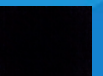




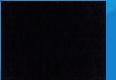
*2022 SCO Auction
CenterPoint Energy Ohio (CEOH)*

Last updated 9/2021





Auction



- The Standard Choice Offer (SCO) Phase:
 - Began officially on April 1, 2010.
 - The annual auction period is from April 1st through March 31st
 - All Default Sales Service (DSS) customers that are Choice eligible will become SCO customers on the SCO Initiation Date of April 1st.
 - SCO customers will remain on SCO.
 - SCO Suppliers will be randomly assigned to all customers' premises.

- CEOH's SCO Auction is typically held annually in January.
 - Bidders must be qualified Competitive Retail Natural Gas (CRNG) Suppliers.
 - The bids during each auction will be specified as an adjustment (the "retail price adjustment") to the NYMEX monthly settlement price and will be fixed for the entire one-year term applicable to each SCO auction.
 - The retail price adjustment for auction purposes shall be stated in dollars per Mcf.
 - CEOH's auctioned load ("SCO quantities") will consist of all Standard Choice Offer customers' annual volumes in Mcf, plus a proportionate share of CEOH's DSS customers' volumes.
 - The quantities will be divided as equally as possible into nine (9) customer load tranches and will consist of residential and commercial customers' loads.
 - **A maximum of three (3) customer load tranches (33% of total SCO quantities)** will be awarded to any individual Supplier in the initial auction.
 - CEOH has hired, Enel X, an independent auction manager, to conduct a descending clock auction.

- A descending clock auction proceeds in a series of rounds:
 - At the beginning of each round, the Auction Manager announces the price per Mcf, and each bidder bids the number of tranches it is willing and able to supply at that price.
 - **The initial bid price as determined for each auction period is documented in the Auction Rules pdf file located on the CenterPoint Energy website**
 - As the price declines from one round to the next (at \$0.10/Mcf decrements), a bidder can bid the same number of or fewer tranches than it bid in the preceding round, but not more tranches.
 - **End of Auction Procedures:**
 - The auction will close in one of two ways; either 1) when the total number of tranches bid equals exactly the number needed to serve CEOH customer requirements or 2) when the total number of tranches bid is less than the number needed to serve CEOH customer requirements, at which point a sealed bid round will be implemented.

- **End of Auction Scenario 1 - Total Number of Tranches Bid Equals Exactly Total Number of Available Tranches:**
 - At the end of the Reporting Phase of the round in which the number of tranches bid equals the number of tranches offered.
- **End of Auction Scenario 2 - Total Number of Tranches Bid is Less Than Total Number of Available Tranches – Sealed Bid Round:**
 - If the auction proceeds to the point where an over-supplied round is followed by an under-supplied round, each bidder that submitted a bid in the last over-supplied round must submit a sealed bid identifying both the number of tranches that it is willing to supply and the best possible price at which it is willing to supply them.
 - If there are not enough tranches bid into the sealed bid round, the Retail Price Adjustment will default back to that of the last over-supplied round. Tranches will be allocated to suppliers based on the number of tranches they bid in the last over-supplied round. All awarded suppliers will be paid the Retail Price Adjustment of the last over-supplied round regardless of their sealed bid round prices.
- The sealed bid process may result in more than 9 tranches being allocated.
- Details of the sealed bid auction process are provided in CEOH's SCO Auction Rules.
- The winning bid price and winning bidders will be immediately filed with the PUCO for their approval.
- Bidders' names will be held confidential for 15 days.

- **SCO Auction Contingency Plan:**
 - In the event that the initial SCO Auction is unsuccessful, a subsequent SCO Auction will be held.
 - CEOH will consult with PUCO Staff to determine what variables of the auction will change for the subsequent auction.
 - This subsequent auction will be conducted approximately two weeks from the original auction date.
 - Only Competitive Retail Natural Gas (CRNG)-certified Suppliers meeting creditworthiness and other applicable requirements may participate in the initial and/or the subsequent auction.
- **Auction Rules are subject to change and will be distributed to potential SCO bidders prior to each annual auction.**



- The SCO Price each month will be the NYMEX settlement price for such month (converted to Mcf using the standard BTU Value, as stated in the Tariff of 1.070) plus the retail price adjustment determined by the SCO Auction. It will be converted to a price per Ccf for SCO Customer billing purposes.
 - The standard BTU Value shall be 1.070.
 - This value can only change in a CEOH base rate case.
 - CEOH implemented the Energy Conversion Factor (“ECF”, Tariff Sheet No. 47) which adjusts Metered Ccf to Billing Ccf, based on the ratio of the actual BTU value for the month to the standard BTU value in the rate case.
 - Billing Ccf is the basis for all tariff charges, and the starting data point for all conversion to Dth.
 - Example:
 - Actual BTU value is 1.060 – ECF is 0.9907 (1.060 / 1.070).
 - Actual Metered Ccf is 100 Ccf.
 - Billing Ccf becomes 99.07 Ccf (100 x 0.9907).



2022 CEOH SCO Auction Timeline

Key Dates



- Please see CEOH website for key dates and timeline.



- Default Sales Service (DSS) will be a regulated sales service applicable to the following types of customers:
 - Percentage of Income Payment Plan (PIPP) customers
 - Choice ineligible customers
- SCO Suppliers will serve a proportionate share of the DSS Customers' volumes.
 - The estimated DSS volumes will be included in the customer load tranche estimates (SCO quantities) provided to the SCO bidders prior to the auction.
- Each day, the DSS volumes will be forecasted and included in the SCO Suppliers' Directed Delivery Quantity (DDQ) for the next day.
- DSS Customers' billing will utilize the same SCO Price per Ccf as SCO Customers.



- Customers will remain on DSS until such time as:
 - They move and are Choice eligible upon move-in
 - They are disconnected more than 10 days and are Choice eligible upon move-in
 - Enroll with a Choice Supplier
- Other than the activity listed above, CEOH does not recheck Choice eligibility while the customer is on DSS.





