VEDO CONTACTS

• For inquiries regarding VEDO’s Choice Program please contact Kimberly Joseph, Transportation Services Manager 713-207-8474  kimberly.joseph@centerpointenergy.com

• Nominations and Capacity Release contacts:
  – Heather Schroeder at 812-491-4380
  – or heather.schroeder@centerpointenergy.com
  – Alternate contact: Pam McDowell at 812-491-4892
  – or pam.mcdowell@centerpointenergy.com

• EDI related questions: EDICoordinators@vectren.com

• Supplier Application Questions:
  – Larry Kunkle at 713-207-2911
  – or larry.kunkle@centerpointenergy.com
VEDO’S CHOICE SUPPLIER APPROVAL PROCESS
1. Supplier submits:
   - Choice Supplier Application Form (with requested financial information)
     • Suppliers must indicate on the application:
       - Customer list request
       - Customer Billing option selection (consolidated or dual)
       - Pooling intentions (mercantile, non-mercantile)
       - Requested contact information
       - Partially executed Choice Supplier Pooling Agreement
       - Copy of PUCO certification
       - Connectivity Profile
       - 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
       - Remit a $3,000 deposit for Electronic Data Interchange (EDI) testing and successfully completed EDI testing requirements. If Choice Supplier applicant is approved to participate in the Choice Program and begins serving Choice customers within ninety days of approval, the EDI testing deposit will be refunded without interest.

2. VEDO performs financial evaluation
   - **Consolidated Billing:**
     • A first priority security interest in the customer receivables (in the case of Suppliers electing to utilize consolidated billing); or
     • An irrevocable standby letter of credit from a financial institution that meets VEDO’s approval in an amount equal to the expected customer receivables from the prospective Supplier’s customers for the peak two consecutive months over the year (in the case of Suppliers electing to utilize consolidated or dual billing).
   - **Dual Billing:**
     • A letter of credit to fully collateralize any potential exposure deemed necessary by VEDO.

3. Pass EDI certification testing with ESG
Once approved by VEDO, Choice Supplier may proceed with the following:

1. Solicit customers
   • Must attain and maintain no less than 100 customers or 10,000 Mcf annual load
   • VEDO suggests attaining at least 150 customers to be enrolled in the first month as many will not be Choice eligible, or may rescind the enrollment

2. Receive eligible customer list
   • VEDO will host an ftp for purposes of providing supplier with a Choice Eligible Customer List, and monthly reports
   • Files are encrypted, and PGP keys will need to be exchanged

1. Submit request for rates via VEDO’s Rate Submittal Form to SupplierRateGroup@centerpointenergy.com
   • New Supplier rates must be received by VEDO at least 30 days in advance of the 1st of the month start date

2. Inclusion in PUCO “Apples to Apples” Chart
   • Rates may be submitted to PUCO

VEDO will provide one on one training via conference calls with new Choice Supplier’s business units.
CHOICE SUPPLIER PERFORMANCE OBLIGATIONS

- Must be listed on pipelines’ approved bidders list, and accept monthly mandatory capacity releases of VEDO Capacity. Current capacity includes:
  - Panhandle
  - Columbia Gas Pipeline
  - TETCo
  - ANR (beginning April 1, 2016)

- Maintain comparable firm capacity/supplies
  - Proof must be submitted annually to VEDO by October 31st

- Maintain no less than 100 eligible customers or 10,000 Mcf/year

- Adhere to VEDO tariff terms and conditions, and VEDO’s executed Choice Supplier Pooling Agreement.
ELIGIBLE CUSTOMERS
MERCANTILE VS. NON-MERCANTILE

• “Mercantile Customer” is a non-residential customer that uses > 5,000 Ccf/year at a single location or > 3 locations.

• Rules for competitive retail gas service (i.e. HB 9) are effective for Non-Mercantile customers and their Suppliers.

• VEDO’s Choice tariffs are available to Mercantile and Non-Mercantile customers using < 150,000 Ccf/year. Therefore, it implements the same (HB 9) requirements for both with the exception of:
  – PUCO Certification required to serve Non-Mercantile
  – PUCO approval required to terminate Non-Mercantile Supplier

• Mercantile and Non-Mercantile customers may be combined in the same pool (and thereby one DDQ and pool bill) provided that:
  – Supplier is certified with PUCO
  – Mercantile default process is followed

• VEDO strongly suggests one combined pool to reduce Supplier administration.
• Uses < 150,000 Ccf/year

• Is not 35 days past due and owe more than $100 at time of enrollment

• Is not past due on a payment arrangement

• Is not a PIPP customer
### BREAKDOWN OF CHOICE ELIGIBLE CUSTOMERS

- Customers with annual usage < 150,000 Ccf as of November 2016

<table>
<thead>
<tr>
<th></th>
<th>July-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Customer Count</td>
<td>319,440</td>
</tr>
<tr>
<td>Choice Eligible</td>
<td>306,839</td>
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<tr>
<td>Total Choice</td>
<td>132,546</td>
</tr>
<tr>
<td>Pipp</td>
<td>9,459</td>
</tr>
</tbody>
</table>
CUSTOMER ENROLLMENT
1. Customer enters into a contract with a Choice Supplier.

2. Choice Supplier sends EDI enrollment request transaction to VEDO.

3. VEDO validates the enrollment request and sends an acceptance or rejection EDI transaction to the Choice Supplier within 3 business days.
   - Response target is 1 business day
   - File contains customer’s anticipated enrollment date

4. Customer joins the Choice Supplier’s pool with their next on-cycle read date after a 10 calendar day rescission period (from the date VEDO sends letter to customer).
TIMING

- Projected Enrollment Date is set at the next meter read date 10 calendar days (typically 7 business days) after the customer notice is created.

- VEDO must receive enrollment request from Suppliers 10 calendar days prior to scheduled read date.

