FILE

135

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of a General Exemption of Certain Natural Gas Commodity Sales Services or Ancillary Services from Chapters 4905, 4909, and 4935 except Sections 4905.10, 4935.01, and 4935.03, and from specified sections of Chapter 4933 of the Revised Code.	)	Case No. 07-1285-GA-EXM

AMENDMENT TO JOINT STIPULATION AND RECOMMENDATION

Gretchen J. Hummel
Lisa G. McAlister
McNees Wallace & Nurick, LLC
21 East State Street, 17th Floor
Columbus, OH 43215
Telephone: (614) 469-8000
Fax: (614) 469-4653
ghummel@mwncmh.com
lmcalister@mwncmh.com

September 23, 2009

Attorneys for Vectren Energy Delivery of Ohio, Inc.

{C29017: }

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Vectren Energy Delivery of Ohio, Inc. for Approval of a General Exemption of Certain Natural Gas Commodity Sales Services or Ancillary Services from Chapters 4905, 4909, and 4935 except Sections 4905.10, 4935.01, and 4935.03, and from specified sections of Chapter 4933 of the Revised Code.	)))))))))	Case No. 07-1285-GA-EXM

AMENDMENT TO JOINT STIPULATION AND RECOMMENDATION

Pursuant to Rule 4901-1-30 of the Ohio Administrative Code ("OAC"), on February 4, 2008, the participants of Vectren Energy Delivery of Ohio, Inc.'s ("VEDO") Merchant Function Exit Working Group ("Exit Working Group") including: VEDO, the Staff ("Staff") of the Public Utilities Commission of Ohio ("Commission"); the Ohio Gas Marketers Group[1]; SouthStar Energy Services LLC; Dominion Retail, Inc.; MXenergy Inc.; Industrial Energy Users-Ohio ("IEU-Ohio"); Stand Energy Corporation; Integrys Energy Services, Inc.; DTE Energy Trading, Inc.; Office of the Ohio Consumers' Counsel ("OCC"); and the Ohio Farm Bureau Federation (collectively, "Signatory Parties"); filed a Joint Stipulation and Recommendation ("Stipulation") in order to set forth the understanding of Signatory Parties with respect to the proposals made to achieve VEDO's exit from the commodity merchant function. The Commission adopted the Stipulation in its entirety on April 30, 2008.

[1] The Ohio Gas Marketers Group members at the time the Stipulation was executed were Direct Energy Services LLC, Vectren Retail, LLC and Interstate Gas Supply, Inc.

I. Tariff Changes

After review of the operations related to the Standard Sales Offer ("SSO") Service, in effect since September 1, 2008, the Exit Working Group has determined that refinements to the previously-approved tariffs for Standard Choice Offer ("SCO") Service, scheduled to begin on April 1, 2010 (Stipulation Exhibit A) are advisable. The revisions to Stipulation Exhibit A are shown in the pages attached hereto as Attachment A. Corresponding changes to VEDO's Program Outline (Stipulation Exhibit B), which does not require Commission approval, but was provided to the Commission for informational purposes only, have been made. The revised Program Outline and its Attachments are attached for the Commission's information as Attachment B.

The revisions to the tariffs are:

1. Add residential and general default sales service ("DSS") rate schedules (now numbered as Rates 310 and 320, respectively), effective April 1, 2010, initially applicable to Percentage of Income Payment Plan customers, Choice ineligible customers, and to Choice customers whose agreements with a Choice supplier terminate and who do not choose another Choice supplier. Rate 310, Sheet No. 10, Second Revised Page 1 of 2, and Rate 320, Sheet No. 12, First Revised Page 1 of 2 will be replaced by Rate 310, Sheet No. 10, Third Revised Page 1 of 2, and Rate 320, Sheet No. 12, Second Revised Page 1 of 2 on April 1, 2011 or when the combined annual load of Choice eligible non-selecting customers transferring to DSS service is expected to exceed 1 Bcf, whichever occurs sooner. The only difference between the DSS pages effective April 1,

2010 and the pages effective April 1, 2011 is the elimination of the applicability of DSS service to Choice customers whose agreements with a Choice Supplier terminate and who do not elect another Choice Supplier.

2. Update the previously approved residential and general service SCO Service rate schedules (now represented as Rates 311 and 321) to reflect the additions of the DSS rate schedules. Rate 311, Sheet No. 10.5, Original Page 1 of 2 and Rate 321, Sheet No. 12.5, Original Page 1 of 2 will be replaced by Rate 311, Sheet 10.5, First Revised Page 1 of 2 and Rate 321, Sheet No. 12.5, First Revised Sheet No. 1 of 2 on April 1, 2011 or when the combined annual load of Choice eligible non-selecting customers transferring to DSS service is expected to exceed 1 Bcf, whichever occurs sooner.

3. Reduce the required minimum no-notice storage inventory balance from 10% to 5% of seasonal contract quantity and provide for the use of an April FOM (first-of-the-month) Index price for storage transfers made by terminating and defaulting suppliers to succeeding or remaining suppliers;

4. Revise the monthly volume reconciliation methodology to an annual volume reconciliation with cashouts to flow through the Exit Transition Cost Rider.

5. Other minor revisions are made to refine the SCO program to achieve greater accuracy and efficiency.

II. SCO Auction Contingency Plan

Additionally, the Signatory Parties agree on the following contingency plan in the event that the SCO auction is not successful, as contemplated:

A. SCO Auction Contingency Plan:

1. If an insufficient number of tranches are bid in Round 1 of SCO auction, VEDO and Staff will determine whether to modify the initial bidding price and restart the auction on the same day.

2. In the event VEDO's initial SCO auction is unsuccessful, a subsequent SCO auction will be conducted.
   a. VEDO, in consultation with Staff and in consideration of the outcome of the initial SCO auction, market conditions, and other factors as applicable, will determine which of the following variables (one or more) will be modified for a subsequent SCO auction:
      i. Number of tranches offered
      ii. Size of tranches
      iii. Maximum award per supplier, based on Total SCO load and percentage of total SCO load
      iv. Initial price
      v. Price decrements
      vi. Ratios associated with changing price decrements
   b. Any CRNG-certified Supplier meeting creditworthiness and other applicable requirements may participate in the initial and/or the subsequent auction.
   c. VEDO will attempt to conduct the subsequent auction one week after the initial auction.

3. SSO Auction
   a. If a subsequent SCO auction is also unsuccessful, VEDO will promptly conduct an SSO auction.
   b. SSO auction rules will be the same as those used for VEDO's August 2008 SSO auction (except that tranche size will be updated based on then-current information).
   c. VEDO will attempt to conduct the SSO auction (if necessary) one week after the subsequent SCO auction.

4. RFP contingency
   a. If the SSO auction is also unsuccessful, VEDO will immediately issue an RFP for Portfolio Management Services.

WHEREFORE, the Signatory Parties respectfully request that Commission approve the tariffs attached hereto as Attachment A and the SCO contingency plan set forth in Section II above.

Agreed upon this 23rd day of September 2009.

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

On Behalf of the Staff of the Commission

Larry Gearhardt /gjk
Larry Gearhardt
Chief Legal Counsel

On Behalf of the Ohio Farm Bureau Federation

John M. Dosker /gjk
John M. Dosker, General Counsel

On Behalf of Stand Energy Corporation

Thomas J. O'Brien /gjk
Thomas J. O'Brien

On Behalf of DTE Energy Trading, Inc.

M. Howard Petricoff /gjk
M. Howard Petricoff

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

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

On Behalf of Vectren Energy Delivery of Ohio, Inc.

Barth Royer /gjk
Barth Royer

On Behalf of Dominion Retail, Inc. and MXenergy Inc.

W. Jonathan Airey /gjk
W. Jonathan Airey

On Behalf of Industrial Energy Users-Ohio

Joseph P. Serio

On Behalf of the Ohio Consumers' Counsel

Robert A. Cumbie /gjh

Robert A. Cumbie

On Behalf of SouthStar Energy Services LLC

M. Howard Petricoff /gjh

M. Howard Petricoff

On Behalf of Integrys Energy Services, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing *Amendment to Joint Stipulation and Recommendation* was served upon the following parties of record this 23rd day of September 2009, *via* electronic transmission, hand-delivery or ordinary U.S. mail, postage prepaid.

Gretchen J. Hummel

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

Barth Royer
Bell, Royer & Sanders
33 South Grant Street
Columbus, OH 43215-3927

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

David Rinebolt
Ohio Partners for Affordable Energy
231 West Lima Street
Findlay, OH 45839-1793

W. Jonathan Airey
Vorys, Sater, Seymour & Pease LLP
52 E. Gay Street
PO Box 1008
Columbus, OH 43216-1008

John Dosker
Stand Energy
1077 Celestial Street
Rockwood Building, Suite 110
Cincinnati, OH 45202

Larry Gearhardt
Chief Legal Counsel
Ohio Farm Bureau Federation
280 North High Street
PO Box 182383
Columbus, OH 43218-2383

Robert A. Cumbie
SouthStar Energy
817 West Peachtree St., NW
Suite 1000
Atlanta, GA 30308

Dan Verbanac
Chief Operating Officer
Bobby Singh, Senior Attorney
Integrys Energy Services, Inc.
300 W. Wilson Bridge Rd. Suite 350
Worthington, Ohio 43085

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

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

Attachment A

TARIFF SHEET INDEX

RATE 310
RESIDENTIAL DEFAULT SALES SERVICE

APPLICABILITY

This Rate Schedule is applicable to any Residential Customer::

(1) Whose agreement with a Choice Supplier terminates and Customer does not elect another Choice Supplier; or
(2) Who is currently enrolled in Company's Percentage of Income Payment Plan (PIPP); or
(3) Who is ineligible for service under Rate 315.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Sales Service.

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

RATES AND CHARGES

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

Customer Charge:
$18.37 per meter

Riders:
The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider
- Sheet No. 43 – Sales Reconciliation Rider – A
- Sheet No. 44 – Standard Choice Offer Rider
- Sheet No. 45 – Distribution Replacement Rider
- Sheet No. 46 – Energy Efficiency Funding Rider

Low Income Pilot Program Discount:

The Low Income Pilot Program Discount will be effective upon Commission approval of all eligibility criteria as described below.

The first 5,000 Customers meeting all of the following criteria receive a discount of $4.00 per month to the Customer Charge:

a. Customer's income is at or below 175% of the Federal poverty level;
b. Customer does not participate in the Percentage of Income Payment Plan;
c. Customer uses less than xxx Ccf per year;
d. Customer's application for credit is approved.

The Low Income Pilot Program Discount program shall expire MM/DD/YYYY (12 months following its initial implementation effective date).

RATE 310
RESIDENTIAL DEFAULT SALES SERVICE

APPLICABILITY

This Rate Schedule is applicable to any Residential Customer:
(1) Who is currently enrolled in Company's Percentage of Income Payment Plan (PIPP); or
(2) Who is ineligible for service under Rate 315.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Sales Service.

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

RATES AND CHARGES

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

Customer Charge:
$18.37 per meter

Riders:
The following Riders shall be applied monthly:
- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider
- Sheet No. 43 – Sales Reconciliation Rider – A
- Sheet No. 44 – Standard Choice Offer Rider
- Sheet No. 45 – Distribution Replacement Rider
- Sheet No. 46 – Energy Efficiency Funding Rider

Low Income Pilot Program Discount:

The Low Income Pilot Program Discount will be effective upon Commission approval of all eligibility criteria as described below.

The first 5,000 Customers meeting all of the following criteria receive a discount of $4.00 per month to the Customer Charge:

a. Customer's income is at or below 175% of the Federal poverty level;
b. Customer does not participate in the Percentage of Income Payment Plan;
c. Customer uses less than xxx Ccf per year;
d. Customer's application for credit is approved.

The Low Income Pilot Program Discount program shall expire MM/DD/YYYY (12 months following its initial implementation effective date).

RATE 310
RESIDENTIAL DEFAULT SALES SERVICE

Minimum Monthly Charge:
The Minimum Monthly Charge shall be the Customer Charge, less the Low Income Pilot Program Discount if applicable.

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

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

RATE 311
RESIDENTIAL STANDARD CHOICE OFFER SERVICE

APPLICABILITY

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

This Rate Schedule shall not be available to any Residential Customer:
(1) Whose agreement with a Choice Supplier terminates and Customer does not elect another Choice Supplier;
(2) Who is currently enrolled in Company's Percentage of Income Payment Plan (PIPP); or
(3) Who is ineligible for service under Rate 315.

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

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of SCO Service. Customer's gas supply under SCO Service shall be provided by an SCO Supplier, who shall be identified on Customer's bill.

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

RATES AND CHARGES

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

Customer Charge:
$18.37 per meter

Riders:
The following Riders shall be applied monthly:
- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider
- Sheet No. 43 – Sales Reconciliation Rider – A
- Sheet No. 44 – Standard Choice Offer Rider
- Sheet No. 45 – Distribution Replacement Rider
- Sheet No. 46 – Energy Efficiency Funding Rider

RATE 311
RESIDENTIAL STANDARD CHOICE OFFER SERVICE

APPLICABILITY

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

This Rate Schedule shall not be available to any Residential Customer:
(1) Who is currently enrolled in Company's Percentage of Income Payment Plan (PIPP); or
(2) Who is ineligible for service under Rate 315.

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

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of SCO Service. Customer's gas supply under SCO Service shall be provided by an SCO Supplier, who shall be identified on Customer's bill.

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

RATES AND CHARGES

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

Customer Charge:
$18.37 per meter

Riders:
The following Riders shall be applied monthly:
- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider
- Sheet No. 43 – Sales Reconciliation Rider – A
- Sheet No. 44 – Standard Choice Offer Rider
- Sheet No. 45 – Distribution Replacement Rider
- Sheet No. 46 – Energy Efficiency Funding Rider

RATE 311
RESIDENTIAL STANDARD CHOICE OFFER SERVICE

Low Income Pilot Program Discount:

The Low Income Pilot Program Discount will be effective upon Commission approval of all eligibility criteria as described below.

The first 5,000 Customers meeting all of the following criteria receive a discount of $4.00 per month to the Customer Charge:

a. Customer's income is at or below 175% of the Federal poverty level;
b. Customer does not participate in the Percentage of Income Payment Plan;
c. Customer uses less than xxx Ccf per year;
d. Customer's application for credit is approved.

The Low Income Pilot Program Discount program shall expire MM/DD/YYYY (12 months following its initial implementation effective date).

Minimum Monthly Charge:
The Minimum Monthly Charge shall be the Customer Charge, less the Low Income Pilot Program Discount if applicable.

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

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

RATE 320
GENERAL DEFAULT SALES SERVICE

APPLICABILITY

This Rate Schedule is applicable to any Non-Residential Customer whose Annual Usage is less than 150,000 Ccf and:

(1) Whose agreement with a Choice Supplier terminates and Customer does not elect another Choice Supplier or;
(2) Who is ineligible for service under Rate 325.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Sales Service.

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

RATES AND CHARGES

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

Customer Charge:
Group 1: $20.00 per meter
Group 2: $40.00 per meter
Group 3: $80.00 per meter

Volumetric Charge:
$0.07873 per Ccf for all Ccf

Riders:
The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider
- Sheet No. 43 – Sales Reconciliation Rider – A
- Sheet No. 44 – Standard Choice Offer Rider
- Sheet No. 45 – Distribution Replacement Rider
- Sheet No. 46 – Energy Efficiency Funding Rider

Minimum Monthly Charge:
The Minimum Monthly Charge shall be the Customer Charge.

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

RATE 320
GENERAL DEFAULT SALES SERVICE

APPLICABILITY

This Rate Schedule is applicable to any Non-Residential Customer whose Annual Usage is less than 150,000 Ccf and who is ineligible for service under Rate 325.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Sales Service.

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

RATES AND CHARGES

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

Customer Charge:
Group 1: $20.00 per meter
Group 2: $40.00 per meter
Group 3: $80.00 per meter

Volumetric Charge:
$0.07873 per Ccf for all Ccf

Riders:
The following Riders shall be applied monthly:
- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider
- Sheet No. 43 – Sales Reconciliation Rider – A
- Sheet No. 44 – Standard Choice Offer Rider
- Sheet No. 45 – Distribution Replacement Rider
- Sheet No. 46 – Energy Efficiency Funding Rider

Minimum Monthly Charge:
The Minimum Monthly Charge shall be the Customer Charge.

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

RATE 320
GENERAL DEFAULT SALES SERVICE

CURTAILMENT

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

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

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

TERMS AND CONDITIONS

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

RATE 321
GENERAL STANDARD CHOICE OFFER SERVICE

APPLICABILITY

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

This Rate Schedule shall not be available to any Non-Residential Customer:
(1) Whose agreement with a Choice Supplier terminates and Customer does not elect another Choice Supplier; or
(2) Who is ineligible for service under Rate 325.

Customers described above shall be served under Rate 320, General Default Sales Service

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of SCO Service. Customer's gas supply under SCO Service shall be provided by an SCO Supplier, who shall be identified on Customer's bill.

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

RATES AND CHARGES

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

Customer Charge:
Group 1: $20.00 per meter
Group 2: $40.00 per meter
Group 3: $80.00 per meter

Volumetric Charge:
$0.07873 per Ccf for all Ccf

Riders:
The following Riders shall be applied monthly:
- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider
- Sheet No. 43 – Sales Reconciliation Rider – A
- Sheet No. 44 – Standard Choice Offer Rider
- Sheet No. 45 – Distribution Replacement Rider
- Sheet No. 46 – Energy Efficiency Funding Rider

Minimum Monthly Charge:
The Minimum Monthly Charge shall be the Customer Charge.

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

RATE 321
GENERAL STANDARD CHOICE OFFER SERVICE

APPLICABILITY

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

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

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of SCO Service. Customer's gas supply under SCO Service shall be provided by an SCO Supplier, who shall be identified on Customer's bill.

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

RATES AND CHARGES

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

Customer Charge:
Group 1: $20.00 per meter
Group 2: $40.00 per meter
Group 3: $80.00 per meter

Volumetric Charge:
$0.07873 per Ccf for all Ccf

Riders:
The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Plan Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S.B. 287 Excise Tax Rider
- Sheet No. 43 – Sales Reconciliation Rider – A
- Sheet No. 44 – Standard Choice Offer Rider
- Sheet No. 45 – Distribution Replacement Rider
- Sheet No. 46 – Energy Efficiency Funding Rider

Minimum Monthly Charge:
The Minimum Monthly Charge shall be the Customer Charge.

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

RATE 321
GENERAL STANDARD CHOICE OFFER SERVICE

CURTAILMENT

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

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

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

TERMS AND CONDITIONS

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

RATE 341
DUAL FUEL STANDARD CHOICE OFFER SERVICE

APPLICABILITY

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

CHARACTER OF SERVICE

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

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

RATES AND CHARGES

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

Customer Charge:
$50.00 per meter

Volumetric Charge:
$0.02372 per Ccf for all Ccf of Process or Base Deliveries (as defined below), plus
$0.01762 per Ccf for all Ccf of Dual Fuel Deliveries (as defined below)

Riders:
The following Riders shall be applied monthly:

- Sheet No. 37 – Gross Receipts Excise Tax Rider
- Sheet No. 39 – Uncollectible Expense Rider
- Sheet No. 40 – Percentage of Income Payment Rider
- Sheet No. 41 – Exit Transition Cost Rider
- Sheet No. 42 – S. B. 287 Excise Tax Rider
- Sheet No. 44 – Standard Choice Offer Rider
- Sheet No. 45 – Distribution Replacement Rider

Minimum Monthly Charge:
The Minimum Monthly Charge shall be the Customer Charge.

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

RATE 385
POOLING SERVICE
(RESIDENTIAL AND GENERAL)

City-Gate Allocation Non-Compliance Charge:
$5.00 per Dth for any daily city-gate nomination less than the minimum or greater than the maximum city-gate allocation requirement.