Eligibility



SCO Supplier Eligibility Requirements



- Sign and submit Registration Form, the CEOH SCO Supplier Pooling Agreement, Non-Disclosure Agreement, a copy of your company's PUCO Certification, and the Connectivity Profile Form by the specified timeline
- Acknowledge receipt of Auction Rules and procedures and agree to be bound by those rules and procedures
- Acknowledge receipt of customer load profile data
- View the virtual SCO Supplier Training
- Attend and participate in the Mock Auction
- Acknowledge receipt from CEOH of the pre-qualification notice setting forth the maximum number of tranches for which the SCO Supplier is qualified to bid
- Pass initial/ongoing CEOH financial evaluation
- Meet all Pre and Post collateral requirements



- Adhere to tariff terms and conditions of the CEOH tariff
- Must be Competitive Retail Natural Gas Suppliers certified by PUCO and maintain that certification
 - Suppliers do not have to be participants in the CEOH Choice Program in order to bid on SCO tranches
- **Winning bidders at the SCO Auction must:**
 - Maintain comparable firm capacity/supplies
 - Suppliers must submit capacity plans to CEOH in October of each year to demonstrate their capacity and supply plans for the upcoming seasons
 - Pass Electronic Data Interchange (EDI) testing with the CEOH third party vendor, ESG, no later than the date indicated on the CEOH SCO Auction timeline



- SCO Suppliers will be assigned to each and every premises. Customers at those premises will be enrolled in SCO if they meet the following SCO eligible criteria:
 - Uses < 150,000 Ccf/year
 - Is not 35 days past due and owe more than \$100
 - Is not past due on a payment arrangement
 - Is not enrolled in Choice
 - Is not a PIPP customer
- Those customers that are not eligible for SCO will be assigned to the Default Sales Service Rate Schedule.



Allocation of SCO Suppliers to SCO Customers' Premises



- Each SCO Supplier will initially be allocated actual customers' loads on a pro-rata basis in early March.
 - There will be differences when customer loads are actually allocated and enrolled on April 1.
- The criteria variables that will be used are as follows:
 - Total Average Daily Consumption
 - **Note:** Non-residential customers to be allocated based on peak day and consumption factors simultaneously
 - Account Type
 - Active / Inactive PIPP Status
 - Active / Inactive Account Status
 - Choice Eligible / Ineligible
 - Choice / Non-Choice Enrolled
 - Inactive for Six Consecutive Months Indicator
 - Credit Ranking
 - Zip Code Geographic Area



Allocation of SCO Suppliers to SCO Customers' Premises



- SCO Suppliers winning three tranches will receive three rounds in the allocation.
- An SCO Supplier will then be linked to each customers' premises.
- New customer moving into a premise will:
 - Be assigned to the SCO Supplier assigned to serve that premises if Choice eligible
 - Be assigned to DSS if not Choice eligible
- Absent a selection of a specific Choice Supplier by the Customer, an SCO Supplier will be assigned loads for newly established premises in the CEOH territory on a sequential basis.
- SCO Suppliers' loads **will not** be readjusted during the phase due to migration.





Transportation Capacity



- The CEOH then existing pipeline firm transportation capacity will be temporarily released, with recall rights, to SCO and Choice Suppliers on a pro-rata basis (Capacity Release Percentage-CRP).
 - The volumes and costs associated with these firm transportation capacities will be provided to each potential bidder prior to each SCO Auction.
 - Transportation capacity, released each month, follows the Customer.
 - Suppliers are not permitted to change any primary points of receipt or delivery associated with assigned pipeline transportation contracts.
 - For specific parcels of capacity identified by CEOH, Supplier may not utilize any delivery point other than those primary and secondary points identified by CEOH unless the capacity is released at the pipeline's full tariff rate or unless an alternate capacity billing arrangement is agreed to by Supplier and CEOH.



- The released capacity is subject to recall if:
 - Supplier does not perform in accordance with the applicable SCO or Choice Supplier Agreements.
 - Fails to comply with other relevant provisions set forth in the CEOH Tariff.
- Supplier may re-release on a recallable basis any transportation capacity (excludes TCO Firm Storage Service (FSS) and Storage Service Transportation (SST) capacity assigned to it hereunder), provided that:
 - Supplier will continue to be responsible to the pipeline for all capacity charges associated with the assigned capacity and will hold CEOH harmless in the event charges are not paid.
 - Any re-release of such capacity remains subject to the requirements and restrictions identified in the CEOH Tariff.



- The costs of the released transportation capacity will be paid directly to the pipelines by Suppliers.
- Suppliers will be notified of the released pipeline contracts, volumes and offer numbers typically by the 20th of each month for the subsequent month.
 - Suppliers must accept capacity within 48 hours of the release.
- The CEOH Tri-Party Capacity Agreement must be fully executed if capacity is not to be released directly to the SCO Supplier.



Capacity Portfolio



CEOH INTERSTATE CAPACITY PORTFOLIO APRIL 2022 - MARCH 2023							
Pipeline	Svc Type	Contract Number	Primary Receipt	Description	Primary Delivery	Description	
TCO	SST	99599	33/Stow		Stoi/33		
ANR	ETS	126278	742252	Rex Shelbyville	1400988	CEOH GRP-1	30,000 dth (year-round)
ANR	ETS	126279	742252	Rex Shelbyville	1400988	CEOH GRP-1	30,000 dth (year-round)
TETCO	LLFT	870172	74902	Gas City, IN (Measurement and nominations occur at Glen Karn)	73970	Red Lion Lebanon, Warren County, OH	31,225 Dths (12/01 - 04/30) 10,500 Dths (05/01 - 11/30)
TETCO	LLFT	870173	74902	Gas City, IN (Measurement and nominations occur at Glen Karn)	73970	DP&L (Farmersville Derby) - Montgomery Co. OH	23,580 Dths (11/01 - 03/31)
TETCO	FT	910555	79951	TETCO - Lebanon Lateral Takeaway Point - Mainline, Warren County, OH	73105	DP&L Clinton County, OH (Gano Rd)	4,200 Dths (year-round)
PEPL	EFT	20349P	06204	PEPL CIG Exchange	02603	New Paris	1,000 Dths (year-round)
Pipeline	Svc Type	Contract Number	Primary Receipt		Primary Delivery	SCQ	
TCO	FSS (SCQ)		Stoi		Stow	7,648,483	
	FSS	99600	33/Stow		Stoi/33		



