

Large Filing Separator Sheet

Case Number : 07-1285-GA-EXM

File Date : 3/17/2008

Section : 5 of 5

Number of Pages : 62

Description of Document : Transcript

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

8. **USE AND CHARACTER OF SERVICE (Continued)**

Company's authorized agent will, upon request, show his Company identification and state the reasons for requiring access.

3. Company reserves the right to require Customer to install at his expense such facilities as may be necessary to prevent undue interference with Company's Gas Service to other Customers.
4. In case of violation of the above rules, Gas Service may be discontinued by Company until such time as Customer's use of Gas Service furnished hereunder conforms to Company's General Terms and Conditions, at which time applicable reconnect charges will be assessed. The temporary suspension of service by Company under this paragraph is not a cancellation of the contract.

E. Continuity of Service

1. Company will endeavor to supply gas continuously and without interruption, and under all reasonable and normal conditions of operation, to maintain a sufficient supply or an adequate and reasonable pressure for the gas supplied. Company shall not be liable to Customer or anyone else for any damage, loss or injury or otherwise resulting from any failure to provide Gas Service, or for any interruption of the supply or for variations in the pressure of the gas when such failure, interruption or variation is due to any of the following causes: accidents and contingencies, pipeline or equipment failure, breakdowns, strikes, fires, floods, riots, cyclones, vandalism, explosion, acts of God or nature, acts or orders of the Commission, acts or orders of any civil, judicial or military authorities, or any cause beyond the control of Company.
2. Company cannot and does not guarantee either a sufficient supply of gas or an adequate pressure for the gas supplied and shall not be liable for any damage or loss resulting from any variations in pressure or from a shortage of gas or from a total interruption of the gas supply.
3. Company shall not be liable for any damage or loss which Customer may sustain due to any interruptions of supply or variations in pressure resulting from the use or characteristics of gas equipment and/or appliances of Customer or other Customers supplied by Company.

F. Resale of Gas Prohibited

Gas supplied by Company is for the exclusive use of Customer on the Premises to which such gas is delivered by Company. In no case may service be shared with another, sold to another, or transported off the Premises.

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

9. EXTENSIONS OF GAS DISTRIBUTION MAINS

- A. When anyone desires Gas Service and it is necessary that Company's mains be extended to make Gas Service available to the Premises under consideration, that person shall execute an agreement satisfactory to Company covering the matter of the extension and, in addition, shall apply for Gas Service as provided in Company's General Terms and Conditions. The agreement covering the extension must be signed by the owner of the Premises to be served. Moreover, if the Applicant elects the monthly payment option in the main extension agreement, as more fully described in Paragraph C.2 herein, said agreement shall require the Applicant to inform prospective and subsequent owners at the Premises of the monthly payment option terms and conditions. The Applicant and Company must agree on meter location and point of delivery of gas before any piping is laid or installed on the Premises to be served.
- B. Company shall make an extension of one hundred (100) feet or less from an existing distribution main without charge for each permanent Customer to be initially connected to the main extension ("entitlement extension footage").
- C. When an extension of Company's main to serve an Applicant amounts to more than the entitlement extension footage per Customer, Company shall offer an Applicant who is an end-use Customer the option of making the required payment in the form of: a) a one-time deposit, or b) a monthly payment. An Applicant who is not an end-use Customer shall not be eligible for the monthly payment option. In addition, as provided in Paragraph F herein, if Company determines, in its sole judgement, that the nature of an extension is such that it puts Company at undue risk of recovery hereunder, Company may require different arrangements as a condition of such main extension. The required payment(s) shall be determined as follows:
1. The one-time deposit shall equal the estimated construction cost, net of the applicable entitlement extension footage as stated in Paragraph B herein, for each permanent Customer initially connected to the extension.
 2. Where the Applicant has elected the monthly payment option, said monthly payment shall be billed to the Applicant or subsequent Customers at the same Premises for the shorter of a period of seven (7) years or until the cost of the main extension is included in Company's rates and charges for service. The monthly payment shall equal that amount needed to compensate Company for the embedded cost of service associated with the main extension. Such cost of service shall include operation and maintenance expense including taxes, depreciation, and the return on rate base reflected in current rates on the construction cost, net of the applicable entitlement extension footage. The embedded cost of service calculations shall be consistent with ratemaking methods approved by the Commission.
 - a) The monthly payment option will be effective on or about November 1, 2001, dependent upon Company's billing capability.