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

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

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

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

Meter Operator Charges:
Choice Supplier shall reimburse Company for penalties Company incurs as meter operator. Penalties will be assessed to each Supplier proportional to its contribution to the violation.

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

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

Customer Billing Amount:
Choice commodity amounts billed to Choice Customers by Company on behalf of Choice Supplier.

RATE 385
POOLING SERVICE
(RESIDENTIAL AND GENERAL)

Delivery Point Balancing Amount:
Charges or credits associated with pipeline delivery point cashouts, OBA settlements, or other related costs allocated to Supplier.

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

Pipeline Invoice Charge:
Charges or credits reflecting the difference between interstate pipeline charges and the actual credits received, on capacity released to Choice Supplier via mandatory capacity release.

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

Riders:
The following Riders shall be applied monthly; as applicable.

- Sheet No. 37 – Gross Receipts Excise Tax Rider

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

REQUIREMENTS FOR CHOICE SUPPLIER PARTICIPATION

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

RATE 396
SCO SUPPLIER SERVICE

APPLICABILITY

This Service is applicable to any SCO Supplier delivering firm gas supplies to Company's Operational Systems for Customers receiving SCO or DSS Service under Rates 310, 311, 320, 321 and 341.

CHARACTER OF SERVICE

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

MONTHLY STATEMENT

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

Financial Evaluation Charge:
$50.00 for the initial and each subsequent SCO Supplier financial evaluation performed by Company.

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

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

City-Gate Allocation Non-Compliance Charge:
$5.00 per Dth for any daily city-gate nomination less than the minimum or greater than the maximum city-gate allocation requirement.

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

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

RATE 396
SCO SUPPLIER SERVICE

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

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

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

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

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

Customer Billing Amount:
SCO Price amounts billed to SCO Customers by Company on behalf of SCO Supplier.

Delivery Point Balancing Amount:
Charges or credits associated with pipeline delivery point cashouts, OBA settlements, or other related costs allocated to Supplier.

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

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

Riders:
The following Riders shall be applied monthly, as applicable:
- Sheet No. 37 – Gross Receipts Excise Tax Rider

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

GROSS RECEIPTS EXCISE TAX RIDER

APPLICABILITY

The Gross Receipts Excise Tax Rider is applicable to all Rates, Fees, Charges and Riders billed by Company to Customers, Pool Operators, and Suppliers served under Company's Rate Schedules, except for the cost of gas billed by Company on Supplier's behalf under Residential or General Standard Choice Offer Services (Rates 311 or Rate 321) and Residential or General Transportation Services (Rates 315 or 325). Further, this Rider shall not be billed to any Customer statutorily exempted from the payment of gross receipts excise taxes.

DESCRIPTION

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

PERCENTAGE OF INCOME PAYMENT PLAN RIDER

APPLICABILITY

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

- Rate 310 – Residential Default Sales Service
- Rate 311 – Residential Standard Choice Offer Service
- Rate 315 – Residential Transportation Service
- Rate 320 – General Default Sales Service
- Rate 321 – General Standard Choice Offer Service
- Rate 325 – General Transportation Service
- Rate 341 – Dual Fuel Standard Choice Offer Service

DESCRIPTION

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

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

PIPP RIDER RATE

The PIPP Rider Rate is $0.02377 per Ccf.

EXIT TRANSITION COST RIDER

APPLICABILITY

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

- Rate 310 – Residential Default Sales Service
- Rate 311 – Residential Standard Choice Offer Service
- Rate 315 – Residential Transportation Service
- Rate 320 – General Default Sales Service
- Rate 321 – General Standard Choice Offer Service
- Rate 325 – General Transportation Service
- Rate 341 – Dual Fuel Standard Choice Offer Service

DESCRIPTION

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

The ETC Rider will recover applicable incremental Exit Transition implementation costs, including but not limited to the following:

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

This ETC Rider will also recover/passback the following:
1) All stranded gas supply costs related to Customer migrations to Choice Service,
2) Any incremental provider of last resort costs not recovered from a defaulting SSO Supplier, SCO Supplier, or Choice Supplier,
3) Any imbalance costs not recovered from Transportation Customers or Pool Operators,
4) Gas costs incurred by Company when diverting Customers' transportation gas quantities during a Curtailment (see Sheet No. 70, paragraph 11.B1.(9)),
5) Any cash-out amounts resulting from the Annual Volume Reconciliations for Choice and SCO Suppliers.
6) Other costs or credits applicable to SCO Service (Rate 311, Rate 321, and Rate 341), Residential and General Default Sales Service (Rate 310 and Rate 320), and Choice Customers (Rate 315 and Rate 325) as approved by the Commission.

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

EXIT TRANSITION COST RIDER RATE

The Exit Transition Cost Rider Rate is ($0.00214) per Ccf.

SALES RECONCILIATION RIDER – A

APPLICABILITY

The Sales Reconciliation Rider – A (SRR-A) shall be applicable to all Customers served under the following Rate Schedules:
Rate 310 – Residential Default Sales Service; Rate 311 – Residential SCO Service; and Rate 315 – Residential Transportation Service
Rate 320 – General Default Sales Service; Rate 321 – General SCO Service; and Rate 325 – General Transportation Service

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

DESCRIPTION

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

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

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

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

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

SALES RECONCILIATION RIDER –A RATE

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

	Rates in $/Ccf
Rate Schedules	**SRR-A**
310, 311 and 315	$0.02294
320, 321 and 325	$0.00278

STANDARD CHOICE OFFER RIDER

APPLICABILITY

The Standard Choice Offer ("SCO") Rider is applicable to Rate 310, 311, 320, 321 and 341 Customers.

DESCRIPTION

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

The SCO Rider Rate each month will be the NYMEX settlement price for such month converted to a price per Mcf using a standard BTU value, plus the Retail Price Adjustment determined in the SCO auction. The resulting rate per Mcf will be converted to a rate per Ccf for billing purposes.

The standard BTU value effective April 1, 2010 through March 31, 2011 is _________ Dth/Mcf.

SCO RIDER RATE

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

DISTRIBUTION REPLACEMENT RIDER

APPLICABILITY

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

- Rate 310 - Residential Default Sales Service
- Rate 311 – Residential Standard Choice Offer Service
- Rate 315 - Residential Transportation Service
- Rate 320 - General Default Sales Service
- Rate 321 – General Standard Choice Offer Service
- Rate 325 - General Transportation Service
- Rate 341 - Dual Fuel Standard Choice Offer Service
- Rate 345 - Large General Transportation Service
- Rate 360 - Large Volume Transportation Service

DESCRIPTION

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

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

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

The monthly DRR charge applicable to Rate 310, 311, 315, 320 (Group 1), 321 (Group 1) and 325 (Group 1) customers shall be capped at $1.00 per month in the initial annual DRR filing to be made in May 2010. Annual increases to the cap shall be limited to $1.00 per month.

DISTRIBUTION REPLACEMENT RIDER

DISTRIBUTION REPLACEMENT RIDER CHARGE

The charges for the respective Rate Schedules are:

Rate Schedule	$ Per Month	$ Per Ccf
310, 311 and 315	$0.62	
320, 321 and 325 (Group 1)	$0.62	
320, 321 and 325 (Group 2 and 3)		$0.00269
341	$2.36	
361		$0.00028
360		$0.00008

ENERGY EFFICIENCY FUNDING RIDER

APPLICABILITY

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

- Rate 310 – Residential Default Sales Service
- Rate 311 – Residential Standard Choice Offer Service
- Rate 315 – Residential Transportation Service
- Rate 320 – General Default Sales Service
- Rate 321 – General Standard Choice Offer Service
- Rate 325 – General Transportation Service

DESCRIPTION

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

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

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

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

ENERGY EFFICIENCY FUNDING RIDER RATE

The Energy Efficiency Funding Rider Rate is $0.00000 per Ccf.

NOMINATION AND BALANCING PROVISIONS (LARGE GENERAL, LARGE VOLUME, AND POOL OPERATOR)

DAILY BALANCING PROVISIONS

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

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

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

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

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

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

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

Excess Daily Imbalance: If Transporter exceeds the minimum Daily Imbalance percentage of 15% on more than 36 days during a twelve consecutive month period, the Daily Over/Under-Delivery Charge multipliers for that Transporter will be as follows for the next twelve month period:

Daily Under-Delivery Charge multipliers will be 1.20 and 1.35 (vs. 1.05 and 1.20)
Daily Over-Delivery Charge multipliers will be 0.75 and 0.60 (vs. 0.90 and 0.75)

NOMINATION AND BALANCING PROVISIONS (LARGE GENERAL, LARGE VOLUME, AND POOL OPERATOR)

MONTHLY BALANCING PROVISIONS

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

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

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

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

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

NOMINATION AND BALANCING PROVISIONS (LARGE GENERAL, LARGE VOLUME, AND POOL OPERATOR)

OPERATIONAL FLOW ORDER IMBALANCE PROVISIONS

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

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

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

(1) For each Dekatherm of Daily Under-Delivery Imbalance Quantities greater than five (5) percent of Total Daily Usage, the Daily Under-Delivery Charge; plus

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

(3) Applicable taxes.

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

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

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

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

(2) Applicable taxes.

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

POOLING SERVICE TERMS AND CONDITIONS (RESIDENTIAL AND GENERAL)

APPLICABILITY

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

CUSTOMER ENROLLMENT

Customer Sign-Up and Enrollment Procedures:

When soliciting and/or enrolling Non-Mercantile Customers, Choice Suppliers must adhere to the Commission's "Minimum Standards for Competitive Retail Natural Gas Service" rules and coordinate customer enrollment with the Company in accordance with the procedures set forth in Chapter 4901:1-29 of the OAC.

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

Once complete and accurate information supporting a Customer joining or leaving Choice Supplier's Pool is received and confirmed by Company, the change will be effective with Customer's next on-cycle meter reading after Customer's Enrollment Processing Period. If Customer rescinds its enrollment prior to commencing service with a Choice Supplier, Company shall notify Choice Supplier within two business days of Customer's rescission. Customer will remain with its Choice Supplier until: 1) Customer's name, service address, and account number appear on another Choice Supplier's electronic enrollment file listing; 2) Customer or Choice Supplier notifies Company that the Customer has been dropped from the Choice Program or the Customer's contract has expired; 3) Customer moves out of their current address or 4) Customer joins the PIPP program (See definition of "Pool" on Sheet 59).

POOLING SERVICE TERMS AND CONDITIONS (RESIDENTIAL AND GENERAL)

Company shall issue a written notification to Customer informing Customer of the applicable change. Customers who on their own initiative decide to terminate their relationship with a Choice Supplier will be permitted to do so without Company making any determination regarding whether Customer is contractually permitted to make such move. In that instance, Customer shall transfer to DSS Service unless it selects another Choice Supplier. Company shall not be liable to Choice Supplier or Customer for allowing Customer to transfer to DSS Service or another Choice Supplier.

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

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

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

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

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

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

POOLING SERVICE TERMS AND CONDITIONS (RESIDENTIAL AND GENERAL)

Company shall issue a written notification to Customer informing Customer of the applicable change. Customers who on their own initiative decide to terminate their relationship with a Choice Supplier will be permitted to do so without Company making any determination regarding whether Customer is contractually permitted to make such move. In that instance, Customer shall transfer to SCO Service unless it selects another Choice Supplier. Company shall not be liable to Choice Supplier or Customer for allowing Customer to transfer to DSS or SCO Service or another Choice Supplier.

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

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

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

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

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

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

POOLING SERVICE TERMS AND CONDITIONS (RESIDENTIAL AND GENERAL)

POOL CUSTOMER BILLING OPTIONS

Choice Supplier may elect one of the following two billing options for its Pool Customers. Such election shall be applicable to all of Choice Supplier's Pools and Customers.

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

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

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

Option 2 – Dual Billing:
Pool Customer shall receive two bills as follows:

1. Company shall bill and collect for its portion of the Bill that includes charges for Transportation Service and all applicable Riders. Company's Bill shall include Choice Supplier's name and a statement that Choice Supplier is responsible for billing Choice Supplier's charges. In the event that Customer remits to Company less than the amount included on Company's Bill, Customer shall be subject to the same late payment charges and disconnect rules that would be applicable if Customer were receiving SCO Service.

2. Choice Supplier shall be responsible for billing and collecting its part of the bill including any arrearages due from Choice Supplier's own prior billings. To facilitate Choice

POOLING SERVICE TERMS AND CONDITIONS (RESIDENTIAL AND GENERAL)

CODES OF CONDUCT

Choice Supplier Code of Conduct:

In addition to fulfilling the Terms and Conditions of Company's Choice Supplier Pooling Agreement for Residential and General Transportation, the participating Choice Supplier and governmental aggregator shall be certified by the PUCO, as set forth in Rule 4901:1-27 of the OAC, the Commission's rule addressing Certification of Governmental Aggregators and Retail Natural Gas Suppliers.

The Choice Supplier and governmental aggregator shall conduct its activities consistent with the Commission's rules governing Competitive Retail Natural Gas Service as set forth in Rules 4901:1-27 through 4901:1-34 of the OAC, which are incorporated herein by reference. Company shall make copies of the applicable Competitive Retail Natural Gas Service rules available upon request. Choice Supplier's failure to comply with Company's Tariff and/or Commission Rule requirements may be deemed to be a material default within the meaning of Commission Rule 4901:1-27(12) (J) of the OAC, which may be grounds for Company requesting suspension or termination of the Choice Supplier Pooling Agreement for Residential and General Transportation, pursuant to the Rule.

POOLING SERVICE TERMS AND CONDITIONS (RESIDENTIAL AND GENERAL)

CAPACITY AND OPERATING REQUIREMENTS

Comparable Firm Capacity Requirement:

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

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

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

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

POOLING SERVICE TERMS AND CONDITIONS (RESIDENTIAL AND GENERAL)

Mandatory Assignment of Pipeline Capacity:
Company will release its pipeline transportation and storage capacity to Choice Supplier based upon approximately 79% of the Peak Design Day Demand of Choice Supplier's Pool. Choice Supplier shall take release of specific interstate pipeline firm transportation and storage capacity for a term, agreed to by Company, subject to Company's right of capacity recall contained elsewhere in these Terms and Conditions.

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

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

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

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

POOLING SERVICE TERMS AND CONDITIONS (RESIDENTIAL AND GENERAL)

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

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

Provider of Last Resort ("POLR") Service:
Choice Supplier shall temporarily provide supply from Company-released TCO storage capacity to cover system load requirements in the event of a Supplier default or OFO event.

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

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

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

(1) Choice and SCO Suppliers collectively will provide supply to meet POLR needs, using their individual TCO storage inventories. The withdrawn storage inventory will be subsequently replaced.

(2) If Company determines that the daily quantity of gas needed may affect the reliability of the system, an OFO will be issued, to ensure that Transportation Customers or Pool Operators are not under delivering versus their respective usages during the POLR period.

(3) Next, as soon as possible, all transportation and storage capacity released to any defaulting Supplier will be recalled by Company who will use it to meet the immediate needs of the defaulting Supplier's customers. Company will claim the defaulting Supplier's storage inventory as needed to meet the defaulting Supplier's customer loads.

POOLING SERVICE TERMS AND CONDITIONS (RESIDENTIAL AND GENERAL)

(4) Company will fill any remaining shortfall through acquiring additional temporary capacity and supply or city-gate deliveries.

(5) Company will coordinate the provision of POLR service for the remainder of the billing month in which a Supplier default occurs, and the subsequent month, or until an alternate solution is effectuated.

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

(1) If a Choice Supplier is removed, Company will offer non-defaulting Choice Suppliers the option of assuming the customers of the removed Choice Supplier. If there are no non-defaulting Choice Suppliers that will assume the removed Choice Supplier's customers, the customers will transfer to SCO service.

(2) If an SCO Supplier is removed or Choice Suppliers do not assume the customers of a removed Choice Supplier:

(a) The existing SCO Suppliers loads will be increased to cover the defaulted load on a pro rata basis. Such incremental load will be limited to 50% of initial Tranches awarded.

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

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

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

POOLING SERVICE TERMS AND CONDITIONS (RESIDENTIAL AND GENERAL)

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

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

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

ANNUAL VOLUME RECONCILIATION

1. SCO and Choice Suppliers' deliveries will be reconciled to their requirements on an annual basis.
2. For each month during the SCO Period, Company will compare each Supplier's Deliveries to the Supplier's Pool and Allocated Requirements to determine the Supplier's monthly Reconciliation Volumes.

    a. The Supplier's Deliveries will be the sum of the Supplier's confirmed deliveries to the city-gate, its no-notice storage activity, and its allocated share of propane.
    b. The Supplier's Pool Requirements will be determined by adjusting the Supplier's Pool's actual billed usage for annual Standard Btu Value and the UAFG % identified in Company's Tariff.
    c. The Supplier's Allocated Requirements will include the Supplier's portion of Large Transporter Imbalance volumes, Company's Line Pack changes, and Company's Operational Balancing Agreement (OBA) volume changes.

3. The reconciliation cash-out price for each month will be the IFERC Gas Market Report First-of-the-month price for Columbia Gas Transmission Corp, Appalachia plus applicable variable costs including fuel retention and pipeline variable charges.
4. The sum of the monthly reconciliation cashout amounts, plus any applicable taxes, will be the annual cashout credit or charge. The annual cashout credit or charge will recovered or passed back in the Exit Transition Cost (ETC) Rider.
5. Such reconciliations will be performed in the second month following the end of the last month of flow.
6. The Supplier's Annual Volume Reconciliation cashout charges and credits will remain subject to revision based on any corrections to underlying data and any issues identified in the annual ETC Audits.

POOLING SERVICE TERMS AND CONDITIONS (RESIDENTIAL AND GENERAL)

CONSEQUENCES OF CHOICE SUPPLIER'S FAILURE TO PERFORM OR COMPLY

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

- Non-Mercantile Pool: In the event Company seeks to suspend or terminate a Choice Supplier from the provision of service to any Non-Mercantile Pool under the Program, Company shall follow the process and timeline set out in Rule 4901:1-27-12(J), OAC. Among other things, this establishes the process by which Company must seek authorization from the Commission to terminate or suspend a Choice Supplier from providing service to a Non-Mercantile Pool in the event of a default.

- Mercantile Pool: In the event Company intends to suspend or terminate a Choice Supplier from the Program, Company shall first notify the Choice Supplier of the alleged violations that merit suspension or termination. Such notice shall be in writing, contain reasonable detail and shall be sent to Choice Supplier at the fax number listed in the Choice Supplier Pooling Agreement five (5) days prior to the suspension or termination. If, within five (5) days after the service of the previously mentioned notice, Choice Supplier remedies or removes the cause or causes stated in the notice, the Choice Supplier Pooling Agreement and such Mercantile Pool will continue in full force and effect. If Choice Supplier does not remedy or remove the cause or causes within five (5) days, then at the option of Company, the Choice Supplier Pooling Agreement relative to all Mercantile Pools may terminate at the expiration of said five (5) day period.

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

CHOICE SUPPLIER WITHDRAWAL OR TERMINATION

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

Upon withdrawal or termination, Choice Supplier will be required to sell to succeeding/remaining Choice Supplier five percent (5%) of its TCO Storage Contract Quantity (SCQ) at the April first of the month "Monthly Contract Index" price for "Columbia Gas Transmission Corp, Appalachia" as reported by Inside FERC's Gas Market Report in the table "Prices of Spot Gas Deliveries to Pipelines" plus applicable variable costs, including fuel retention and pipeline variable costs.

SCO SUPPLIER TERMS AND CONDITIONS

APPLICABILITY

The following Terms and Conditions apply to SCO Suppliers under Rate 396, SCO Supplier Service.

