

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

**APPLICATION NOT FOR AN INCREASE IN RATES,  
PURSUANT TO SECTION 4909.18, REVISED CODE**

In the Matter of the Application of Vectren	}	
Energy Delivery of Ohio, Inc. for Approval of	}	Case No. 13-0376-GA-ATA
Tariff Language Applicable to a Tri-Party Capacity	}	
Release Agreement.	}	

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**1. APPLICANT RESPECTFULLY PROPOSES: (Check applicable proposals)**

<u>      </u> New Service	<u>xxx</u>	Change in Rule/Regulation
<u>      </u> New Classification	<u>      </u>	Reduction in Rates
<u>      </u> Other, not involving increase	<u>      </u>	Correction in rates

**2. DESCRIPTION OF PROPOSAL**

Vectren Energy Delivery of Ohio, Inc. ("VEDO" or "Company") proposes revisions to its Tariff for Gas Service to incorporate language providing for capacity to be released to a Supplier's Designee. The language will provide access to the VEDO held pipeline transportation and storage capacity that is released pursuant to the mandatory Capacity Release requirements, as defined in 18 C.F.R. 284.8, to be released to a Supplier's Designee. Under such an arrangement, a Tri-Party Capacity Release Agreement must be executed by Choice Supplier or SCO Supplier, such Supplier's Designee, and Company before assignment of capacity and storage to such Supplier's Designee is effective. Existing Terms and Conditions corresponding to the adherence to regulations and rules for released capacity, stated in the existing tariff, remain unchanged.

**3. TARIFFS AFFECTED:**

The sheets in VEDO's Tariff for Gas Service, P.U.C.O. No. 3 which are affected by this proposal are:

Sheet No. 52, Page 8, Pooling Service Terms and Conditions (Residential and General); Sheet 56, Pages 2-7, SCO Supplier Terms and Conditions; and Sheet 59, Pages 1-7, General Terms and Conditions Applicable to Gas Service.

**4. Attached hereto and made a part hereof are:**

xxx Exhibit A - existing Sheet pages (to be superseded) if applicable.

xxx Exhibit B-1 - proposed Sheets pages.

xxx Exhibit B-2 - Red-lined Sheet pages showing changes made to existing tariffs.

       Exhibit C-1

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

       Exhibit C-2 if a change of classification, rule or regulation is proposed, a statement explaining reason for change.

xxx Exhibit C-3 statement explaining reason for any proposal not covered in Exhibits C-1 or C-2.

5. This application will not result in an increase in any rate, joint rate, toll, classification, charge or rental.
6. VEDO respectfully requests the Commission to permit the filing of the proposed Sheet pages, to become effective on the date, subsequent to filing, to be shown on the proposed pages which will be filed with the Commission; and to be in the form of the pages in Exhibit B, modified by any further revisions that have become effective prior to the effective date

Respectfully submitted,

/s/ Frank P. Darr

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

## Exhibit A

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

### **Mandatory Assignment of Pipeline Capacity:**

Company will release its pipeline transportation and storage capacity to Choice Supplier based upon a percentage to be confirmed annually of the Peak Design Day Demand of Choice Supplier's Pool. Choice Supplier shall take release of specific interstate pipeline firm transportation and storage capacity for a term, agreed to by Company, subject to Company's right of capacity recall contained elsewhere in these Terms and Conditions.

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

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

### **Monthly Reassignment of Capacity:**

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

### **Operational System Balancing:**

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

## **SCO SUPPLIER TERMS AND CONDITIONS**

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

**TCO** – Columbia Gas Transmission Corporation.

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

### **CAPACITY AND OPERATING REQUIREMENTS**

#### **Comparable Firm Capacity Requirement**

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

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

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

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

#### **Mandatory Assignment of Pipeline Capacity:**

Company will release its pipeline transportation and storage capacity to SCO Supplier based upon a percentage to be confirmed annually of the Peak Design Day Demand of SCO Supplier's Load Tranche. SCO Supplier shall take release of specific interstate pipeline firm transportation and storage capacity for the term of the SCO Service phase, subject to Company's right of capacity recall contained elsewhere in these Terms and Conditions.

## **SCO SUPPLIER TERMS AND CONDITIONS**

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 callable 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**

Company will post actual system imbalance volumes the day after flow and each SCO Supplier's prorata share of the system imbalance per the monthly PDA. Company may at its discretion perform a No-Notice nomination to SCO Supplier's Company-released TCO storage for the prior day's flow if the SCO Supplier has not (1) delivered adequate supplies to meet their DDQ or (2) met their TCO minimum city-gate allocation delivery requirement.

### **Procedure for Gas Emergency Calls:**

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

### **Allocation of Alternate Peaking Supplies:**

During the months of December through March, Company shall reserve a portion of its alternate peaking supplies capacity for SCO Suppliers, based on the product of each SCO Supplier's then-applicable Peak Design Day Demand and the percentage of Company's total design day needs forecasted to be met by alternate peaking supplies that month. The portion reserved shall be applied as a reduction to the Peak Design Day Demand that SCO Supplier must meet pursuant to its Comparable Firm Capacity Requirement.