<table>
<thead>
<tr>
<th>Meter Read Cycle</th>
<th>Customer Notice Created</th>
<th>Rescission Period End</th>
<th>Next On-Cycle Bill Date</th>
<th>Enroll Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>15-Apr</td>
<td>25-Apr</td>
<td>1-May</td>
<td>1-May</td>
</tr>
<tr>
<td>14</td>
<td>15-Apr</td>
<td>25-Apr</td>
<td>24-Apr</td>
<td>24-May</td>
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<tr>
<td>18</td>
<td>15-Apr</td>
<td>25-Apr</td>
<td>29-Apr</td>
<td>29-Apr</td>
</tr>
</tbody>
</table>

Once the enrollment request is accepted, a future dated switch is created.

The customer has 10 calendar days to rescind their enrollment request.

Next on-cycle bill (Vectren).

The customers next bill will be the first with their new Supplier.

Next on-cycle bill (Choice).
REASONS FOR REJECTION OF AN ENROLLMENT

• Main Reasons an Enrollment is rejected:
  – Account is delinquent
  – Inaccurate Account Number
  – Customer is on PIPP
  – Account is Inactive
  – Customer is already pending with a new Supplier for that period
  – Customer usage > 150,000 Ccf/year

• Customers remain with their Supplier until:
  – The Supplier sends a drop request
  – The customer is DNP for delinquency
  – The customer joins the PIPP program
  – Another Supplier enrolls the customer
  – The customer asks VEDO to drop them
  – The customer moves out of their current residence
TRANSACTION PROCESSING
• VEDO has partnered with ESG to provide transaction management services between VEDO Banner CIS and Suppliers. All Choice file transfers will come through ESG.

• All Choice Suppliers must pass EDI testing with ESG before initiating enrollments.

• ESG will contact Supplier once Supplier meets VEDO participation requirements.

• ESG and Supplier will implement a test plan that tests connectivity and data transmission. This test plan is tailored to the Supplier’s billing election (dual or consolidated).

• Testing takes approximately 4 weeks for dual billing and 6 weeks for consolidated.
BATCH PROCESSING

• Communication via FTP using PGP encryption

• Suppliers may send files 24 hours a day

• Inbound files are processed by ESG Hourly

• Supplier transactions will be processed by VEDO’s Banner CIS once a day as part of the nightly batch process.

• Outbound files are processed by ESG immediately
TRANSACTION TYPES

• General Account Administration (GAA)
  – Enrollments
  – Changes
  – Drops
  – Reinstatement

• Usage (USG)
  – Monthly (original, cancelled)
  – Historical Usage (on request)

• Invoice (INV)

• VEDO does not send payment files

• All transactions must be sent through ESG using the defined standards.
HIGH LEVEL CUSTOMER DROP PROCESS

• It is not necessary for the current Supplier to submit a file to drop a customer before the customer can be served by another Supplier.

• If two Suppliers send a request to enroll a customer in the same processing period, the customer will be assigned to the Supplier whose request was received first.

• Customers may rescind via phone, mail, or through VEDO’s Call Center. Only the Customer (not the current Supplier) may rescind an enrollment during the recession period.

• If a customer rescinds their enrollment, a drop notification is sent to the recent Supplier and a reinstatement transaction is sent to the previous Supplier.
ENROLLMENTS FOR NEW ACCOUNTS

• Customers are able to enroll their new, inactive account with a Choice Supplier.

  – Suppliers must submit the enrollment before the read date + the rescind period.

  – If the enrollment is received within that date, the enrollment will be rejected and the customer will be billed on the SCO Rate.

  – VEDO will advise the customer of the new account number when the service order is created.

  – VEDO will also advise current Choice customers that they may call their Supplier to advise them of the move and the new account number so that any existing contracts can be transferred.
CUSTOMER RATES & BILLING
Supplier must select one option for all of its Choice customers:
  – VEDO-generated Consolidated bill
  – Dual Billing

- This option can be changed annually with 90 days prior written notice. All of the Supplier’s existing customers will be migrated to the new billing option.

- On the onset of the program, there is no charge for billing services.

- VEDO will not bill Supplier’s penalties or termination fees.

- VEDO does not bill for Suppliers’ non-commodity products and services.

- VEDO is not able to include Supplier’s logo on its bills.
Sales tax on Supplier charges:

- Supplier charges are subject to sales tax.

- Supplier will provide the taxing county on the enrollment request.

- Supplier will provide any customer tax exemption information on the enrollment request or a subsequent change request.

- Supplier rates submitted to VEDO should be exclusive of sales tax.

- Suppliers will be responsible for remitting sales tax to the relevant state and county authorities (Information needed by Supplier is contained in EDI customer invoice files).

- VEDO does not refund billed taxes. Customer must request the refund from the State.
• VEDO performs all meter reading, charge calculation, bill preparation and collections responsibilities.

• Supplier may use any rate structure automatically billed by VEDO’s standard billing system. Charges may be negotiated for adapting billing system to bill alternate rate structures.

• Supplier’s charges are subject to the same billing proration rules as VEDO’s sales service which is currently based on days of service and heating degree days.

• Prices for each Supplier rate may only be changed once per month effective with the first day of the month.

• Suppliers are limited to 25 new rates per year, and there is no charge for rate submittals.

• VEDO currently purchases 100% of the receivables
SUBMITTAL OF SUPPLIER RATES

Timeline:

• Suppliers will notify VEDO of changes to existing rates no later than Noon CST on the 2nd business day prior to the end of the month using VEDO’s Rate Request Form. All rate requests should be e-mailed to SupplierRateGroup@centerpointenergy.com.

• VEDO will send out changes for confirmation by 10 AM CST on the last business day prior to the end of the month.

• Suppliers must confirm the proposed changes no later than Noon CST the last business day of the month in order for the rate to become effective.

• If confirmation is not received by noon the last business day of the month, the current rate will remain in affect and the proposed change will not go into effect until the next business month.

• VEDO will need 30 days notice for new rates. The new rate form must be submitted 30 days in advance. The actual rate to be billed to customers can be updated based on the changes to the existing rate timeline outlined above.

• VEDO is not responsible for any customers being billed the rate submitted on the original new rate form if Supplier does not submit the actual rate change within the timeline outlined above. In such case, the customers' bills will not be corrected.

• *Note - If an EDI rate change request is made within 7 days of the last read date, the new rate will take effect as of that read date.
• VEDO performs all meter reading.

• Meter reading information will be provided to the Supplier to enable them to bill the customer for the supply charges.