DEFINITIONS

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

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

Directed Delivery Quantity (DDQ) - the sum of:

1. The Expected Demand of the SCO Supplier's Load Tranche(s) for that gas day, plus
2. System UAFG percentage volumes, plus
3. Any necessary adjustments for interstate pipeline and/or Company operating constraints, and/or prior imbalances associated with periodic volume reconciliations.

EFT – Panhandle Eastern Pipe Line Company Enhanced Firm Transportation.

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

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

ORC - The Ohio Revised Code.

PEPL – Panhandle Eastern Pipe Line

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

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

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

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

SCO SUPPLIER TERMS AND CONDITIONS

SCO Supplier Agreement or **Agreement** - An agreement between Company and SCO Supplier that defines the mutual responsibilities and obligations of those parties relative to services provided under Rate 396.

TCO – Columbia Gas Transmission Corporation.

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

CAPACITY AND OPERATING REQUIREMENTS

Comparable Firm Capacity Requirement

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

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

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

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

Mandatory Assignment of Pipeline Capacity:
Company will release its pipeline transportation and storage capacity to SCO Supplier based upon approximately 79% of the Peak Design Day Demand of SCO Supplier's Load Tranche. SCO Supplier shall take release of specific interstate pipeline firm transportation and storage capacity for the term of the SCO Service phase, subject to Company's right of capacity recall contained elsewhere in these Terms and Conditions.

SCO SUPPLIER TERMS AND CONDITIONS

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

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

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

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

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

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

Welcome Letter

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

SCO SUPPLIER TERMS AND CONDITIONS

Provider of Last Resort ("POLR") Service:
SCO Supplier shall temporarily provide supply from Company-released TCO storage capacity to cover system load requirements in the event of a Supplier default or OFO event.

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

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

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

(1) Choice and SCO Suppliers collectively will provide supply to meet POLR needs, using their individual TCO storage inventories. The withdrawn storage inventory will be subsequently replaced.

(2) If Company determines that the daily quantity of gas needed may affect the reliability of the system, an OFO will be issued, to ensure that Transportation Customers or Pool Operators are not under delivering versus their respective usages during the POLR period.

(3) Next, as soon as possible, all transportation and storage capacity released to any defaulting Supplier will be recalled by Company who will use it to meet the immediate needs of the defaulting Supplier's customers. Company will claim the defaulting Supplier's storage inventory as needed to meet the defaulting Supplier's customer loads.

(4) Company will fill any remaining shortfall through acquiring additional temporary capacity and supply or city-gate deliveries.

(5) Company will coordinate the provision of POLR service for the remainder of the billing month in which a Supplier default occurs, and the subsequent month, or until an alternate solution is effectuated.

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

(1) If a Choice Supplier is removed, Company will offer non-defaulting Choice Suppliers the option of assuming the customers of the removed Choice Supplier. If there are no non-defaulting Choice Suppliers that will assume the removed Choice Supplier's customers, the customers will transfer to SCO service.

(2) If an SCO Supplier is removed or Choice Suppliers do not assume the customers of a removed SCO Supplier:

  (a) The existing SCO Suppliers loads will be increased to cover the defaulted load on a pro rata basis. Such incremental load will be limited to 50% of initial Tranches awarded.
  (b) For the portion of increased load quantity greater than 50% of initial Load Tranches awarded to existing SCO Suppliers, that load will be assigned to a new SCO Supplier based on an accelerated auction process.

SCO SUPPLIER TERMS AND CONDITIONS

Company Demand Forecast:

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

Daily Scheduling of Directed Delivery Quantities:

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

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

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

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

SCO SUPPLIER TERMS AND CONDITIONS

ANNUAL VOLUME RECONCILIATION

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

SCO SUPPLIER DEFAULT OR TERMINATION

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

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

Upon default, SCO Supplier will be required to sell to succeeding/remaining Suppliers five percent (5%) of its TCO Storage Contract Quantity (SCQ) at the April first of the month "Monthly Contract Index" price for "Columbia Gas Transmission Corp, Appalachia" as reported by Inside FERC's Gas Market Report in the table "Prices of Spot Gas Deliveries to Pipelines" plus applicable variable costs, including fuel retention and pipeline variable costs.

GENERAL TERMS AND CONDITIONS APPLICABLE TO GAS SERVICE

DEFINITIONS (Continued)

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

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

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

Delivered Supplies - The sum of the daily DDQs plus vaporized propane or alternate peaking supplies allocated by Company to such Pool, plus or minus supplies associated with Pool-to-Pool transfers, and plus or minus supplies associated with OFO helpful imbalances that were not reflected as adjustments to future DDQs. This Dth quantity will be converted to Ccf volumes using the interstate pipeline system average Btu factor for the applicable period.

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

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

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

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

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

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

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

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

GENERAL TERMS AND CONDITIONS APPLICABLE TO GAS SERVICE

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GENERAL TERMS AND CONDITIONS APPLICABLE TO GAS SERVICE

DEFINITIONS (Continued)

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

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

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

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

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

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

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

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

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

TCO – Columbia Gas Transmission Corporation.

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

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

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

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

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

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

GENERAL TERMS AND CONDITIONS APPLICABLE TO GAS SERVICE

11. CURTAILMENT PROCEDURES

When sufficient capacity or quantities of gas are not available to Company to meet existing and reasonably anticipated demands for Gas Service or to protect and replenish 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, 321, 325, 345, or 360 whose Average Daily Throughput in any billing month during or subsequent to the Base Period exceeds 1,000 Ccf.

(2) **Average Daily Throughput**. The Average Daily Throughput for any Base Period billing month shall be the Firm Curtailment Customer's metered Throughput during such month divided by the number of days in the month.

(3) **Base Period**. The Base Period is any twelve consecutive billing months as established by Company.

(4) **Normal Monthly Throughput**. The Normal Monthly Throughput shall be the Firm Curtailment Customer's metered Throughput during each billing month of the Base Period. These quantities may be adjusted by Company for unusual circumstances.

(5) **Human Needs Customers**. Human Needs Customers shall include hospitals, medical centers, nursing homes, and other Customers as determined by Company, whose Curtailment could adversely affect public health or safety.

(6) **Gas Supply Curtailment**. Curtailment resulting from insufficient quantities of SCO-Supplied gas to meet the demands of SCO and DSS Customers.

(7) **Capacity Curtailment**. Curtailment resulting from insufficient system capacity to supply Gas Services to Company's Gas Service Customers.

(8) **Plant Protection Level** - The minimum quantity of Gas Service for Firm Curtailment Customers required by Customer to prevent endangering the health or safety of personnel, or to prevent extensive damage to Customer's facilities, equipment, or other property. This includes the protection of such material currently in process at the time a Curtailment is called which would otherwise be destroyed, but shall not include Gas Service required to maintain plant production.

GENERAL TERMS AND CONDITIONS APPLICABLE TO GAS SERVICE

11. **CURTAILMENT PROCEDURES** (Continued)

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

B1. Gas Supply Curtailment Sequence.

(1) First, Rate 345 and Rate 360 Non-Pooling Customers, and Pool Operators' Pools shall be subject to the Cold Weather OFO set forth in Nomination and Balancing Provisions (Large General, Large Volume, and Pool Operator). Rate 385 and Rate 396 Suppliers shall be subject to an OFO and subject to the specific delivery requirements and or restrictions specified by Company.

(2) Next, Rate 341 Customers' purchases of SCO-Supplied Gas for Spaceheating shall be interrupted 100%.

(3) Next, as determined by Company, all Rate 320 and Rate 321 Firm Curtailment Customers' purchases of SCO-Supplied Gas shall be limited to either:
(a) their respective Average Daily Throughput each day over any portion of the billing month, or
(b) their respective Normal Monthly Throughput.

(4) Next, as determined by Company, all Rate 320 and Rate 321 Firm Curtailment Customers' purchases of SCO-Supplied gas shall be curtailed prorata, either:
(a) on a daily basis for any period specified by Company by application of a uniform percentage curtailment to their respective Average Daily Throughput, or
(b) on a billing month basis by application of a uniform percentage curtailment to their respective Normal Monthly Throughput.

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

(5) Next, all Rate 320 and Rate 321Firm Curtailment Customers' purchases of SCO-Supplied Gas shall be curtailed to a daily quantity equal to their respective Plant Protection Levels.

(6) Next, Rate 345 and Rate 360 Non-Pooling Customers and Pool Operators' Pool Customers' transportation gas quantities on Company's system shall be limited to Customers' respective Plant Protection Levels, and the remainder of their delivered gas supply shall be diverted to use for higher priority Customers.

(7) Next, Rate 325 Customers' transportation gas quantities on Company's system shall be limited to Customers' respective Plant Protection Levels, and the remainder of their delivered gas supply shall be diverted to use for higher priority Customers.

(8) In the event further Curtailment is required to maintain Gas Service, Company shall be entitled to curtail or interrupt Gas Service to any Customer.

(9) Compensation for the diversion of Customers' transportation gas quantities as provided for in Rule 11(B1)(6) and (7), will be in the amount of:
(a) **Daily Index Price:** The Daily Midpoint Price per Dekatherm as reported in Gas Daily in the table "Daily Price Survey", for delivery to the pipeline on which the diverted gas was delivered:
1) Texas Gas, Zone SL; or

Attachment B

Vectren Energy Delivery of Ohio ("VEDO")

Merchant Exit Transition

Standard Choice Offer (SCO) Service Phase

Program Outline

VEDO Merchant Exit Transition Program Outline Contents

VEDO Merchant Exit Transition Program Outline Contents (Continued)

1. Anti-Trust Guidelines

ANTITRUST COMPLIANCE GUIDELINES

Introduction

Vectren Energy Delivery of Ohio, Inc., is committed to full compliance with all laws and regulations, and to maintaining the highest ethical standards in the way we conduct our operations and activities. Our commitment includes strict compliance with federal and state antitrust laws, which are designed to protect this country's free competitive economy.

Responsibility for Antitrust Compliance

Compliance with the antitrust laws is a serious business. Antitrust violations may result in heavy fines for corporations, and in fines and even imprisonment for individuals. Each participant in these discussions bears the ultimate responsibility for assuring that his/her/its/their actions and the actions of any of those under his/her/its/their direction comply with the antitrust laws.

Antitrust Guidelines

Participants must avoid any discussions or conduct that might violate the antitrust laws or even raise an appearance of impropriety. The following guidelines are intended to assist participants, but each participant is urged to consult his/her/its/their legal counsel for specific guidance:

- ***Do*** consult counsel about any documents or proposals that touch on sensitive antitrust subjects such as pricing, market allocations, refusals to deal with any company, and the like.

- ***Do*** review any meeting agenda provided; do take accurate notes at every meeting. Review the agenda with your counsel as appropriate and review your notes with your counsel as appropriate.

- ***Do not*** have discussions with other Participants about the following:

  - your company's prices for products or services, or prices charged by your competitors
  - costs, discounts, terms of sale, profit margins or anything else that might affect those prices
  - the resale prices your customers should charge for products you sell them
  - allocating markets, customers, territories or products with your competitors
  - limiting production
  - whether or not to deal with any other company
  - any competitively sensitive information concerning your own company or a competitor's.

- ***Do not*** stay at a meeting, or any other gathering, if those kinds of discussions are taking place.

- ***Do not*** discuss any other sensitive antitrust subjects (such as price discrimination, reciprocal dealing, or exclusive dealing agreements) without first consulting counsel.

- ***Do not*** create any documents or other records that might be misinterpreted to suggest that individual Participants or Vectren Energy Delivery of Ohio, Inc., condones or is involved in anticompetitive behavior.

2. Merchant Exit Transition Goals

1. Have a successful working group process with all interested parties, resulting in a Merchant Exit Transition settlement ("Exit Settlement").

2. Achieve VEDO's exit from the Merchant Function, including the elimination of VEDO's Gas Cost Recovery ("GCR") mechanism and associated GCR Management/Performance and Financial Audits.

3. Find an acceptable supply service solution for all of VEDO customers, including PIPP and Choice-ineligible customers, during and after transition. Supply service options need to be effectively communicated to customers.

4. Ensure a workably competitive gas market in VEDO's service area.

5. Maintain the reliability of VEDO's gas distribution system through cost-effective system balancing, effective capacity/supply management, and Provider of Last Resort ("POLR") provisions.

6. Minimize to the extent possible the incremental costs that may arise from Merchant Exit Transition implementation, including customer education and customer billing enhancements, and any system balancing, POLR, and other costs.

7. Ensure the opportunity for VEDO to achieve full recovery of Merchant Exit Transition implementation and ongoing costs.

3. Merchant Exit Transition Phases

1. VEDO's transition to exit the Merchant function will consist of three phases. The phases are intended to allow for logical step-wise progressions to a Full Choice environment. The phases are briefly described below and the SCO Phase is explained in detail in the other sections of this Program Outline.

2. The Standard Sales Offer (SSO) Phase is the first phase of the transition for VEDO's exit of its merchant function. It is a logical progression from the environment of VEDO's GCR sales service being supported by a single Portfolio Administrator determined by RFP to an environment of multiple Portfolio Administrators determined by auction supporting a VEDO SSO service. The market based and formula derived SSO rate and the elimination of the VEDO GCR variances creates a more level playing field for Choice Suppliers who previously have had to compete against the regulated GCR rate, which trued up VEDO's cost recovery to its actual gas acquisition costs through increases or decreases to subsequent GCR rates.

3. The Standard Choice Offer (SCO) Phase is the next phase. It is a progression from the SSO phase, which is a VEDO Sales Service, to an environment where multiple Choice Suppliers determined by auction are providing a Standard Choice Offer service to customers whose loads they are assigned to serve. The SCO price will maintain the level playing field previously established in the SSO Phase. The SCO Phase allows VEDO to fully test all of the systems and processes that will be required in a Full Choice environment, prior to moving to that Phase.

4. The Full Choice (FC) Phase is the next step in the transition, with any remaining SCO customers being served by Choice suppliers, assuming an FC settlement agreement has been reached. This Phase will be the subject of continuing discussions by the VEDO Merchant Exit Transition Working Group after the SSO and SCO phases have been approved and successfully implemented.

4. Standard Choice Offer (SCO) Phase

1. The SCO Phase is the second phase of the transition for VEDO's Merchant Exit and will be comprised of a minimum of two successive annual auctions. It will replace the VEDO SSO Phase.

2. SCO Service will not be a PUCO-regulated sales service to be provided by VEDO. It will be a Choice service offered on PUCO-regulated standard terms and conditions, including a standard price developed at each SCO auction

3. Gas supply for SCO Service and VEDO's Default Sales Service (DSS) (See Section 9) customers will be provided by SCO Suppliers who will be determined via an SCO Auction, as described in Section 7.

4. All Standard Offer Customers will be assigned specific Choice Suppliers who will be their Standard Choice Offer Supplier, except for DSS Customers, whose loads will be served on a proportionate basis by the SCO Suppliers.

5. Under SCO Service:
    a. VEDO will bill SCO and DSS customers at the SCO Price per Ccf (See Section 8).
    b. In addition, all Riders applicable to SSO customers will continue to apply to SCO and DSS customers, except that the GRET Rider will not be applicable to the gas supply portion of SCO customers' bills.

6. SCO Suppliers will be subject to all Supplier requirements identified in VEDO's Merchant Exit Transition SCO Service Phase Program Outline.

5. SCO Timing

1. The SCO Phase Initiation Date will be April 1, 2010.
2. All Standard Offer customers, except DSS customers, will become SCO customers on the SCO Initiation Date. An SCO Supplier will be randomly assigned to each customer premise at the start of the SCO phase.
3. On the day prior to the SCO Initiation date, VEDO will issue its first SCO Supplier DDQs and SCO Suppliers will become responsible for providing SCO supply on the SCO Initiation Date.
4. On the SCO Initiation Date, the SSO Rider Rate will be replaced by the SCO Rider Rate for SCO and DSS customer billing purposes. All SCO and DSS customer usage billed on and after the SCO Initiation Date will be at the SCO Rider Rate.
5. The SCO Phase will extend over at least two annual auction periods.
6. If a proposal on moving to Full Choice has not been approved by January, 2012, prior to the second annual SCO period expiration, then another SCO Auction will be held for a subsequent annual period, and so on thereafter. SCO Auction Procedures as described in Section 7 shall be modified, if necessary, based on the available SCO customer load at that time.

6. Rate Schedules Subject to SCO Rider

1. The SCO Rider rate will apply to all customers receiving service under:
    a. Rate 310 - Residential Standard Choice Offer Service
    b. Rate 320 - General Standard Choice Offer Service
    c. Rate 311 – Residential Default Sales Service
    d. Rate 321 – General Default Sales Service
    e. Rate 341 – Dual Fuel Standard Choice Offer Service

2. Approximately 17 Rate 330, Large General Sales Service, customers are too large to qualify for SCO, DSS, or Choice Service. They are large enough, however, to be eligible for Rate 345, Large General Transportation Service, or Rate 360, Large Volume Transportation Service. These larger Rate 330 customers must have converted to Rate 345 or Rate 360 prior to the start of the SCO phase.

7. SCO Auction

1. VEDO will conduct at least two annual auctions under which only qualified CRNG Suppliers can compete for the ability to supply one or more shares of VEDO's SCO and DSS loads ("customer load tranches").

2. The bids during each auction will be specified as an adjustment (the "retail price adjustment") to the NYMEX monthly settlement price as described in Section 8 and will be fixed for the entire one-year term applicable to each SCO auction.

3. The retail price adjustment for auction purposes shall be stated in $ per Mcf. It will be converted to a price in $ per Ccf for SCO Customer billing purposes.

4. VEDO's auctioned load ("SCO quantities") will consist of all Standard Offer customers' annual volumes in Mcf, plus a proportionate share of VEDO's DSS customers' volumes. For each auction, the quantities will be divided as equally as possible into six (6) customer load tranches and will consist of residential and commercial customers' loads. The approximate customer load tranche sizes, including a proportionate share of DSS Customers' loads, will be confirmed immediately prior to each auction.

5. A maximum of 2 customer load tranches (33% of total SCO quantities) will be awarded to any individual Supplier.

6. A pro-rata share of VEDO's transportation and storage capacity will be released to the SCO Suppliers who are the winning auction bidders for the customer load tranches. The capacity released will be approximately 79% of the customer load tranches' peak loads.

7. VEDO will hire an independent auction manager to conduct a descending clock auction.

8. A descending clock auction proceeds in a series of rounds:
   a. At the beginning of each round, the Auction Manager announces the price per Mcf, and each bidder bids the number of tranches it is willing and able to supply at that price.
   b. As the price declines from one round to the next (at $0.10/Mcf decrements), a bidder can bid the same number of or fewer tranches than it bid in the preceding round, but not more tranches.
   c. The auction ends when the number of tranches bid equals the number of tranches being procured.
   d. However, if the number of load tranches bid in the latest round is less than the number being procured, the descending clock auction reverts to the price at the previous over-supplied round, less $0.01, and begins using $0.01 decrements.
   e. The auction continues with $0.01 decrement rounds until the number of tranches bid matches those offered.
   f. If the auction reaches a point where the tranches bid once again are less than the tranches offered, final round bidders will be awarded tranches bid in the final round, and the remaining tranches will be awarded to the previous round's remaining bidders on a percentage basis (subject to other bidder-specific constraints), at the previous round's price.

9. The winning bid price and winning bidders will be immediately filed with the PUCO for their approval. Bidders' names will be held confidential for 45 days or until winning bidders have secured firm capacity sufficient to meet their SCO load tranche(s), whichever occurs first.