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

SCO Supplier will be assessed a proportionate share, as determined by Company, of the costs of alternate peaking supplies used for peak shaving for hourly load shaving and any other uses of alternate peaking supplies determined to be necessary for system operation in Company's discretion.

By October 1 of each year, and when there is a material change in Company's alternate peaking capacity, Company shall indicate the percentage of SCO Supplier's Peak Design Day Demand that will be met with Company's alternate peaking supplies allocated by Company to such SCO Supplier.

### **Measurement of Customer Usage Volumes:**

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

### **Quality of Gas Delivered by SCO Supplier:**

SCO Supplier warrants that all gas delivered by or for its Tranche shall meet the quality, pressure, heating value and other quality specifications of the applicable FERC Gas Tariff of the interstate gas pipeline delivering said gas to Company.

### **Title and Warranty:**

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

## **SCO SUPPLIER TERMS AND CONDITIONS**

### **ANNUAL VOLUME RECONCILIATION**

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

### **SCO SUPPLIER DEFAULT OR TERMINATION**

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

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

### **DEFINITIONS**

Unless otherwise specified in the Rate Schedule, the following terms shall have the meanings defined below when used in this Tariff for Gas Service:

#### **Abbreviations:**

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

**Alternate Fuel** – The form of energy used by Customer in place of Gas Service during Curtailment Periods. Gas Service provided by Company under another Rate Schedule shall not qualify as an Alternate Fuel.

**Annual Usage** – Customer's actual total gas usage for the most recent twelve consecutive billing months, or Company's estimate of Customer's total gas usage for twelve consecutive billing months when actual usage information is not available.

**Bill** – An itemized list or statement of fees and charges for Gas Service. A Bill may be rendered by mail or by electronic means.

**British Thermal Unit** – The average amount of heat necessary to increase the temperature of one pound of water by 1° Fahrenheit, in the temperature range of 32° to 212° Fahrenheit, at 14.73 pounds per square inch absolute pressure.

**Cashout** – The monetary settlement of over-delivery and under-delivery gas imbalances between Company and Pool Operators or Transportation Customers.

**Central Clock Time (CCT)** – Central Daylight Time when daylight savings time is in effect and Central Standard Time when daylight savings time is not in effect.

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

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

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Filed pursuant to the Finding and Order dated January 7, 2009 in Case No. 07-1080-GA-AIR of The Public Utilities Commission of Ohio.

Issued February 17, 2009      Issued by Jerrold L. Ulrey, Vice-President      Effective February 22, 2009

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

### **DEFINITIONS (Continued)**

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

**Commercial Customer** – Any Customer primarily engaged in wholesale or retail trade and services (including central heating and air conditioning facilities of apartment complexes), any local, state and federal governmental agency, and any Customer not covered by another classification. When Gas Service is supplied through one meter to an apartment house or multiple dwelling, the service shall be classified as Commercial, in which case the applicable Non-Residential Rate Schedule shall apply.

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

**Commission's Regulations** – The OAC applicable to services provided to customers of natural gas companies regulated by the Commission.

**Company** – Vectren Energy Delivery of Ohio, Inc.

**Company's General Terms and Conditions** – General Terms and Conditions Applicable to Gas Service, as amended from time to time, and as approved by the Commission as part of this Tariff for Gas Service.

**Comparable Firm Capacity Requirement** - The requirement that Choice Supplier secure firm interstate pipeline capacity with a primary delivery point of Company's city gates and firm supplies to meet 100% of Choice Supplier's Pool's Peak Design Day Demand for the applicable month, less a percentage during the winter months reflecting the Pool's entitlement to Company's alternate peaking supplies.

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

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

**Curtailement Procedures** – Rule 11 of Company's General Terms and Conditions.

**Customer** – Any individual, partnership, association, firm, public or private corporation or any other entity who agrees to receive Gas Service from Company.

**Customer-Delivered Gas** – Gas delivered to Company's distribution system by or on behalf of Customer.

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

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Filed pursuant to the Opinion and Order dated May 16, 2012 in Case No. 12-483-GA-EXM of The Public Utilities Commission of Ohio.

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

### **DEFINITIONS (Continued)**

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

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

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

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

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

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

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

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

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

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

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

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

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Filed pursuant to the Opinion and Order dated May 16, 2012 in Case No. 12-483-GA-EXM of The Public Utilities Commission of Ohio.

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

### **DEFINITIONS (Continued)**

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

**Heating Degree Day** – A standard measure of the coldness of the temperatures experienced, based on the extent to which the daily mean temperature falls below a reference temperature of 65 Fahrenheit.

**Industrial Customer** – A Customer primarily engaged in a process that creates or changes raw or unfinished materials into another form or product.