• VEDO will bill for its own charges only.

• The VEDO bill indicates the Supplier’s name and a statement that Supplier charges will be invoiced separately by their Choice Supplier.
BUDGET BILLING

• Choice customers may participate in budget billing upon program implementation.

• A budget customer who enrolls in Choice will automatically remain on the budget program.
  – No settle up or change in budget amount at Choice enrollment.
  – A non-budget Choice customer may join the budget billing program at any time.
  – The budget bill amount will be adjusted for Customers enrolling in Choice with a Supplier electing Dual Billing.

• Suppliers electing Consolidated Billing will be paid the value of the gas consumed (utility receives budget payment amount).
CUSTOMER DELINQUENCY
CUSTOMER DELINQUENCY

• When on Choice, a customer will be disconnected for non-payment of charges contained on its VEDO bill.

• Customers are dropped from Choice for non-payment when the physical disconnection of gas takes place.
  – Customers with past due charges on their VEDO bill will be warned via a bill message that they will be dropped from Choice if they are disconnected for non-payment.
  – If the customer is disconnected, the customer will be dropped from Choice. The customer will be informed by a bill message & the Supplier will be informed by an EDI file.

• If service is reconnected within 10 days, a reinstatement transaction will be created with the reactivation date.

• If service is not reconnected within 10 days, an eligibility check will be done. If eligible, they will be enrolled with the SCO Provider for the premise. If not eligible, they will default to DSS Service.
CUSTOMER DELINQUENCY, CONT’D.

- Dual Billing Delinquency:
  - VEDO can drop the customer for past due VEDO charges.
  - The Supplier has collection responsibilities for its own charges.
  - The Supplier cannot request VEDO to disconnect the customer.
  - The Supplier can drop the customer from Choice after the Supplier has issued mandated notices to the customer.

- Re-enrollment after Delinquency Drop:
  - When a customer has been dropped from Choice for non-payment, any past due balance with VEDO must be paid before the customer may re-enroll in Choice.
  - A new enrollment is required for the customer to re-enroll in the Choice program, unless the customer reconnects within a 10 day period.
GOVERNMENTAL AGGREGATION
GOVERNMENT AGGREGATION

• What is Government Aggregation?
  – Ohio’s laws allow for communities - such as cities and counties - to form aggregated buying groups on behalf of their citizens. The governmental aggregator chooses a Supplier for all of the customer-members in its group.

• What Certifications are Required?
  – Supplier and Government Aggregator must be PUCO certified.
  – The Supplier must meet VEDO requirements.

• Which customers are not eligible?
  – PIPP customers,
  – Customers already under contract with a Supplier as part of Choice (unless they terminate their current Supplier agreement), and
  – Customers using > 5,000 Ccf/year (Mercantile customers)
– Opt-in Aggregation
  • A program that permits each customer to sign up individually to participate in the program. If the local government chooses Opt-in aggregation, it can proceed to develop a plan and start signing up customers.

– Opt-out Aggregation
  • A program that automatically enrolls all local residents, unless they individually opt-out of the program. If a community chooses this form of aggregation, a number of steps are required:
Formation of an Opt-out Aggregation

– A majority of voters must authorize opt-out aggregation in an election.

– If authorized by a majority of the vote, the local government must form a plan of operation and management. They must also hold at least two public hearings to allow customers to voice any concerns over the proposed plan.

– Each customer to be aggregated must be notified that they will be automatically enrolled in the program unless they specifically elect not to participate.
VEDO’S RESPONSIBILITIES

• VEDO will work with approved aggregators to provide a list of eligible customers within the specified boundaries.
  • A minimum of two weeks lead time is required.

• VEDO can support identification of the boundaries through Zip codes (not Zip+4).
GAS MANAGEMENT
VEDO’S SYSTEM BALANCING

• VEDO’s Columbia Pipeline Group (TCO) Firm Storage Service (FSS) agreement provides most of VEDO’s system balancing capability – hourly, daily and monthly.

• SCO/Choice Suppliers collectively balance VEDO’s system

  – VEDO does not retain a portion of TCO storage to perform the system balancing function.
  – VEDO mandates release of its TCO storage capacity to these Suppliers. The Suppliers are responsible for filling and emptying the storage account.
  – Choice/SCO holders of VEDO’s released TCO storage capacity collectively provide system balancing via an auto-balancing feature on TCO that has been specifically designed for VEDO

• The Suppliers must agree to allow their TCO storage (individually and in aggregate) to be used to balance the VEDO system.

• Suppliers must agree to follow VEDO-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
VEDO’S SYSTEM BALANCING, CONT’D.

• All SCO and Choice Suppliers will be required to enter into a TCO Agency Agreement on a monthly basis giving VEDO the rights to view all of the Suppliers’ nominations and storage information on their VEDO released contracts.

  – TCO Agency Agreements will be submitted to TransCanada/Columbia Pipeline Group at navigates@transcanada.com by Suppliers.

  – The expiration date is populated to allow 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 VEDO’s system.

• SCO/Choice Suppliers will receive the cash-outs and premiums charged to Large Transporters/Pool Operators on a monthly basis based on their CRP’s for providing balancing services.
• Suppliers must agree to allow VEDO to shift some TCO storage capacity among the Suppliers at the start of each month due to Customer migrations or intra-month if a large migration occurs. Capacity follows the Customer; storage inventory does not.

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

  – TCO will bill the individual Suppliers that overrun their individual storage limitations.

  – Nominated storage injections, withdrawals and off-system storage withdrawals must be nominated on VEDO’s EBB.

• Minimum Storage Levels

  – Suppliers must have at least the minimum storage level designated by VEDO in their storage account at all times.

  – Volumes below the minimum storage level are subject to Storage Non-Compliance Charges.
• Daily minimum and maximum injection and withdrawal limits will be established for each SCO and Choice Supplier in order to balance the system and adhere to TCO’s tariff limits.

• Daily limits can vary depending on HDD. TCO will bill the individual Suppliers that overrun their individual storage limitations.

• Suppliers must have at least the minimum storage level designated by VEDO in their storage account at all times.