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

9. EXTENSIONS OF GAS DISTRIBUTION MAINS (Continued)

- b) The monthly payment obligation shall remain with the Premises for the designated time period with the Applicant or his successor and shall be considered part of the utility bill subject to disconnection of service for non-payment.
- D. During the seven (7) years following the date of completion of the main extension, the Applicant(s) will be reimbursed for each additional Customer directly connected to the extension. There shall be no reimbursement after the seven (7) year period following the completion of the main extension. No reimbursement applies to the further extensions or lateral extensions of the main. Such reimbursement shall be determined as follows:
 - 1. Where the Applicant has elected the one-time deposit, Company shall refund to the Customer that paid the deposit a sum equivalent to the deposit on the applicable entitlement extension footage of such gas main extension. In no case shall the total refund exceed the amount deposited with Company.
 - 2. Where the Applicant has elected the monthly payment option, Company shall credit such monthly payment commencing when each additional Customer connects to the extension. Such credit shall be the embedded cost of service associated with the applicable entitlement extension footage, calculated consistent with the methodology in Paragraph C.2 herein. In no case shall the monthly credit for additional customers exceed the initial monthly payment as determined in Paragraph C.2 herein.
- E. An Applicant desiring an extension to a proposed real estate subdivision may be required to pay the entire cost of the extension. Each year for a period of up to but not exceeding five (5) years, which begins on the date of completion of the main extension, Company shall refund to the Applicant who paid for the extension a sum equivalent to the cost of the applicable entitlement extension footage installed for each additional Customer connected during the year, but in no case shall the total amount refunded over the five (5) year period exceed the amount paid to Company. There shall be no refunds after the end of the five (5) year period.
- F. Nothing contained herein shall be construed to prohibit Company from making extensions under different arrangements.
- G. Nothing contained herein shall be construed to prohibit Company from making, at its expense, greater extensions than herein prescribed, should its judgment so dictate.
- H. Payments made to Company in accordance with the provisions of the extension agreements shall not be subject to the payment of interest thereon while in the possession of Company.

Filed pursuant to the Finding and Order dated April 13, 2005 in Case No. 04-571-GA-AIR of The Public Utilities Commission of Ohio.

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

9. EXTENSIONS OF GAS DISTRIBUTION MAINS (Continued)

- I. The title to all extensions covered by the extension agreements shall be held by and remain with Company.
- J. Company reserves the right to make additional main extensions from the end of, or from any point on its main or distribution system.
- K. Company, in preparing estimates and plans for a main or distribution system, reserves the right to determine the size of pipe, pressure of system, and size and type of all devices and appurtenances necessary in the installation of said main or distribution system. Company reserves the right to determine the length of any main extension and which of its systems of mains will be used to provide Gas Service for prospective Customers.

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

10. EXTENSION OF GAS FACILITIES TO HOUSE TRAILER PARKS

A. Definition

For the purposes of this Section, a House Trailer Park is a "House Trailer Park" as defined in Chapter 3733 of the Ohio Revised Code.

B. Bulk Metered Service

Gas Service will be made available to House Trailer Parks through a single meter at the applicable rate and under the provisions of Section 9 pertaining to the extension of gas distribution mains. All piping and equipment downstream of Company's point of delivery shall be installed and maintained by and at the expense of the park owner or operator in accordance with local codes and the standards contained in the latest revision of Company's booklet entitled "Information and Rules for the Installation of Gas Piping," copies of which are available at any of Company's offices. Company shall not be responsible for the distribution of gas beyond the delivery point. Gas furnished to House Trailer Parks under Bulk Metered Service shall not be submetered or resold. In the event of any violation of this prohibition against submetering and resale, Company may remove its meters and equipment and discontinue Gas Service after three (3) days prior written notice.

C. Individual Meter Service

Individual Gas Service will be made available to individual trailers in House Trailer Parks. Company will determine the type of distribution to be installed and the location of the meters, regulators and other equipment. All piping and equipment downstream of Company's point of delivery shall be furnished, installed and maintained by, and at the expense of, the park owner or operator, and shall be installed in accordance with local codes and the standards contained in the latest revision of Company's booklet entitled "Information and Rules for the Installation of Gas Piping," copies of which are available upon request by contacting Company's Customer Service.

The park owner or operator shall enter into a contract with Company and provide Company with all-necessary elements and rights of way and shall provide final grade prior to the installation of the distribution system. In no event will Company provide, at its own expense, more than fifty (50) feet of distribution facilities within the trailer park for each trailer that will use Gas Service. The cost of any additional extension of distribution facilities will be paid for by said owner or operator without refund.

D. Sectionalized Service

Subject to the approval of Company, a combination of both types of service described in Paragraphs (B) and (C) above, may be made available to House Trailer Parks.

E. Gas Main Extensions

For purposes of any gas main extension necessary to extend service to a House Trailer Park location under Paragraph B. above, the park shall be considered as one (1) Customer. Annual gas load of trailers receiving Individual Meter Service will not be considered in determining extension allowances under Section 9.

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

11. CURTAILMENT PROCEDURES

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

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

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

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

11. CURTAILMENT PROCEDURES (Continued)

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

B1. Gas Supply Curtailment Sequence.

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

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

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

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

11. CURTAILMENT PROCEDURES (Continued)

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

Such gas costs shall be recoverable through Company's Gas Cost Recovery filings.

B2. Capacity Curtailment Sequence.

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

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

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

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

11. CURTAILMENT PROCEDURES (Continued)

C. Curtailment Notification.

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

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

E. Unauthorized Gas Usage.

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

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

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

12. AMENDMENTS

A. General Terms and Conditions May Be Amended

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

B. Limitation of Liability

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

SSO Phase E-3

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 1 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 2 TYPE: Tariff Sheet Index

Explanation of Changes:

1. Updated line items in Rate Schedules, Riders, Transportation Provisions and General Terms and Conditions.

Rationale for Changes:

1. Reflects new, suspended, and eliminated Rate Schedules, Riders, Transportation Provisions and Terms and Conditions.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 2 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 10 TYPE: Rate 310
Residential Sales Service

Explanation of Changes:

1. Added the Standard Sales Offer ("SSO") Rider and deleted Gas Cost Recovery Rider from the "Riders" section.
2. Added the Exit Transition Cost ("ETC") Rider and deleted the Migration Cost Rider from the "Riders" section.