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

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

**Mercantile Customer** – As defined in division (L) of Section 4929.01 of the ORC. In summary, it means a Customer that: 1) consumes, other than for Residential use, more than 5,000 Ccf of natural gas per year at a single location or as part of an undertaking having more than 3 locations within or outside the state, and 2) has not filed a declaration with the Commission.

**Mercantile Pool** – A Pool that contains any Customers meeting the definition of a Mercantile Customer.

**Miscellaneous Charges** – Charges common to all Rate Schedules, relating to, among others, late payments, reconnection of service, returned checks, and unauthorized or fraudulent gas usage.

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

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

**Operational Flow Order (OFO)** – An order issued by Company via its EBB, fax machine, or telephone to Pool Operator or Transportation Customer specifying reduced imbalance tolerance levels during critical situations.

**Operational System** – Any portion of Company's distribution system for which deliveries and gas demands must be balanced separately from other portions of the distribution system, due to operational and contractual limitations.

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

**Peak Design Day Demand** – means the then-effective forecasted peak design day usages of a Customer Pool as calculated and communicated by Company.

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

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Filed pursuant to the Opinion and Order dated April 30, 2008 in Case No. 07-1285-GA-EXM of The Public Utilities Commission of Ohio.

## **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 Alternate Peaking Supply purposes.

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Filed pursuant to the Opinion and Order dated May 16, 2012 in Case No. 12-483-GA-EXM of The Public Utilities Commission of Ohio.



## Exhibit B-1

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

### **Mandatory Assignment of Pipeline Capacity:**

Company will release its pipeline transportation and storage capacity to Choice Supplier based upon a percentage to be confirmed annually of the Peak Design Day Demand of Choice Supplier's Pool. Choice Supplier may elect to have a Choice Supplier's Designee take release of Choice Supplier's allocation of pipeline transportation and storage capacity. Choice Supplier's Designee must be a signatory party to a Choice Tri-Party Capacity Release Agreement as set forth below. Choice Supplier or Choice Supplier's Designee 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 or Choice Supplier's Designee 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 or Choice Supplier's Designee 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 or Choice Supplier's Designee 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 or Choice Supplier's Designee may re-release any capacity assigned to it hereunder except TCO storage capacity, provided that: 1) Choice Supplier or Choice Supplier's Designee 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 or Choice Supplier's Designee 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.

### **Choice Tri-Party Capacity Release Agreement:**

A Choice Tri-Party Capacity Release Agreement must be executed by Choice Supplier, Choice Supplier's Designee and Company before the assignment of pipeline transportation and/or storage capacity and all other terms and conditions contained in such Choice Tri-Party Capacity Release Agreement are effective. Choice Supplier's Designee shall be subject to Company's approval. Company retains discretion to reject a proposed Choice Supplier Designee based on a creditworthiness evaluation or other issues that take into consideration the reliability of performance of all obligations, including financial obligations. Choice Supplier's Designee must comply with all capacity release requirements and re-release limitations, either per this Tariff for Gas Service or per Company operating procedures. Choice Supplier shall remain responsible for both its and its Choice Supplier's Designee's compliance with the requirements of Company's Choice program.

### **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.

## **SCO SUPPLIER TERMS AND CONDITIONS**

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

**TCO** – Columbia Gas Transmission Corporation.

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

### **CAPACITY AND OPERATING REQUIREMENTS**

#### **Comparable Firm Capacity Requirement**

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

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

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

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

#### **Mandatory Assignment of Pipeline Capacity:**

Company will release its pipeline transportation and storage capacity to SCO Supplier based upon a percentage to be confirmed annually of the Peak Design Day Demand of SCO Supplier's Load Tranche. SCO Supplier may elect to have a SCO Supplier's Designee take release of SCO Supplier's allocation of pipeline transportation and storage capacity. SCO Supplier's Designee must be a signatory party to a SCO Tri-Party Capacity Release Agreement as set forth below. SCO Supplier or SCO Supplier's Designee 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 or SCO Supplier's Designee 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 or SCO Supplier's Designee 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 or SCO Supplier's Designee 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 or SCO Supplier's Designee may re-release on a recallable basis any transportation capacity released to it hereunder, provided that: 1) SCO Supplier or SCO Supplier's Designee 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 or SCO Supplier's Designee 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.

### **SCO Tri-Party Capacity Release Agreement:**

A SCO Tri-Party Capacity Release Agreement must be executed by SCO Supplier, SCO Supplier's Designee and Company before the assignment of pipeline transportation and/or storage capacity and all other terms and conditions contained in such SCO Tri-Party Capacity Release Agreement are effective. SCO Supplier's Designee shall be subject to Company's approval. Company retains discretion to reject a proposed SCO Supplier's Designee based on a creditworthiness evaluation or other issues that take into consideration the reliability of performance of all obligations, including financial obligations. SCO Supplier's Designee must comply with all capacity release requirements and re-release limitations, either per this Tariff for Gas Service or per Company operating procedures. SCO Supplier shall remain responsible for both its and its SCO Supplier's Designee's compliance with the requirements of Company's SCO program.