7. SCO Auction (cont')

10. SCO Auction Contingency Plan:

    a. If an insufficient number of tranches are bid in Round 1 of SCO Auction, VEDO and Staff will determine whether to modify the initial bidding price and restart the Auction on the same day
    b. Subsequent SCO Auction (in the event of a failed initial SCO Auction)
        i. VEDO, in consultation with Staff and in consideration of the outcome of the initial SCO auction, market conditions, and other factors as applicable, will determine which of the following variables (one or more) will be modified for a subsequent SCO Auction:
            1. Number of tranches offered
            2. Size of tranches
            3. Maximum award per supplier, based on
                a. Total SCO load
                b. Percentage of total SCO load
            4. Initial price
            5. Price decrements
            6. Ratios associated with changing price decrements
        ii. Any CRNG-certified Supplier meeting creditworthiness and other applicable requirements may participate in the initial and/or the subsequent auction
        iii. VEDO will attempt to conduct the subsequent auction one week after the initial auction
    c. SSO Auction
        i. If a subsequent SCO Auction is also unsuccessful, VEDO will promptly conduct an SSO Auction.
        ii. SSO Auction rules will be the similar to those used for VEDO's August 2008 SSO Auction (except that tranche size will be updated based on then-current information)
        iii. VEDO will attempt to conduct the SSO Auction (if necessary) one week after the subsequent SCO auction.
    d. RFP contingency
        i. If the SSO Auction is also unsuccessful, VEDO will immediately issue and RFP for Portfolio Management Services.

8. SCO Price

1. The SCO Price each month will be the NYMEX settlement price for such month (converted to Mcf using the Standard BTU Value, as stated in the Tariff) plus the retail price adjustment determined by the SCO Auction. This will be a price per Mcf. It will be converted to a price per Ccf for SCO Customer billing purposes.

2. The SCO Price will compensate SCO Suppliers for all of their costs of providing SCO Service for the entire term of the SCO Phase, including, but not limited to, all pipeline demand and variable costs and gas commodity costs incurred by the SCO Supplier to meet the needs of the SCO customer load tranches and VEDO system balancing. It must also compensate for VEDO's Tariff UAFG percentage retention (including company use), annual Standard Btu Values, hedging costs if any, and all other aspects of cost and risk relating to the provision of SCO Service as described in this Program Outline.

3. The SCO Price per Ccf will be used for Apples-to-Apples posting purposes.

9. DSS Customers – SCO Phase

1. Default Sales Service (DSS) will be a regulated sales service applicable to the following types of customers:
   a. PIPP customers
   b. Choice ineligible customers
   c. For an interim period (see Section 11), customers that drop from Choice service and do not specify a replacement Choice supplier.

2. SCO Suppliers will serve a proportionate share of the DSS Customers' volumes. The estimated DSS volumes will be included in the customer load tranche estimates (SCO quantities) provided to the SCO bidders prior to auction.

3. The PIPP customers' accounts will continue to be separately identified in the Company's billing system as PIPP customers.

4. Each day, the DSS volumes will be forecasted and included in the SCO Suppliers' DDQ for the day.

5. DSS Customers' billing will utilize the same SCO Price per Ccf used for all other SCO Customers.

10. Assignment of SCO Suppliers to Customer Premises

1. Each SCO Supplier will initially be allocated actual customers' loads on a pro-rata basis based on the criteria listed below with the understanding that there will be minor differences when customer loads are actually allocated. The criteria to be used is as follows:
   a. Peak Day Usage
   b. Annual average daily usage
   c. Geographical area
   d. Credit Ranking (take in consideration non-Choice eligible)
   e. Residential and Commercial
   f. PIPP Load

2. Enrollments will be generated by VEDO to "enroll" customers with SCO Suppliers.

3. An SCO Supplier will then be linked to each customer's premise. Absent a selection of a specific Choice Supplier, a new Customer moving to the premise at a future date will default to the SCO Supplier who was assigned the premise's load (unless the new Customer is Choice-ineligible in which case that Customer will receive Default Sales Service).

4. Loads for customers migrating to Choice will be removed from the SCO Supplier previously assigned to that customer's premise.

5. Absent a selection of a specific Choice Supplier by the Customer, an SCO Supplier will be assigned loads for newly established premises in the VEDO territory on a sequential basis.

6. SCO Suppliers must comply with VEDO's EDI file transaction requirements in order to receive customers' billed usage, billed charges, enrollments, and drops.

11. Migration to/from Choice – SCO Phase

1. SCO Customers may migrate to Choice Suppliers at any time.
2. During the first annual SCO auction period, Choice customers who drop or are dropped by their Choice supplier without specifying an alternative Choice supplier will migrate to DSS. If, however, the number of customers migrating to DSS (excluding returns from aggregations) results in a material load shift compared to the load shifts resulting from the recent average of 300 customers per month, VEDO will begin to transfer these customers to SCO Service manually.
3. During the second and subsequent SCO annual auction periods, Choice customers who drop or are dropped by their Choice supplier without specifying an alternative Choice supplier will migrate to SCO Service from the SCO Supplier assigned to their premise, if they are Choice eligible.
4. Any migration will impact the Suppliers' demand profiles, either increasing or decreasing them which in turn will cause a pipeline capacity short position and equally offsetting long position between and among the Suppliers.
5. As with SSO Phase, VEDO released capacity will follow migrating customers. The VEDO portion will represent approximately 79% of the migrating customer's load.
6. The VEDO-released capacity for all affected Suppliers will be adjusted effective the first day of each calendar month, to reflect the updated Capacity Release Percentages for Suppliers based on loads calculated just prior to the end of the month. VEDO reserves the right to adjust capacity release quantities intra-month if large Choice migrations occur, or to resolve any other imbalance issues between SCO and Choice Suppliers.
7. Although storage capacity will follow a customer, storage inventory will not follow a customer. The Supplier receiving the storage capacity must arrange any acquisition of gas inventory necessary under the circumstances.
8. The Customer Education sub-group will discuss appropriate scripts to be used by representatives when receiving calls from dropping Choice customers to be sure they understand that they may select another Choice supplier if they wish.

12. Transportation Capacity Release

1. VEDO's then existing pipeline firm transportation capacity will be temporarily released, with recall rights, to SCO Suppliers on a pro rata basis during the terms of the SCO annual periods. The volumes and costs associated with these firm transportation capacities will be provided to each potential bidder prior to the beginning of the SCO Auction processes. (See Attachment 15A for current contracts and costs.)

2. Choice Suppliers will also take release of VEDO's transportation capacity on a pro-rata basis.

3. Transportation capacity released to Suppliers will follow the customers upon their migration to Choice Suppliers (see Section 25). Those releases will also be temporary and subject to recall rights. Monthly, Suppliers' released capacity will be reestablished to match their respective market shares (Capacity Release Percentages, or CRPs).

4. Supplier will not be permitted to change any primary points of receipt or delivery associated with assigned pipeline transportation contracts during the term of the capacity release. In addition, for specific parcels of capacity identified by VEDO, Supplier may not utilize any delivery point other than those primary and secondary points identified by VEDO unless the capacity is released at the pipeline's full tariff rate or unless an alternate capacity billing arrangement is agreed to by Supplier and VEDO.

5. The released capacity is subject to recall at any time if Supplier does not perform in accordance with the applicable SCO or Choice Supplier Agreements or fails to comply with other relevant provisions set forth in VEDO's Tariff.

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

7. The costs of the released transportation capacity will be paid directly to the pipelines by the SCO and Choice Suppliers pursuant to pipelines' capacity release payment procedures.

13. Storage Capacity Release

1. VEDO's Columbia Gas Transmission ("TCO") and Panhandle ("PEPL") storage and related firm transportation capacity will be released to each SCO Supplier on a pro-rata basis.

2. Choice Suppliers will also take release of VEDO's storage and related transportation capacity on a pro-rata basis.

3. SCO Suppliers awarded tranches in the first annual SCO auction will purchase inventory equal to 10% of their TCO seasonal contract quantity as of the SCO annual start dates from previous SSO Suppliers at prices paid for that inventory by SSO Suppliers inclusive of Gross Receipts Excise Tax ($11.5399 per Dth). Short-term deposits in the estimated dollar amount of the storage inventory to be purchased will be collected from SCO auction winners for subsequent payment, with later true-up, to the previous SSO Suppliers. There will be a different transfer pricing and quantity required in the second and any subsequent annual SCO auctions (See Section 17), therefore the SCO suppliers participating in the first auction must take that difference into consideration as they establish their Retail Price Adjustment strategy.

4. The released TCO storage's no-notice feature will be retained by the allocation of system imbalance volumes to all holders of VEDO's released TCO capacity on a pro-rata basis through a Predetermined Allocation (PDA) set by VEDO with TCO. The released storage price charged by TCO will remain the same as that charged to VEDO. Further, based on current TCO Tariff requirements, the TCO storage capacity will be released in two market zones, requiring Suppliers to nominate to TCO by zone.

5. VEDO's storage and related transportation capacity released to SCO and Choice Suppliers will follow customers upon their migration to and from Choice with monthly reassignment of capacity to Suppliers based on design peak day market share.

6. The TCO storage capacity released to Suppliers cannot be re-released.

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

8. Storage capacity release will have other conditions related to system balancing that must be agreed upon by Supplier (See section 14).

9. The released capacity is subject to recall at any time if Supplier does not perform in accordance with the SCO or Choice Supplier Agreements or fails to comply with other relevant provisions set forth in VEDO's Tariff.

10. VEDO shall have a perfected first priority security interest in 5% of the SCQ of Supplier's VEDO-released TCO storage and shall have the right to claim up to all volumes in released storage inventory to meet the needs of a Supplier's load in an Event of Default (see Section 30) by SCO or Choice Supplier.

14. System Balancing

1. System balancing for all of VEDO's customers – GCR, Choice, and Large Transportation -- is accomplished primarily through the use of VEDO's TCO Storage, with no-notice injections or withdrawals each day to cover any system imbalance.

2. The Large Transporters /Pool Operators (hereafter "Large Transporters") do not pay a separate fee for balancing service, although they are subject to daily and monthly balancing tolerances, and are assessed charges if they exceed those tolerances.

3. VEDO does not retain a portion of TCO storage to perform the system balancing function. Instead, the holders of VEDO's released TCO storage capacity collectively provide system balancing by receiving an allocation of daily system imbalances through Pre-determined Allocations (PDAs). The collective system balancing is accomplished through conditions on the TCO storage capacity release.
   a. The Suppliers must agree to allow their TCO storage (individually, and in the aggregate) to be used to balance the VEDO system.
   b. Suppliers must agree to follow VEDO-established Min/Max boundaries for daily storage injection/withdrawal and minimum storage inventory balances, to ensure sufficient storage inventory injection/withdrawal capability to balance the system each day. (See Attachment 14C for historical balancing volumes.)
   c. The TCO storage capacity may not be re-released.
   d. VEDO must be provided access to information about the Supplier's TCO storage nominations and inventory balances at all times. All SCO and Choice Suppliers will be required to enter into a TCO Agency Agreement on a monthly basis giving VEDO the rights to view all of Supplier's nomination, contracts and storage information.
   e. Suppliers must agree to allow VEDO to shift some PEPL and TCO storage capacity among the Suppliers at the start of each month due to Customer migrations, or intra-month if a large migration occurs. Capacity follows the Customer; storage inventory does not.

4. PDAs with TCO will be updated monthly and VEDO will assign a percentage of VEDO system imbalances each day to each TCO capacity holder (based on their proportion of total TCO storage capacity). TCO will treat those PDA amounts as daily storage activity for each of the Suppliers.

5. VEDO reserves the right to adjust PDA's intra-month if large Choice migrations occur, or to resolve any other imbalance issues between SCO and Choice Suppliers.

15. VEDO Capacity Contracts

1. VEDO will continue to maintain prospectively a combination of interstate pipeline transportation and storage capacity and on-system propane to serve approximately 79% of total system requirements (not including Large Transporter loads) for releasing to SCO and Choice Suppliers. (Attachment 15A shows the current interstate capacity contracts and costs.)

2. VEDO's holding of capacity equal to approximately 79% of total SSO/SCO and Choice load facilitates:
   a. Allowing the VEDO-released capacity to follow the customer upon migration to/from a Choice Supplier.
   b. Utilization of a collective approach to balancing VEDO's system.
   c. Enhanced reliability resulting from VEDO's ability to recall 79% of the capacity from a Defaulting Choice or SCO Supplier.

3. In advance of VEDO's capacity agreements reaching their expiration dates, VEDO will seek input from the SCO and Choice Suppliers and reflect input received in its decisions to renew or revise the capacity agreements.

4. Suppliers must execute capacity release documents in the timeframe specified by VEDO in order to facilitate reliable and accurate system balancing.

5. VEDO reserves the right to adjust capacity release quantities intra-month if large Choice migrations occur, or to resolve any other imbalance issues between SCO and Choice Suppliers.

16. Propane Allocation

1. VEDO's only on-system source of supply is its propane facilities, used primarily as the last source of supply dispatched when meeting peak day demands in winter months. This propane capability represents over 11% of VEDO's winter design peak day supply capability and essentially 0% of its annual supply.

2. VEDO's propane capability will not be assignable directly for SCO and Choice Suppliers' use. However, SCO and Choice Suppliers' monthly Design Peak Demand and Comparable Firm Capacity Requirement for certain winter months will be reduced by the percentage of monthly peak day demand satisfied by VEDO 's propane peaking supplies (see item 6 below).

3. VEDO's three propane air plants are tested several times during the year. This results in propane-air mix volumes entering the system and being consumed by customers. The actual variable propane fuel costs incurred from these plant tests will be allocated each month to all SCO and Choice Suppliers proportionate to their DDQs for such day, because they will receive the SCO payments resulting from customer consumption of these volumes.

4. VEDO's propane air plants are also utilized to meet peak hourly demands during cold temperature conditions. The actual variable propane fuel costs incurred during the utilization of the propane plants will also be allocated to all Suppliers on a pro-rata basis.

5. When the DDQ exceeds the Comparable Firm Capacity Requirements or when otherwise necessary to meet system needs, and peaking supply is provided on behalf of the Suppliers, Suppliers will be assessed their proportionate shares of the actual variable costs of any peaking supply provided.

6. The current estimates for Propane Peaking Monthly Reductions are as follows (an update will be provided annually in June after VEDO's Peak Day Forecast is completed):

Month	Reduction
December	11.2 %
January	11.2 %
February	11.2 %
March	9.8%

17. Storage Management

1. Daily minimum and maximum injection and withdrawal volume limits will be established for each Supplier's VEDO-released TCO storage in order to maintain sufficient injection/withdrawal capability to balance the system and to stay collectively within the TCO storage tolerances so as to not incur pipeline penalty charges (see attachment 17A). Daily limits can vary depending on HDD. If Suppliers overrun their individual released TCO storage contract's tolerances, they may be billed for such overruns by the pipeline. VEDO will assess Storage Non-Compliance charges to Suppliers for any volumes not in compliance with the VEDO-specified volumetric requirements.

2. Daily inventory level requirements will be established for each Supplier's TCO storage inventory in order to ensure the ability to meet a peak day and to meet TCO's total storage inventory balance limits by the end of each season (see attachment 17 B).

3. SCO Suppliers not continuing for subsequent annual auction terms will be required to sell inventory equal to 5% of their TCO SCQ to succeeding/remaining SCO/Choice Suppliers at the April first of the month "Monthly Contract Index" price for "Columbia Gas Transmission Corp, Appalachia" as reported by Inside FERC's Gas Market Report in the table "Prices of Spot Gas Deliveries to Pipelines" plus applicable variable costs including fuel retention and pipeline variable costs. This requirement also applies to Choice Suppliers leaving the Choice program, although the Index month will be the month the supplier leaves.

18. Comparable Firm Capacity Requirement

1. For the term of each SCO Phase, each SCO Supplier agrees to retain sufficient firm interstate pipeline transportation and storage capacity with primary delivery points to the VEDO city gates and/or city-gate firm gas supply arrangements to meet 100% of the monthly design peak day demands for its tranches, less a percentage during certain winter months reflecting the Supplier's propane allocations.

2. VEDO may verify the Supplier's compliance with this requirement at any time. The Supplier agrees to provide VEDO on a timely basis all documentation necessary to verify its compliance with this requirement.

3. The Comparable Firm Capacity Requirement is also applicable to Choice Suppliers.

4. Choice and SCO Suppliers will provide capacity plans twice each year, in October and March, to demonstrate their capacity and supply plans for the upcoming seasons.

20. Daily Nominations – DDQ and TCO Storage Activity

1. By 8:00 a.m. Central Clock Time (CCT) each day (including Saturdays, Sundays, and Holidays), VEDO will post on its EBB, SCO Supplier's Directed Delivery Quantity (DDQ) for the gas day beginning 9:00 a.m. CCT the following day.

2. Such SCO DDQ shall be the sum of:
   a. the Expected Demand of the Supplier's tranches for that gas day, plus
   b. tranche UAFG quantities based on VEDO's UAFG Percentage, plus
   c. any necessary adjustments for interstate pipeline and/or VEDO operating constraints or for other agreed to reasons.

2. The DDQ will be stated in city gate MMBtus.

3. In addition, VEDO will post the Suppliers' Expected Demands for the subsequent four days as well as the Heating Degree Days (HDDs) used to develop the Expected Demands. See attachment 20A, subject to change to include storage activity.

4. At the time of posting the DDQ, VEDO shall indicate the minimum and maximum (or exact) MMBtu quantity that shall be delivered by Supplier on each interstate pipeline or to each VEDO city gate to achieve the DDQ, and shall post any interstate pipeline and/or VEDO operating constraints that are expected to be in effect the following days.

5. Suppliers will be required to nominate scheduled storage injections and withdrawals to the pipelines and to VEDO, including storage withdrawals to non-VEDO delivery points.

6. The DDQ will be posted on a daily basis for the next day's flow.

7. Shipper must deliver primary (receipt and delivery).

8. VEDO will post daily minimum and maximum TCO storage injection and withdrawal limits and minimum TCO storage inventory levels.

9. Injection nominations need to be delivered via TCO pipeline and in addition to the required daily TCO city-gate allocation minimum volumes per market area.

10. Scheduled injection nominations during winter months and scheduled withdrawal nominations during summer months are subject to approval in advance by VEDO.

11. By 11:30 a.m. CCT each day, and via intra-day nominations thereafter, the Supplier shall nominate to VEDO via VEDO's EBB the quantity of gas that it has scheduled for delivery at Company's city gates to meet its DDQ for the following gas day.

12. Supplier agrees to adhere to the nominating guidelines set out in the FERC approved tariff of the applicable interstate pipeline and to comply with any VEDO operating and/or interstate pipeline restrictions communicated by VEDO.

13. VEDO will post actual system imbalance volumes the day after flow, or as soon as the information is available, and each SCO and Choice Supplier's pro-rata share of the system imbalance per their monthly PDA.

20. Daily Nominations – DDQ and TCO Storage Activity (cont')

14. No-Notice nominations may be made to Supplier's scheduled storage withdrawal nominations by VEDO via TCO's EBB per the timeline indicated in TCO's tariff for the prior day's flow if such SSO/SCO Supplier has not delivered adequate supplies to meet its DDQ or has not met its TCO minimum city-gate allocation delivery volume. These no-notice nominations are necessary to lessen the impact to other SCO and Choice Suppliers' system imbalance allocations.

15. All off-system storage withdrawals must be nominated to VEDO via the Marketer Extranet. TCO off-system storage withdrawals are not eligible for No-Notice nomination changes.

16. Pre-determined allocations (PDA) will be set with TCO at the beginning of each month proportional to the percentage of TCO storage capacity released by VEDO to each SCO and Choice Supplier. Each Supplier will be allocated a portion of the daily system imbalance based on the PDA percentages. SCO and Choice Suppliers may be charged by TCO for any overrun or penalties associated with exceeding their individual storage contract rights.

17. In the event that VEDO as meter operator incurs penalties assessed by TCO for a violation, the penalties will be assessed to each Supplier that contributed to the penalty proportional to their contribution to the violation.