- The CEOH Columbia Gas Transmission (“TCO”) storage and related firm transportation capacity will be released to each SCO Supplier and Choice Supplier on a pro-rata basis.
 - Suppliers that have an SCO and a Choice pool will receive capacity released jointly for the combined CRP of both pools.
- Capacity follows the customer:
 - Monthly reassignment of capacity to Suppliers is based on design peak day market share.
- **The TCO storage capacity (FSS & SST) released to Suppliers cannot be re-released.**
- The costs of the released storage and related transportation capacity must be paid directly to the pipelines pursuant to pipeline capacity release payment procedures.
- The released capacity is subject to recall at any time if:
 - Supplier does not perform in accordance with the SCO or Choice Supplier Agreements or;
 - Fails to comply with other relevant provisions set forth in the CEOH Tariff.



Tri-Party Capacity Release



- CEOH-held pipeline transportation and storage capacity may be released directly to an SCO Supplier's Designee.
- The Parties must enter into the CEOH Tri-Party Capacity Release Agreement.





System Balancing



- SCO and Choice Suppliers or their agents under a valid Tri-party agreement collectively are the balancers of the CEOH system.
 - The TCO storage holders will receive the cash-outs, premiums, and non-compliance charges charged to Large Transportation Pool Operators on a monthly basis based on their Capacity Release Percentage (CRP) for providing balancing services.
 - The Suppliers and their agents must agree to allow their TCO storage (individually and in aggregate) to be used to balance the CEOH system.
 - CEOH does not retain a portion of TCO storage to perform the system balancing function.
 - Suppliers must agree to follow CEOH-established:
 - Min/Max boundaries for daily storage injection/withdrawal
 - Minimum storage inventory balances to ensure sufficient storage inventory injection/withdrawal capability to balance the system each day



- All SCO and Choice Suppliers will be required to enter into a TCO Agency Agreement **on a monthly basis** giving CEOH the rights to view all of Suppliers' nominations and storage information on their CEOH released contracts.
 - TCO Agency Agreements will be supplied by CEOH for Suppliers to utilize during the SCO Phase. The expiration date is populated in a manner which allows CEOH access to the multiple FSS contracts during the entire phase in the event there is a prior period adjustment that would need to be updated in CEOH's system.
 - Suppliers must agree to allow CEOH to shift some TCO storage capacity among the Suppliers at the start of each month or intra-month if a large migration occurs and due to Customer migrations. Capacity follows the Customer; storage inventory does not.
 - Suppliers are 100% responsible for providing the storage inventory.
 - CEOH reserves the right to adjust Predetermined Allocations (PDA) intra-month if large Choice migrations occur or to resolve any other imbalance issues between SCO and Choice Suppliers.
 - TCO will bill the individual Suppliers/Agents that overrun their individual storage limitations.
 - Nominated storage injections, withdrawals and off-system storage withdrawals **must be nominated to CEOH.**
- **Minimum Storage Levels**
 - Suppliers must have at least the minimum storage level designated by CEOH in their storage account at all times.
 - Volumes below the minimum storage level are subject to Storage Non-Compliance Charges of \$35/per dth.



MINIMUM DAILY TCO STORAGE INVENTORY REQUIREMENTS



ATTACHMENT 17B

Centerpoint Energy Ohio MONTHLY TCO STORAGE REQUIREMENTS

Month	Daily Minimum Required % of SCQ in TCO Storage	Daily Minimum Recommended % of SCQ in TCO Storage	Maximum Required % of SCQ in TCO Storage
April	0.00%	*2.5%	TCO Tariff
May	0.00%	*2.5%	TCO Tariff
June	0.00%	*2.5%	TCO Tariff
July	0.00%	*2.5%	TCO Tariff
August	0.00%	*2.5%	TCO Tariff
September	0.00%	*2.5%	TCO Tariff
October	0.00%	*2.5%	TCO Tariff
November	30%	^30%	TCO Tariff
December	30%	^30%	TCO Tariff
January	30%	^30%	TCO Tariff
February 1 -15	30%	^30%	TCO Tariff
February 16 - 28	0.00%	*2.5%	TCO Tariff
March	0.00%	*2.5%	TCO Tariff

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

CEOH will not require a minimum balance in inventory from February 16th through the end of October. CEOH RECOMMENDS a minimum of 2.5% at all times to ensure that a three day historic maximum forecast miss will not result in a negative storage balance and excessive penalties.



- Recommended Storage Inventory Levels

Columbia Gas Transmission - Recommended Operating Parameters per CEOH				
Storage Contract Quantity		7,648,483		
Date	Max SCQ %	Min SCQ %	Max Dth	Min Dth
December 15th	100%	75%	7,648,483	5,736,362
January 15th	80%	55%	6,118,786	4,206,666
February 15th	55%	30%	4,206,666	2,294,545
March 15th	30%	10%	2,294,545	764,848

SCO Suppliers will need to have storage inventory transferred into their TCO storage account on April 1 to accommodate TCO no-notice balancing volumes for April 1 flow.



- Differences between the actual deliveries through the Delivery Point meters and the nominations to those meters will be managed by CEOH as shown below.
 - **Texas Gas – Lebanon Point**
 - No OBA permitted.
 - Imbalance volumes are allocated pro-rata to shippers on a daily basis.
 - **Texas Eastern – Derby, Red Lion and Gano Road Points**
 - OBA in place.
 - Imbalances are managed to minimal levels through TETCO Gas Control adjusting flow.
 - Month-end imbalance carries month to month.
 - Imbalance is not cashed out.



Pipeline Delivery Point Imbalances, Cont'd.