### **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 SUPPLIER TERMS AND CONDITIONS**

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.

### **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.

## **SCO SUPPLIER TERMS AND CONDITIONS**

- (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.

### **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**

Company will post actual system imbalance volumes the day after flow and each SCO Supplier's prorata share of the system imbalance per the monthly PDA. Company may at its discretion perform a No-Notice nomination to SCO Supplier's Company-released TCO storage for the prior day's flow if the SCO Supplier has not (1) delivered adequate supplies to meet their DDQ or (2) met their TCO minimum city-gate allocation delivery requirement.

### **Procedure for Gas Emergency Calls:**

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

### **Allocation of Alternate Peaking Supplies:**

During the months of December through March, Company shall reserve a portion of its alternate peaking supplies capacity for SCO Suppliers, based on the product of each SCO Supplier's then-applicable Peak Design Day Demand and the percentage of Company's total design day needs forecasted to be met by alternate peaking supplies that month. The portion reserved shall be applied as a reduction to the Peak Design Day Demand that SCO Supplier must meet pursuant to its Comparable Firm Capacity Requirement.

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

SCO Supplier will be assessed a proportionate share, as determined by Company, of the costs of alternate peaking supplies used for peak shaving for hourly load shaving and any other uses of alternate peaking supplies determined to be necessary for system operation in Company's discretion.

By October 1 of each year, and when there is a material change in Company's alternate peaking capacity, Company shall indicate the percentage of SCO Supplier's Peak Design Day Demand that will be met with Company's alternate peaking supplies allocated by Company to such SCO Supplier.

### **Measurement of Customer Usage Volumes:**

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

### **Quality of Gas Delivered by SCO Supplier:**

SCO Supplier warrants that all gas delivered by or for its Tranche shall meet the quality, pressure, heating value and other quality specifications of the applicable FERC Gas Tariff of the interstate gas pipeline delivering said gas to Company.

### **Title and Warranty:**

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

## **SCO SUPPLIER TERMS AND CONDITIONS**

### **ANNUAL VOLUME RECONCILIATION**

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

### **SCO SUPPLIER DEFAULT OR TERMINATION**

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



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

### **DEFINITIONS**

Unless otherwise specified in the Rate Schedule, the following terms shall have the meanings defined below when used in this Tariff for Gas Service:

#### **Abbreviations:**

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

**Alternate Fuel** – The form of energy used by Customer in place of Gas Service during Curtailment Periods. Gas Service provided by Company under another Rate Schedule shall not qualify as an Alternate Fuel.

**Annual Usage** – Customer's actual total gas usage for the most recent twelve consecutive billing months, or Company's estimate of Customer's total gas usage for twelve consecutive billing months when actual usage information is not available.

**Bill** – An itemized list or statement of fees and charges for Gas Service. A Bill may be rendered by mail or by electronic means.

**British Thermal Unit** – The average amount of heat necessary to increase the temperature of one pound of water by 1° Fahrenheit, in the temperature range of 32° to 212° Fahrenheit, at 14.73 pounds per square inch absolute pressure.

**Cashout** – The monetary settlement of over-delivery and under-delivery gas imbalances between Company and Pool Operators or Transportation Customers.

**Central Clock Time (CCT)** – Central Daylight Time when daylight savings time is in effect and Central Standard Time when daylight savings time is not in effect.

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

**Choice Supplier's Designee** – person or legal entity with whom Choice Supplier has entered into agreement to provide natural gas supply sufficient to satisfy Choice Supplier's obligations under Company's Choice program.

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Filed pursuant to the Finding and Order dated XXXXXX in Case No. XXXXXX of The Public Utilities Commission of Ohio.

Issued xxxxx      Issued by Scott E. Albertson, Vice-President      Effective xxxxx

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

### **DEFINITIONS (Continued)**

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

**Choice Tri-Party Capacity Release Agreement** - agreement among Company, Choice Supplier, and Choice Supplier's Designee whereby the parties agree that Choice Supplier has identified Choice Supplier's Designee to be the recipient of Choice Supplier's allocated release capacity and to be bound by the terms and conditions applicable to Choice Supplier regarding capacity release and storage and all other applicable terms and conditions and legal requirements.

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

**Commercial Customer** - Any Customer primarily engaged in wholesale or retail trade and services (including central heating and air conditioning facilities of apartment complexes), any local, state and federal governmental agency, and any Customer not covered by another classification. When Gas Service is supplied through one meter to an apartment house or multiple dwelling, the service shall be classified as Commercial, in which case the applicable Non-Residential Rate Schedule shall apply.

**Commission** - The Public Utilities Commission of Ohio, or PUCO.

**Commission's Regulations** - The OAC applicable to services provided to customers of natural gas companies regulated by the Commission.

**Company** - Vectren Energy Delivery of Ohio, Inc.

**Company's General Terms and Conditions** - General Terms and Conditions Applicable to Gas Service, as amended from time to time, and as approved by the Commission as part of this Tariff for Gas Service.