Rationale for Changes:

1. Reflects the substitution of the proposed market and auction-based Standard Sales Offer ("SSO") Price for the current Gas Cost Recovery ("GCR") price. The SSO Price will be applicable to all customers served under all of Company's Sales Service Rate Schedules.
2. Reflects the inclusion of the proposed Exit Transition Cost ("ETC") Rider to recover or pass back costs associated with VEDO's Merchant Exit Transition ("Exit Plan"), and the roll-in of the Migration Cost Rider to the ETC Rider. The ETC Rider will be applicable to all Sales and Choice customers.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 3 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 11 TYPE: Rate 315
Residential Transportation
Service

Explanation of Changes:

1. The term "Supplier" has been changed to "Choice Supplier" throughout.
2. Added the Exit Transition Cost ("ETC") Rider and deleted the Migration Cost Rider from the "Riders" section.
3. Added a "Transfer to SSO Service Upon Choice Supplier Default" section to the Terms and Conditions.
4. Deleted "Return to Sales Service" section from the Terms and Conditions.
5. Renamed "Non-payment and Reversion To Sales Service Upon Disconnection" section to "Disconnection for Non-Payment of Choice Bill" and deleted language requiring the transfer of Customer to Sales Service prior to disconnection.

Rationale for Changes:

1. The addition of terms "SSO Supplier" and "SCO Supplier" to the VEDO Tariff made it necessary to add the pre-fix "Choice" to differentiate the multiple types of Suppliers.
2. Reflects the inclusion of the proposed Exit Transition Cost ("ETC") Rider to recover or pass back costs associated with VEDO's Merchant Exit Plan, and the roll-in of the Migration Cost Rider to the ETC Rider. The ETC Rider will be applicable to all Sales and Choice customers.
3. The added section clarifies in the Rate Schedule what happens when a Customer's Choice Supplier defaults.
4. SSO Suppliers will be responsible for serving Choice Customers who return to a Sales Rate Schedule from this Rate Schedule.
5. Updated to reflect that regulatory approval has been previously received to initiate disconnection for non-payment of bill without first transferring the Customer to a Sales Rate Schedule.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 4 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 12 TYPE: Rate 320
General Sales Service

Explanation of Changes:

1. Added the Standard Sales Offer ("SSO") Rider and deleted Gas Cost Recovery Rider from the "Riders" section.
2. Added the Exit Transition Cost ("ETC") Rider and deleted the Migration Cost Rider from the "Riders" section.
3. Deleted "Return from a Transportation Service" section from the Terms and Conditions.

Rationale for Changes:

1. Reflects the substitution of the proposed market and auction-based Standard Sales Offer ("SSO") Price for the current Gas Cost Recovery ("GCR") price. The SSO Price will be applicable to all customers served under all of Company's Sales Service Rate Schedules.
2. Reflects the inclusion of the proposed Exit Transition Cost ("ETC") Rider to recover or pass back costs associated with VEDO's Exit Plan, and the roll-in of the Migration Cost Rider to the ETC Rider. The ETC Rider will be applicable to all Sales and Choice customers.
3. SSO Suppliers will be responsible for serving Choice Customers who return to this Sales Rate Schedule from a Transportation Service.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 5 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 13 TYPE: Rate 325
General Transportation
Service

Explanation of Changes:

1. The term "Supplier" has been changed to "Choice Supplier" throughout.
2. Added the Exit Transition Cost ("ETC") Rider and deleted the Migration Cost Rider from the "Riders" section.
3. Added a "Transfer to SSO Service Upon Choice Supplier Default" section to the Terms and Conditions.
4. Deleted "Return to Sales Service" section from the Terms and Conditions.
5. Renamed "Non-payment and Reversion To Sales Service Upon Disconnection" section to "Disconnection for Non-Payment of Choice Bill" and deleted language requiring the transfer of Customer to Sales Service prior to disconnection.

Rationale for Changes:

1. The addition of terms "SSO Supplier" and "SCO Supplier" to the VEDO Tariff made it necessary to add the pre-fix "Choice" to differentiate the multiple types of Suppliers.
2. Reflects the inclusion of the proposed Exit Transition Cost ("ETC") Rider to recover or pass back costs associated with VEDO's Exit Plan, and the roll-in of the Migration Cost Rider to the ETC Rider. The ETC Rider will be applicable to all Sales and Choice customers.
3. The added section clarifies in the Rate Schedule what happens when a Customer's Choice Supplier defaults.
4. SSO Suppliers will be responsible for serving Choice Customers who return to a Sales Rate Schedule from this Rate Schedule.
5. Updated to reflect that regulatory approval has been previously received to initiate disconnection for non-payment of bill without first transferring the Customer to a Sales Rate Schedule.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 6 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 14 TYPE: Rate 330
Large General Sales Service

Explanation of Changes:

1. Added the Standard Sales Offer ("SSO") Rider and deleted Gas Cost Recovery Rider from the "Riders" section.
2. Added the Exit Transition Cost ("ETC") Rider to the "Riders" section.
3. Added sentence to Applicability section indicating that this Sales Rate Schedule will no longer be offered as of the end of the SSO Phase.