- **ANR – Derby, Red Lion, VEDO GROUP 1 (VEDO GRP-1) 140098 and Mikesell Points**
 - OBA in place.
 - Imbalances are managed to minimal levels through ANR Gas Control adjusting flow.
 - Month-end imbalance carries month to month.
 - Imbalance is not cashed out.
- **Panhandle –Rural/New Paris Point**
 - OBA in place.
 - Imbalance is managed to minimal levels through CEOH gas control nominating gas on or off the OBA balance.
 - Month-end imbalance carries month to month.
 - Imbalance is not cashed out.



- **Rockies Express – Clear Creek**
 - POA in place.
 - Imbalances are managed to minimal levels through REX Gas Control adjusting flow.
 - Imbalance < 1,000 Dths carries month to month.
 - Imbalance > 1,000 Dths is cashed out.



- CEOH provides capacity to meet approximately 74% of its Peak Day Demand
- CEOH has obtained 2,695 Dths of Firm Transport supply on TCO 33-3 to help meet demand on peak days
- SCO and Choice Suppliers are required to deliver the additional peak day volumes needed
- Each SCO Supplier agrees to retain sufficient firm interstate pipeline transportation and storage capacity with primary delivery points to the CEOH city-gates and/or city-gate firm gas supply arrangements to meet 100% of the monthly design peak day demands for its tranches.
- Actual proof of capacity may be submitted no later than October 31st of each year to demonstrate their supply plans for the upcoming winter season or on a monthly basis.
 - If submitted on a monthly basis, the proof must be submitted by the 25th of the preceding winter month for the months of December, January and February.
 - CEOH will allow a physical call for 10 peaking days at the CEOH city-gate to cover an SCO and/or Choice Supplier's firm capacity obligation.
- CEOH may verify the Suppliers' compliance with this requirement at any time.
- Plan and proof of comparable firm capacity should be submitted directly to CERCContracts@centerpointenergy.com.



- By 9:00 a.m. Central Clock Time (CCT) each day (including Saturdays, Sundays, and Holidays), CEOH will post on its Gas Tracking System (GTS), SCO Suppliers' Directed Delivery Quantity (DDQ) for the gas day beginning 9:00 a.m. CCT the following day.
 - Such SCO DDQ shall be the sum of:
 - the Expected Demand of the Supplier's tranches for that gas day calibrated to their share of Net Sales, plus
 - tranche unaccounted for gas (UAFG) quantities based on CEOH's UAFG Percentage, plus
 - any necessary adjustments for interstate pipeline and/or CEOH operating constraints or for other agreed to reasons.
 - We expect to provide expected April 1st DDQ's in March with actual DDQs posted on March 31st.
 - The DDQ will be posted on a daily basis for the next day's flow with the following exceptions:
 - **Static DDQ's**
 - **CEOH typically will post DDQ's on Friday for Saturday, Sunday, and Monday.**
 - Subject to change
 - May post for longer/shorter period should CEOH deem the need



Daily Directed Quantities, Cont'd. (DDQ's)



Example Holiday DDQ Posting Schedule (TCO non-critical days)

- CEOH will post DDQ's on the last CenterPoint business day prior to holiday through the next CenterPoint business day after the holiday.

For Example:

Thanksgiving - DDQ's posted on Wednesday for Thursday through Monday.

DDQ posting dates are subject to change annually depending on what day of the week the holiday falls.

If TCO has called a critical day, DDQ's potentially will be posted daily.





Forecasting



- CEOH uses Artificial Neural Networks (ANNs) to forecast expected demand by customer class for each Choice/SCO supplier. Each Choice/SCO supplier's expected demand is calibrated to their share of Net Sales, which is also forecasted using an ANN.
- $\text{Net Sales} = \text{Total CEOH Demand} - \text{Large Gas Transportation Deliveries}$
- CEOH will forecast daily transportation deliveries when nominations are not available and use actual nominations from pool operators when available.
- If needed, CEOH may adjust its forecast methodology to respond to operational requirements in order to address excessive daily and monthly system imbalances.
- The sum of the Choice and SCO pool forecasts are scaled to the non-transportation demand from the CEOH Design Peak Day Forecast to determine the pools' allocation of Peak Day Demand and accompanying capacity.
- Capacity Release Percentages (CRPs) are calculated on a monthly basis and are based on a supplier's current and pending custom counts and usage.
- Suppliers may request a presentation on forecasting methodology.





Daily Nominations



- At the time of posting the DDQ, CEOH shall indicate the minimum and maximum or exact MMBtu quantity that shall be delivered by Supplier on each interstate pipeline or to each CEOH city-gate to achieve the DDQ.
- Suppliers will be required to nominate scheduled storage injections and withdrawals to the pipelines and to CEOH, including TCO storage withdrawals to non-CEOH delivery points.
 - The volumetric difference between what is nominated to CEOH and what is nominated to the pipelines is subject to a Nomination Error Charge.
- All off-system storage withdrawals must be nominated to the CEOH GTS EBB. TCO off-system storage withdrawals are not eligible for TCO no-notice nomination changes.
- Shipper must deliver primary (receipt and delivery).
- CEOH will post daily minimum and maximum TCO storage injection and withdrawal limits and minimum TCO storage inventory levels.
- Scheduled injection nominations during winter months and scheduled withdrawal nominations during summer months are subject to approval in advance by CEOH.



- By 1:00 p.m. Central Clock Time (CCT) each day the Supplier shall nominate to the CEOH GTS EBB the quantity of gas scheduled for delivery at Company's city-gates to meet its DDQ for the following gas day.
- No-notice nominations may be made to Supplier's scheduled storage withdrawal nominations by CEOH via TCO's EBB per the timeline indicated in TCO's tariff for the prior day's flow if such SCO/Choice Supplier has not delivered adequate supplies to meet its DDQ or has not met its TCO minimum city-gate allocation delivery volume.
- SCO Suppliers may be charged by TCO for any overrun or other penalties associated with exceeding their individual storage contract rights. CEOH will not be held responsible for any such penalties.
- In the event that CEOH, as meter operator, incurs penalties assessed by TCO for a violation, the penalties will be assessed to each Supplier that contributed to the penalty proportional to their contribution to the violation.
- Intraday nominations must be approved by CEOH prior to scheduling and should be avoided unless they are being scheduled to rectify a pipeline cut.