**Comparable Firm Capacity Requirement** - The requirement that Choice Supplier secure firm interstate pipeline capacity with a primary delivery point of Company's city gates and firm supplies to meet 100% of Choice Supplier's Pool's Peak Design Day Demand for the applicable month, less a percentage during the winter months reflecting the Pool's entitlement to Company's alternate peaking supplies.

**Curtailment** - The limitation of the Gas Service available to Customer pursuant to Company's Curtailment Procedures.

**Curtailment Period** - The period of time, as specified by Company, during which Gas Service is subject to Curtailment.

**Curtailment Procedures** - Rule 11 of Company's General Terms and Conditions.

**Customer** - Any individual, partnership, association, firm, public or private corporation or any other entity who agrees to receive Gas Service from Company.

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Filed pursuant to the Opinion and Order dated XXXXXX in Case No. XXXXXX of The Public Utilities Commission of Ohio.

Issued xxxx Issued by Scott E. Albertson, Vice-President Effective xxxxx

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

### **DEFINITIONS (Continued)**

**Customer-Delivered Gas** – Gas delivered to Company's distribution system by or on behalf of Customer.

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

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

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

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

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

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

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

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

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

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

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

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

### **DEFINITIONS (Continued)**

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

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

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

**Heating Degree Day** – A standard measure of the coldness of the temperatures experienced, based on the extent to which the daily mean temperature falls below a reference temperature of 65° Fahrenheit.

**Industrial Customer** – A Customer primarily engaged in a process that creates or changes raw or unfinished materials into another form or product.

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

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

**Mercantile Customer** - As defined in division (L) of Section 4929.01 of the ORC. In summary, it means a Customer that: 1) consumes, other than for Residential use, more than 5,000 Ccf of natural gas per year at a single location or as part of an undertaking having more than 3 locations within or outside the state, and 2) has not filed a declaration with the Commission.

**Mercantile Pool** - A Pool that contains any Customers meeting the definition of a Mercantile Customer.

**Miscellaneous Charges** – Charges common to all Rate Schedules, relating to, among others, late payments, reconnection of service, returned checks, and unauthorized or fraudulent gas usage.

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

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

**Operational Flow Order (OFO)** – An order issued by Company via its EBB, fax machine, or telephone to Pool Operator or Transportation Customer specifying reduced imbalance tolerance levels during critical situations.

**Operational System** – Any portion of Company's distribution system for which deliveries and gas demands must be balanced separately from other portions of the distribution system, due to operational and contractual limitations.

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

**Peak Design Day Demand** – means the then-effective forecasted peak design day usages of a Customer Pool as calculated and communicated by Company.

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

### **DEFINITIONS (Continued)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **DEFINITIONS (Continued)**

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

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

**SCO Supplier's Designee** - person or legal entity with whom SCO Supplier has entered into agreement to provide natural gas supply sufficient to satisfy SCO Supplier's obligations under Company's SCO program.

**SCO Tri-Party Capacity Release Agreement** - agreement among Company, SCO Supplier, and SCO Supplier's Designee whereby the parties agree that SCO Supplier has identified SCO Supplier's Designee to be the recipient of SCO Supplier's allocated release capacity and to be bound by the terms and conditions applicable to SCO Supplier regarding capacity release and storage and all other applicable terms and conditions and legal requirements.

**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 participation in a service, including Rate 385 - Pooling Service and Rate 396 - SCO Supplier Service.

**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.

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Filed pursuant to the Finding and Order dated XXXXXX in Case No. XXXXXX of The Public Utilities Commission of Ohio.

Issued xxxxx

Issued by Scott E. Albertson, Vice-President

Effective xxxxx

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

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

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

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

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

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

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

## Exhibit B-2



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

### **Mandatory Assignment of Pipeline Capacity:**

Company will release its pipeline transportation and storage capacity to Choice Supplier based upon a percentage to be confirmed annually of the Peak Design Day Demand of Choice Supplier's Pool. Choice Supplier may elect to have a Choice Supplier's Designee take release of Choice Supplier's allocation of pipeline transportation and storage capacity. Choice Supplier's Designee must be a signatory party to a Choice Tri-Party Capacity Release Agreement as set forth below. Choice Supplier or Choice Supplier's Designee 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 or Choice Supplier's Designee 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 or Choice Supplier's Designee 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 or Choice Supplier's Designee 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 or Choice Supplier's Designee may re-release any capacity assigned to it hereunder except TCO storage capacity, provided that: 1) Choice Supplier or Choice Supplier's Designee 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 or Choice Supplier's Designee 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.