Rationale for Changes:

1. Reflects the substitution of the proposed market and auction-based Standard Sales Offer ("SSO") Price for the current Gas Cost Recovery ("GCR") price. The SSO Price will be applicable to all customers served under all of Company's Sales Service Rate Schedules.
2. Reflects the inclusion of the proposed Exit Transition Cost ("ETC") Rider to recover or pass back costs associated with VEDO's Exit Plan. The ETC Rider will be applicable to all Sales and Choice customers.
3. The SCO Phase will eliminate VEDO's Sales Service entirely and substitute a Standard Choice Service which will only be applicable to Choice-eligible Customers. Because the Rate 330 Customers are not Choice eligible, they will need to transfer to Transportation Service at the end of the SSO Phase.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 7 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 15 TYPE: Rate 340
Interruptible Sales Service

Explanation of Changes:

1. Added the Standard Sales Offer ("SSO") Rider and deleted Gas Cost Recovery Rider from the "Riders" section.
2. Added the Exit Transition Cost ("ETC") Rider to the "Riders" section.
3. Added sentence to Applicability section indicating that this Sales Rate Schedule will no longer be offered as of the end of the SSO Phase.

Rationale for Changes:

1. Reflects the substitution of the proposed market and auction-based Standard Sales Offer ("SSO") Price for the current Gas Cost Recovery ("GCR") price. The SSO Price will be applicable to all customers served under all of Company's Sales Service Rate Schedules.
2. Reflects the inclusion of the proposed Exit Transition Cost ("ETC") Rider to recover or pass back costs associated with VEDO's Merchant Exit Transition. The ETC Rider will be applicable to all Sales and Choice customers.
3. The SCO Phase will eliminate VEDO's Sales Service entirely and substitute a Standard Choice Service which will only be applicable to Choice-eligible Customers. Because the Rate 340 Customers are not Choice eligible, they will need to transfer to Transportation Service at the end of the SSO Phase. There are no current Rate 340 Customers.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 8 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 16 TYPE: Rate 341
Dual Fuel Sales Service

Explanation of Changes:

1. Added the Standard Sales Offer ("SSO") Rider and deleted Gas Cost Recovery Rider from the "Riders" section.
2. Added the Exit Transition Cost ("ETC") Rider to the "Riders" section.

Rationale for Changes:

1. Reflects the substitution of the proposed market and auction-based Standard Sales Offer ("SSO") Price for the current Gas Cost Recovery ("GCR") price. The SSO Price will be applicable to all customers served under all of Company's Sales Service Rate Schedules.
2. Reflects the inclusion of the proposed Exit Transition Cost ("ETC") Rider to recover or pass back costs associated with VEDO's Merchant Exit Transition. The ETC Rider will be applicable to all Sales and Choice customers.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 9 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 17 TYPE: Rate 345
Large General
Transportation Service

Explanation of Changes:

1. "Creditworthiness Evaluation" section has been added.

Rationale for Changes:

1. Reflects that VEDO proposes to perform creditworthiness evaluations of Rate 345 Customers consistent with VEDO's standard creditworthiness evaluation practices to ensure their ability to pay for cashout and other charges payable to Company, and pursuant to the Exit Plan, forwardable to SSO or SCO Suppliers.

VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES

Schedule E-3
Page 10 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 21

TYPE: Rate 385
Pooling Service
(Residential and General)

Explanation of Changes:

1. The term "Supplier" has been changed to "Choice Supplier" throughout the current Rate Schedule.
2. Renamed "Fees and Charges" section to "Monthly Statement". Certain charges have been renamed and/or the charge amounts have been updated. The following charges and credits have been added to this section:
Nomination Error Charge
City-Gate Allocation Non-Compliance Charge
Storage Non-Compliance Charge
Monthly Volume Reconciliation Amount
Meter Operator Charges
System Balancing Amount
POLR Amount
Customer Billing Amount
Delivery Point Balancing Amount
Related Charges
3. The Balancing Cost Rider has been eliminated from "Riders" section.
4. Added Contract section.
5. Late Payment Charge and Returned Check Charge have been deleted and replaced with Miscellaneous Charges.

Rationale for Changes:

1. The addition of terms "SSO Supplier" and "SCO Supplier" to the VEDO Tariff made it necessary to add the pre-fix "Choice" to differentiate the multiple types of Suppliers.
2. The Choice Supplier Monthly Statement will contain charges and credits identical to those applicable to the SSO Suppliers under VEDO's Exit Plan.
3. The Balancing Cost Rider recovers from Choice Suppliers the cost of balancing their Choice Customer loads on a daily basis. Under the VEDO Exit Plan, the Choice Suppliers will take mandatory release of VEDO's Columbia ("TCO") Storage and accordingly will be assisting in the balancing of the VEDO's system through TCO Predetermined Allocations ("PDA"). Because Choice Suppliers will be paying for their own storage, the Balancing Cost Rider can now be eliminated.
4. Added Contract section due to proposed removal of Form of Choice Supplier Agreement from the Tariff.
5. Miscellaneous Charges tariff sheet already includes these charges.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 11 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 22 TYPE: Rate 395
SSO Supplier Service

Explanation of Changes:

1. New Standard Sales Offer ("SSO") Supplier Service Rate Schedule has been added to the Tariff.

Rationale for Changes:

