Inc. Appalachia, or an appropriate successor index should it cease to be published, for the month in which the purchase takes place.
- 4.6 Supplier's failure to accept a required release of Upstream Pipeline capacity or pay Upstream Pipeline for any Firm Transportation or Contract Storage capacity released pursuant to this Section may be deemed to be a material default within the meaning of OAC Rule 4901:1-27-12(J) and may be grounds for East Ohio requesting suspension or termination of the Agreement pursuant to OAC Rule 4901:1-27-12(J).
- 4.7 The capacity released pursuant to Sections 4.3 and 4.5 may be revised in the event of a material change in a Supplier's aggregate Customer demand. Any recalled capacity shall be made available to all Standard Service Offer, Standard Choice Offer and Energy Choice suppliers pursuant to the provisions set forth elsewhere in Section 4.

5. ASSIGNMENT OF ON-SYSTEM STORAGE CAPACITY

- 5.1 On-System Storage capacity and related storage demand/deliverability shall be assigned to the Supplier based on the pro rata share of such storage allocable to Supplier's End Use Customers. The costs associated with such capacity shall be

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GENERAL TERMS AND CONDITIONS OF ENERGY CHOICE POOLING SERVICE

recovered in the volumetric rates paid by End Use Customers under the ECTS and LVECTS rate schedules and shall not be the direct responsibility of the Supplier. The initial assignment shall commence the first month in which the Supplier renders commodity service to the End Use Customer and shall terminate the last month in which the Supplier renders commodity service to the End Use Customer on whose behalf the capacity had been assigned.

- 5.2 Supplier shall comply with the Summer Period storage injection schedule set forth in paragraph 13.8 of these General Terms and Conditions. Compliance may be achieved by: (1) modified On-System Storage injections and/or (2) On-System Storage inventory transfers to and from storage accounts of other Suppliers. East Ohio shall use its best efforts to accommodate Supplier requests for over-injections above the firm injection rights specified in Section 13 of these General Terms and Conditions. East Ohio shall accommodate Supplier's On-System Storage inventory transfer requests to the extent permitted under the respective pooling and storage service provisions. If, notwithstanding its best efforts, Supplier is unable to attain the specified On-System Storage inventory levels, Supplier shall purchase from or sell to East Ohio On-System Storage volumes in place in an amount necessary to attain such inventory. East Ohio may, at its option, purchase or sell volumes above the minimum level needed to achieve compliance if requested by Supplier, or if needed to meet operational requirements. The transfer price shall equal the first of the month price index as published in *Inside F.E.R.C.'s Gas Market Report* (The McGraw-Hill Companies, Inc.) for Dominion Transmission Inc. Appalachia, or an appropriate successor index should it cease to be published, for the month in which the purchase or sale takes place plus the 100% load factor cost of transportation on Dominion Energy Transmission Inc. to East Ohio's city gate. Such price shall be adjusted by the Unaccounted-for Gas Percentage, the conversion to Mcf pursuant to Paragraph 7.2 of these General Terms and Conditions, and associated excise tax if applicable. On-System Storage volumes purchased from East Ohio shall be credited to Supplier's inventory for nomination purposes only. Title and possession shall remain with East Ohio until payment for such purchase is received from Supplier, at which time title and possession shall transfer to Supplier.
- 5.3 Supplier shall attain a first of month On-System Storage inventory level consistent with the ranges set forth in Paragraph 13.12 of these General Terms and Conditions. Supplier may achieve such a level by (1) On-System Storage inventory transfers to and from storage accounts of other Suppliers or (2) a purchase from or sale to East Ohio of On-System Storage volumes in place in an amount necessary to attain such inventory. East Ohio may, at its option, purchase or sell volumes above the minimum level needed to achieve compliance if requested by Supplier, or if needed to meet operational requirements. The

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GENERAL TERMS AND CONDITIONS OF ENERGY CHOICE POOLING SERVICE

transfer price shall equal the first of the month price index as published in *Inside F.E.R.C.'s Gas Market Report* (The McGraw-Hill Companies, Inc.) for Dominion Transmission Inc. Appalachia, or an appropriate successor index should it cease to be published, for the month in which the purchase or sale takes place plus the 100% load factor cost of transportation on Dominion Energy Transmission Inc. to East Ohio's city gate. Such price shall be adjusted by the Unaccounted-for Gas Percentage, the conversion to Mcf pursuant to Paragraph 7.2 of these General Terms and Conditions, and associated excise tax if applicable. On-System Storage volumes purchased from East Ohio shall be credited to Supplier's inventory for nomination purposes only. Title and possession shall remain with East Ohio until payment for such purchase is received from Supplier, at which time title and possession shall transfer to Supplier.

