

RATE 385 **CHOICE SUPPLIER POOLING SERVICE**

APPLICABILITY

This Pooling Service is applicable to any Company-approved Choice Supplier delivering firm gas supplies to Company's Operational System on behalf of Customers receiving Residential Transportation Service under Rate 315 or General Transportation Service under Rate 325. For purposes of this Rate Schedule, references to Choice Supplier also include a Governmental Aggregator delivering firm gas supplies to Company's Operational Systems on behalf of Customers receiving Residential Transportation Service under Rate 315 or General Transportation Service under Rate 325.

Several terms and conditions contained within this Rate Schedule differ depending on whether a Choice Supplier Pool is comprised entirely of Non-Mercantile Customers, or if such Pool contains any Mercantile Customers. As appropriate, the various sections within this Rate Schedule shall identify such differing requirements.

This Rate Schedule shall be subject to Company's General Terms and Conditions included in this Tariff for Gas Service, Choice Supplier Pooling Service Terms and Conditions in Sheet No. 52, and the Commission's Regulations, as well as the applicable provisions of the Choice Supplier Pooling Agreement.

CHARACTER OF SERVICE

This Rate Schedule applies to the provision of Pooling Service for Rate 315 or Rate 325 Customers. Choice Supplier shall deliver to Company gas supplies needed to satisfy the usage requirements of Choice Supplier's Pool Customers.

MONTHLY STATEMENT

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

Choice Eligible Customer Account List Fee:

Company shall make available to Choice Suppliers an electronic list of Customer accounts eligible to participate in such Program as defined in Section 4929.22-(B) of the Revised Code. Under the annual option, \$0.08 shall be charged for each account included on the initial list, with updated lists provided during the three (3) subsequent quarters at no additional cost. The charge per account for any requests for the Customer account list beyond what is included in the annual option will be \$0.05 per account. Choice Eligible Customer account lists may only be used by Company-approved Choice Supplier or Governmental Aggregator for purposes related to the provision of gas supply services to Customer.

Nomination Error Charge:

\$0.50 per Dth applied to the difference between Choice Supplier's daily pipeline nomination volume submitted by Supplier to Company on its Gas Tracking System ("GTS") and the pipeline daily confirmed volume delivered to Company, for each day of difference. The charge also applies to the differences in volumes arising from failures to nominate, including off-system Columbia storage withdrawals, and nominations indicating incorrect information, such as incorrect pipeline, city gate or contract number. The charge will not be assessed if differences are due to the reduction of pipeline deliveries by pipeline, or volumes allocated to Choice Supplier(s) by an interstate pipeline when no balancing agreement is in place between pipeline and Company. Choice Supplier is responsible for identifying and correcting all nomination errors, or changes to pipeline nominations.

RATE 385 **CHOICE SUPPLIER POOLING SERVICE**

MONTHLY STATEMENT (Continued)

DDQ Non-Compliance Charge:

\$15.00 per Dth on days in which no Operational Flow Order (“OFO”) is in effect (provided no alternate arrangements are made with Company) applied to the daily difference between the Pool’s DDQ and aggregate deliveries.

City Gate Allocation Non-Compliance Charge:

\$5.00 per Dth for any daily city gate nomination less than the minimum or greater than the maximum city gate allocation requirement.

OFO Non-Compliance Charge:

In the event of a Company issued Operational Flow Order (“OFO”), a \$35.00 per Dth charge shall be assessed on any volumes over, under, or otherwise inconsistent with, the applicable restrictions specified by Company in the OFO notice.

Storage Non-Compliance Charge:

A charge per Dth shall be assessed for any volumes less than or greater than the Company-established minimum or maximum daily storage injection and withdrawal requirements, or any volumes less than the minimum storage inventory quantity requirement. The charge shall be \$35.00 per Dth per occurrence, and Choice Supplier may be considered in default, at the sole discretion of Company, after the fifth occurrence during the 12-month period beginning April 1 of each year. In the event that Columbia allows daily over-injection or over-withdrawal rights, Company shall not impose the Storage Non-Compliance Charge on any injected or withdrawn volumes that are greater than the maximum daily injection and withdrawal limits set by Company.

Monthly Volume Reconciliation Amount:

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

Peaking Supplies Charge:

The cost of Peaking Supplies provided by Company for Choice Supplier’s Pool as set forth in the Allocation of Peaking Supplies section of Sheet No. 52.

Meter Operator Charges:

Choice Supplier shall reimburse Company for penalties Company incurs as meter operator. Penalties will be assessed to each Choice Supplier in proportion to its contribution to the violation.

System Balancing Amount:

Gas cost charges or credits associated with Pool Operators’, Choice Suppliers’, and SCO Suppliers’ daily and monthly imbalance Cashouts. The following Charges will also be credited to Choice Suppliers and SCO Suppliers: Nomination Error Charges, City Gate Allocation Non-Compliance Charges, and the non-gas portions of all imbalance Cashouts. Company will not retain amounts associated with Nomination and Balancing Provisions Charges, except as necessary to offset pipeline penalties.

POLR Amount:

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

Customer Billing Amount:

Choice commodity amounts billed to Choice Customers by Company on behalf of Choice Supplier.