- The percentages are recalculated and communicated to Suppliers periodically.
 - Typically on a seasonal basis
- Delivery requirements are subject to change due to pipeline work by CEOH or an interstate pipeline. Advance notice will be provided as soon as possible.
- A City-Gate Allocation Non-Compliance Charge will be assessed on the quantity difference if the SCO Supplier's confirmed daily pipeline nomination is less than the minimum or greater than the maximum city-gate allocation requirements.
- **SCO Suppliers shall be responsible for verifying** and, if necessary, correcting its daily pipeline nomination so that it matches SCO Supplier's confirmed pipeline deliveries and is compliant with the City Gate Allocations percentage requirements.





OFO's and Provider of Last Resort



- Company may issue an Operational Flow Order (OFO), in its reasonable discretion, as specified in this section upon determination that an action is required in order to:
 - (1) alleviate or prevent conditions which threaten the integrity or reliability of Company's Operational System
 - (2) to maintain the Operational System in balance
 - (3) to maintain adequate storage inventory balances
 - (4) to assure deliveries of gas supplies by Choice Suppliers, SCO Suppliers, and Pool Operators to serve their respective Customers' loads
 - (5) adhere to the various interstate pipeline companies' balancing requirements, as stated in their FERC approved gas tariffs
 - (6) direct SCO Suppliers, Choice Suppliers, Pool Operators and Transportation Customers to different city-gates or to institute different city-gate delivery allocations due to system maintenance or system constraints, or
 - (7) any other condition warranting a change to delivery requirements.
- Company will post the OFO notice via their EBB.



- An OFO may be issued on a non-discriminatory basis to SCO Suppliers, Choice Suppliers, and Pool Operators delivering gas to Company's city-gates, on a system-wide basis, program basis, or individual basis, when necessary, in Company's sole judgment.
- Violations of OFO requirements will be subject to a \$35.00/Dth charge for any volumes over or under the specified restriction (See Supplier Charges).
- Company will make every effort to give 24-hour notice of OFO's. If the risk of a potential future critical issue is identified, CEOH will attempt to post an OFO Alert notice to their EBB.
- CEOH will **typically** issue a Cold OFO in the following situations:
 - Columbia Pipeline Group issues a Transport Critical Day or OFO, and the TCO Storage inventory levels are above 30%.
 - Columbia Pipeline Group issues a Storage Critical Day or OFO regardless of the collective storage inventory level.
- CEOH will **typically** issue a Warm OFO if TCO issues a Storage Critical Day limiting injections.



Provider of Last Resort (POLR) Responsibilities



- SCO Supplier shall temporarily provide supply from Company-released Columbia storage capacity to cover system load requirements in the event of a SCO or Choice Supplier default or OFO event.
- Defaulting SCO or Choice Suppliers are 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 for recovery 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:
 - Choice and SCO Suppliers collectively will provide supply to meet POLR needs, using their individual Columbia storage inventories. The withdrawn storage inventory will be subsequently replaced.
 - If Company determines that the daily quantity of gas needed may affect the reliability of the system, an OFO will be issued to ensure Pool Operators are not under delivering versus their respective usages during the POLR period.
 - Next, as soon as practicable, all transportation and storage capacity released to any defaulting SCO Supplier or Choice 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.



- Company will fill any remaining shortfall through acquiring additional temporary capacity and supply or city gate deliveries, or by coordinating the delivery of city-gate delivered volumes with non-defaulting SCO and Choice Suppliers. Non-defaulting SCO and Choice Supplier shall be compensated by the Company for volumes delivered at the price agreed upon for the applicable transaction. Defaulting Choice Supplier will reimburse Company for all costs associated with the default.
- 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 SCO or Choice Supplier removal, Company will take the following action:
 - If a Choice Supplier is removed, Company will offer non-defaulting Choice Suppliers the option of assuming the Customers of the removed Choice Supplier. Customers of the removed Choice Supplier shall be charged the SCO Rider rate until such time Customer enters into a contract with a new Choice Supplier. If Customer elects to discontinue Choice service or is dropped by the new Choice Supplier, said customer will transfer to DSS or SCO service, as applicable. If no non-defaulting Choice Supplier assumes the removed Choice Supplier's Customer(s), such Customer(s) will transfer to SCO service.



- If an SCO Supplier is removed or Choice Suppliers do not assume the removed SCO Supplier:
 - The remaining 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.
 - For the portion of increased load quantity greater than 50% of initial Load Tranches awarded to remaining SCO Suppliers, Company shall solicit non-defaulting SCO Suppliers to serve the defaulted load through the end of the current SCO Phase at the SCO price established in the auction governing the current SCO Phase.
 - If assignment to SCO Suppliers under part (a) and voluntary solicitation under part (b) does not accommodate assignments of the entire load of the removed SCO Supplier, Company shall solicit non-defaulting Choice Suppliers to serve the defaulted load through the end of the current SCO Phase unless Customer enters into a contract with a Choice Supplier.
 - If after taking the above actions unserved SCO load remains, the remaining unserved load will be assigned to a new SCO Supplier based on an accelerated auction process.
 - Company may require additional collateral from SCO and Choice Suppliers that have elected to serve any portion of the defaulted load prior to assignment of the incremental load.





Supplier Billing



- **Supplier Charges**

- Rendered each month by the 25th day of the month, for the prior month's activity.
- CEOH will pay the SCO Suppliers:
 - The total SCO dollars billed to their SCO customers for each revenue month
 - A portion of the Default Sales Service customers' billings based on awarded tranches
- Payment to Supplier from CEOH typically is made within three days of issuance of the monthly invoice statement via wire.
- Payment from Supplier to CEOH is due within five days of receipt of the electronic monthly invoice statement.