- 5.4 The On-System Storage assignment made pursuant to Paragraph 5.1 shall be withdrawn only under the following circumstances: (1) the End Use Customer on whose behalf the capacity has been assigned is no longer served by the Supplier or (2) the Supplier has failed to comply with the terms and conditions set forth in these General Terms and Conditions. Particular emphasis shall be placed on Supplier compliance with the Reconciliation of Daily Imbalance Volumes (Section 18 of these General Terms and Conditions), OFOs (Section 21) and Standards of Conduct (Section 24).

6. ASSESSMENT OF SUPPLY AND CAPACITY

- 6.1 East Ohio shall assess the sufficiency of Supplier's supply and/or capacity rights on a monthly basis during the November through March period. If East Ohio adopts enrollment procedures that permit intra-month changes in the number of Customers served by Supplier, East Ohio may update its assessment during the month. If such assessment indicates that Supplier's rights are deficient relative to 91.75% of its End Use Customers' design day requirements for the following month, East Ohio shall notify Supplier, which shall then correct the deficiency within ten business days. East Ohio may also require Supplier to submit a capacity and supply plan for the remainder of the November through March period in order to determine whether Supplier's plan and capabilities are sufficient to meet future Customer requirements. Supplier's failure to correct any deficiencies may be deemed to be a material default within the meaning of OAC Rule 4901:1-27-12(J) and may be grounds for East Ohio requesting suspension or termination of the Agreement pursuant to OAC Rule 4901:1-27-12(J). In the event such deficiency remains uncorrected, East Ohio may also, at its sole discretion and in accordance with reasonable and standard industry practice, recall or otherwise withdraw any capacity rights assigned to the Supplier pursuant to

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GENERAL TERMS AND CONDITIONS OF ENERGY CHOICE POOLING SERVICE

Sections 4 and 5 of these General Terms and Conditions upon five (5) days' written notice to the Supplier.

- 6.2 The capacity retained by East Ohio for operational balancing purposes shall be comprised of 75% Contract Storage capacity and 25% On-System Storage capacity. East Ohio shall review annually the amount and composition of its operational balancing capacity. If such review indicates that this designated amount and/or composition of operational balancing is not required to maintain system integrity, the amount and/or composition may be modified after review by the PUCO Staff.

UPSTREAM PIPELINE VOLUMES**7. TRANSPORTATION RECEIPT POINTS**

- 7.1 All Transportation Volumes shall be measured at Transportation Receipt Points specified by Supplier and accepted by East Ohio in accordance with the terms of East Ohio's agreement with the Upstream Pipeline. Such measurement shall be conclusive for purposes of the Agreement.
- 7.2 When Transportation Volumes are received by East Ohio on an MMBtu basis, East Ohio will make a heat content adjustment in order to convert Supplier's Transportation Volumes to an Mcf basis. For each calendar year, East Ohio will calculate the weighted average heat content of all such gas delivered to East Ohio during this period (the "Heat Content Adjustment Factor"). This Heat Content Adjustment Factor, expressed as MMBtu per Mcf, will be used to adjust all Transportation Volumes received during the following twelve (12) month period commencing on April 1, unless East Ohio and Supplier agree in writing to an alternative Heat Content Adjustment Factor. East Ohio shall review annually the use of a system-wide Heat Content Adjustment Factor. If such a review indicates that area or point-specific Heat Content Adjustment Factors are required, East Ohio may implement them after review by the PUCO staff.
- 7.3 Transportation Volumes received by East Ohio at Transportation Receipt Points shall conform to Upstream Pipeline's gas quality standards, unless such standards have not been filed with, and approved by, either the FERC or the PUCO, in which case Transportation Volumes must conform to the gas quality standards of East Ohio in effect at the time.
- 7.4 East Ohio shall use its best efforts to receive Transportation Volumes for Supplier's account, unless Supplier has made an election pursuant to Section 9 of these General Terms and Conditions.