• Suppliers must set their PDA’s accordingly at the shipper level.
# VEDO’S TCO STORAGE MIN/MAX INJECTION/WITHDRAWAL REQUIREMENTS

## Historic Maximum MMBTU MMBTU Forecast vs Actual

### Max Injection Table

<table>
<thead>
<tr>
<th>Month</th>
<th>Max Injection (MMBTU)</th>
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</thead>
<tbody>
<tr>
<td>TCO Max</td>
<td>Jan 2000</td>
<td>184,400</td>
<td>183,400</td>
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<td>TCO Max</td>
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<tr>
<td>TCO Max</td>
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<td>133,200</td>
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## Max Withdrawal Table

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<td>133,200</td>
</tr>
</tbody>
</table>
# Minimum Daily TCO Storage Inventory Requirements

**Attachment 17B**

## VEDO Monthly TCO Storage Requirements

<table>
<thead>
<tr>
<th>Month</th>
<th>Daily Minimum Required % of SCQ in TCO Storage</th>
<th>Daily Minimum Recommended % of SCQ in TCO Storage</th>
<th>Maximum Required % of SCQ in TCO Storage</th>
</tr>
</thead>
<tbody>
<tr>
<td>April</td>
<td>0.00% * 2.5%</td>
<td></td>
<td>TCO Tariff</td>
</tr>
<tr>
<td>May</td>
<td>0.00% * 2.5%</td>
<td></td>
<td>TCO Tariff</td>
</tr>
<tr>
<td>June</td>
<td>0.00% * 2.5%</td>
<td></td>
<td>TCO Tariff</td>
</tr>
<tr>
<td>July</td>
<td>0.00% * 2.5%</td>
<td></td>
<td>TCO Tariff</td>
</tr>
<tr>
<td>August</td>
<td>0.00% * 2.5%</td>
<td></td>
<td>TCO Tariff</td>
</tr>
<tr>
<td>September</td>
<td>0.00% * 2.5%</td>
<td></td>
<td>TCO Tariff</td>
</tr>
<tr>
<td>October</td>
<td>0.00% * 2.5%</td>
<td></td>
<td>TCO Tariff</td>
</tr>
<tr>
<td>November</td>
<td>30% * 30%</td>
<td></td>
<td>TCO Tariff</td>
</tr>
<tr>
<td>December</td>
<td>30% * 30%</td>
<td></td>
<td>TCO Tariff</td>
</tr>
<tr>
<td>January</td>
<td>30% * 30%</td>
<td></td>
<td>TCO Tariff</td>
</tr>
<tr>
<td>February 1-15</td>
<td>30% * 30%</td>
<td></td>
<td>TCO Tariff</td>
</tr>
<tr>
<td>February 16-28</td>
<td>0.00% * 2.5%</td>
<td></td>
<td>TCO Tariff</td>
</tr>
<tr>
<td>March</td>
<td>0.00% * 2.5%</td>
<td></td>
<td>TCO Tariff</td>
</tr>
</tbody>
</table>

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

VEDO will not require a minimum balance in inventory from February 16th through the end of October. VEDO 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.
### Columbia Gas Transmission - Recommended Operating Parameters per VEDO

<table>
<thead>
<tr>
<th>Date</th>
<th>Max SCQ %</th>
<th>Min SCQ %</th>
<th>Max Dth</th>
<th>Min Dth</th>
</tr>
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<tbody>
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<td>December 15th</td>
<td>100%</td>
<td>75%</td>
<td>7,648,483</td>
<td>5,736,362</td>
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<tr>
<td>January 15th</td>
<td>80%</td>
<td>55%</td>
<td>6,118,786</td>
<td>4,206,666</td>
</tr>
<tr>
<td>February 15th</td>
<td>55%</td>
<td>30%</td>
<td>4,206,666</td>
<td>2,294,545</td>
</tr>
<tr>
<td>March 15th</td>
<td>30%</td>
<td>10%</td>
<td>2,294,545</td>
<td>764,848</td>
</tr>
</tbody>
</table>

The VEDO recommended TCO Storage Inventory levels are those previously used by VEDO prior to its merchant exit.
• VEDO’s holding of capacity equals approximately 75% of its total SCO/DSS and Choice load.

• VEDO’s pipeline firm transportation capacity will be temporarily released on a monthly basis, with recall rights, to SCO and Choice Suppliers on a pro-rata basis (Capacity Release Percentage – CRP).

• CRP’s are available to SCO and Choice Suppliers in GTS when Capacity is released, typically by the 20th of each month.

• The volumes and costs associated with the capacity may be provided upon request.

• Transportation capacity follows the Customer.

• Supplier will not be permitted to change any primary points of receipt or delivery associated with assigned pipeline transportation contracts.

• For specific parcels of capacity identified by VEDO, Supplier may not utilize any delivery point other than those primary and secondary points identified by VEDO unless the capacity is released at the pipeline’s full tariff rate or unless an alternate capacity billing arrangement is agreed to by Supplier and VEDO.

• VEDO will continue to retain prospectively a combination of interstate pipeline transportation and storage capacity along with alternate peaking supplies to serve approximately 75% of total system requirements (not including Large Transporter loads) for releasing to SCO and Choice Suppliers.
• Suppliers must execute capacity release documents in the timeframe specified by VEDO.

• VEDO reserves the right to adjust capacity release quantities intra-month if needed.

• VEDO will release capacity to those Suppliers participating as both an SCO Supplier and a Choice Supplier collectively; however, the Supplier will have a Choice Pool and a separate SCO Pool with its own DDQ, nominations, usage, etc. for billing purposes.

• Capacity contract numbers will change monthly by the pipelines as capacity is recalled and re-released.

*Note – A new Choice Supplier must have 100 enrollments or enrollments with 10,000 CCF of annual load collectively submitted before the release date in order to be awarded capacity. Once the capacity is awarded, the new Choice Supplier will be responsible for fulfilling the Minimum Storage amount by the first of the month.