1. This Rate Schedule will be applicable SSO Suppliers who provide gas supply to VEDO for resale to its Sales Service Customers pursuant to VEDO's Exit Plan. This Rate Schedule is necessary to define the various requirements, terms and conditions, and billing procedures that will be applicable to SSO Suppliers. The Rate Schedule sections include: Applicability, Character Of Service, Monthly Statement, Requirements For SSO Supplier Participation, Contract, SSO Supplier Terms and Conditions, and General Terms and Conditions.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 12 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 31 TYPE: Gas Cost Recovery
Rider

Explanation of Changes:

1. The Gas Cost Recovery Rider is suspended.

Rationale for Changes:

1. The GCR will be suspended indefinitely as of the SSO Phase initiation date. The Rider will remain in the Tariff in the event VEDO must revert to GCR Service sometime during the Exit transition.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 13 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 33 TYPE: Backup Sales Service
Rider

Explanation of Changes:

1. The Backup Sales Service Rider is eliminated.

Rationale for Changes:

1. There are no remaining Back-up Sales Service Customers; therefore this Rider is proposed to be eliminated as of the initiation date of SSO Service.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 14 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 35 TYPE: Migration Cost Rider

Explanation of Changes:

1. The Migration Cost Rider is suspended.

Rationale for Changes:

1. The Migration Cost Rider is proposed to be rolled into the ETC Rider as of the SSO initiation date. The Rider will remain in the Tariff in the event VEDO must revert to GCR Service sometime during the Exit transition and the ETC Rider is not continued.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 15 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 36 TYPE: Balancing Cost Rider

Explanation of Changes:

1. The Balancing Cost Rider is suspended.

Rationale for Changes:

1. The Balancing Cost Rider is proposed to be suspended indefinitely as of the SSO initiation date. The Rider will remain in the Tariff in the event VEDO must revert to GCR Service sometime during the Exit transition and the Choice Supplier participation in system balancing is not continued.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 16 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 38 TYPE: Standard Sales Offer
Rider

Explanation of Changes:

1. New Standard Sales Offer ("SSO") Rider has been added to the Tariff.

Rationale for Changes:

1. The SSO Rider is proposed to replace the GCR Rider pursuant to VEDO's Exit Plan. It will be the price charged to Sales Service customers for their usage each calendar month. The SSO Rider will be applicable to the Sales Service Customers under the following Rate Schedules:

Rate 310
Rate 320
Rate 330
Rate 340
Rate 341

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 17 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 41 TYPE: Exit Transition Cost
Rider

Explanation of Changes:

1. New Exit Transition Cost ("ETC") Rider has been added to the Tariff.

Rationale for Changes:

1. The ETC Rider has been established to recover various incremental implementation costs and other costs of VEDO's Exit Plan from all Sales and Choice Customers. This Rider is proposed to be applicable to the following Rate Schedules:

Rate 310
Rate 315
Rate 320
Rate 325
Rate 330
Rate 340
Rate 341

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 18 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 50 TYPE: Transportation Terms
and Conditions
(Large General)

Explanation of Changes:

1. Section 3, Backup Sales Service has been deleted.
2. Section 16, Return to System Supply has been renamed to "Transfer to System Supply" and language has been updated

Rationale for Changes:

1. Backup Sales Service is being eliminated as described previously.
2. Language changes reflect that Rate 345 Customers that elect to transfer to Sales Service must remain a Sales Service Customer until the end of the winter season, rather than for a two year period. The revision is made necessary due VEDO's Exit Plan which contemplates the elimination of Sales Service prior to a two-year period.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 19 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 51 TYPE: Nomination and
Balancing Provisions
(Large General and Pool
Operator)

Explanation of Changes:

1. The Monthly Over/Under Imbalance cashout percentage has been changed from 5% to 0%, with the cashout to be at index, without premium or discount.
2. The "Operational Flow Orders" section has been changed to reflect that Normal Daily Balancing Provisions will apply to over-deliveries during a Cold Weather OFO and to under-deliveries during a Warm Weather OFO unless VEDO determines that the over/under deliveries in excess of the daily tolerance are helpful to the system.
3. Gas cost portions of all cashouts relating to imbalances and all incremental gas costs and pipeline penalties will be recovered from/passed back to all SSO and Choice Suppliers. Nomination Error Charges, City-Gate Non-Compliance Charges and the non-gas cost portion of imbalance cashouts will also be credited to the SSO and Choice Suppliers.

Rationale for Changes:

1. Pursuant to VEDO's Exit Plan, there will be no carry forward of any over/under imbalance quantities to the following month for Rate 345 Customers or Pool Operators. Because the SSO and Choice Suppliers will be balancing the system in the future, and monthly volume reconciliations will be performed to balance their storage accounts on a monthly basis, it is necessary to completely eliminate at month-end any imbalance of the Rate 345 Customers and Pool Operators.
2. This change limits the amount of imbalance gas that must be managed by the SSO and Choice Suppliers, while still providing the opportunity to have more gas delivered or withheld in the event of an OFO event.
3. Because the SSO and Choice Suppliers are balancing VEDO's system through their VEDO-released TCO storage inventory, any imbalance fees derived from non-compliance with VEDO program requirements are payable to those Suppliers.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 20 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 52 TYPE: Pooling Service
Terms and Conditions
(Residential and General)

Explanation of Changes:

1. The term "Supplier" was changed to "Choice Supplier" throughout.
2. The following additional definitions were added to the "Definitions" section of this tariff sheet: Columbia Appalachian Index, Load Tranche or Tranche, Pre-determined Allocation ("PDA"), SSO Supplier, and TCO. Additional language has been added to the "Pool's Usage" definition.
3. The "Assignment of Pipeline Capacity" section has been renamed and updated.
4. "Monthly Reassignment of Capacity" section has been added.
5. "Operational System Balancing" section has been added to describe that holders of VEDO's released TCO storage (Choice and SSO Suppliers) will collectively provide system balancing.
6. "Provider of Last Resort" section has been added.
7. Language has been added to "Daily Scheduling of Directed Delivery Quantities" section.
8. The "Allocation of Peaking Supplies" has been renamed and updated.
9. The "Volume Reconciliations" section has been changed to "Monthly Volume Reconciliations" and updated.
10. The "Supplier Withdrawal or Termination" section has been updated.

Rationale for Changes:

1. The addition of terms "SSO Supplier" and "SCO Supplier" to the VEDO Tariff made it necessary to add the pre-fix "Choice" to differentiate the multiple types of Suppliers.
2. The new defined terms are used in the description of various aspects of the VEDO Exit Plan
3. Reflects mandatory, rather than optional, assignment of pipeline capacity to Choice Suppliers as is the case for SSO Suppliers. The change also facilitates

VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES

Schedule E-3
Page 21 of 29
Witness: S. E. Albertson

allowing the assigned capacity to follow Customers as they migrate to and from Choice Service.

4. Describes that transportation and storage capacity released to Choice Suppliers will follow customers upon their migration to and from SSO with monthly reassignment of capacity to Choice Suppliers based on market share.
5. Describes that holders of VEDO's released TCO storage (Choice and SSO Suppliers) will collectively provide system balancing.
6. Describes the procedure for POLR Service coordination and that Choice and SSO Suppliers are required to temporarily provide supply during OFO events or if a Supplier defaults.
7. Reflects the TCO storage capacity conditions that have been established for the purpose of Choice and SSO Suppliers collectively balancing the system and that Choice Suppliers will be subject to City-gate allocation procedures, among other changes.
8. Reflects that propane costs arise from other than peaking needs and that those costs too shall be recovered proportionately from Choice Suppliers.
9. Reflects that reconciliations would be performed on a monthly basis instead of an annual and quarterly basis.
10. Reflects that Choice Supplier must stand ready to sell 15% of its TCO storage inventory to VEDO upon withdrawal or termination. The 15% is a necessary minimum to make effective use of storage on the day of transfer.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 22 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 53 TYPE: Supplier Pooling
Agreement
(Residential and General)

Explanation of Changes:

1. The Choice Supplier Pooling Agreement is proposed to be eliminated from the Tariff.

Rationale for Changes:

1. The Choice Supplier Agreement as well as the SSO and SCO Supplier Agreements are proposed to be non-Tariff documents to facilitate necessary changes on a timely basis.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 23 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 54 TYPE: Unaccounted For Gas
Percentage

Explanation of Changes:

1. The Applicability section has been changed.
2. The Description section has been changed.

Rationale for Changes:

1. The Unaccounted For Percentage will be applicable to SSO Suppliers.
2. The holders of VEDO-released TCO storage who are providing system balancing will be at risk for UAF gas percentage variances; therefore, the extra deliveries for UAFG volumes will not be retained by VEDO but rather will be reflected in the Monthly Volume Reconciliations for the SSO and Choice Suppliers.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 24 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 55 TYPE: SSO Supplier Terms
and Conditions

Explanation of Changes:

1. New Standard Service Offer ("SSO") Supplier Terms and Conditions have been added to the Tariff.

Rationale for Changes:

1. These Terms and Conditions will be applicable to SSO Suppliers under Rate 395 and reflect the detailed requirements that the SSO Suppliers must meet pursuant to VEDO's Exit Plan. The Terms and Conditions sections include: Applicability, Definitions, Capacity and Operating Requirements, Monthly Volume Reconciliation, and SSO Supplier Default or Termination.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 25 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 59 TYPE: General Terms
and Conditions Applicable to
Gas Service - Definitions

Explanation of Changes:

1. New definitions have been added for Financial Assurance and Standard Sales Offer ("SSO") Service.

Rationale for Changes:

1. Reflects new terms used in Tariff resulting from VEDO's Exit Plan.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 26 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Current No. 70 TYPE: General Terms
and Conditions Applicable to
Gas Service – Curtailment

Explanation of Changes:

1. Gas cost charges paid to Transportation Customers or Pool Operators for diverted supply during curtailment will be recoverable from all Customers through the ETC Rider.