### **Choice Tri-Party Capacity Release Agreement:**

A Choice Tri-Party Capacity Release Agreement must be executed by Choice Supplier, Choice Supplier's Designee and Company before the assignment of pipeline transportation and/or storage capacity and all other terms and conditions contained in such Choice Tri-Party Capacity Release Agreement are effective. Choice Supplier's Designee shall be subject to Company's approval. Company retains discretion to reject a proposed Choice Supplier Designee based on a creditworthiness evaluation or other issues that take into consideration the reliability of performance of all obligations, including financial obligations. Choice Supplier's Designee must comply with all capacity release requirements and re-release limitations, either per this Tariff for Gas Service or per Company operating procedures. Choice Supplier shall remain responsible for both its and its Choice Supplier's Designee's compliance with the requirements of Company's Choice program.

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### **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.

Filed pursuant to the Finding and Order dated May 16, 2012XXXX in Case No. 12-483-GA-EXM-13-XXXX-GA-ATA of The Public Utilities Commission of Ohio.

Issued May 17xxxxx, 2012 — Issued by Jerrold L. UlreyScott E. Albertson, Vice-President Effective May 17xxxxxx, 2012

## **SCO SUPPLIER TERMS AND CONDITIONS**

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

**TCO** - Columbia Gas Transmission Corporation.

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

### **CAPACITY AND OPERATING REQUIREMENTS**

#### **Comparable Firm Capacity Requirement**

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

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

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

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

#### **Mandatory Assignment of Pipeline Capacity:**

Company will release its pipeline transportation and storage capacity to SCO Supplier based upon a percentage to be confirmed annually of the Peak Design Day Demand of SCO Supplier's Load Tranche. SCO Supplier may elect to have a SCO Supplier's Designee take release of SCO Supplier's allocation of pipeline transportation and storage capacity. SCO Supplier's Designee must be a signatory party to a SCO Tri-Party Capacity Release Agreement as set forth below. SCO Supplier or SCO Supplier's Designee 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.

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Filed pursuant to the Finding and Order dated May 16, 2012 XXXXX in Case No. 12-483-GA-EXM  
XXXXXX of The Public Utilities Commission of Ohio.

Issued May 17, 2012 xxxxx Issued by Jerold L. Ulrey Scott E. Albertson, Vice-President Effective May 17, 2012 xxxxx

## 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 or SCO Supplier's Designee 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 or SCO Supplier's Designee 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 or SCO Supplier's Designee does not perform in accordance with the SCO Supplier Agreement or fails to comply with provisions set forth in these Terms and Conditions.

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SCO Supplier or SCO Supplier's Designee may re-release on a recallable basis any transportation capacity released to it hereunder, provided that: 1) SCO Supplier or SCO Supplier's Designee 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 or SCO Supplier's Designee 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.

### SCO Tri-Party Capacity Release Agreement:

A SCO Tri-Party Capacity Release Agreement must be executed by SCO Supplier, SCO Supplier's Designee and Company before the assignment of pipeline transportation and/or storage capacity and all other terms and conditions contained in such SCO Tri-Party Capacity Release Agreement are effective. SCO Supplier's Designee shall be subject to Company's approval. Company retains discretion to reject a proposed SCO Supplier's Designee based on a creditworthiness evaluation or other issues that take into consideration the reliability of performance of all obligations, including financial obligations. SCO Supplier's Designee must comply with all capacity release requirements and re-release limitations, either per this Tariff for Gas Service or per Company operating procedures. SCO Supplier shall remain responsible for both its and its SCO Supplier's Designee's compliance with the requirements of Company's SCO program.

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### 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.

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### 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.

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Filed pursuant to the Finding and Order dated November 4, 2009-XXXXXX in Case No. 07-1285-GA-EXM  
XXXXXX of The Public Utilities Commission of Ohio.

Issued March 29, 2010-xxxxx  
1, 2010-xxxxx

Issued by Jerrold L. Ulrey Scott E. Albertson, Vice-President Effective April

## **SCO SUPPLIER TERMS AND CONDITIONS**

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.

### **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.

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4, 2010-xxxxx

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## **SCO SUPPLIER TERMS AND CONDITIONS**

- (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.

### **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.

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Issued March 29, 2010 ~~xxxxx~~  
1, 2010 ~~xxxxx~~

Issued by ~~Jerrold L. Ulrey~~ Scott E. Albertson, Vice-President Effective April

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## **SCO SUPPLIER TERMS AND CONDITIONS**

Company will post actual system imbalance volumes the day after flow and each SCO Supplier's prorata share of the system imbalance per the monthly PDA. Company may at its discretion perform a No-Notice nomination to SCO Supplier's Company-released TCO storage for the prior day's flow if the SCO Supplier has not (1) delivered adequate supplies to meet their DDQ or (2) met their TCO minimum city-gate allocation delivery requirement.

### **Procedure for Gas Emergency Calls:**

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

### **Allocation of Alternate Peaking Supplies:**

During the months of December through March, Company shall reserve a portion of its alternate peaking supplies capacity for SCO Suppliers, based on the product of each SCO Supplier's then-applicable Peak Design Day Demand and the percentage of Company's total design day needs forecasted to be met by alternate peaking supplies that month. The portion reserved shall be applied as a reduction to the Peak Design Day Demand that SCO Supplier must meet pursuant to its Comparable Firm Capacity Requirement.