- Supplier Monthly Charges can include the following:
 - **Nomination Error Charge** - A charge of \$0.50 per Dth based upon the quantity difference between the Supplier's daily pipeline nomination and the pipeline daily confirmed volume delivered to CEOH, for each day of difference.
 - **DDQ Non-Compliance Charge** - A charge of \$15.00 per Dth for the daily difference between the tranche's DDQ and the aggregate deliveries, which includes scheduled storage withdrawals.
 - **City-Gate Allocation Non-Compliance Charge** - A charge of \$5.00 per Dth for any daily city-gate scheduled nomination less than the minimum or greater than the maximum city-gate allocation requirement.
 - **OFO Non-Compliance Charge** - A charge of \$35.00 per Dth for any volumes over or under the specified restriction.



- **Storage Non-Compliance Charge –**
 - A charge \$35.00 per Dth per occurrence during the term of the contract.
 - Supplier is considered in default upon the fifth occurrence.
 - Charges apply to any volumes greater than the CEOH-established maximums or less than the CEOH-established minimums for the daily injection and/or withdrawal requirements or monthly inventory requirements.
 - Charges will apply daily for any volumes outside the monthly inventory requirements for that month.
 - In the event that TCO allows daily over-injection or over-withdrawal rights, Company shall not impose the Storage Non-Compliance Charge on any volumes injected or withdrawn less than the minimum or greater than the maximum daily injection and withdrawal limits set by Company. However, over-injection and over-withdrawal rights do not preclude the TCO Storage Holders from maintaining their daily storage inventory levels within the limitations set by the Company.



- **Monthly Reconciliation Amount** - Charge/credit as determined by the Volume Reconciliation. The price utilized for cash-outs will be the IFERC Gas Market Report First-of-the-month price for Columbia Gas Transmission Corp, Appalachia plus taxes and applicable variable costs including fuel retention and pipeline variable charges for the months during the SCO Period.
- **Peaking Supplies Charge** -The cost of alternate supplies provided by Company for Suppliers.
- **Meter Operator Charges** – Supplier shall reimburse CEOH for penalties CEOH incurs as meter operator, in proportion to Supplier's contribution to the violation.
- **System Balancing Charge** - The gas costs and monthly Imbalance cash-outs payable by/to the Transporters will be allocated among the Suppliers based on their portion of TCO storage (monthly CRP).
- **POLR Amount** - Any charges associated with providing provider of last resort services due to the default of Supplier.
- **Customer Billing Amount** – The SCO Price amounts billed to SCO Customers by Company on behalf of SCO Suppliers.
- **Delivery Point Cashout Amounts** - Charges/credits associated with Pipeline Delivery Point cash-outs, OBA/POA settlements, or other related costs, allocated pro-rata to Suppliers.
- **Pipeline Invoice Charges** – Charges or credits associated with the difference between interstate pipeline charges and the actual credits received on capacity released to Choice Supplier via mandatory capacity release.
- **Related Charges** - Supplier shall reimburse CEOH for all charges CEOH incurs in connection with interstate pipeline transportation of Supplier-Delivered Gas including any gas costs, penalty charges, or cash-outs.



- **Receivables**

- CEOH will purchase 100% of the of SCO and Choice Supplier receivables without discount so long as CEOH has continuing authority pursuant to Commission Entry to seek recovery for unpaid customer receivables.
 - In the event such continuing authority is terminated pursuant to Commission Entry, CEOH reserves the right to impose a discount on SCO Supplier receivables in an amount that reflects collection experience for the twelve (12) months immediately preceding cessation of authority to recover.
- Customer Billed Supply Charges and Customer Billed Supply Tax Charges (i.e., Receivables) are credited to the Supplier's bill monthly.
 - The dollars reflect the dollars billed to customers for the previous **revenue** month.
 - CEOH bills on a 21-cycle basis. Receivables for April will be paid in May.



- **Bill Detail Report**

- The bill detail report will be sent via e-mail and reflects the charges billed to their customers for the preceding revenue month (i.e. breakdown of receivables by customer).
 - Suppliers will need Excel 2007 in order to receive this file. The file will consist of the following information:
 - Customer's account number
 - Rate (Supplier's rate code)
 - Charge
 - Tax Rate
 - County Code
 - Tax Charge
 - Billing Ccf Amount
- Please note that the usage associated to the receivables is based on a revenue month, and the usage used in the monthly reconciliation of deliveries is calendarized usage.



- Post Phase Receivables - Prior Period Adjustments
 - Prior period adjustments are adjustments to customers' charges for prior periods.
 - CEOH will attribute any post-phase prior period adjustments to suppliers active during an auction phase for a period of one-month post-phase.
 - Any adjustments made after that one-month post-phase period will go to the ETC Rider.
 - Should large adjustments be made, CEOH may adjust the final Supplier bills to the Suppliers active during the month(s) the adjustment was attributable up to the time period the ETC audit is completed and is approved.
- Please note that CenterPoint cannot keep the EDI transactions for these post-phase adjustments from transmitting to Suppliers.
- Suppliers will need to ignore these transactions as these dollars will not be reflected in the receivables.



Monthly Reconciliation (changing to monthly with CEOH Rate Case approval)

- SCO and Choice Suppliers' deliveries will be reconciled to their supply requirements on a monthly basis.
- On a monthly basis Company will compare each Supplier's Deliveries to the Supplier's Pool and Allocated Requirements to determine the Supplier's Monthly Reconciliation Volumes.
 - The Supplier's Deliveries will be the sum of the Supplier's confirmed deliveries to the city-gate, its no-notice storage activity, and its allocated share of alternate peaking supplies.
 - The Supplier's Pool Requirements will be determined by adjusting the Supplier Pool's actual billed usage (Billed CCF) by the annual standard BTU Value of 1.070 and the UAFG % identified in CEOH's Tariff.
 - The Supplier's Allocated Requirements will include the Supplier's portion of Large Transporter Imbalance volumes (sum of their deliveries minus CEOH tariff unaccounted for gas percentage minus usage converted to Dth using CEOH's monthly average BTU), CEOH line pack changes, and CEOH operational balancing agreement (OBA) volume changes.
- 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.