18. Supplier must provide VEDO with access to their daily TCO storage balances.

21. Forecast Equations

1. Section 44 details the VEDO Peak Day Forecast model and coefficients. This model continues the approach employed previously for VEDO's regulatory filings. Peak transportation demand is estimated as part of Section 44.

2. VEDO will forecast the aggregate Peak Design Day Demand for Choice and SCO Suppliers' loads based upon Company's design day and forecasted weather, utilizing the aggregate number of Customers and the historic usage characteristics of the applicable Customers. SCO Suppliers' respective Peak Design Demands responsibility for PIPP and non-eligible customers will be included in the forecast and based on equal divisions of the historic demand associated with these customers for each SCO Supplier's tranches. This model is displayed in Attachment 21 A. The sum of the Choice and SCO pool forecasts are scaled to the non-Transportation demand from Section 44 to determine the pools allocation of Peak Day Demand and accompanying Capacity (see Section 12 regarding CRP concept and Attachment 25a example).

3. For forecasting the total daily system requirements, VEDO currently uses an Artificial Neural Network model (ANN). (See attachment 21B for an article on ANN.)

4. For forecasts on days that are projected to be 66 heating degree days or colder, VEDO will use regression based forecasting methodology (see Section 44) for all daily requirements forecasts.

5. VEDO will forecast Daily Transportation Deliveries when nominations are not available and use actual nominations from pool operators when available.

6. In the SCO Phase, VEDO will continue using the ANN-based forecasting methodology for all daily Choice and SCO pool forecasts. The daily Choice and SCO forecasts will be validated against and scaled to non-transportation demand (#3 minus #4) on a daily base to calculate the daily delivery quantity (DDQ) requirement of the SCO and Choice Suppliers to meet expected daily system demand.

7. If needed, VEDO may adjust its forecast methodology to respond to operational requirements in order to address excessive daily and monthly system imbalances.

23. City-Gate Allocations

1. VEDO will utilize the same city-gate allocation methodology and processes in the SCO Phase for SCO Suppliers as is used in its Choice Program for Choice Suppliers.

2. VEDO's distribution system is comprised of operating areas that can only receive volumes from specific city-gates as well as operating areas that can be supplied from multiple city-gates.

3. City-gate Allocations are required to ensure that:
   a. supply and demand in each operating area remain in balance,
   b. system reliability is maintained, and
   c. operational performance standards and tolerances are considered.

4. VEDO has established city-gate allocation tables that outline a range of minimum and maximum delivery percentages by city-gates on the VEDO system, including local production, based on temperatures and/or operating system demand criteria. See Attachment 23B for SCO Phase City-gate Allocation Table.

5. The percentages are recalculated and communicated to Suppliers periodically. Absent unforeseen circumstances, a four month minimum pre-notification will be provided on changes to the city-gate allocation tables.

6. An SCO City-gate Allocation Non-Compliance Charge will be assessed on the quantity difference if the SCO Supplier's confirmed Daily Pipeline Nomination is less than the minimum or greater than the maximum city-gate allocation requirements.

24. BTU Value

1. VEDO's customers are billed volumetrically in Ccf.

2. For SCO customer billing purposes, the monthly NYMEX settlement price will be converted to Ccf each month using a standard annual BTU Value. Pursuant to the Annual Volume Reconciliation, the SCO and Choice Suppliers may assume Standard Btu value for the Mcf usages of SCO customers in their Retail Price Adjustment bids or Choice offers.

3. For each SCO annual period, the standard BTU Value will be communicated prior to the auction at the average annual BTU Value for the most recent twelve months just prior to the auction.

4. Attachment 24A provides historical monthly BTU Values on the VEDO system.

5. The standard annual BTU value will be used in converting customers' Ccf volumes to therms in the Annual Volume Reconciliation.

25. SCO Supplier Candidate Education

1. One or more educational meetings will be held prior to the SCO auctions with those Suppliers interested in bidding on serving VEDO SCO customer loads.

2. All relevant topics in VEDO's Merchant Exit Transition SCO Service Program Outline will be discussed in detail.

3. The meeting(s) will be held prior to Supplier's submitting their SCO Supplier Application and undergoing creditworthiness evaluations.

27. SCO Supplier Agreement

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

28. SCO Supplier Qualifications

1. SCO Supplier Applicants must agree to execution of an SCO Supplier Agreement (see Section 27).

2. SCO Supplier Applicants must meet SCO Supplier Creditworthiness Requirements (see Section 29).

3. SCO Supplier must be CRNG certified and maintain that certification during the period in which the SCO Supplier serves in that capacity and be VEDO approved. In order to obtain a VEDO approved status, a winning bidder must successfully complete all testing criteria of EDI files as specified by VEDO no later than two weeks prior to initial flow.

4. SCO Suppliers must agree to comply with all Merchant Exit Transition rules and requirements as reflected in the Program Outline, SCO Supplier Agreement, VEDO Tariff, Exit Settlement and Commission Orders.

5. The purpose of these requirements – application, creditworthiness, supply – is to be sure that those who participate in the auction have both the wherewithal and the requisite intent to provide supply to VEDO's customers in the SCO Phase.

6. To be eligible to participate in the auction as an SCO Supplier, a potential SCO Supplier will have to meet all deadlines for participation – i.e., timely submission of application and supporting documents is vital and no exceptions will be made.

7. Requirements include the following:
    a. Application Requirements
        i. Company Information, contacts, and alternate contacts
        ii. Other relevant information
    b. Credit Requirements
        i. Creditworthiness requirements as detailed in Section 29
    c. Supply Requirements
        i. Estimated maximum number of tranches for which the applicant may be interested
        ii. Applicant's preliminary capacity and supply plans to supply those tranches
        iii. Other preliminary technical/supply requirements
    d. Acknowledge Receipt of Auction Rules and Procedures and agree to be bound by those rules and procedures
    e. Acknowledge Receipt of Customer Load Profile data
    f. Attend and Participate in Pre-Application Meeting
    g. Attend and Participate in Trial Auction, if held
    h. Acknowledge Receipt from VEDO of the Pre-Qualification Notice (confidential to each potential SCO Supplier and the Auction Administrator) setting forth the maximum number of tranches for which the SCO Supplier is qualified to bid
    i. Execute a Confidentiality Agreement with VEDO (to allow VEDO access to requested financial information for VEDO creditworthiness evaluation and to require non-disclosure of VEDO Pre-Qualification Notice, described above).

28. SCO Supplier Qualifications (cont')

8. Registered bidders may participate in the auction on a stand-alone basis or as the representative of a bidding agreement, joint venture or other arrangement among parties for the express purpose of bidding in the auction and supplying natural gas for any tranches awarded. Any bidders participating in such an arrangement must identify all of the other parties involved.

9. Registered bidders may not participate in more than one manner and may not be associated with another bidder in any supply arrangement intended to provide gas for the tranches being auctioned.

10. Registered bidders may not have a controlling interest or 10% or greater stake in another bidder or have any relationship that would provide financial or other incentives based on the outcome of bidding efforts.

11. In addition to certifying the preceding, registered bidders must also certify that they will maintain the confidentiality of their bidding strategy and not retain any bidding advisors or consultants providing similar service to another registered bidder.

12. Sanctions may be imposed on a registered bidder for failing to abide by any of the preceding certifications. Such sanctions may include, but are not limited to, the loss of:
    a. any rights awarded in the auction
    b. immediate termination of any other arrangements with VEDO
    c. forfeiture of any monies owed to the bidder by VEDO
    d. attorneys' fees and court costs incurred in any litigation that arises from failure to abide by the certifications, and
    e. any other legal actions, including prosecution, as VEDO in its sole discretion deems appropriate under the circumstances.

29. SCO Supplier Creditworthiness Requirements

1. SCO Supplier Applicants must be pre-qualified to bid up on either one (1) or two (2) tranches. Pre-qualification shall include a creditworthiness evaluation and all Suppliers must meet Vectren's creditworthiness requirements in advance of participation in any SCO auction (see Attachment 29A for collateral requirements). Potential Bidders will have their creditworthiness assessed against exposures that include 150% of the tranches that they intend to bid on. This is to allow for sufficient credit to enable an SCO Supplier to accept up to a 50% increase in its customer load tranche size in the event of an SSO or Choice Supplier Event of Default.

2. Final creditworthiness requirements shall be communicated to SCO Supplier Applicants at the time that initial information packages for auction participation are sent to potential bidders. The creditworthiness requirements shall include the timelines and process for evaluations, a detailed list of the information required to complete the evaluation and the methodology for calculating the amount of credit exposure.

3. VEDO will continue to review the factors that may result in credit risk exposure to ratepayers, other SCO Suppliers and Vectren resulting from the SCO auction and the ongoing performance of gas supply obligations for recipients of SCO load tranches. The current expected sources of credit risk exposure include, but are not limited to, the following:
    a. The one-time sale of gas inventories to SCO Suppliers;
    b. Monthly pipeline and storage capacity charges that are due to the pipelines for VEDO capacity released to SCO Suppliers;
    c. In the event that a Supplier under-delivers or fails to deliver gas to meet the requirements of a load tranche – the cost of replacement gas supply and capacity, as necessary;
    d. In the event that a Supplier's over or under delivery results in VEDO system charges, the value of such charges;
    e. In the event that a Supplier's non-performance results in penalties or fees charged to VEDO – the recovery of these fees in full;

4. Upon the awarding of tranches to SCO Suppliers, a liquid collateral requirement ($.375 per Dth) will be collected and used in the event of an SCO or Choice Supplier default to offset the financial hardship borne by remaining SCO Suppliers in the event that they are required to accept some portion or all of a defaulting Supplier's customer loads at the retail price adjustment set at the most recent auction.

5. SCO Suppliers shall grant VEDO a perfected first priority security interest in 5% of the SCQ of Supplier's VEDO-released TCO storage and VEDO shall have the right to claim up to all volumes in storage inventory to meet the needs of a Supplier's load in an Event of Default by the Supplier.

29. SCO Supplier Creditworthiness Requirements (cont'd)

6. SCO Suppliers shall grant VEDO a perfected first priority security interest in any SCO Customer Payments billed by VEDO or alternatively provide Company for the duration of the Choice Program with a cash deposit or an irrevocable letter of credit acceptable to Company equal to the sum of the expected two consecutive highest monthly customer revenue payments. VEDO shall have the right to offset such collateral against any obligations or financial responsibilities that an SCO Supplier may have as stipulated in the SCO Supplier Agreement and the Tariff in an Event of Default.

7. VEDO shall not be responsible for providing any Financial Assurance to SCO Suppliers as long as VEDO continues to perform in compliance with the Merchant Exit Transition Program.

30. Supplier Failure to Perform

1. In the event of Supplier default, VEDO will initiate and coordinate POLR responsibilities (see Section 36).

2. In conjunction with VEDO's provision of POLR Coordinator services, VEDO will notify the defaulting Supplier of the occurrence of the Event of Default and will identify the remedies available to cure the Event of Default which must be cured within a maximum of 5 days of the notice.
3. In the event that a Defaulting Supplier fails to cure the Event of Default, the Supplier will be terminated from further participation in the SCO or Choice Programs. The Defaulting Supplier's VEDO-released storage capacity, secured gas in storage, and VEDO-released transportation capacity will immediately be recalled for the provision of POLR service, per Section 36.

31. SCO and Choice Supplier Monthly Statements

1. SCO Supplier Monthly Statements will be rendered each month by the 25th day of the month, for the prior month's activity.

2. VEDO will pay the SCO Suppliers the total SCO dollars **billed** to their SCO customers for each revenue month as well as a pro-rata portion of the Default Sales Service (DSS – see Section 54) customers' billings at the SCO prices based on the SCO tranches being served.

3. VEDO will pay the Choice Suppliers for the dollars **billed** to their Choice customers for the revenue month (see appendix 31A for timeline).

4. Supplier Monthly Charges can include the following:

   a. Financial Evaluation Charge - A $50.00 charge per financial evaluation.

   b. Nomination Error Charge - A $0.50 per Dth Nomination Error Charge based upon the quantity difference between the Supplier's daily pipeline nomination and the pipeline daily confirmed volume delivered to VEDO, for each day of difference.

   c. DDQ Non-Compliance Charge - A $15.00 per Dth for the daily difference between the tranches DDQ and the aggregate deliveries which includes scheduled storage injections or withdrawals.

   d. City-Gate Allocation Non-Compliance Charge - A $5.00 per Dth City-Gate Allocation Non-Compliance Charge for any daily city-gate scheduled nomination less than the minimum or greater than the maximum city-gate allocation requirement.

   e. OFO Non-Compliance Charge - A $35.00 per Dth for any volumes over or under the specified restriction (See section 38)

   f. Storage Non-Compliance Charge –
      i. A $15.00 per Dth charge for the first two occurrences during the term of the contract.
      ii. A $35.00 per Dth charge for the third and subsequent occurrences during the term of the contract
      iii. Supplier is considered in default upon the fifth occurrence
         - Charges apply to any volumes greater than the VEDO-established maximums or less than the VEDO-established minimums for the daily injection and/or withdrawal requirements or monthly inventory requirements.
         - Charges will apply daily for any volumes outside the monthly inventory requirements for that month

      NOTE: In the event that TCO allows daily over-injection or over-withdrawal rights, Company shall not impose the Storage Non-Compliance Charge on any volumes injected or withdrawn greater than the maximum daily injection limits set by Company. However, over-injection and over-withdrawal rights do not preclude the TCO Storage Holders from maintaining their daily storage inventory levels within the limitations set by the Company.

31. SCO and Choice Supplier Monthly Statements (cont'd)

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

h. System Balancing Charge - The gas costs and monthly Imbalance cash-outs payable by/to the Transporters will be allocated among the Suppliers based on their proportion of TCO storage (monthly CRP).

i. Annual Reconciliation Amount - Charge/payment as determined by the Annual Volume Reconciliation. The price utilized for cash-outs will be the IFERC Gas Market Report First-of-the-month price for Columbia Gas Transmission Corp, Appalachia plus taxes and applicable variable costs including fuel retention and pipeline variable charges for the months during the SCO Period.

j. Propane Supplies Charge -The cost of propane or alternate supplies provided by Company for Suppliers

k. POLR Charge - Any charges associated with providing provider of last resort services due to the default of Supplier.

l. Delivery Point Cashout Amounts - Charges/payments associated with Pipeline Delivery Point cashouts, OBA settlements, or other related costs, allocated pro- rata to Suppliers.

m. Pipeline Invoice Charges – Charges or credits associated with the difference between interstate pipeline charges and the actual credits received, on capacity released to Choice Supplier via mandatory capacity release.

32. Annual Volume Reconciliation

1) SCO and Choice Suppliers' deliveries will be reconciled to their requirements on an annual basis.

2) For each month during the SCO Period, Company will compare each Supplier's Deliveries to the Supplier's Pool and Allocated Requirements to determine the Supplier's monthly Reconciliation Volumes.

   a) The Supplier's Deliveries will be the sum of the Supplier's confirmed deliveries to the city-gate, its no-notice storage activity, and its allocated share of propane.

   b) The Supplier's Pool Requirements will be determined by adjusting the Supplier's Pool's actual billed usage for annual Standard Btu Value and the UAFG % identified in VEDO's Tariff.

   c) The Supplier's Allocated Requirements will include the Supplier's portion of Large Transporter Imbalance volumes, VEDO Line Pack changes, and VEDO Operational Balancing Agreement (OBA) volume changes.

3) The reconciliation cash-out price for each month will be the IFERC Gas Market Report First-of-the-month price for Columbia Gas Transmission Corp, Appalachia plus applicable variable costs including fuel retention and pipeline variable charges.

4) The sum of the monthly reconciliation cashout amounts, plus any applicable taxes, will be the annual cashout credit or charge. The annual cashout charge or credit will recovered/passed back in the Exit Transition Cost (ETC) Rider (see Section 40).

5) Such reconciliations will be performed the second month following the end of the last month of flow in order to have sufficient time to obtain all billed usage for the applicable period and prior usage adjustments. (See appendices 32A & 32B for a Volume Reconciliation calculation example, and a billing timeline respectively.)

6) Because of the collective system balancing approached used in VEDO's SCO Program, a number of corrections to Annual Volume Reconciliation calculation inputs can be identified after the Reconciliation cashout credits or charges are reflected on the Supplier's final Monthly Statement. Such corrections include TCO storage activity reallocations, VEDO Pool customer billing adjustments, corrected pipeline delivery statements, etc). Accordingly, the Supplier's Annual Volume Reconciliation cashout charges and credits will remain subject to revision based on any corrections to underlying data and any issues identified in the annual ETC Audits.

33. SCO Customer Billing

1. SCO Customers will be billed at the applicable SCO Price per Ccf for all usage.

2. SCO Customers will continue to be billed on a cycle basis, with SCO Rider rate proration on a Degree Day basis which prorates the heating load based on degree days.

3. Due to SCO Rider rate proration, the SCO Customers will not see on their bills a unit SCO rate equal to the calendar month NYMEX plus the Retail Price Adder, per Ccf. It will be a blended rate crossing two months.

4. SCO Customers will be subject to the Exit Transition Cost Rider.

5. SCO Suppliers names will appear on SCO customers' bills, in a manner determined by the Customer Education working group.

6. VEDO will purchase SCO Suppliers' receivables at no discount, unless and until the Uncollectible Expense Rider is altered. If that occurs, VEDO and the Suppliers will negotiate an appropriate resolution.

34. Customer Education – SCO Phase

1. A Working Group approach will be used for developing the customer education communication.

2. The costs of Customer Education will be recovered in the Exit Transition Cost Rider.

3. The name of the SCO Supplier assigned to a particular premise will appear on SCO customers' bills.

4. Education campaign: preliminary suggestions:

Below are the initial recommendations for the Ohio Merchant Function education program: The details for SCO phase will be determined by the education team as we move forward.

Education objectives for SCO phase:
1. To educate all customers about upcoming SCO auction and assignment of suppliers to premises.
2. To demonstrate Vectren's support of customers' choice in selecting a marketer.

Timeline for SCO Phase
<u>March to April 2009</u>
Prepare pre-campaign survey; gather data; conduct research; and prepare creative for media relations, community relations and advertising campaigns.

<u>May 2009 to March 2010</u>
Execute media relations and community relations strategies.

<u>March 2010</u>
Distribute second survey after education campaign; collect data; continue media relations, community relations and advertising campaigns.

Budget estimate for SCO phase function education campaign: $1 million

The budget will look similar to SSO Phase.

TOTALS	
Research	$80,000
Media relations	$80,000
Community relations	$40,000
Advertising	$800,000
TOTAL:	$1 million

35. SCO and Choice Uncollectible Accounts

1. Uncollectible Accounts for SCO Service and Choice Service (for which VEDO purchases the receivables) will be recovered through the Uncollectible Expense Rider.

2. If the Uncollectible Expense Rider is discontinued, and a reasonable substitute cost recovery approach is not authorized, VEDO will meet with the Suppliers to determine an equitable approach to handling uncollectible expense.

36. POLR Responsibilities – SCO Phase

1. VEDO is the coordinator of Provider of Last Resort (POLR) services for the VEDO system.

2. The POLR responsibility includes temporarily providing supply to Choice customers in the event of a Choice Supplier default. The Choice Supplier Agreement and relevant tariff sheets hold the defaulting Choice Supplier financially responsible. Eventually, the customers of a removed Choice Supplier will be assumed by non-defaulting Choice Suppliers or revert to SCO Service.

3. In the SCO Phase, the POLR responsibility also includes temporarily providing supply to cover SCO tranche loads in the event of an SCO Supplier default. The SCO Supplier Agreement and relevant tariff sheets will hold the defaulting SCO Supplier financially responsible.

4. Defaulting Suppliers will be required to reimburse VEDO and other Suppliers for any incremental POLR costs incurred. Any incremental costs not recovered from defaulting suppliers will be included in the Exit Transition Cost Rider (see section 40).