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GENERAL TERMS AND CONDITIONS OF ENERGY CHOICE POOLING SERVICE**8. NOMINATION OF TRANSPORTATION VOLUMES**

- 8.1 All Transportation Volumes received for Supplier's account at Transportation Receipt Points shall be nominated to East Ohio in advance according to the procedures outlined in this Section.
- 8.2 Nominations are to be transmitted to East Ohio via East Ohio's EBB and are to be received by East Ohio by the dates and times specified in East Ohio's calendar of nominations, as amended from time to time, which is available on East Ohio's EBB.
- 8.3 Nominations must conform, in content and format, with East Ohio's specifications for Transportation Volume nominations, which shall include, at a minimum: Supplier's East Ohio contract number; Upstream Pipeline; Upstream Pipeline contract number; and requested daily Transportation Volume.
- 8.4 East Ohio will either confirm, in total or in part, or reject Supplier's Transportation Volume nomination based upon East Ohio's operating conditions, the limits and requirements of East Ohio's system and facilities, previously confirmed nominations and timely confirmation by Upstream Pipelines. Confirmed Transportation Volumes will be posted on East Ohio's EBB. In order to support system operations, maintain system integrity, and minimize Positive or Negative Imbalance Volumes, East Ohio may request Supplier to nominate and deliver Transportation Volumes to designated Transportation Receipt Points. Such requests shall be posted in advance on East Ohio's EBB. If, in East Ohio's sole discretion, voluntary compliance by Suppliers fails to correct operational deficiencies, East Ohio may exercise its authority under Paragraph 21.1 to issue Supplier-specific and/or system-wide OFOs.
- 8.5 Confirmed nominations will become effective on the date specified in Supplier's nomination and will remain in force until the last day of the current calendar month, subject to continued receipt by East Ohio from Upstream Pipeline of the confirmed volume, unless superseded by a subsequent Transportation Volume nomination.
- 8.6 Nominations made in accordance with this Section do not relieve Supplier of the obligation to submit corresponding nominations for service with an Upstream Pipeline.

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GENERAL TERMS AND CONDITIONS OF ENERGY CHOICE POOLING SERVICE**9. FIRM RECEIPT POINT OPTION**

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- 9.1 Supplier may elect to designate specific Transportation Receipt Points as firm receipt points. Each such firm receipt point, and the corresponding maximum daily transportation quantity for each such firm receipt point, shall be specified in a separate agreement. The sum of the maximum daily transportation quantities for all firm receipt points shall not exceed the total Maximum Daily Allocation Quantity specified in the Agreement.
- 9.2 Access to any receipt points on East Ohio's system, as to which an election pursuant to Paragraph 9.1 above has not been made, shall be on a best efforts basis.
- 9.3 Supplier making an election pursuant to Paragraph 9.1 above shall be assessed a firm receipt point surcharge; the actual amount of the surcharge shall be determined through competitive bidding with minimum bid amounts to be determined by East Ohio.

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GENERAL TERMS AND CONDITIONS OF ENERGY CHOICE POOLING SERVICE**SUPPLIER DEFAULT****26. CONDITIONS OF SUPPLIER DEFAULT**

- 26.1 Supplier's failure to [accept a required release of Upstream Pipeline capacity or](#) pay Upstream Pipeline for any Firm Transportation or Contract Storage capacity released pursuant to Section 4 of these General Terms and Conditions.
- 26.2 Supplier's failure to correct a deficiency of Supplier's comparable supply and/or capacity rights pursuant to Section 6 of these General Terms and Conditions.
- 26.3 Supplier's failure to comply with an On-System Storage OFO pursuant to Section 13 of these General Terms and Conditions.
- 26.4 Supplier's failure to provide cumulative Daily Available Volumes plus Imbalance Trading Volumes equal to at least 90% of cumulative Daily Pool Requirements over a given month pursuant to Section 18 of these General Terms and Conditions.
- 26.5 Supplier's failure to provide Daily Available Volumes plus Imbalance Trading Volumes equal to at least 80% of Daily Pool Requirements for five or more days in a given month pursuant to Section 18 of these General Terms and Conditions.
- 26.6 Supplier informs East Ohio, or East Ohio otherwise becomes aware, that Supplier does not intend to perform its obligations under the Agreement, or East Ohio determines that Supplier no longer has the Upstream Pipeline or Storage capacity, inventory or gas supply necessary to perform Supplier's obligations as described in Section 18 of these General Terms and Conditions.
- 26.7 Supplier's failure to comply with an OFO pursuant to Section 21 of these General Terms and Conditions.
- 26.8 Supplier's failure to pay to East Ohio amounts due under the Agreement pursuant to Section 22 of these General Terms and Conditions.
- 26.9 Supplier's failure to meet and/or maintain creditworthiness requirements pursuant to Section 23 of these General Terms and Conditions.