- The sum of the monthly reconciliation cashout amounts, plus any applicable taxes, will be the cashout credit or charge.
- Such reconciliations will be performed the second month following the end of the last month of flow in order to have sufficient time to obtain all billed usage for the applicable period and prior usage adjustments.
- SCO Suppliers can expect to receive their final monthly reconciliation statement by the end of May each year.
- Reconciliation statements remain subject to revision based on any corrections to underlying data and any issues identified in the annual ETC Audits.



Reconciliation Calculation Example



1 Confirmed Deliveries
2 Allocated Peaking Supply
3 Auto Balancing Activity
4 Total Supplied Lines (1+2+3)
5 Pool Usage (Billing MCF)
6 Standard BTU (1.070)
7 Pool Usage (Dth (lines 5*6))
8 Pool Requirements (line 7/-UAFG%)
9 Allocated LGT Imbalance (Deliveries minus shrink minus usage)
10 Allocated Pipeline OBA Change
11 Allocated Line Pack Change
12 Total Requirements (lines 8-9-10-11)
13 Reconciliation Volumes (line 4-12)
14 Reconciliation Price (first of the month Columbia Appalachia plus TCO fuel and Commodity)
15 Reconciliation Amount (lines 13*-14)

Pool usage shall be the Pool's billed usage using the monthly Energy Conversion Factor.



SCO Supplier Billing, Cont'd.



SCO Supplier billing timeline example for one SCO Phase:

SCO Phase April 2022 thru March 2023				
SCO Supplier Bill Month (by the 25th)	Receivables Month Billed	*Gas Flow Month	Reconciliation Month	**Allocation of cash-outs premiums, and non- compliance charges charged to Suppliers
May	April (partial month-only for April usage billed in April)	April	N/A	N/A
June	May	May	April reconciliation	N/A
July	June	June	May reconciliation	Charged in May
August	July	July	June reconciliation	Charged in June
September	August	August	July reconciliation	Charge in July
October	September	September	August reconciliation	Charged in August
November	October	October	September reconciliation	Charged in September
December	November	November	October reconciliation	Charged in October
January	December	December	November reconciliation	Charged in November
February	January	January	December reconciliation	Charged in December
March	February	February	January reconciliation	Charged in January
April	March	March	February reconciliation	Charged in February
May	Any remaining March usage that billed in April	N/A	March reconciliation	Charged in March

*Non-compliance and other applicable charges incurred by the SCO Supplier for that month's gas flow
 **Allocation of cash-outs, premiums, and non-compliance charges including those billed to SCO Suppliers,
 Choice Suppliers and Large Transporter





Customer Enrollment



- **SCO Customer Initial Enrollment Files**

- Each SCO Supplier will receive one initial file indicating the Choice eligible premises assigned to them in the following format:
 - File name will be the supplier code plus the date plus “SCO_Assignments.txt”
 - For example: XYZ_20090819_SCO_Assignments.txt
 - Tab-delimited flat-file format
 - The last 4 digits of an SCO Supplier’s DUNS # will be 0001.
 - Last 4 digits of a Choice Supplier’s DUNS# is 0000
 - **CEOH will send files as of the date indicated on the SCO Auction timeline.**
 - **SCO Suppliers will mail their Standard Welcome Letters as of the date indicated on the SCO Auction timeline.**



CUSTOMER ENROLLMENT

- The initial customer file will include the following data elements listed to the right.
- Please **Note:**
 - Parsed customer name (Last, First, Middle) will be in the initial and actual enrollment files.
 - Previously Tax-Exempt indicator – indicates if the customer was tax exempt with their last SCO Supplier. **SCO Suppliers are strongly encouraged to contact the customer to obtain their tax exemption certificates.**
 - SCO customers will **not** retain their tax exemption status when they change SCO Suppliers.
 - SCO customers remaining with the same SCO Supplier across phases will retain their tax-exempt status.
- The file will only contain those customers expected to be active with the SCO Supplier on April 1.

Field Name
Supplier Code
Residential / Non-Residential Indicator
Read Cycle
Customer Number
Customer Name
Premises Number
Premises Street Address
Premises City
Premises State
Premises Zip Code
Premises County Code
Billing Name
Billing Street Address
Billing City
Billing State
Billing Zip Code
Billing Other Address Information
Customer Last Name
Customer First Name
Customer Middle Name
Previously Tax Exempt (Y/N)



- EDI Drop transactions will not be sent to SCO Suppliers from the previous phase.
- **A Customer's premise may or may not remain with the same SCO Supplier from one phase to the next.**
- CEOH will run the allocation process in mid to late-February for purposes of sending SCO Bill Inserts to SCO eligible customers identifying the supplier assigned to their premises.
 - CEOH will mail the Bill Inserts over a three-week period.
- SCO Suppliers are required to send the standard Welcome Letter.
 - The Supplier Standard Welcome letter informs customers to notify their supplier if they are Sales Tax Exempt.
 - If the SCO Supplier retains a customer from the previous phase, they do not need to send the customer a Welcome Letter.
 - SCO Suppliers are also required to send a standardized Welcome Letter to all SCO Customers newly enrolled with them.
 - CEOH has condensed the pre and post April 1 Welcome Letters to one single letter to eliminate confusion by the Suppliers and Customers.



- The customer list will be sent to an FTP site provided by CEOH.
- On April 1, CEOH will enroll customers' premises with the assigned SCO Supplier.
- Suppliers will receive a new file on the same FTP site on April 1 with the actual enrollments.
- Suppliers will need to default the April 1 start date and the year when importing into their respective systems.
 - There will be differences in the April 1 actual enrollments vs. the mid-February initial enrollments due to:
 - Customers enrolling in Choice
 - Customers moving between premises
 - Customers enrolling in PIPP
 - Customers being disconnected
 - New customers being connected



- The initial Choice eligibility check performed in mid-February will not be rerun in April.
- CEOH will send the historical usage EDI transaction file to the SCO Suppliers for the customers enrolled as of April 1.
- SCO Suppliers will receive a monthly report showing their active SCO customers that have opted not to have their information included in the CEOH issued Choice eligible list.
- “Resync” reports will be provided monthly to SCO and Choice Suppliers via the CEOH hosted ftp site which lists all active and pending customers.