5. The following approach to POLR will be used during for any Supplier defaults during the SCO Phase:

   a. VEDO, SCO Suppliers, Choice Suppliers, and Large Transporters/ Pool Operators will all be involved.

   b. VEDO will act as POLR Coordinator, identifying the need for POLR supply and notifying the non-defaulting SCO and Choice Suppliers when such need arises.

   c. In the event of Supplier default, VEDO will take the following short-term action with regard to obtaining POLR supply:

      i. SCO/Choice Suppliers collectively will provide supply to meet POLR needs, using their individual VEDO-released TCO storage inventories. The withdrawn storage inventory will be subsequently replaced with the replacement cost assessed to the defaulting Supplier.

      ii. If VEDO determines that the daily quantity of gas needed due to Supplier default(s) may affect the reliability of the system, an Operational Flow Order (OFO – see Section 38) will be issued, to ensure that Large Transporters/Pool Operators are not under delivering versus their Transport Customer usages during the POLR period.

36. POLR Responsibilities – SCO Phase (cont'd)

iii. Next, as soon as possible, all transportation and storage capacity released to the defaulting Supplier will be recalled by VEDO who will use it to meet some portion of the immediate needs of the defaulting Supplier's customers. VEDO will claim the defaulting Supplier's storage inventory as needed to meet the defaulting Supplier's customer loads.

iv. VEDO will fill any remaining shortfall through acquiring additional temporary capacity and supply or city-gate deliveries.

v. VEDO will coordinate the provision of POLR service for the remainder of the billing month in which the default occurs, and the subsequent month, or until an alternate solution is effectuated.

d. In the event of Supplier removal, VEDO will take the following action with regard to an alternate solution:

i. If a Choice Supplier defaults, per the Choice Tariff, VEDO will offer non-defaulting Choice suppliers the option of assuming the customers of the defaulting supplier. If no takers, the customers will revert to SCO Service and shall be apportioned to SCO Suppliers as described below.

ii. If an SCO Supplier defaults or non-defaulting Choice Suppliers do not assume the customers of a removed Choice Supplier:

1. The remaining SCO Suppliers loads will be increased to cover the defaulted load proportionate to the number of tranches awarded in the SCO auction. SCO Suppliers will be paid for the new load at the same SCO Price per MMBtu as established in the most recent auction for their own supply tranches. Incremental load allocated to a SCO Supplier will be limited to 50% of the load awarded to that SCO Supplier at the most recent SCO auction.

2. For the portion of load quantity remaining after each SCO Supplier has been allocated incremental load per the 50% limit described above, that load will be assigned to current or new SCO Suppliers based on an accelerated auction process.

3. If there are only three winning bidders in the SCO auction and one Supplier defaults during the term, the two remaining SSO Suppliers will both receive a 50% portion of the defaulting Suppliers load, transport capacity and storage capacity assigned to them.

4. A pro-rata portion of the defaulting Supplier's transport capacity and storage capacity will also be allocated to remaining SCO Suppliers.

37. Disposition of Non-Compliance Charges – Non-Gas Portion

1. A number of charges are potentially assessed as part of the incentives to ensure that SCO and Choice Suppliers, and Large Transporters/Pool Operators comply with their various Programs' rules. The non-gas portion of those charges include DDQ non-compliance charges, Imbalance Cashout premiums and discounts, and OFO non-compliance Charges. VEDO will credit those amounts proportionately to the Choice and SCO Suppliers who balance the VEDO system through holding VEDO-released TCO storage capacity

38. Operational Flow Orders (OFO)

1. VEDO may issue an Operational Flow Order (OFO), in its reasonable discretion, as specified in this section, upon determination that an action is required in order to:
   a. alleviate or prevent conditions which threaten the integrity or reliability of Company's gas system
   b. maintain the system in balance
   c. maintain adequate storage inventory balances
   d. assure deliveries of gas supplies by Suppliers to serve their customers' loads
   e. adhere to the various interstate pipeline companies' balancing requirements, as stated in their FERC approved gas tariffs
   f. direct Suppliers to different city-gates or institute different city-gate delivery allocations due to system maintenance or system constraints
   g. any other condition warranting a change to delivery requirements
2. An OFO may be may issued on a non-discriminatory basis to all Suppliers delivering gas to VEDO's city-gates, all Suppliers within individual Programs, or an individual non-complying Supplier, when necessary in Company's sole judgment.
3. Company will post the OFO notice via their EBB notifying Supplier(s) of the following:
   a. Start date of the OFO
   b. End date of the OFO
   c. Expected duration if no end date is specified
   d. Specifics delivery requirements and or restrictions (i.e. no deliveries can be accepted at a particular city-gate due to maintenance; Supplier out of compliance with their storage min/max limits or inventory balance requirements; ,a Cold Weather OFO restricting deliveries less than the Supplier's DDQ; a Warm Weather OFO restricting deliveries greater than the Supplier's DDQ; etc.)
4. Violations of OFO requirements will be subject to a $35.00 charge per Dth for any volumes over or under the specified restriction.
5. Company will make every effort to give 24 hours notice of OFO's. If the risk of a potential future critical issue is identified, VEDO will attempt to post a Potential OFO notice to their EBB. However, VEDO reserves the right to in unforeseen circumstances to issue an OFO at any time to mitigate potential system issues with expediency without prior notice.

39. Pipeline Delivery Point Imbalances

1. As meter operator, VEDO has Operational Balancing Agreements (OBA) in place with most Pipelines that outline the terms for handling delivery point imbalances. At these points, the Pipelines remotely control the deliveries to the VEDO system based on the collective nominations to that point. Differences between the actual deliveries through the Delivery Point meters and the nominations to those meters will be managed by VEDO as shown below.

2. Texas Gas – Lebanon Point
    a. No OBA permitted.
    b. Over/under delivery imbalances are netted and cashed out on a monthly basis.

3. Texas Eastern – Red Lion Point
    a. OBA in place.
    b. Imbalances are managed to minimal levels through TETCO Gas Control adjusting flow.
    c. Month-end imbalance carries month to month.
    d. Imbalance is not cashed out.

4. ANR – Derby and Red Lion Points
    a. OBA in place.
    b. Imbalances are managed to minimal levels through ANR Gas Control adjusting flow.
    c. Month-end imbalance carries month to month.
    d. Imbalance is not cashed out.

5. Panhandle – Glen Karn, Hollansburg, and Rural Points
    a. OBA in place.
    b. Imbalance is managed to minimal levels through VEDO gas control nominating gas on or off the OBA balance.
    c. Month-end imbalance carries month to month.
    d. Imbalance is not cashed out.

6. Rockies Express – Clear Creek
    a. No OBA permitted.
    b. Over/under delivery imbalances are netted and cashed out on a monthly basis.

40. Exit Transition Cost Rider

1. The Exit Transition Cost (ETC) Rider will recover Merchant Exit Transition costs from all SCO, DSS, and Choice customers.
2. The ETC Rider will recover incremental Exit Transition implementation costs including but not limited to the following: (See Attachment 40A for estimates)
   a. IT
   b. Call Center
   c. Billing
   d. Education programs
   e. Other implementation costs
3. The ETC Rider will also recover/pass back:
   a. GCR variances remaining as of the implementation of the SSO Phase,
   b. any stranded gas supply costs, including migration costs from VEDO's Choice program, if any
   c. any incremental POLR costs not recovered from a defaulting Supplier,
   d. any imbalance costs not recovered from a Large Transporters/Pool Operators,
   e. gas costs incurred by Company when diverting Customers' transportation gas quantities during a curtailment (see Tariff Sheet No. 70, paragraph 11.B1.(9)),
   f. delivery /usage imbalance reconciliation amounts (as described in Section 32)
   g. other costs determined to be applicable to all SCO, DSS and/or Choice customers.
4. All recoverable costs will be estimated for ratemaking purposes and will be reconciled to actual costs and recoveries.
5. Detailed accounting records will be maintained and will be reviewed in an annual ETC Rider audit that will be provided to Commission Staff.
6. Quarterly, the ETC Rider rate will be updated to reflect actual costs and variances.

41. Audits – Post GCR

1. The need for a GCR M/P audit and the GCR Financial Audit are eliminated prospectively from the date of the SSO Implementation.
2. A new annual audit would be implemented to review all costs and revenues included for recovery/pass back in the ETC Rider.
3. The Uncollectible Expense Rider, formerly reviewed as part of the annual GCR Financial audit, will be audited on the same schedule as the new annual ETC Rider audit.
4. The first audit would be expected to occur after the SSO phase is completed - March 31, 2010.
5. ETC Rider audits will be conducted by VEDO's independent auditor, unless otherwise ordered by the Commission.

42. Customer Information System (CIS) Changes

1. The Commission approved both the SSO Phase and SCO Phase in its April 30, 2008 order regarding the settlement.
   a. The SSO Phase required Customer Information System (CIS) changes that were put in place in a relatively short time frame upon receipt of the Commission Order.
   b. The SCO Phase requires more IT effort and therefore more lead time and expense to revise and test.
   c. The IT effort for both phases therefore began upon receipt of the Commission Order approving both phases.

2. The costs associated with implementing the CIS changes are recovered via the Exit Transition Cost Rider.

   a. High Level Systems Development Plan to support the SSO Phase included:
      i. Develop and implement new forecasting model to include daily/monthly storage injection/withdrawal requirements.
      ii. Enhancements to VEDO's EBB in order to post daily/monthly storage minimum/maximum levels in addition to a storage information section which will include the Supplier's proportional share of daily storage balancing volumes and other pertinent information.
         1. Development of SSO and Choice Suppliers' statements to reflect the new tariff charges and balancing provisions.
      iii. Ability to reverse back to GCR.
      iv. Ability to handle defaulting Suppliers (POLR).
      v. Changes to Large Gas Transportation daily/monthly tolerances, and OFO
         1. Cash-out provisions.
      vi. Variance reporting requirements.

3. High Level Systems Development Plan to support the SCO Phase includes:
   a. The CIS System will need to be modified to accommodate for non-HB9 requirements for SCO customer enrollments, and drops (e.g. rescission period, enrollment/drop letters, etc.).
   b. Auto-assignment of SCO Supplier to new customers, and customers moving between premises.
   c. Changes to bill print to include applicable SCO Supplier's names on SCO customers' bills.
   d. Modify system requirement of customer having to bill on VEDO sales service once before it will allow the customer to be eligible for Choice.
   e. Modify system to default the customer back to the SCO Supplier assigned to that premise.
   f. Unbundling of all customer services.
   g. Ability to reverse back to GCR.
   h. Ability to handle defaulting Suppliers (POLR).
   i. Modification to current EDI file transactions to auto-create new enrollments transactions for SCO customer, transfers, and to create auto-drop transactions for SCO customers shut-offs.
   j. Various reporting requirements.

43. Choice Customer Eligibility Definition

1. "Eligible customer" means a customer that is eligible to participate in a governmental aggregation in accordance with sections 4929.26 and 4929.27 of the Revised Code.

2. An eligible customer must meet all of the following:

   a. Uses < 150,000 Ccf/year
   b. Is not past due at time of enrollment
      - Updated past due parameters are now set at 35 days and $100 resulting in roughly 285,000 customers eligible.
   c. Is not currently enrolled with a qualified Choice Supplier
   d. Is not past due on a payment arrangement

44. VEDO Design Peak Day Forecast

1. VEDO's Design Peak Day Forecast uses a linear regression based model. The forecast will be updated annually and will form the basis for any Capacity Contract changes the Company may make. The VEDO Working Group will be provided the revised forecast for their review and approval prior to any contract changes being effectuated.

2. The linear regression model variables include:

Variable	Coefficient (in Mcf)
PkDayHDD65	1277.9226
PkDayHDD55	4696.5658
Lag_HDD55	909.9252
WinterWind	1987.7117
DeliveriesTrend	0.0166
AR(1)	0.9191
MA(1)	-0.5594

   a. HDD65 and HDD55 - captures the non-linear relationship between average temperature and demand.
   b. LagHDD55 - captures the impact of the previous day temperature
   c. WinterWind - captures the effect of the winter wind speed
   d. Deliveries Trend - captures the underlying sales growth trend without seasonal and weather variation.
   e. Auto Regressive Moving Average (ARMA) - corrects variation and improves accuracy

   In this example, VEDO peak day has -14.5° F current day temperature, 11.5° F previous day temperature and 16.3 mph winter wind speed.

   The equation is:
   CurrentDayTempImpact +LagDayTempImpact + CurrentDayWinterWindImpact + DeliveriesTrend + ARMACorrection

   = 428,006 + 39,582 + 32,400 + 72,155 + ARMACorrection
   = 572,143 + ARMACorrection
   = 572,024 MCF

3. 2009 VEDO Peak Design Day demand (in Mcf)

	2009-10 (in Mcf)
Total Peak Day Demand*	572,024
Transportation Demand	115,490
Transportation Backup Demand	-
Choice Peak Day Demand	116,845
Sales Peak Day Demand	339,689

45. Choice Supplier Credit Requirements

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

2. The requirements for SCO Supplier creditworthiness shall be in addition to those for existing Choice Program requirements, if a Supplier is active in both programs.

3. VEDO intends to net the credit exposures of individual Suppliers of SCO and Choice Programs.

4. The occurrence and continuation of an Event of Default on either of the SCO or Choice Programs shall be considered a cross default on the other Program and any other Pooling or Transport Service within VEDO's service area.

5. Choice Suppliers that receive VEDO-released pipeline and storage capacity will have the monthly pipeline and storage capacity charges that are due to the pipelines included in their credit exposure calculations.

46. New Processes Tested by Phase

1. SSO Phase:
    a. Market-based standard pricing
    b. Collective system balancing, including daily PDA Imbalance allocations and Monthly Volume Reconciliations
    c. VEDO coordinated collective POLR services
    d. Mandatory capacity release for SSO and Choice Suppliers
    e. Capacity follows migrating customer – monthly capacity release adjustments
    f. Customer Education – awareness of options

2. SCO Phase:
    a. Phase 1 processes a through f, plus,
    b. DDQ forecasting for total system
    c. Customer Information System– SCO supplier for each premise, EDI for all new and transferred customers, etc.

47. Reversion to GCR Service

1. The settling parties recognize that the Commission retains the right to order VEDO to revert to GCR Sales Service at any time during the SCO Phase. VEDO also retains the right to petition the Commission to revert to GCR service.

2. SCO Supplier Agreements must reflect the possibility of reversion to GCR service as a risk taken on by the Suppliers.

3. Processes for unwinding SCO or Choice Supplier TCO storage positions would need to be contemplated as well in the event of reversion.

4. As described in the Customer Information System Change Section (section 74), various CIS processes would need to be reverted as well should the Commission Order such a reversion. **The costs of reversion efforts would be considered as costs recoverable through the Exit Transition Cost Rider, absent a determination to the contrary by the PUCO.**

48. SCO Phase Reporting

1. VEDO will provide monthly program statistics including the following: monthly SCO Rider Rate, number of SCO and Choice customers, SCO and Choice volumes by rate schedule, participation rates by rate schedule, number of SCO suppliers, market shares, and other information as desired by PUCO.

2. Also, VEDO will file quarterly reports that contain an assessment of supplier performance based on 1) target deliveries to volumes nominated, 2) target deliveries to volumes billed and, 3) comparable capacity required to comparable capacity demonstrated. Also, this report will identify and assess the impact of any supplier defaults, as well as storage use, system balancing performance, and comparable capacity requirements.

Attachment Reference Listing

14C – Historical Balancing Volumes

15A – VEDO Capacity Contracts and Costs

17B – Monthly TCO Storage Volume Targets

20A – DDQ Screen

21A – Forecast Linear Regression Model example

23B – Current City-gate Allocation Table

24A – Standard BTU

29A – Collateral Requirements

31A – Receivables Payment Timeline Example

32A - Usage Volume Reconciliation Calculation Example

32B – SSO/SCO Billing Timeline Example

40A – Implementation Costs estimate

BALANCING COST RIDER

APPLICABILITY

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

DESCRIPTION

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

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

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

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

BALANCING COST RIDER RATE

The Balancing Cost Rider Rate for Pool Customer's billed Ccf on and after November 1, 2007 is $.00327 per Ccf.

Attachment 14C

VEDO 2004 - June 2009 Model vs. Actual
Absolute Value of Model Error for Next Day Forecast