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EXHIBIT C-3

Statement of Reasons for Proposed Changes

This tariff filing is solely intended to correct a clerical error that occurred several years ago during a compliance filing and resulted in the unintended omission of several tariff provisions that had been approved by the Commission.

DEO filed two significant applications in 2007. The first was an application for an increase in rates, filed on August 30. *See* Case No. 07-829-GA-AIR. Then, on December 28, while the rate case was ongoing, DEO sought approval of “Phase 2” of its exit of the merchant function. *See* Case No. 07-1224-GA-EXM. The Phase 2 application sought to expand DEO’s auction-based service offering: instead of solely offering Standard Service Offer (SSO) service, DEO proposed to create “Standard Choice Offer” (SCO) service, in which customers would enter a direct retail relationship with their supplier.

Although the Phase 2 proceeding began later than the rate case, it concluded earlier. The Commission approved an unopposed stipulation June 18, 2008. One month later, July 18, DEO filed a notice of intent to implement the exemption, along with compliance tariffs. Among the tariff provisions filed on July 18 were several amendments to the General Terms and Conditions of Energy Choice Pooling Service (ECPS). These provisions were necessary to implement Phase 2 and addressed issues such as the assignment and release of capacity to Choice suppliers, specific provisions pertaining to the Ashtabula market area, and the consequences of failing to accept such releases.

As noted above, DEO’s rate case had been pending during the entirety of the Phase 2 proceeding. On October 15, 2008, three months after DEO filed the Phase 2 compliance tariffs, the Commission approved a stipulation resolving the rate case. The next day, DEO filed rate-case compliance tariffs.

This is where the error occurred. In filing the rate-case compliance tariffs, DEO used the ECPS tariffs it had filed with the rate-case application—but these tariffs did *not* reflect the changes proposed and approved in the later Phase 2 proceeding. Thus, when DEO filed its rate-case compliance tariffs, it unintentionally eliminated portions of the ECPS tariffs approved in Phase 2.

The inadvertent omission of these capacity provisions escaped DEO’s attention until recently. Although the ECPS tariffs incorrectly omitted these provisions for a number of years, DEO did implement the provisions, which helps explain why the issue escaped attention as long as it did. Since July 2008, DEO has been directing suppliers to nominate gas to the Ashtabula area using Tennessee Gas Pipeline, assigning pro rata shares of capacity to Choice suppliers, and taking other actions authorized by the tariffs. The omitted provisions have also been reflected in annual Energy Choice supplier presentations. These provisions address technical operational and economic supply issues, which are typically resolved cooperatively between a relatively small team of dedicated supply personnel at DEO and a relatively small but sophisticated group of “customers” (Energy Choice suppliers). This also reduced the opportunities for DEO to detect the omission.

Regardless of the cause, these provisions were stipulated to by numerous parties, approved by the Commission, and omitted only through an inadvertent clerical error. DEO continues to provide SCO service, and SCO auctions have been approved every year that they have been held. These tariff provisions address important issues necessary to ensure the continued success of the SCO service offering. Accordingly, DEO requests approval to reinsert these provisions and correct the past error.

The proposed tariffs also include one correction to the original compliance filing. The attached tariffs remove from Paragraph 4.4 one instance of the phrase “shall be made available” that incorrectly appeared twice.

Finally, DEO would also note that another case is presently pending before the Commission regarding provisions of the ECPS tariffs. *See* Case No. 17-820-GA-ATA. DEO is filing a supplemental application in that docket today. The tariff sheets attached to the supplemental application assume for sake of simplicity that this tariff application will be approved and thus demonstrate how DEO proposes meshing together the provisions proposed in both cases. To be clear, this application stands on its own; even if the application in Case No. 17-820-GA-ATA should be modified or denied, it should have no effect on the correction of the ECPS tariffs proposed here.

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Case No(s). 17-1459-GA-ATA

Summary: Text In the Matter of the Application for Approval of Changes in Rules and Regulations electronically filed by Ms. Rebekah J. Glover on behalf of The East Ohio Gas Company d/b/a Dominion Energy Ohio