Customer Enrollment, Cont'd.

- **The April 1st SCO enrollment file format**
- **Please note:**
 - Expected Start Date - customer is expected to start with the SCO Supplier on this date. The majority of the dates will reflect April 1.
 - If the customer was retained from prior phase(s), the expected start date will reflect their original start date with that SCO Supplier.
 - Example: Customer enrolled with SCO Supplier April 1, 201X (from a prior SCO Phase)
 - Customer was assigned to the same SCO Supplier for year two and three
 - Customer's expected start date would be 0401201X
 - Supplier can use this information to determine which SCO customers they will be retaining, and which ones they need to drop.
 - Will also reflect customers with pending Choice drops as of April 1, and the expected start date (i.e., next read date +1) with the SCO Supplier.

Field Name
Supplier Code
Residential / Non-Residential Indicator
Read Cycle
Customer Number
Customer Name
Premises Number
Premises Street Address
Premises City
Premises State
Premises Zip Code
Premises County Code
Billing Name
Billing Street Address
Billing City
Billing State
Billing Zip Code
Billing Other Address Information
Customer Last Name
Customer First Name
Customer Middle Name
Previously Tax Exempt (Y/N)
Expected Start Date
Expected End Date



- Expected End Date - the customer is expected to end their enrollment with the SCO Supplier on this date. The majority of the dates will reflect March 31 of the following year.
 - If the customer has a pending Choice enrollment, this field will reflect the date they are expected to drop from the SCO Supplier. Keep in mind that the customer may rescind the enrollment and the SCO enrollment will remain intact.
 - A reinstatement transaction will not be generated. Suppliers are advised to cross reference enrollments with their monthly “resync file” to verify the customer was actually enrolled with them.



- Post April 1 enrollments, drops, changes, etc. are all processed via EDI files
- Winning SCO Suppliers are required to pass EDI testing with CEOH's EDI vendor within the timeline indicated.
- EDI testing takes at approximately 6 weeks to complete
- Bidders are advised to prepare for EDI testing in advance



- Choice customers who drop or are dropped by their Choice Supplier without specifying an alternative Choice Supplier and are Choice eligible will migrate to SCO Service.
 - If the SCO Supplier assigned to the dropping Choice customer's premises is the same as the Choice Supplier they are dropping from, an alternative SCO Supplier will be assigned to that customer on a sequential basis.
 - If the customer is Choice ineligible, they will drop to DSS.
- The capacity follows the customer.
- SCO Customers may migrate to Choice Suppliers at any time if they are eligible.
- SCO Suppliers' tranches will not be equalized throughout the phase due to migration.



- If the customer is disconnected, the customer will be dropped from SCO when the physical disconnection of gas takes place. The Supplier will receive an EDI Drop transaction.
- Customers cannot elect to drop from SCO to DSS.



Disconnect/Reconnect – Same Premise



- **Reconnected within 10 days – SCO and Choice**
 - If customer reconnects within 10 days:
 - The customer will reconnect with the same Supplier they were with upon disconnection be it SCO or Choice.
 - A Reinstatement transaction will be created with the reactivation date and sent to the Supplier.
- **Reconnected greater than 10 calendar days – SCO and Choice**
 - If the customer does not reconnect the service within 10 calendar days:
 - The eligibility check will be performed upon reconnection.
 - If eligible, the customer will be enrolled with the SCO Provider for their premises. If not eligible, they will default to DSS Service.



- County Taxes on SCO Supplier supply charges:
 - CEOH will provide the County Tax Code in the EDI Enrollment Response to the SCO Supplier.
 - SCO Supplier will provide customer's tax exemption percentage to CEOH via EDI Change Detail Transaction.
 - Change Detail Transactions can only be sent after the Supplier has received an Enrollment Response from CEOH.
 - CEOH cannot receive Change Detail Transactions prior to April 1 for any new SCO Customers not yet enrolled.
- SCO Suppliers will be responsible for remitting sales tax to the relevant state and county authorities. (Taxes charged to customers are contained in the EDI Invoice files, and on the Bill Detail Report)



- SCO Suppliers are strongly encouraged to contact the customer to obtain their tax exemption certificates.
- A tax-exempt indicator and exemption percentage must be sent to CEOH from each Supplier for newly enrolled customers with that Supplier.
Customer's tax exemption is not transferrable between Suppliers or Programs be it Choice or SCO.
 - If an SCO customer is being served by an SCO Supplier and is tax exempt and enrolls with the same Supplier as a Choice customer, the Supplier will need to send in a new tax exemption EDI transaction for the customer's Choice account to CEOH.
- CEOH will not reimburse customers for any Sales Tax charged if a tax-exempt change indicating the appropriate exemption status and percentage has not been received by CEOH from their Supplier.



- **Resync Report** – Posted to Suppliers' CEOH hosted ftp site on the first workday of the month.
 - This report can be used to “sync” up the enrolled customers the Supplier shows in their system, with those in CEOH’s system.



Please contact GTOperations@centerpointenergy.com with questions.

Also note:

The following documents may be accessed via the CenterPoint Energy hyperlink below
<https://midwest.centerpointenergy.com/information/transportation/oh-suppliers>

and

Public Utility Commission of Ohio Portal via the following link
<https://puco.ohio.gov/wps/portal/gov/puco/documents-and-rules/tariffs/tariff-utility-company?company=Vectren%20Energy%20Delivery%20of%20Ohio,%20Inc.%20dba%20CenterPoint%20Energy%20Ohio&type=Natural%20Gas>

These are the documents available for the Vectren Energy Delivery of Ohio, Inc. dba CenterPoint Energy Ohio.

You will need [Adobe Acrobat](#) to open the files

File Name	Size	Last Modified
Choice Supplier Pooling Agreement.pdf	8.7 MB	Aug 17, 2021
Curtailment Plan.pdf	69.04 KB	Aug 6, 2021
PUCO 4.pdf	954.54 KB	Aug 6, 2021
Standard Choice Offer Supplier Agreement.pdf	556.28 KB	Aug 17, 2021