Rank	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	77,563	64,099	57,236	60,248	26,062	19,005	20,692	6,401	13,513	37,315	59,183	78,189
2	70,113	58,478	47,866	53,349	22,496	11,967	11,932	5,794	9,671	34,430	48,356	50,771
3	61,281	54,094	46,680	53,131	20,146	11,077	11,750	5,213	9,020	32,050	46,697	49,052
4	45,660	52,342	42,859	43,475	19,451	10,661	9,730	4,980	8,767	31,998	46,187	43,716
5	45,090	51,131	41,677	43,164	19,305	9,869	9,174	4,798	8,517	28,053	45,248	43,636
6	44,297	49,572	40,238	41,848	19,194	9,568	8,791	4,475	8,466	27,796	42,153	42,860
7	43,404	47,701	39,789	39,470	18,325	8,418	8,738	3,783	8,404	27,309	39,543	42,308
8	42,697	46,986	36,242	36,919	17,316	7,807	8,718	3,752	8,216	26,035	38,525	39,839
9	42,607	46,409	36,066	36,211	16,991	7,575	8,718	3,731	7,589	25,816	36,690	39,330
10	42,042	44,513	35,421	34,279	16,429	7,568	7,906	3,544	7,210	23,552	36,163	38,132
11	40,460	43,651	32,966	33,352	16,206	6,547	7,700	3,413	6,393	22,979	35,796	37,754
12	40,401	42,571	32,875	33,188	15,998	6,428	6,846	3,388	6,270	21,772	35,314	30,703
13	40,006	41,307	32,035	33,181	15,281	6,154	6,553	3,284	6,065	21,502	33,725	29,437
14	37,333	41,185	31,558	32,949	14,731	5,879	6,432	3,193	5,606	20,741	33,147	29,234
15	35,481	37,171	31,191	31,883	13,694	5,821	6,400	3,091	5,547	19,390	32,998	28,890
16	34,704	37,076	29,014	29,773	13,407	5,533	6,273	3,076	5,504	19,147	29,922	28,572
17	34,438	35,405	28,823	29,128	12,907	5,451	6,198	2,987	5,458	18,330	29,486	27,102
18	33,656	35,001	27,513	28,877	12,424	5,414	5,937	2,926	5,265	18,112	28,796	26,768
19	32,874	33,653	27,417	27,817	12,408	5,021	5,779	2,919	5,129	17,771	28,187	26,506
20	32,286	32,612	26,921	27,683	12,278	4,870	5,626	2,915	5,122	17,361	27,971	26,465
21	32,132	32,104	26,842	26,381	11,421	4,858	5,606	2,901	5,094	14,776	27,574	25,434
22	30,844	31,223	26,112	26,330	11,168	4,809	5,162	2,571	4,939	14,061	27,097	25,380
23	30,031	30,573	25,659	26,139	10,966	4,799	4,989	2,537	4,917	13,962	25,846	24,540
24	29,166	30,098	25,357	26,125	10,746	4,686	4,825	2,493	4,779	13,672	25,644	24,212
25	28,840	29,492	24,176	24,611	9,876	4,649	4,626	2,486	4,531	13,491	25,017	22,970
26	28,590	29,250	23,887	24,190	9,680	4,587	4,593	2,463	4,416	12,664	24,529	22,790
27	28,449	29,171	23,579	23,577	9,240	4,563	4,502	2,453	4,172	12,469	23,721	22,452
28	27,388	29,114	23,240	23,548	9,036	4,528	4,474	2,444	3,882	12,131	22,507	22,235
29	27,289	28,898	22,766	23,286	8,697	4,433	4,246	2,360	3,739	12,044	22,200	21,633
30	27,059	28,476	21,989	22,689	8,695	4,429	4,206	2,263	3,723	11,766	21,138	20,697
31	26,933	28,438	21,253	21,383	8,312	4,428	4,103	2,210	3,719	11,762	20,985	20,797
32	26,457	28,382	21,250	21,202	8,228	4,283	4,084	2,199	3,679	11,531	20,950	20,316
33	25,416	28,295	21,094	21,070	8,225	4,088	4,000	2,192	3,531	10,934	20,622	20,176
34	25,190	26,652	20,997	20,675	7,969	3,935	3,961	2,189	3,528	10,921	20,253	19,046
35	24,703	26,188	20,982	19,832	7,951	3,822	3,951	2,114	3,313	10,610	20,228	18,425
36	24,463	25,325	20,560	19,574	7,786	3,762	3,949	2,091	3,273	10,447	20,126	18,049
37	24,453	25,119	20,461	19,150	7,773	3,745	3,939	2,080	3,163	10,425	20,112	17,792
38	23,483	24,681	19,782	18,004	7,772	3,722	3,926	2,007	3,005	10,184	19,949	17,184
39	23,277	23,569	19,591	17,524	7,732	3,508	3,741	1,906	2,980	10,061	19,483	17,144
40	23,058	23,116	19,455	17,301	7,672	3,371	3,633	1,861	2,924	9,903	18,503	17,037
41	22,677	22,417	19,160	16,431	7,588	3,286	3,628	1,838	2,884	9,857	18,284	15,983
42	22,336	22,120	19,007	15,898	7,507	3,268	3,444	1,836	2,868	9,847	17,953	15,741
43	20,992	21,885	18,978	15,853	7,453	3,239	3,415	1,807	2,839	9,840	17,888	15,730
44	20,968	21,744	18,320	15,792	7,446	3,024	3,382	1,808	2,833	9,693	17,416	15,520
45	20,101	21,412	18,141	15,653	7,421	2,994	3,370	1,808	2,774	9,567	17,111	14,813
46	20,063	21,293	18,124	14,931	7,268	2,922	3,085	1,782	2,708	9,420	16,938	14,525
47	19,976	20,754	17,993	14,883	7,080	2,887	3,040	1,774	2,664	9,413	16,867	14,260
48	19,959	20,706	17,530	14,685	7,071	2,829	2,983	1,730	2,527	9,377	16,153	14,024
49	19,902	20,504	17,421	14,223	6,892	2,820	2,950	1,727	2,488	9,029	15,955	13,802
50	19,602	19,874	17,384	13,142	6,800	2,731	2,914	1,676	2,404	9,015	15,825	13,678
51	19,556	19,338	17,369	13,040	6,642	2,699	2,914	1,651	2,382	8,989	15,402	13,577
52	19,306	18,776	16,644	12,378	6,319	2,672	2,911	1,624	2,328	8,986	15,276	13,541
53	19,086	18,562	15,934	12,332	6,287	2,599	2,879	1,624	2,313	8,502	15,210	13,298
54	19,019	18,115	15,707	12,280	6,247	2,595	2,849	1,471	2,257	8,082	14,959	12,985
55	18,937	18,056	15,880	11,959	6,034	2,543	2,797	1,435	2,241	7,671	14,475	12,741
56	18,851	17,844	15,366	11,219	6,025	2,509	2,471	1,425	2,233	7,483	13,935	12,567
57	18,199	17,835	15,265	10,904	5,922	2,495	2,450	1,398	2,141	7,310	13,830	12,460
58	17,919	17,767	15,189	10,686	5,858	2,492	2,413	1,341	2,134	7,027	13,657	12,361
59	16,885	16,752	14,983	10,533	5,763	2,481	2,384	1,334	2,129	6,721	13,218	12,245
60	16,715	16,632	14,924	10,353	5,694	2,464	2,381	1,317	2,087	6,681	13,056	11,879
61	16,213	16,238	14,813	10,093	5,642	2,398	2,334	1,281	2,077	6,600	12,958	11,595
62	15,945	16,156	14,798	10,085	5,165	2,398	2,266	1,223	1,954	6,534	12,658	11,050
63	15,743	16,085	14,761	9,858	5,128	2,360	2,233	1,222	1,872	6,501	12,301	10,815
64	15,642	15,396	14,480	9,754	5,110	2,346	2,039	1,145	1,864	6,458	12,032	10,707
65	15,582	15,078	13,987	8,634	5,076	2,330	2,003	1,120	1,844	6,437	11,931	10,606
66	15,249	14,697	13,970	8,287	5,026	2,214	1,967	1,110	1,832	6,312	11,590	10,565
67	15,140	14,663	13,933	8,192	4,972	2,200	1,865	1,082	1,818	6,311	11,410	10,197
68	15,110	14,594	13,783	8,116	4,738	2,186	1,821	1,036	1,802	6,072	11,369	9,585

Attachment 15A

VECTREN ENERGY DELIVERY OF OHIO

Interstate Capacity Portfolio April 2010 - March 2011

Pipeline	Svc Type	Contract No	Primary Receipt	Primary Delivery		Termination Date	Apr '10 MDQ	May '10 MDQ	Jun '10 MDQ	Jul '10 MDQ	Aug '10 MDQ	Sep '10 MDQ	Oct '10 MDQ	Nov '10 MDQ	Dec '10 MDQ	Jan '11 MDQ
Col Gas	Storage Transportation															
	SST	99599	33/Stow	Stoi/33		3/31/2013	100,000	100,000	100,000	100,000	100,000	100,000	200,000	200,000	200,000	200,000
PEPL	Storage Transportation															
	EFT	20351	02830/66555	66554/02830	**See Below	3/31/2015	21,450	21,450	21,450	21,450	21,450	21,450	21,450	46,080	46,080	46,080
	EFT	20349	06204,P9900, P9903,P9995	DAYPL,02559 .02830		3/31/2015	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500	37,500
TETCO																
	LLFT	870172	72902	72907		10/31/2010	31,225	10,500	10,500	10,500	10,500	10,500	10,500	10,500	31,225	31,225
Total City Gate Deliverability							168,725	148,000	148,000	148,000	148,000	148,000	248,000	294,080	314,805	314,805

** Apr - Oct serves only as maximum storage inj. This number has not been inlcuded in the Total City Gate Deliverability.

Pipeline	Svc Type	Contract	Primary Receipt	Primary Delivery	SCQ		Apr '10 MDQ	May '10 MDQ	Jun '10 MDQ	Jul '10 MDQ	Aug '10 MDQ	Sep '10 MDQ	Oct '10 MDQ	Nov '10 MDQ	Dec '10 MDQ	Jan '11 MDQ
Col Gas	Storage Service															
	FSS (SCQ)		Stoi	Stow	7,648,483	3/31/2013										
	FSS	99600	33/Stow	Stoi/33		3/31/2013	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
PEPL	Storage Service															
	FSS (SCQ)	20350	66554	66555	4,203,360	3/31/2015										
	FS					3/31/2015	46,704	46,704	46,704	46,704	46,704	46,704	46,704	46,704	46,704	46,704
TETCO																
	LLFT	870173	72902	72907		10/31/2010	0	0	0	0	0	0	0	23,580	23,580	23,580
	FT	910555	79951	73105		10/31/2010	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200

Attachment 17A

Historic Maximum MMBTU Miss of Day-Ahead Forecast to Actual
(VED 1/1/2004 to 4/15/2009)

	HHD0 HDD5	HDD6 HDD10	HDD11 HDD15	HDD16 HDD20	HDD21 HDD25	HDD26 HDD30	HDD31 HDD35	HDD36 HDD40	HDD41 HDD45	HDD46 HDD50	HDD51 HDD55	HDD56 HDD60	HDD61 HDD65	HDD66 HDD70	HDD71 HDD75	HDD76 HDD80
January	7,896	19,602	11,058	43,404	40,460	45,090	40,432	21,906	44,602	43,475	29,810	29,610	12,077	25,793		
February	7,896	7,866	11,406	42,721	37,076	47,701	28,503	30,977	23,645	19,027	28,896	27,840				
March	10,015	22,513	16,402	35,421	21,623	57,236	23,893	32,035	21,253	29,792						
April	20,392	23,609	24,529	53,624	55,914	8,010	20,330	8,899								
May	22,496	18,325	25,062	19,451	6,165											
June	10,116	2,509														
July	9,730															
August	6,401															
September	9,571	8,517	13,513	2,404												
October	11,782	27,552	34,430	29,050	37,315	27,309										
November	6,581	20,112	46,697	59,163	42,153	36,163	45,248	36,690	8,780							
December	6,881	2,778	43,715	14,610	22,790	30,771	29,437	19,052	26,765	20,176	43,535					

Green days had no observations. Used avg of two Maximums for HDD increments lots colder and warmer if available to fill data.

Max Injection Table

Month	TCO Max Inj.	HHD0 HDD5	HDD6 HDD10	HDD11 HDD15	HDD16 HDD20	HDD21 HDD25	HDD26 HDD30	HDD31 HDD35	HDD36 HDD40	HDD41 HDD45	HDD46 HDD50	HDD51 HDD55	HDD56 HDD60	HDD61 HDD65	HDD66 HDD70	HDD71 HDD75	HDD76 HDD80
[redacted]																	
April	45,888	see below	22,000	22,000	19,000	19,000	33,500	33,500	33,500								
May	61,184	39,000	42,000	35,000	42,000	57,000											
June	61,184	51,000	59,000														
July	61,184	52,000															
August	61,184	55,000															
September	39,770	30,000	31,000	31,000	35,000												
October	21,414	10,000	10,000														
[redacted]																	

April Max Injection Detail

	HDD 0	HDD 1	HDD 2	HDD 3	HDD 4	HDD 5
April	39,388	39,388	39,388	33,888	33,888	23,888

Max Withdrawal Table

Month	TCO Max W/D	HHD0 HDD5	HDD6 HDD10	HDD11 HDD15	HDD16 HDD20	HDD21 HDD25	HDD26 HDD30	HDD31 HDD35	HDD36 HDD40	HDD41 HDD45	HDD46 HDD50	HDD51 HDD55	HDD56 HDD60	HDD61 HDD65	HDD66 HDD70	HDD71 HDD75	HDD76 HDD80
January	200,000	185,000	185,000	185,000	157,000	160,000	156,000	168,000	178,000	160,000	160,000	160,000	160,000	188,000	188,000	194,000	200,000
Early Feb	200,000	185,000	185,000	185,000	157,000	160,000	155,000	168,000	168,000	170,000	170,000	170,000	170,000	177,500	185,000	192,500	200,000
Late Feb	130,000	115,000	115,000	115,000	87,000	90,000	85,000	98,000	98,000	100,000	100,000	100,000	100,000	107,500	115,000	122,500	130,000
March	130,000	120,000	103,000	114,000	95,000	106,000	73,000	115,000	98,000	109,000	116,000	123,000	130,000				
[redacted]																	
November	200,000	194,000	180,000	154,000	156,000	158,000	154,000	154,000	163,000	173,000	182,000	191,000	200,000				
December	200,000	194,000	180,000	156,000	187,000	177,000	149,000	170,000	150,000	173,000	176,000	150,000	168,000	176,000	184,000	192,000	200,000

Min Withdrawal Table

Month	TCO Max W/D	HHD0 HDD5	HDD6 HDD10	HDD11 HDD15	HDD16 HDD20	HDD21 HDD25	HDD26 HDD30	HDD31 HDD35	HDD36 HDD40	HDD41 HDD45	HDD46 HDD50	HDD51 HDD55	HDD56 HDD60	HDD61 HDD65	HDD66 HDD70	HDD71 HDD75	HDD76 HDD80
November	200,000			15,000	20,000	20,000	25,000	35,000	25,000								

<u>ATTACHMENT 17B</u>

VEDO MONTHLY TCO STORAGE REQUIREMENTS

Month	Daily Minimum Required % of SCQ in TCO Storage	Maximum Required % of SCQ in TCO Storage
April	5%	TCO Tariff
May	5%	TCO Tariff
June	5%	TCO Tariff
July	5%	TCO Tariff
August	5%	TCO Tariff
September	5%	TCO Tariff
October	5%	TCO Tariff
November	30%	TCO Tariff
December	30%	TCO Tariff
January	30%	TCO Tariff
February 1-15	30%	TCO Tariff
February 16-28	5%	TCO Tariff
March	5%	TCO Tariff

Note: VEDO will require all the released capacity holders of the VEDO TCO FSS storage service to maintain a minimum balance of 30% of the released TCO SCQ capacity in inventory until February 15th of each year. This is needed in order for VEDO to be assured that the first TCO storage ratchet is not reached prior to February 15th each year.

Attachment 20A

DDQ

DIRECTED DELIVERY QUANTITY (DDQ) AND RELATED INFORMATION

Pool:

Number:

Supplier:

Effective Date:
07/10/2009

Last Updated Date:
07/09/2009 01:12:21 PM

LRP:
.15000100000

Modeling Assumptions:

Small Gas Transportation Accounts:	33,000
General Gas Transportation Accounts - Small:	4,500
General Gas Transportation Accounts - Large:	210
Average BTU Factor:	1.020

Five-Day Forecast:

	DDQ	HDD	
07/09/2009	n/a	.00	Actual
07/10/2009	1,929	.00	Forecast
07/11/2009	1,843	.00	Forecast
07/12/2009	2,504	.00	Forecast
07/13/2009	2,663	.00	Forecast
07/14/2009	2,566	.00	Forecast

DDQ:

Expected Demand (Gas forecasting models):	1,929
Propane Supplied by [illegible]:	0
Other Adjustment:	0
DDQ(Dth):	1,929

DDQ By City Gate:

	MIN	MAX
Derby	0	965
Gano Road	130	130
Glen Karn	212	579
Hollansburg	0	193
Lebanon/RL/CC		
Market Area 33-3	1	1
Market Area 33-6	386	1,447
Pinnacle Road	0	2,000
Rural	10	10

Daily Storage Tolerances (Columbia):

Date	Min W/D	Max W/D	Min Inj	Max Inj
07/10/2009	0	19,731	0	5,393
07/11/2009	0	19,731	0	5,393
07/12/2009	0	19,731	0	5,393
07/13/2009	0	19,731	0	5,393
07/14/2009	0	19,731	0	5,393

Date	Thursday, July 9, 2009	Enter the date eg. 10/4/03
Residential Customers	33,000	Enter your residential customer count
Small Commercial Customers	4,500	Enter your small commercial customer count
Large Commercial Customers	210	Enter your large commercial customer count
HDD	0.00	Enter your HDD
Holiday	0	Enter 1 if NYEve, NYDay, XmasDay, XmasEve, July4, LaborDay, Thanksgiving, FriAftThanks, MLK, PresDay, Colur
Weekend Holiday	0	Automatically Updated
DDQ	1,929	Dth

Residential		
Baseload	0.0614	2,026
Jan HDD65	0.0117	-
Feb HDD65	0.0116	-
Mar HDD65	0.0129	-
Apr HDD65	0.0122	-
May HDD65	0.0110	-
Jun HDD65	0.0104	-
Sep HDD65	0.0095	-
Oct HDD65	0.0117	-
Nov HDD65	0.0126	-
Dec HDD65	0.0116	-
Dec Feb HDD50	0.0030	-
		2,026
RUF		0.51776
Apply RUF		1,049
Dth Total		1,049

Small Commercial		
Baseload	0.4309	1,939
Weekend Holiday	-0.1963	-
Jan HDD65	0.0350	-
Feb HDD65	0.0350	-
Mar HDD65	0.0489	-
Apr HDD65	0.0415	-
May HDD65	0.0285	-
Sep HDD65	0.0223	-
Oct HDD65	0.0381	-
Nov HDD65	0.0469	-
Dec HDD65	0.0344	-
Dec Feb HDD50	0.0297	-
		1,939
RUF		0.40000
Apply RUF		776
Dth Total		776

Large Commercial		
Baseload	2.0221	
Weekend Holiday	-0.6063	
Jan HDD65	0.1778	
Feb HDD65	0.1721	
Mar HDD65	0.1587	
Apr HDD65	0.1303	
Sep HDD65	0.0473	
Oct HDD65	0.1160	
Nov HDD65	0.1467	
Dec HDD65	0.1736	
RUF		0.24
Apply RUF		
Dth Total		

Attachment 23B

Choice/SSO/SCO (with PEPL minimums)

	Lebanon, Red Lion, Clear Creek		Columbia Market Area 3*2		Columbia Market Area 6		PEPL @ Holl'burg November - March		PEPL @ Holl'burg April - October		PEPL @ Glen Karn November - March		PEPL @ Glen Karn April - October	
HDD	Min % of Load	Max % of Load	Min Dth	Max Dth	Min % of Load	Max % of Load	Min % of Load	Max % of Load	Min % of Load	Max % of Load	Min % of Load	Max % of Load	Min % of Load	Max % of Load
0	0%	50%	1	1	20%	75%	10%	14%	0%	10%	23%	30%	11%	30%
1	0%	50%	1	1	20%	75%	9%	12%	0%	10%	21%	28%	10%	26%
2	0%	50%	1	1	20%	75%	8%	11%	0%	10%	19%	26%	9%	23%
3	0%	50%	1	1	20%	75%	7%	10%	0%	10%	18%	25%	9%	21%
4	0%	50%	1	1	20%	75%	6%	10%	0%	10%	17%	25%	8%	19%
5	0%	50%	1	1	20%	75%	5%	10%	0%	10%	16%	25%	8%	17%
6	0%	50%	1	1	20%	75%	5%	10%	0%	10%	15%	25%	7%	16%
7	0%	50%	1	1	20%	75%	5%	10%	0%	10%	14%	25%	7%	15%
8	0%	50%	1	1	20%	75%	5%	10%	0%	10%	13%	25%	6%	14%
9	0%	50%	1	1	20%	75%	5%	10%	0%	10%	12%	25%	6%	13%
10	0%	50%	1	1	20%	75%	5%	10%	0%	10%	11%	25%	5%	12%
11	0%	50%	1	1	20%	75%	5%	10%	0%	10%	10%	25%	5%	11%
12	0%	50%	1	1	20%	75%	5%	10%	0%	10%	10%	25%	4%	11%
13	0%	50%	1	1	20%	75%	5%	10%	0%	10%	10%	25%	4%	10%
14	0%	50%	1	1	20%	75%	5%	10%	0%	10%	10%	25%	4%	10%
15	0%	50%	1	1	20%	75%	5%	10%	0%	9%	10%	25%	4%	9%
16	0%	50%	1	1	20%	75%	5%	10%	0%	9%	10%	25%	3%	9%
17	0%	50%	1	1	20%	75%	4%	10%	0%	8%	10%	25%	3%	8%
18	0%	50%	1	1	20%	75%	4%	10%	0%	7%	10%	25%	3%	8%
19	0%	50%	1	1	20%	75%	4%	10%	0%	7%	10%	25%	2%	8%
20	0%	50%	1	1	20%	75%	4%	10%	0%	7%	10%	25%	2%	8%
21	0%	50%	1	1	20%	75%	4%	10%	0%	7%	10%	25%	2%	7%
22	0%	50%	1	1	20%	75%	4%	10%	0%	6%	10%	25%	2%	6%
23	0%	50%	1	1	20%	75%	4%	10%	0%	5%	10%	25%	2%	6%
24	0%	50%	1	1	20%	75%	4%	10%	0%	5%	10%	25%	2%	6%
25	0%	50%	1	1	20%	75%	4%	10%	0%	5%	10%	25%	2%	5%
26	0%	50%	1	1	20%	75%	4%	10%	0%	5%	10%	25%	2%	5%
27	0%	50%	1	1	20%	75%	4%	10%	0%	5%	10%	25%	2%	5%
28	0%	50%	1	1	20%	75%	4%	10%	0%	5%	10%	25%	2%	5%
29	0%	50%	1	1	20%	75%	4%	10%	0%	5%	10%	25%	2%	5%
30	0%	50%	1	1	20%	75%	4%	10%	0%	5%	10%	25%	2%	5%
31	0%	50%	1	1	20%	75%	4%	10%	0%	5%	10%	25%	2%	5%
32	0%	50%	1	1	20%	75%	4%	10%	0%	5%	10%	25%	2%	5%
33	0%	50%	1	1	20%	75%	4%	10%	0%	4%	10%	24%	2%	4%
34	0%	50%	1	1	20%	75%	4%	10%	0%	4%	10%	24%	2%	4%
35	0%	50%	1	1	20%	75%	4%	10%	0%	4%	10%	24%	2%	4%
36	0%	50%	1	1	20%	75%	4%	10%	0%	4%	10%	23%	2%	4%
37	0%	50%	1	1	20%	75%	4%	10%	0%	4%	10%	23%	2%	4%
38	0%	50%	1	1	20%	75%	4%	10%	0%	4%	10%	22%	2%	4%
39	0%	50%	1	1	20%	75%	4%	10%	0%	4%	10%	21%	2%	4%
40	0%	50%	1	1	20%	75%	4%	10%	0%	4%	10%	21%	2%	4%