– Suppliers will be notified of the released pipeline contracts, volumes and offer numbers typically by the 20th of each month.
  • Suppliers must accept capacity within 48 hours of the release.
– VEDO’s Tri-Party Capacity Agreement must be fully executed if capacity is not to be released directly to the SCO Supplier.
CAPACITY RELEASE OF STORAGE

• 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 reallocation of capacity to Suppliers 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 VEDO’s Tariff

• Storage is recalled and re-released on a monthly basis which changes the contract numbers each month

• Suppliers must transfer their end of the month storage balance to their new contract the beginning of each month
# VEDO’S CAPACITY PORTFOLIO EFFECTIVE APRIL 1, 2016

## VECTREN ENERGY DELIVERY OF OHIO

<table>
<thead>
<tr>
<th>Pipeline</th>
<th>Svc Type</th>
<th>Contract Number</th>
<th>Primary Receipt</th>
<th>Primary Delivery</th>
<th>Apr ’16</th>
<th>May ’16</th>
<th>Jun ’16</th>
<th>Jul ’16</th>
<th>Aug ’16</th>
<th>Sep ’16</th>
<th>Oct ’16</th>
<th>Nov ’16</th>
<th>Dec ’16</th>
<th>Jan ’17</th>
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<tr>
<td>TCO</td>
<td>SST</td>
<td>99599</td>
<td>33/Stow Stoi/33</td>
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</tr>
<tr>
<td>ANR</td>
<td>ETS</td>
<td>126278</td>
<td>742252 1400988</td>
<td></td>
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<td>30,000</td>
<td>30,000</td>
<td>30,000</td>
<td>30,000</td>
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<tr>
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<td>742252 1400988</td>
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<td>74902 72909</td>
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<tr>
<td>TETCO</td>
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<td>79351 73105</td>
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<tr>
<td>PEPL</td>
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**Total City Gate Deliverability**

<p>| | | | | | | | | | | | | | | | |</p>
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<thead>
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<td>320,005</td>
<td>320,005</td>
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</tr>
</tbody>
</table>

| Pipeline |Svc Type| Contract Number | Primary Receipt | Primary Delivery | Apr ’16 | May ’16 | Jun ’16 | Jul ’16 | Aug ’16 | Sep ’16 | Oct ’16 | Nov ’16 | Dec ’16 | Jan ’17 | Feb ’17 | Mar ’17 |
|----------|--------|----------------|----------------|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| TCO      | FSS (SCQ) | 99500          | 33/Stow Stoi/33 | 7,648,483        | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 |

**Total City Gate Deliverability**

<p>| | | | | | | | | | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
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<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
</tr>
</tbody>
</table>
CAPACITY PORTFOLIO CHANGES

VEDO has made some changes to its portfolio, and delivery requirements effective April 1, 2016. They are:

– VEDO has entered into Rate Schedule ETS capacity contracts with ANR Pipeline for the replacement of its Panhandle capacity.

• Both contracts are for a ten year term starting April 1, 2016 with a primary delivery point of VEDO GRP-1:
  – Contract #126278 has an MDQ of 30,000 dths per day with a primary receipt point of REX Shelbyville
  – Contract # 126279 has an MDQ of 30,000 dths per day with a primary receipt point of REX Shelbyville

– VEDO has retained 1,000 dths per day EFT Panhandle capacity for delivery to New Paris

– VEDO will no longer hold storage capacity on Panhandle
• Each Choice/SCO Supplier agrees to retain sufficient firm interstate pipeline transportation and storage capacity with primary delivery points to the VEDO city-gates and/or city-gate firm gas supply arrangements to meet 100% of their monthly design peak day demand.
  – VEDO provides approximately 75% of the capacity peak day needs
• VEDO will allow a physical call for 10 peaking days at the VEDO city-gate to cover an SCO and/or Choice Supplier’s firm capacity obligation.

• Plans and proof of comparable firm capacity should be submitted directly to Larry Kunkle at larry.kunkle@centerpointenergy.com no later than October 31st of each year.
  – Actual proof of capacity may be submitted during the month of October 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.

• VEDO may verify the Suppliers’ compliance with this requirement at any time.
• Differences between the actual deliveries through the Delivery Point meters and the nominations to those meters will be managed by VEDO as shown below.

– Texas Gas – Lebanon Point
  • No OBA in place.
  • 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.
– ANR – Derby, Red Lion, & effective April 1, 2016 VEDO GRP-1 140098
  • 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 Point
  • OBA in place.
– Rockies Express – Clear Creek
  • POA in place.
  • Imbalances are managed to minimal levels through REX Gas Control adjusting flow.
  • Imbalance < 20,000 Dths carries month to month.
  • Imbalance > 20,000 Dths is cashed out.
• Each SCO Supplier agrees to retain sufficient firm interstate pipeline transportation and storage capacity with primary delivery points to the VEDO city-gates and/or city-gate firm gas supply arrangements to meet 100% of the monthly design peak day demands for its tranches.
  – VEDO provides approximately 75% of the capacity peak day needs.

• VEDO may verify the Suppliers’ compliance with this requirement at any time.

• VEDO will allow a physical call for 10 peaking days at the VEDO city-gate to cover an SCO and/or Choice Supplier’s firm capacity obligation.

• Choice and SCO Suppliers must provide capacity supply plans in October to demonstrate their supply plans for the upcoming season.

• Actual proof of capacity may be submitted at that time 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.

• Plans and proof of comparable firm capacity should be submitted directly to Larry Kunkle at larry.kunkle@centerpointenergy.com
Note: Does not include the ANR Mikesell or GRP -1 interconnects
CITY-GATE DELIVERY REQUIREMENTS

- The allowable minimum and maximum delivery percentages are recalculated and communicated to Suppliers periodically.
  - Typically a four month minimum notification will be provided on changes to the city-gate allocation tables.

- Required minimum/maximum delivery requirements vary by Heating Degree Day.

- Deliveries to a grouped city-gate delivery point in VEDO’s city-gate allocation table allow delivery by various pipelines.

- 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.

- Due to the changes to VEDO’s portfolio, city-gate delivery requirements have also changed:
  - No deliveries will be accepted at Panhandle Glen Karn or Hollansburg as of April 1, 2016.
    - Panhandle Rural deliveries are still required
  - Deliveries will be required at ANR VEDO GRP-1 1400988 April 1, 2016.