RATE 385 **CHOICE SUPPLIER POOLING SERVICE**

Pipeline Delivery Point Balancing Amount:

Charges or credits associated with pipeline delivery point cashouts, OBA settlements, or other related costs allocated to Choice Supplier.

Additional Service Charges:

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

Pipeline Invoice Charge:

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

Related Charges:

Choice Supplier shall reimburse Company for all charges and costs incurred in connection with interstate pipeline transportation of Choice Supplier-Delivered Gas including, but not limited to, any gas costs, penalty charges, or cashouts.

Riders:

The following Riders shall be applied monthly; as applicable.

- Sheet No. 37 - Gross Receipts Excise Tax Rider

Miscellaneous Charges:

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

REQUIREMENTS FOR CHOICE SUPPLIER PARTICIPATION

In order to qualify for participation under the Pooling Program, Choice Supplier applicant must do all the following:

- 1) Complete and sign Company's Choice Supplier Registration Form and Credit Application;
- 2) Sign Company's Choice Supplier Pooling Agreement;
- 3) Pay a \$1,000 fee for Company to obtain and maintain a first priority perfected Uniform Commercial Code - 1 ("UCC-1") lien and related administrative procedures;
- 4) Remit a \$3,000 deposit for Electronic Data Interchange ("EDI") testing and successfully complete EDI testing requirements;
- 5) Maintain comparable firm capacity as set out in the Choice Supplier Pooling Service Terms and Conditions;
- 6) Adhere to the terms and conditions of this Rate Schedule, Choice Pooling Agreement with Company, and any other applicable provisions of Company's Tariff;
- 7) Maintain a computer and internet connection necessary to access Company's GTS; and
- 8) Provide a copy of, and maintain thereafter, the certificate demonstrating that Choice Supplier applicant is certified by the PUCO to provide retail natural gas service.

If Choice Supplier applicant is approved to participate in the Choice Program and begins serving Choice customers within ninety (90) days of approval, the EDI testing deposit will be refunded without interest. However, if Choice Supplier applicant is not approved to participate in the Choice Program or does not begin serving Choice customers within ninety (90) days of approval, Company shall retain the deposit and apply it to general revenues.

RATE 385 **CHOICE SUPPLIER POOLING SERVICE**

REQUIREMENTS FOR CHOICE SUPPLIER PARTICIPATION (Continued)

Within ninety (90) days of receiving approval to participate in the Choice Program, Choice Supplier must achieve, and maintain thereafter, a minimum customer base of at least one hundred (100) Customers or a sales forecast of ten thousand (10,000) Mcf of annual projected Customer sales ("Minimum Requirements").

Choice Suppliers will be evaluated by Company at least annually to determine if further credit assurance beyond the UCC-1 lien is necessary. Company will apply, on a non-discriminatory basis, reasonable financial standards to assess the Choice Supplier's creditworthiness, scope of operations, and level of risk to the Company. The provisions of this Rate Schedule and Choice Supplier Pooling Agreement between Company and Choice Supplier shall govern Company's creditworthiness requirements and procedures.

Choice Suppliers will be removed from the Choice Program if PUCO certification is rescinded, not maintained, abandoned, or otherwise removed or invalidated. Choice Suppliers may be removed if Choice Supplier's customer base or annual sales forecast falls below the Minimum Requirements; Choice Supplier fails to establish sufficient creditworthiness; or Choice Supplier otherwise materially fails to comply with the requirements of this Rate Schedule, other applicable provisions of Company's Tariff, its Contract with Company, or the statutes and regulations applicable to retail natural gas suppliers and service. The foregoing acts or failures to act may be considered material acts of default under Chapter 4901:1-27 OAC.

If Choice Supplier's participation in the Program was previously terminated due to Choice Supplier's default or for any other reason, Choice Supplier in its new application shall provide information acceptable to Company that such cause for termination has been corrected and will be avoided in the future.

Company shall maintain a list of Choice Suppliers currently meeting the requirements for Program participation and shall make such list available by request and via Company's website.

AGREEMENT

Pursuant to Rule 4901:1-29-13(B) OAC, Choice Supplier must enter into a written Choice Supplier Pooling Agreement with Company which sets forth specific covenants and obligations undertaken by Company and Choice Supplier under this Rate Schedule on behalf of its Pool Customers. At a minimum the Choice Supplier Pooling Agreement shall include the following provisions: representations and warranties, indemnification, limitations on liability, default (breach), remedies, force majeure, commencement and term. The Choice Supplier Pooling Agreement shall have an initial term of not less than one (1) year and shall automatically extend for succeeding annual terms thereafter subject to cancellation by either party pursuant to the provisions of the Agreement. However, in no case shall any service pursuant to the Agreement be terminated during the Winter Season unless termination mutually agreed upon or otherwise permitted under the Agreement or any provision of this Tariff. Company shall have the right to terminate at any time after providing thirty (30) days written notice if Choice Supplier has not obtained or retained the minimum number of enrollments or volumes, or if Choice Supplier fails any subsequent creditworthiness evaluations and Choice Supplier has not taken the necessary steps to cure the failure.