Rationale for Changes:

1. The diverted supply maintains service to all high-priority customers and is properly recovered from all Sales and Choice customers.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 27 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Proposed No. 71 TYPE: General Terms
and Conditions Applicable to
Gas Service – OFOs

Explanation of Changes:

1. A new Section 12 - Operational Flow Orders has been added.

Rationale for Changes:

1. The new section centralizes and clarifies the events that could lead to an OFO and how OFOs will be handled. The OFOs are applicable to any parties delivering gas supply to VEDO's system - Choice, SSO, and SCO Suppliers, Rate 345 Customers, and Pool Operators.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 28 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Proposed No. 72 TYPE: General Terms
and Conditions Applicable to
Gas Service – Affiliate Code
of Conduct

Explanation of Changes:

1. A new Section 13 – Affiliate Code of Conduct has been added.

Rationale for Changes:

1. This section was moved from the Pooling Service Terms and Conditions
(Residential and General) on Sheet No. 52.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SSO PHASE TARIFF CHANGES**

Schedule E-3
Page 29 of 29
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Proposed No. 79 TYPE: General Terms
and Conditions Applicable to
Gas Service – Amendments

Explanation of Changes:

1. Section 12 – Amendments has been moved to a new Tariff sheet and renumbered to Section 14.

Rationale for Changes:

1. This section was moved from Section 12 on Sheet No. 71 to the end (Sheet No. 79) of the General Terms and Conditions.

SCO Phase E-3

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 1 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: SSO Proposed No. 2 TYPE: Tariff Sheet Index

Explanation of Changes:

1. Updated line items in Rate Schedules, Riders, Transportation Provisions and General Terms and Conditions.

Rationale for Changes:

1. Reflects new, updated and eliminated Rate Schedules, Riders, Transportation Provisions and Terms and Conditions, based on the SCO Phase of the VEDO Exit Plan.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 2 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: SSO Proposed No. 10 TYPE: Rate 310
Residential Standard
Choice Offer Service

Explanation of Changes:

1. Renamed Rate Schedule.
2. Revised Character of Service section.
3. Added the Standard Choice Offer ("SCO") Rider and deleted Standard Sales Offer Rider from the "Riders" section.

Rationale for Changes:

1. As of the SCO Phase, VEDO will no longer offer Sales Service. It is replaced by Standard Choice Offer ("SCO") Service.
2. Reflects the substitution of the proposed market and auction-based Standard Choice Offer ("SCO") Price for the Standard Sales Offer ("SSO") price as of the initiation date of the SCO Phase of VEDO's Exit Plan. The SCO Price will be applicable to all customers served under Rate Schedules 310, 320 and 341.
3. Same as 2.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 3 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: SSO Proposed No. 11 TYPE: Rate 315
Residential Transportation
Service

Explanation of Changes:

1. The term "Sales Service" has been changed to "SCO Service" throughout.

Rationale for Changes:

1. Reflects new terms used in Tariff resulting from VEDO's Exit Plan in the SCO Phase.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 4 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: SSO Proposed No. 12 TYPE: Rate 320
General Standard Choice
Offer Service

Explanation of Changes:

1. Renamed Rate Schedule.
2. Revised Character of Service section.
3. Added the Standard Choice Offer ("SCO") Rider and deleted Standard Sales Offer Rider from the "Riders" section.

Rationale for Changes:

1. As of the SCO Phase, VEDO will no longer offer Sales Service. It is replaced by Standard Choice Offer ("SCO") Service.
2. Reflects the substitution of the proposed market and auction-based Standard Choice Offer ("SCO") Price for the Standard Sales Offer ("SSO") price as of the initiation date of the SCO Phase of VEDO's Exit Plan. The SCO Price will be applicable to all customers served under Rate Schedules 310, 320 and 341.
3. Same as 2.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 5 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: SSO Proposed No. 13 TYPE: Rate 325 General
Transportation Service

Explanation of Changes:

1. The term "Sales Service" has been changed to "SCO Service" throughout.

Rationale for Changes:

1. Reflects new terms used in Tariff resulting from VEDO's Exit Plan in the SCO Phase.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 6 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: SSO Proposed No. 14 TYPE: Rate 330
Large General Sales Service

Explanation of Changes:

1. Rate 330, Large General Sales Service has been deleted.

Rationale for Changes:

1. Rate 330 is proposed to be eliminated as of the SCO initiation date, as described in the SSO Tariff Change Narrative.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 7 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: SSO Proposed No. 15 TYPE: Rate 340
Interruptible Sales Service

Explanation of Changes:

1. Rate 340, Interruptible Sales Service has been deleted.

Rationale for Changes:

1. Rate 340 is proposed to be eliminated as of the SCO initiation date, as described in the SSO Tariff Change Narrative.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 8 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: SSO Proposed No. 16 TYPE: Rate 341
Dual Fuel Standard Choice
Offer Service

Explanation of Changes:

1. Renamed Rate Schedule.
2. Revised Character of Service section.
3. Added the Standard Choice Offer ("SCO") Rider and deleted Standard Sales Offer Rider from the "Riders" section.

Rationale for Changes:

1. As of the SCO Phase, VEDO will no longer offer Sales Service. It is replaced by Standard Choice Offer ("SCO") Service.
2. Reflects the substitution of the proposed market and auction-based Standard Choice Offer ("SCO") Price for the Standard Sales Offer ("SSO") price as of the initiation date of the SCO Phase of VEDO's Exit Plan. The SCO Price will be applicable to all customers served under Rate Schedules 310, 320 and 341.
3. Same as 2.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 9 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: SSO Proposed No. 22 TYPE: Rate 395
SSO Supplier Service

Explanation of Changes:

1. Standard Sales Offer ("SSO") Supplier Service Rate Schedule has been deleted.

Rationale for Changes:

1. Standard Sales Offer ("SSO") Supplier Service Rate Schedule is proposed to be eliminated as of the SCO initiation date.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 10 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Proposed No. 23 TYPE: Rate 396
SCO Supplier Service