- VEDO’s city-gate allocation delivery requirement table can be found on Vectren.com.
# VEDO's PIPELINE & CITY-GATES

<table>
<thead>
<tr>
<th>Pipeline</th>
<th>Pipeline Meter Point</th>
<th>Pipeline City-Gate Name</th>
<th>VEDO City-Gate Delivery Groupings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Columbia</td>
<td>33-6</td>
<td>Dayton-6</td>
<td>33-6</td>
</tr>
<tr>
<td>ANR</td>
<td>295956</td>
<td>Lebanon/Derby</td>
<td>Derby Hub</td>
</tr>
<tr>
<td>TETCO</td>
<td>73269</td>
<td>Derby</td>
<td>Derby Hub</td>
</tr>
<tr>
<td>ANR</td>
<td>108796</td>
<td>Lebanon/Red Lion</td>
<td>Lebanon Hub</td>
</tr>
<tr>
<td>TGT</td>
<td>Zone-4 - 1720</td>
<td>Lebanon-Dayton-Zone 4</td>
<td>Lebanon Hub</td>
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<td>TETCO</td>
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<td>Lebanon Hub</td>
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<td>REX</td>
<td>44472</td>
<td>Clear Creek (Lebanon Lateral)</td>
<td>Lebanon Hub</td>
</tr>
<tr>
<td>ANR</td>
<td>Mikesell</td>
<td>Loc ID: 1401911</td>
<td>Grp-1/Mikesell</td>
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<td>PEPL</td>
<td>02830</td>
<td>Vectren Energy Delivery of Ohio -PEPL</td>
<td>Glen Karn Hub</td>
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</tbody>
</table>
OPERATIONAL FLOW ORDERS (OFO’S)

VEDO may issue an OFO, in its reasonable discretion upon determination that an action is required in order to:

- Alleviate conditions which threaten the integrity or reliability of Company’s gas system
- To maintain the system in balance
- To maintain adequate storage levels
- To assure deliveries of gas supplies by Suppliers to the customers
- Protect the reliability of Company’s gas system
- Assure deliveries of gas supplies by Suppliers to the customers
- Adhere to the various interstate pipeline companies’ balancing requirements, as stated in their FERC approved gas tariffs under which Company is served
- Direct Suppliers to different city-gates or institute different city-gate delivery allocations due to system maintenance or system constraints
- Any other condition warranting a change to delivery requirements
An OFO may be issued to all Suppliers delivering gas to VEDO’s city-gates, individual transport programs, or an individual Supplier when necessary in Company’s sole judgment.

- Violations of OFO requirements will be subject to a $35.00 charge per Dth for any volumes over or under the specified restriction.

- An e-mail notification of OFO’s or critical periods will be posted to GTS and received by all registered Suppliers.
OPERATIONAL FLOW ORDERS GUIDELINES

VEDO will issue an OFO in the following situations:

– Columbia Pipeline Group (i.e. TCO) issues a Transport Critical Day or OFO, and the TCO Storage inventory levels are above 30%.

– TCO issues a Storage Critical Day or OFO regardless of the collective storage inventory level.
  • Off-system withdrawals are forbidden by VEDO when TCO issues a Storage Critical Day, and any other time as deemed necessary by VEDO.

– Certain circumstances may result in exceptions to VEDO’s practice of issuing OFO’s. Such exceptions will be communicated to internal stakeholders as part of the normal OFO process.

• Off-System storage withdrawals are not allowed during a Cold OFO
CHOICE SUPPLIER
RECONCILIATION BILLING
Supplier Charges

– Choice Supplier Monthly Statements (bills) will be rendered each month by the 25th day of the month, for the prior month’s activity.

– VEDO will pay the Choice Suppliers for the dollars billed to their Choice customers for the revenue month.

– Payment to Supplier from VEDO typically is made within three days of issuance of the monthly invoice statement via wire.

– Payment from Supplier to VEDO is due within five days of receipt of the electronic monthly invoice statement.
Receivables

- VEDO will purchase 100% of the Choice Supplier receivables without discount so long as VEDO has continuing authority pursuant to Commission Entry to seek recovery for unpaid customer receivables.

- 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 the previous revenue month.

  • VEDO bills on a 21 cycle basis. Receivables for April will be paid in May.
Bill Detail Report

- 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
    - 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.
Choice Supplier Monthly Charges include the following:

- **Choice Eligible Customer Account List Fee**
  - **Annual Option** - $0.08 charge for each account included on the initial list, with updated lists provided the three subsequent quarters at no additional cost.
  - **Quarterly Option** - $0.05 charge for each account included on the list. Such lists shall be available quarterly.
  - **Nomination Error Charge** - A $0.50 per Dth charge based upon the quantity difference between the Choice Supplier’s daily pipeline nomination and the pipeline daily confirmed volume delivered to VEDO, for each day of difference.
  - This fee is not charged if the difference is due to pipeline allocations or cut volumes.

- **DDQ Non-Compliance Charge** - A $15.00 charge per Dth fee for the daily difference between the Supplier’s DDQ and the aggregate deliveries which includes scheduled storage withdrawals.
  - This fee is not charged if the difference is due to pipeline allocations.

- **City-Gate Allocation Non-Compliance Charge** - A $5.00 charge per Dth for any daily city-gate scheduled nomination less than the minimum or greater than the maximum city-gate allocation requirement stated on the DDQ.
  - This fee will not be charged if VEDO cuts scheduled deliveries greater than the maximum allowed at the city-gate.

- **OFO Non-Compliance Charge** - A $35.00 per Dth charge for any volumes over or under the specified restriction.
• Non-Compliance charges will apply as normal to volumes outside of the daily delivery, city-gate, and storage requirements that are not affected by the Operational Flow Order.

• Storage Non-Compliance Charge –
  • A $35.00 per Dth charge for each occurrence during the term of the contract.
  • Supplier is considered in default upon the fifth occurrence.
    – Charges apply to any volumes greater than the VEDO-established maximums or less than the VEDO-established minimums for the daily injection and/or withdrawal requirements.
    – Charges will apply daily for any volumes less than the daily minimum storage inventory requirements.