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

SCO Supplier will be assessed a proportionate share, as determined by Company, of the costs of alternate peaking supplies used for peak shaving for hourly load shaving and any other uses of alternate peaking supplies determined to be necessary for system operation in Company's discretion.

By October 1 of each year, and when there is a material change in Company's alternate peaking capacity, Company shall indicate the percentage of SCO Supplier's Peak Design Day Demand that will be met with Company's alternate peaking supplies allocated by Company to such SCO Supplier.

### **Measurement of Customer Usage Volumes:**

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

### **Quality of Gas Delivered by SCO Supplier:**

SCO Supplier warrants that all gas delivered by or for its Tranche shall meet the quality, pressure, heating value and other quality specifications of the applicable FERC Gas Tariff of the interstate gas pipeline delivering said gas to Company.

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### **Title and Warranty:**

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

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Issued May 17, 2012 xxxxx  
May 17, 2012 xxxxx

Issued by Jerrold L. Ulrey Scott E. Albertson, Vice-President Effective

## **SCO SUPPLIER TERMS AND CONDITIONS**

### **ANNUAL VOLUME RECONCILIATION**

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

### **SCO SUPPLIER DEFAULT OR TERMINATION**

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

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

### **DEFINITIONS**

Unless otherwise specified in the Rate Schedule, the following terms shall have the meanings defined below when used in this Tariff for Gas Service:

#### **Abbreviations:**

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

**Alternate Fuel** – The form of energy used by Customer in place of Gas Service during Curtailment Periods. Gas Service provided by Company under another Rate Schedule shall not qualify as an Alternate Fuel.

**Annual Usage** – Customer's actual total gas usage for the most recent twelve consecutive billing months, or Company's estimate of Customer's total gas usage for twelve consecutive billing months when actual usage information is not available.

**Bill** – An itemized list or statement of fees and charges for Gas Service. A Bill may be rendered by mail or by electronic means.

**British Thermal Unit** – The average amount of heat necessary to increase the temperature of one pound of water by 1° Fahrenheit, in the temperature range of 32° to 212° Fahrenheit, at 14.73 pounds per square inch absolute pressure.

**Cashout** – The monetary settlement of over-delivery and under-delivery gas imbalances between Company and Pool Operators or Transportation Customers.

**Central Clock Time (CCT)** – Central Daylight Time when daylight savings time is in effect and Central Standard Time when daylight savings time is not in effect.

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

**Choice Supplier's Designee** – person or legal entity with whom Choice Supplier has entered into agreement to provide natural gas supply sufficient to satisfy Choice Supplier's obligations under Company's Choice program.

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Filed pursuant to the Finding and Order dated January 7, 2009XXXXXX in Case No. 07-1080-GA-AIRXXXXXX of The Public Utilities Commission of Ohio.

Issued February 17, 2009xxxxx      Issued by Jerrold I. UlreyScott E. Albertson, Vice-President  
Effective February 22, 2009xxxxx



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

### **DEFINITIONS (Continued)**

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

**Choice Tri-Party Capacity Release Agreement** - agreement among Company, Choice Supplier, and Choice Supplier's Designee whereby the parties agree that Choice Supplier has identified Choice Supplier's Designee to be the recipient of Choice Supplier's allocated release capacity and to be bound by the terms and conditions applicable to Choice Supplier regarding capacity release and storage and all other applicable terms and conditions and legal requirements.

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

**Commercial Customer** - Any Customer primarily engaged in wholesale or retail trade and services (including central heating and air conditioning facilities of apartment complexes), any local, state and federal governmental agency, and any Customer not covered by another classification. When Gas Service is supplied through one meter to an apartment house or multiple dwelling, the service shall be classified as Commercial, in which case the applicable Non-Residential Rate Schedule shall apply.

**Commission** - The Public Utilities Commission of Ohio, or PUCO.

**Commission's Regulations** - The OAC applicable to services provided to customers of natural gas companies regulated by the Commission.

**Company** - Vectren Energy Delivery of Ohio, Inc.

**Company's General Terms and Conditions** - General Terms and Conditions Applicable to Gas Service, as amended from time to time, and as approved by the Commission as part of this Tariff for Gas Service.

**Comparable Firm Capacity Requirement** - The requirement that Choice Supplier secure firm interstate pipeline capacity with a primary delivery point of Company's city gates and firm supplies to meet 100% of Choice Supplier's Pool's Peak Design Day Demand for the applicable month, less a percentage during the winter months reflecting the Pool's entitlement to Company's alternate peaking supplies.

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

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

**Curtailement Procedures** - Rule 11 of Company's General Terms and Conditions.

**Customer** - Any individual, partnership, association, firm, public or private corporation or any other entity who agrees to receive Gas Service from Company.