41	7%	50%	1	1	20%	74%	4%	9%		10%	19%	
42	7%	50%	1	1	20%	74%	4%	9%		10%	18%	
43	7%	50%	1	1	20%	73%	4%	9%		10%	17%	
44	8%	50%	1	1	20%	73%	4%	9%		10%	17%	
45	8%	50%	1	1	20%	72%	4%	9%		10%	17%	
46	8%	50%	1	1	20%	72%	4%	8%		10%	16%	
47	9%	50%	1	1	20%	71%	4%	8%		10%	16%	
48	9%	50%	1	1	20%	71%	4%	8%		10%	16%	
49	9%	50%	1	1	20%	70%	4%	8%		10%	16%	
50	9%	49%	1	1	20%	70%	4%	8%		10%	16%	
51	9%	49%	1	1	20%	69%	4%	8%		10%	16%	
52	9%	48%	1	1	20%	69%	4%	8%		10%	15%	
53	9%	47%	1	1	30%	68%	4%	7%		10%	15%	
54	9%	47%	1	1	30%	68%	4%	7%		10%	15%	
55	9%	46%	1	1	30%	67%	4%	7%		10%	14%	
56	9%	45%	1	1	30%	67%	4%	7%		10%	14%	
57	9%	44%	1	1	30%	66%	4%	7%		10%	14%	
58	9%	44%	1	1	30%	66%	4%	7%		10%	14%	
59	9%	43%	1	1	30%	65%	4%	7%		10%	14%	
60	9%	42%	1	1	30%	65%	4%	7%		10%	13%	
61	9%	42%	1	1	30%	64%	4%	7%		10%	13%	
62	9%	41%	1	1	30%	64%	4%	6%		10%	13%	
63	9%	40%	1	1	30%	63%	4%	6%		9%	13%	
64	9%	40%	1	1	30%	63%	4%	6%		9%	13%	
65	9%	39%	1	1	30%	62%	4%	6%		9%	12%	
66	9%	39%	1	1	30%	62%	4%	6%		9%	12%	
67	9%	38%	1	1	30%	61%	4%	6%		9%	12%	
68	9%	37%	1	1	30%	61%	4%	6%		9%	12%	
69	9%	37%	1	1	30%	60%	4%	6%		9%	12%	
70	9%	36%	1	4,763	30%	60%	4%	6%		9%	11%	
71	9%	36%	1	4,763	30%	59%	4%	6%		9%	11%	
72	9%	35%	1	4,763	30%	59%	4%	6%		9%	11%	
73	9%	35%	1	4,763	30%	58%	4%	6%		9%	11%	
74	9%	34%	1	4,763	30%	58%	4%	5%		8%	11%	
75	9%	34%	1	4,763	30%	57%	4%	5%		8%	11%	
76	9%	33%	1	4,763	30%	56%	4%	5%		8%	11%	
77	9%	33%	1	4,763	30%	56%	4%	5%		8%	10%	
78	9%	33%	1	4,763	30%	55%	4%	5%		8%	10%	
79	9%	32%	1	4,763	30%	54%	4%	5%		8%	10%	
79.5	9%	32%	1	4,763	30%	54%	4%	5%		8%	10%	

1 TCO Nominations will need to be allocated between Market Areas 5 and 6 per TCO nomination requirements

*2 For days in excess of 70 HDD, the Max delivery for TCO 33-3 is increased from 1 dth/day to the suppliers' CRP share of 4,763 dth/day to avoid stranding Primary Capacity.

Collective Delivery Levels for Gano Road Station (Dth)

	January	February	March	April	May	June	July	August	September	October	November	December
Collective target	4,200	4,200	4,000	2,720	1,250	1,250	1,250	1,250	1,250	1,800	3,000	4,200

Range of Daily Deliverys (Dth) from Local Producer - Pinnacle Road

	January	February	March	April	May	June	July	August	September	October	November	December
Daily Min Dth	0	0	0	0	0	0	0	0	0	0	0	0
Daly Max Dth	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000	2000

Delivery Levels for PEPL Rural (Dth)

January	February	March	April	May	June	July	August	September	October	November	December
250	250	250	100	100	100	100	100	100	100	250	250

Attachment 24A

Vectren Energy Delivery of Ohio, Inc.
Monthly Heating Value Factor for 2007

	(MCF DRY)	(MMBTU)	WEIGHTED AVERAGE BTU CONTENT (BTU/CF DRY)
January 2007	8,181,042	8,348,642	1.0205
February 2007	10,038,021	10,278,485	1.0240
March 2007	5,419,848	5,529,493	1.0202
April 2007	4,455,209	4,544,010	1.0199
May 2007	1,970,895	2,009,621	1.0196
June 2007	1,663,270	1,700,618	1.0225
July 2007	1,648,192	1,677,647	1.0179
August 2007	1,664,105	1,697,671	1.0202
September 2007	1,628,450	1,661,111	1.0201
October 2007	2,388,446	2,439,506	1.0214
November 2007	5,211,073	5,309,356	1.0189
December 2007	7,718,019	7,855,252	1.0178
Totals for 2007	51,986,570	53,051,412	1.0205

Vectren Energy Delivery of Ohio, Inc.
Monthly Heating Value Factor for 2008

	(MCF DRY)	(MMBTU)	WEIGHTED AVERAGE BTU CONTENT (BTU/CF DRY)
January 2008	9,160,217	9,337,731	1.0194
February 2008	8,564,546	8,730,262	1.0193
March 2008	6,899,236	7,029,009	1.0188
April 2008	3,699,299	3,767,732	1.0185
May 2008	2,701,282	2,753,815	1.0194
June 2008	2,067,068	2,109,493	1.0205
July 2008	2,041,185	2,084,340	1.0211
August 2008	2,140,295	2,193,229	1.0247
September 2008	2,040,869	2,083,718	1.0210
October 2008	3,409,707	3,482,178	1.0213
November 2008	6,035,245	6,156,478	1.0201
December 2008	8,651,905	8,894,961	1.0281
Totals for 2008	57,410,854	58,622,946	1.0211

Vectren Energy Delivery of Ohio, Inc.
Monthly Heating Value Factor for 2009

	(MCF DRY)	(MMBTU)	WEIGHTED AVERAGE BTU CONTENT (BTU/CF DRY)
January 2009	10,153,777	10,422,152	1.0264
February 2009	7,313,440	7,479,301	1.0227
March 2009	5,345,027	5,457,954	1.0211
April 2009	3,746,307	3,823,850	1.0207
May 2009	2,033,530	2,069,144	1.0175
June 2009	1,769,465	1,797,250	1.0157
July 2009			
August 2009			
September 2009			
October 2009			
November 2009			
December 2009			
Totals for 2008	30,361,546	31,049,651	1.0227

Vectren Energy Delivery of Ohio, Inc.

Monthly Heating Value Factor for Last 12 Months

	(MCF DRY)	(MMBTU)	WEIGHTED AVERAGE BTU CONTENT (BTU/CF DRY)
July 2008	2,041,185	2,084,340	1.0211
August 2008	2,140,295	2,193,229	1.0247
September 2008	2,040,869	2,083,718	1.0210
October 2008	3,409,707	3,482,178	1.0213
November 2008	6,035,245	6,156,478	1.0201
December 2008	8,651,905	8,894,961	1.0281
January 2009	10,153,777	10,422,152	1.0264
February 2009	7,313,440	7,479,301	1.0227
March 2009	5,345,027	5,457,954	1.0211
April 2009	3,746,307	3,823,850	1.0207
May 2009	2,033,530	2,069,144	1.0175
June 2009	1,769,465	1,797,250	1.0157
Last 12 Months	54,680,752	55,944,555	1.0231

Attachment 29A

Attachment 31A

VECTREN ENERGY DELIVERY OF OHIO

RECEIVABLES TIMELINE EXAMPLE

Bill Cycle	Scheduled Read Date			Billing Date PM			# of days with SSO Receivables
1	Wed	Mar	28	Fri	Mar	30	0
2	Thu	"	29	Mon	Apr	2	0
3	Fri	"	30	Tue	"	3	0
4	Mon	Apr	2	Wed	"	4	2
5	Tue	"	3	Thu	"	5	3
6	Wed	"	4	Fri	"	6	4
7	Thu	"	5	Mon	"	9	5
8	Fri	"	6	Tue	"	10	6
9	Mon	"	9	Wed	"	11	9
10	Tue	"	10	Thu	"	12	10
11	Wed	"	11	Fri	"	13	11
12	Thu	"	12	Mon	"	16	12
13	Fri	"	13	Tue	"	17	13
14	Mon	"	16	Wed	"	18	16
15	Tue	"	17	Thu	"	19	17
16	Wed	"	18	Fri	"	20	18
17	Thu	"	19	Mon	"	23	19
18	Fri	"	20	Tue	"	24	20
19	Mon	"	23	Wed	"	25	23
20	Tue	"	24	Thur	"	26	24
21	Wed	"	25	Fri	"	27	25

Bill Cycle	Scheduled Read Date			Billing Date PM			# of days with SSO Receivables
1	Thur	Apr	26	Mon	Apr	30	30
2	Fri		27	Tue	May	1	31
3	Mon		30	Wed	"	2	32
4	Tue	May	1	Thur	"	3	29
5	Wed	"	2	Fri	"	4	29
6	Thur	"	3	Mon	"	7	29
7	Fri	"	4	Tues	"	8	29
8	Mon	"	7	Wed	"	9	31
9	Tues	"	8	Thur	"	10	29
10	Wed	"	9	Fri	"	11	29
11	Thur	"	10	Mon	"	14	29
12	Fri	"	11	Tue	"	15	29
13	Mon	"	14	Wed	"	16	31
14	Tue	"	15	Thur	"	17	29
15	Wed	"	16	Fri	"	18	29
16	Thur	"	17	Mon	"	21	29
17	Fri	"	18	Tue	"	22	29
18	Mon	"	21	Wed	"	23	31
19	Tue	"	22	Thur	"	24	29
20	Wed	"	23	Fri	"	25	29
21	Thur	"	24	Mon	"	28	29

Bill Cycle	Scheduled Read Date			Billing Date PM			# of days with SSO Receivables
1	Fri	May	25	Tues	May	29	29
2	Mon	"	28	Wed	"	30	31
3	Tue	"	29	Thu	"	31	29
4	Wed	"	30	Fri	Jun	1	29
5	Thur	"	31	Mon	"	4	29
6	Fri	Jun	1	Tue	"	5	29
7	Mon	"	4	Wed	"	6	31
8	Tues	"	5	Thu	"	7	29
9	Wed	"	6	Fri	"	8	29
10	Thur	"	7	Mon	"	11	29
11	Fri	"	8	Tue	"	12	29
12	Mon	"	11	Wed	"	13	31
13	Tue	"	12	Thu	"	14	29
14	Wed	"	13	Fri	"	15	29
15	Thur	"	14	Mon	"	18	29
16	Fri	"	15	Tue	"	19	29
17	Mon	"	18	Wed	"	20	31
18	Tue	"	19	Thu	"	21	29
19	Wed	"	20	Fri	"	22	29
20	Thur	"	21	Mon	"	25	29
21	Fri	"	22	Tue	"	26	29

NOTE: READ AND BILL DATES ARE FROM 2007 AND ARE FOR EXAMPLE PURPOSES ONLY

Attachment 32A

1	Confirmed Deliveries
2	Allocated Propane
3	No-Notice Activity
4	**Total Supplied (lines 1+2+3)**
5	Pool Usage (Mcf)
6	Standard BTU
7	Pool Usage (Dth) (lines 5*6)
8	**Pool Requirements (line 7/1-.015)**
9	Allocated LGT imbalance (Sum of daily and monthly cash-out volumes)
10	Allocated Pipeline OBA Change
11	Allocated Line Pack Change
12	**Total Requirements (lines 8-9-10-11)**
13	Reconciliation Volumes (lines 4-12)
14	Reconciliation Price (first of the month Columbia Appalachia plus TCO fuel and Commodity)
15	**Reconciliation Amount (lines 11*-12)**

Attachment 32B

VECTREN ENERGY DELIVERY OF OHIO
SSO AND SCO BILLING TIMELINE EXAMPLE

Date	Mar-08	SSO Phase Starts Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09
		SSO PHASE STARTS	SSO PHASE	SSO PHASE	SSO PHASE	SSO PHASE	SSO PHASE	SSO PHASE	SSO PHASE	SSO PHASE	SSO PHASE	SSO PHASE	SSO PHASE	*SCO PHASE STARTS*	SCO PHASE	SCO PHASE	SCO PHASE
1		Start April SSO price cycle billing - SSO Gas flows															
2																	
3																	
4																	
5																	
6																	
7																	
8																	
9																	
10			Apr. final pipeline reports available - Post Apr. Storage Activity to EBB	May final pipeline reports available - Post May Storage Activity to EBB	June final pipeline reports available - Post June Storage Activity to EBB	July final pipeline reports available - Post July Storage Activity to EBB	Aug. final pipeline reports available - Post Aug. Storage Activity to EBB	Sept. final pipeline reports available - Post Sept. Storage Activity to EBB	Oct. final pipeline reports available - Post Oct. Storage Activity to EBB	Nov. final pipeline reports available - Post Nov. Storage Activity to EBB	Dec. final pipeline reports available - Post Dec. Storage Activity to EBB	Jan. final pipeline reports available - Post Jan Storage Activity to EBB	Feb. final pipeline reports available - Post Feb. Storage Activity to EBB	Mar. final pipeline reports available - Post Mar. Storage Activity to EBB	Apr. final pipeline reports available - Post Apr. Storage Activity to EBB	May final pipeline reports available - Post May Storage Activity to EBB	June final pipeline reports available - Post May Storage Activity to EBB
11				April usage reported	May usage reported	June usage reported	July usage reported	Aug. usage reported	Sept. usage reported	Oct. usage reported	Nov. usage reported	Dec. usage reported	Jan. usage reported	SSO Feb. usage reported	SSO Mar. usage reported	SCO Apr. usage reported	May usage reported
12			***Issue Annual Reconciliation of Choice Suppliers imbalances with billed volumes from Jul 2004 thru Mar 2008 burned volumes***														
13																	
14												Tentative SCO Auction Date					
15			Post Effective Deliveries and variances for April	Post Effective Deliveries and variances for May	Post Effective Deliveries and variances for June	Post Effective Deliveries and variances for July	Post Effective Deliveries and variances for Aug	Post Effective Deliveries and variances for Sept	Post Effective Deliveries and variances for Oct.	Post Effective Deliveries and variances for Nov.	Post Effective Deliveries and variances for Dec	Post Effective Deliveries and variances for Jan.	Post Effective Deliveries and variances for Feb.	Post Effective Deliveries and variances for Mar.	Post SCO Effective Deliveries and variances for Apr	Post Effective Deliveries and variances for May	Post Effective Deliveries and variances for June
16			Issue Statement for April receivables (approx. 15 days of billed receivables) -	Issue Statement for May receivables and April monthly reconciliation and system balancing charges and system balancing charges	Issue Statement for June receivables and May monthly reconciliation and system balancing charges	Issue Statement for July receivables and June monthly reconciliation and system balancing charges	Issue Statement for Aug. receivables and July monthly reconciliation and system balancing charges	Issue Statement for Sept. receivables and Aug. monthly reconciliation and system balancing charges	Issue Statement for Oct. receivables and Sept . monthly reconciliation and system balancing charges	Issue Statement for Nov. receivables and Oct. monthly reconciliation and system balancing charges	Issue Statement for Dec. receivables and Nov. monthly reconciliation and system balancing charges	Issue Statement for Jan. receivables and Dec. monthly reconciliation and system balancing charges	Issue Statement for Feb. receivables and Jan. monthly reconciliation and system balancing charges	Issue Statement for Mar. receivables and Feb. monthly reconciliation and system balancing charges	remaining Mar. SSO receivables (approx. the last 15 days of the month) - and Mar. SSO monthly reconciliation and system balancing charges - Issue Statements for SCO Apr. receivables (approx. the first 15 days of the month	Issue Statement for SCO May. receivables and intial statement for SCO Apr. monthly reconciliation and system balancing charges	Issue Statement for June receivables and May monthly reconciliation and system balancing charges
17																	
18																	
19																	
20	Assign April Capacity	Assign May Capacity	Assign June Capacity	Assign July Capacity	Assign Aug. Capacity	Assign Sept. Capacity	Assign Oct. Capacity	Assign Nov. Capacity	Assign Dec. Capacity	Assign Jan. Capacity	Assign Feb. Capacity	Assign Mar. Capacity	Assign SCO Suppliers Apr. Capacity	Assign May Capacity	Assign SCO June Capacity	Assign July Capacity	Assign Aug. Capacity
21																	
22																	
23																	
24																	
25																	
26																	
27																	
28																	
29																	
30																	
31	Publish SSO DDQ's for April 1 flow												Publish SCO DDQ's for April 1 flow				

Note: Dates are not exact and are for example purposes only

VEDO SSO ESTIMATED IMPLEMENTATION COSTS SUMMARIES

	LOW END ESTIMATE	HIGH END ESTIMATE
Marketer Extranet	$223,461	$293,076
Gas Transportation	$78,760	$108,540
BillGen	$265,906	$291,601
Banner	$27,726	$32,908
Forecasting	$154,990	$209,980
TIBCO	$41,800	$41,800
Project Management	$108,185	$134,585
Total Capital Costs	**$900,828**	**$1,112,490**
Allocations (8.675%)	$78,147	$96,509
Total SSO Project Costs	**$978,975**	**$1,208,999**
GRAND TOTAL LOW END	**$2,805,995**	
GRAND TOTAL HIGH END	**$3,535,370**	

VEDO SCO ESTIMATED IMPLEMENTATION COST SUMMARIES

	LOW END ESTIMATE	HIGH END ESTIMATE
Gas Transportation	$174,580	$217,780
Marketer Extranet	$104,060	$178,460
Billgen	$11,497	$37,897
Banner	$1,047,937	$1,251,267
Forecasting	$30,700	$57,300
CHOICE	$203,104	$245,344
EDI-ESG	$40,000	$55,000
Contact Center	$3,080	$5,000
Project Management	$66,220	$92,620
Total Capital Costs	**$1,681,178**	**$2,140,668**
Allocations (8.675%)	$145,842	$185,703
Total SCO Project Costs	**$1,827,020**	**$2,326,371**

*Implementation costs are considered estimates until such time as detailed requirement and design sessions are complete. Budgets will be updated to reflect new projected costs estimates as details become available.