• 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 limits set by Company. However, over-injection and over-withdrawal rights do not preclude the TCO Storage Holders from maintaining their daily storage levels within the minimum limitations set by the Company.
• Related Charges - Supplier shall reimburse VEDO for all charges VEDO incurs in connection with interstate pipeline transportation of Choice Supplier-Delivered Gas including any gas costs, penalty charges, or cash-outs.

• System Balancing Charge - Because the Suppliers’ TCO storage accounts are used to balance the system including the Large Transporters, the imbalance gas costs and premiums payable by/to the Transporters will be allocated among the Suppliers based on their portion of TCO storage (monthly CRP) in addition to other non-compliance charges.

• Monthly Reconciliation Charge - The price utilized will be the IFERC Gas Market Report First-of-the-month price for Columbia Gas Transmission Corp, Appalachia with retention and firm commodity rate included.

• Alternate Peaking Supplies Charge - The cost of alternate supplies provided by Company for SCO/Choice Supplier as set out in the Allocation of Alternate Supplies section of the SCO Supplier Service Terms and Conditions.

• The actual costs of the alternate supply provided by Company hereunder shall be allocated to Choice and SCO Suppliers.

• POLR Charge – Any charges associated with providing provider of last resort services due to the default of Supplier.
- SCO and Choice Suppliers’ deliveries will be reconciled to their supply requirements and cashed-out 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 supply.
  - The Supplier’s Pool Requirements will be determined by adjusting the Supplier’s Pool’s actual billed usage for annual Standard Btu Value and the UAFG % identified in VEDO’s Tariff.

- The Supplier’s Allocated Requirements will include the Supplier’s portion of Large Transporter Imbalance volumes (sum of their deliveries minus VEDO tariff unaccounted for gas percentage minus usage converted to Dth using VEDO’s monthly average BTU), VEDO Line Pack changes, and VEDO 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.
RECONCILIATION, CONT’D.

– The sum of the monthly reconciliation cash-out amounts, plus any applicable taxes, will be the monthly cash-out credit or charge.
  • The monthly cash-out charge or credit will be recovered/passed back in the Exit Transition Cost (ETC) Rider charged to the customers.

– Such reconciliations will be performed the second month following the end of the last month of flow in each SCO Phase in order to have sufficient time to obtain all billed usage for the applicable period and prior usage adjustments.

– Monthly Volume Reconciliation statements remain subject to revision based on any corrections to underlying data and any issues identified in the annual ETC Audits.
Pool usage shall be the Pool’s billed usage using the monthly Energy Conversion Factor.

<table>
<thead>
<tr>
<th>1</th>
<th>Confirmed Deliveries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Allocated Peaking Supply</td>
</tr>
<tr>
<td>3</td>
<td>Auto Balancing Activity</td>
</tr>
<tr>
<td>4</td>
<td>Total Supplied (lines 1+2+3)</td>
</tr>
<tr>
<td>5</td>
<td>Pool Usage (MCF)</td>
</tr>
<tr>
<td>6</td>
<td>Standard BTU</td>
</tr>
<tr>
<td>7</td>
<td>Pool Usage (Dth) (lines 5*6)</td>
</tr>
<tr>
<td>8</td>
<td>Pool Requirements (line 7/-UAFG%)</td>
</tr>
<tr>
<td>8.1</td>
<td>Allocated LGT Imbalance (Deliveries minus shrink minus usage)</td>
</tr>
<tr>
<td>9</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Allocated Pipeline OBA Change</td>
</tr>
<tr>
<td>11</td>
<td>Allocated Line Pack Change</td>
</tr>
<tr>
<td>12</td>
<td>Total Requirements (lines 8-9-10-11)</td>
</tr>
<tr>
<td>13</td>
<td>Reconciliation Volumes (line 4-12)</td>
</tr>
<tr>
<td>14</td>
<td>Reconciliation Price (first of the month Columbia Appalachia plus TCO fuel and Commodity)</td>
</tr>
<tr>
<td>15</td>
<td>Reconciliation Amount (lines 13*-14)</td>
</tr>
</tbody>
</table>
RECONCILIATION TIMELINE EXAMPLE

• Supplier bill issued in May
  – Non-Compliance charges for Supplier’s April deliveries
  – Billed receivables – April usage billed in April

• Supplier bill issued in June
  – Non-Compliance Charges for Supplier’s May deliveries
  – Billed receivables – April and May usage billed in May
  – Reconciliation volumes for April
  – Allocation of credits/charges for non-compliance charges from all SCO/Choice Suppliers, and cash-outs and premiums from Large Transporters for April activity.
<table>
<thead>
<tr>
<th>Annual Phase - April 1 thru March 31</th>
<th>Month customer receivables billed</th>
<th>Gas Flow</th>
<th>Bill Month (by the 25th)</th>
<th>Reconciliation Month</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>January</td>
<td>February</td>
<td>January reconciliation</td>
<td>Allocation of cash-outs, premiums, and non-compliance penalties charged in December</td>
</tr>
<tr>
<td></td>
<td>February</td>
<td>March</td>
<td>January reconciliation</td>
<td>Allocation of cash-outs, premiums, and non-compliance penalties charged in January</td>
</tr>
<tr>
<td></td>
<td>March</td>
<td>April</td>
<td>February reconciliation</td>
<td>Allocation of cash-outs, premiums, and non-compliance penalties charged in February</td>
</tr>
<tr>
<td>Remaining March bills that bill in April</td>
<td>March</td>
<td>May</td>
<td>March reconciliation</td>
<td>Allocation of cash-outs, premiums, and non-compliance penalties charged in March</td>
</tr>
<tr>
<td>Start of Annual Phase</td>
<td>April</td>
<td>May</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Allocation of cash-outs, premiums, and non-compliance penalties includes those billed to SCO Suppliers, Choice Suppliers and Large Transporters.
In the SCO Phase, the POLR responsibility will include temporarily providing supply to cover SCO tranche loads in the event of an SCO Supplier default. The SCO Supplier Agreement and relevant tariff sheets will hold the defaulting SCO Supplier financially responsible.

Defaulting Suppliers will be required to reimburse for any incremental POLR costs incurred.