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Issued May 17, 2012 xxx Issued by Jerrold L. UreyScott E. Albertson, Vice-President Effective May 17, 2012 xxxxx

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

### **DEFINITIONS (Continued)**

**Customer-Delivered Gas** – Gas delivered to Company's distribution system by or on behalf of Customer.

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

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

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

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

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

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

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

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

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

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

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

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Issued May 17, 2012 xxxx Issued by Jerrold L. UlreyScott E. Albertson, Vice-President Effective May 17,  
2012 xxxxx

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

### **DEFINITIONS (Continued)**

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

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

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

**Heating Degree Day** – A standard measure of the coldness of the temperatures experienced, based on the extent to which the daily mean temperature falls below a reference temperature of 65° Fahrenheit.

**Industrial Customer** – A Customer primarily engaged in a process that creates or changes raw or unfinished materials into another form or product.

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

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

**Mercantile Customer** – As defined in division (L) of Section 4929.01 of the ORC. In summary, it means a Customer that: 1) consumes, other than for Residential use, more than 5,000 Ccf of natural gas per year at a single location or as part of an undertaking having more than 3 locations within or outside the state, and 2) has not filed a declaration with the Commission.

**Mercantile Pool** – A Pool that contains any Customers meeting the definition of a Mercantile Customer.

**Miscellaneous Charges** – Charges common to all Rate Schedules, relating to, among others, late payments, reconnection of service, returned checks, and unauthorized or fraudulent gas usage.

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

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

**Operational Flow Order (OFO)** – An order issued by Company via its EBB, fax machine, or telephone to Pool Operator or Transportation Customer specifying reduced imbalance tolerance levels during critical situations.

**Operational System** – Any portion of Company's distribution system for which deliveries and gas demands must be balanced separately from other portions of the distribution system, due to operational and contractual limitations.

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

**Peak Design Day Demand** – means the then-effective forecasted peak design day usages of a Customer Pool as calculated and communicated by Company.

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Filed pursuant to the Opinion and Order dated April 30, 2008 ~~XXXXXX~~ in Case No. 07-1285-GA-EXM  
~~XXXXXX~~ of The Public Utilities Commission of Ohio.

Issued March 29, 2010 ~~xxxx~~ Issued by Jerrold L. Ulrey Scott E. Albertson, Vice-President Effective April 1, 2010 ~~xxxxx~~

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

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### **DEFINITIONS (Continued)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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Filed pursuant to the Finding and Order dated November 4, 2009 ~~XXXXXX~~ in Case No. 07-1285-GA-EXM  
~~XXXXXX~~ of The Public Utilities Commission of Ohio.

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April 1, 2010 ~~xxxxx~~

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

### **DEFINITIONS (Continued)**

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

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

**SCO Supplier's Designee** - person or legal entity with whom SCO Supplier has entered into agreement to provide natural gas supply sufficient to satisfy SCO Supplier's obligations under Company's SCO program.

**SCO Tri-Party Capacity Release Agreement** - agreement among Company, SCO Supplier, and SCO Supplier's Designee whereby the parties agree that SCO Supplier has identified SCO Supplier's Designee to be the recipient of SCO Supplier's allocated release capacity and to be bound by the terms and conditions applicable to SCO Supplier regarding capacity release and storage and all other applicable terms and conditions and legal requirements.

**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 participation in a service, including Rate 385 - Pooling Service and Rate 396 - SCO Supplier Service.

**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.

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EXMXXXXXX of The Public Utilities Commission of Ohio.

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Issued by Jerrold L. Ulrey Scott E. Albertson, Vice-President

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

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

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

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

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

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

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

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~~EXMXXXXX~~ of The Public Utilities Commission of Ohio.

Issued May 17, 2012 ~~xxxxx~~  
Effective May 17, 2012 ~~xxxxx~~

Issued by Jerrold L. Ulrey Scott E. Albertson, Vice-President

### **Exhibit C-3**

The proposed language will authorize the release of the VEDO held pipeline transportation and storage capacity to an SCO or Choice Supplier's Designee. The Choice Supplier's Designee is a person or entity that has agreed to provide natural gas supply sufficient to satisfy the Choice Supplier's obligation. The SCO Supplier's Designee is a person or entity that has agreed to provide natural gas supply sufficient to satisfy the SCO Supplier's obligation.

A Choice Tri-Party Capacity Release Agreement must be executed by Choice Supplier, such Choice Supplier's Designee, and Company before assignment of capacity and storage to a Choice Supplier's Designee is effective. A SCO Tri-Party Capacity Release Agreement must be executed by a SCO Supplier, such SCO Supplier's Designee, and Company before assignment of capacity and storage to a SCO Supplier's Designee is effective. The existing Terms and Conditions requiring adherence to regulations and rules for released capacity, stated in the existing tariff, are not changed.

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**2/6/2013 3:51:38 PM**

**in**

**Case No(s). 13-0376-GA-ATA**

Summary: Application Vectren Energy Delivery of Ohio, Inc.'s Application for Approval of Tariff Language Applicable to a Tri-Party Capacity Release Agreement electronically filed by Ms. Vicki L. Leach-Payne on behalf of Darr, Frank P. Mr.