Explanation of Changes:

1. New Standard Choice Offer ("SCO") Supplier Service Rate Schedule has been added to the Tariff.

Rationale for Changes:

1. This Rate Schedule will be applicable SCO Suppliers who provide gas supply to VEDO for delivery to its SCO Customers pursuant to VEDO's Exit Plan. This Rate Schedule is necessary to define the various requirements, terms and conditions, and billing procedures that will be applicable to SCO Suppliers. The Rate Schedule sections include: Applicability, Character Of Service, Monthly Statement, Requirements For SCO Supplier Participation, Contract, SCO Supplier Terms and Conditions, and General Terms and Conditions.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 11 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: SSO Proposed No. 38 TYPE: Standard Sales Offer
Rider

Explanation of Changes:

1. Standard Sales Offer ("SSO") Rider has been deleted.

Rationale for Changes:

1. Standard Sales Offer ("SSO") Rider is proposed to be eliminated as of the SCO Initiation date.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 12 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Proposed No. 41 TYPE: Exit Transition Cost
Rider

Explanation of Changes:

1. Substitute "Standard Choice Offer" for "Sales Service" throughout.

Rationale for Changes:

1. Reflects the elimination of VEDO's Sales Service as of the SCO initiation date.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 13 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Proposed No. 44 TYPE: Standard Choice
Offer Rider

Explanation of Changes:

1. New Standard Choice Offer ("SCO") Rider has been added to the Tariff.

Rationale for Changes:

1. The SCO Rider is proposed to replace the SSO Rider pursuant to VEDO's Exit Plan. It will be the price charged to SCO Service customers for their usage each calendar month. The SCO Rider will be applicable to the SCO Service Customers under the following Rate Schedules:

Rate 310
Rate 320
Rate 341

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 14 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: SSO Proposed No. 50 TYPE: Transportation Terms
and Conditions
(Large General)

Explanation of Changes:

1. Section 16, "Transfer to System Supply" has been deleted.

Rationale for Changes:

1. Section 16, "Transfer to System Supply" is proposed to be eliminated as of the SCO Initiation date to reflect that only Choice-eligible Customers may receive SCO Service.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 15 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: SSO Proposed No. 52 TYPE: Pooling Service
Terms and Conditions
(Residential and General)

Explanation of Changes:

1. The term "Sales Service" was changed to "Standard Choice Offer Service" throughout.
2. Updated Customer sign-up procedures.

Rationale for Changes:

1. Reflects new terms used in Tariff resulting from VEDO's Exit Plan in the SCO Phase.
2. Reflect that Choice Customers may not transfer to SCO Service. Choice Customers may only transfer to another Choice Supplier, pursuant to the VEDO Exit Plan.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 16 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: SSO Proposed No. 54 TYPE: Unaccounted For Gas Percentage

Explanation of Changes:

1. The Applicability section has been changed.

Rationale for Changes:

1. The Unaccounted For Percentage will be applicable to SCO Suppliers.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 17 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: SSO Proposed No. 55 TYPE: SSO Supplier Terms and Conditions

Explanation of Changes:

1. Standard Service Offer ("SSO") Supplier Terms and Conditions have been deleted.

Rationale for Changes:

1. Standard Service Offer ("SSO") Supplier Terms and Conditions are proposed to be eliminated as of the SCO Initiation date.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 18 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: Proposed No. 56 TYPE: SCO Supplier Terms
and Conditions

Explanation of Changes:

1. New Standard Choice Offer ("SCO") Supplier Terms and Conditions have been added to the Tariff.

Rationale for Changes:

1. These Terms and Conditions will be applicable to SCO Suppliers under Rate 396 and reflect the detailed requirements that the SCO Suppliers must meet pursuant to VEDO's Exit Plan. The Terms and Conditions sections include: Applicability, Definitions, Capacity and Operating Requirements, Monthly Volume Reconciliation, and SSO Supplier Default or Termination.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 19 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: SSO Proposed No. 59 TYPE: General Terms
and Conditions Applicable to
Gas Service - Definitions

Explanation of Changes:

1. New definition has been added for and Standard Choice Offer ("SCO") Service and "Company-Supplied Gas" has been changed to "SCO-Supplied Gas".

Rationale for Changes:

1. Reflects new terms used in Tariff resulting from VEDO's Exit Plan in the SCO Phase.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 20 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: SSO Proposed No. 70 TYPE: General Terms
and Conditions Applicable to
Gas Service – Curtailment

Explanation of Changes:

1. The term "Company-Supplied" has been changed to "SCO-Supplied" throughout.

Rationale for Changes:

1. Reflects that SCO Suppliers are providing gas supply to VEDO's SCO Service Customers.

**VECTREN ENERGY DELIVERY OF OHIO
CASE NO. -GA-EXM
NARRATIVE RATIONALE FOR SCO PHASE TARIFF CHANGES**

Schedule E-3
Page 21 of 21
Witness: S. E. Albertson

TARIFF SHEET IDENTIFIER: SSO Proposed No. 71 TYPE: General Terms
and Conditions Applicable to
Gas Service – OFOs

Explanation of Changes:

1. "SSO" has been changed to "SCO" throughout.

Rationale for Changes:

1. Reflects new terms used in Tariff resulting from VEDO's Exit Plan in the SCO Phase.