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

VEDO will act as POLR Coordinator, identifying the need for POLR supply and notifying the non-defaulting SCO and Choice Suppliers.
In the event of Supplier default, VEDO will take the following short-term action with regard to obtaining POLR supply:

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

- If VEDO determines that the daily quantity of gas needed due to Supplier default(s) may affect the reliability of the system, an OFO will be issued, to ensure that Large Transporters/Pool Operators are delivering enough supply for their Transport Customer load during the POLR period.

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

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

- VEDO will coordinate the provision of POLR service for the remainder of the billing month in which the default occurs, and the subsequent month, or until an alternate solution is effectuated.
• In the event of Supplier removal, VEDO will take the following action with regard to an alternate solution:

  – If a Choice Supplier defaults, per the Choice Tariff, VEDO will offer non-defaulting Choice Suppliers the option of assuming the customers of the defaulting Supplier. If there are no takers, the customers will revert to SCO service.

  – If an SCO Supplier defaults or Choice Suppliers do not assume the customers of a removed Choice Supplier:
    a. 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.
    b. 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.
    c. 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.
    d. 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.
    e. The removed SCO Supplier will be responsible for all costs associated with (a) through (d) as described herein.
DIRECTED DELIVERY QUANTITY (DDQ)

• DDQ’s will typically be posted no later than 9:00 a.m. Central Clock Time (CCT) for the gas day beginning 9:00 a.m. CCT the following day.

• The DDQ’s will be the sum of:
  – The Expected Demand of the Suppliers’ tranches or customer load for that gas day, plus;
  – System UAFG quantities based on VEDO’s UAFG Percentage, plus;
  – Any necessary adjustments for interstate pipeline and/or VEDO operating constraints.

• VEDO will post the Suppliers’ Expected Demands for the subsequent four days as well as the Heating Degree Days (HDD’s) used to calculate the Expected Demands.
  – Expected Demands are subject to change, and may or may not result as the actual DDQ for that date

• At the time of posting the DDQ, VEDO will indicate:
  – The minimum and maximum (or exact) Dth quantity required to be delivered by Supplier to each VEDO city gate to achieve the DDQ
  – The minimum and maximum TCO storage injection and withdrawal quantities
• View the total Directed Delivery Quantity (DDQ) and the DDQ by City Gate.

• Enter Gas Day

• Enter Pool

• Click Retrieve

• Choice/SCO Suppliers will deliver according to their pipeline/city gate minimum and maximum volumes and total volume specified on their pool’s DDQ.

• Ohio DDQ’s will display the pool’s Capacity Release Percentage (CRP) and the Average BTU factor.

• Click on the Forecast Tab to view the “Five Day Forecast” and the “Daily Storage Tolerances” (Ohio Only).

• Min/Max Storage Withdrawals and Storage Injections volumes

• All Choice/SCO Suppliers must nominate TRANSPORTATION nominations to the pipeline/city-gate combinations within their min and max delivery requirement totaling to their DDQ:
HEATING DEGREE DAYS (HDD)

- Forecasted and Actual HDD and DDQ information by Gas Day.
- View Forecast, Actual, or Both
- Go to Forecasting & Actuals > Daily DDQ Forecast & Actual
  - Enter Gas Month
  - Enter Pool
  - Click Retrieve

- HDD information can also be found on the Forecast & Actual Weather page.
- Go to Forecasting & Actuals > Forecast & Actual Weather
  - Enter Gas Month
  - Click Retrieve
### Nomination Status and Timelines

**Nomination Cycles Effective April 1, 2016**

<table>
<thead>
<tr>
<th>Time Shifts -- All times CCT</th>
<th>Nomination Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Timely</strong></td>
<td>Timely (Day-Ahead) Nomination Deadline</td>
</tr>
<tr>
<td><strong>Timely 2</strong></td>
<td>Evening (Day-Ahead) Nomination Deadline</td>
</tr>
<tr>
<td><strong>Intraday 1</strong></td>
<td>ID1 (Current Day) Nomination Deadline</td>
</tr>
<tr>
<td><strong>Intraday 2</strong></td>
<td>ID2 (Current Day) Nomination Deadline</td>
</tr>
<tr>
<td><strong>Intraday 3</strong></td>
<td>ID3 (Current Day) Nomination Deadline</td>
</tr>
<tr>
<td><strong>TCO No-Notice</strong></td>
<td>No-Notice (Previous Day) Nomination Deadline</td>
</tr>
</tbody>
</table>

- All noms EXCEPT Storage Withdrawal and Storage Injection, can be edited until the end of the Intraday3 status.

- Storage Injection and Storage Withdrawals can be entered/edited until the end of the TCO No-Notice status.
NOMINATION & BALANCING PROVISIONS

- Nominations must be submitted daily by 1:00 p.m. CST, one day prior to gas flow via GTS.
  - Large General Transportation nominations are due on Friday for Saturday, Sunday and Monday’s flows, and on the last business day prior to Company observed holidays.
  - Company may accept nominations submitted after the deadlines within its reasonable discretion.
  - All Suppliers should be utilizing the variance reports on GTS to ensure all deliveries are within Company’s city-gate requirements.
  - Gas Transportation Operations will typically notify Suppliers of variances as a courtesy; however, notification is not guaranteed and all city-gate non-compliant deliveries are subject to penalty.
  - Company will not waive city-gate non-compliance charges due to the lack of due diligence by the Supplier in identifying and addressing nomination and city-gate variances.
  - Gas Transportation Operations will typically notify Suppliers of scheduling errors as a courtesy; however, notification is not guaranteed. It is the Supplier’s responsibility to ensure the correct volumes are scheduled correctly, and in a timely manner. This includes any third-party deliveries to your pool(s).
- Company’s confirmation process:
  - By 3:30 p.m. CT – Suppliers may view their confirmed timely nominations via GTS delivery reports.
  - Scheduled volumes will be updated to match the pipe if a discrepancy between GTS and the pipe occurs.
  - Once all nominations are confirmed, GTS will send automated emails to advise of any known discrepancies at that time.
  - To correct nominations submitted on GTS, Supplier must edit the nominated volume to match what is on the pipe, if correct, or advise GT Operations that the nominated volume is correct.
  - A nomination error charge of $0.50 per Dth will be assessed on the delivery difference between the nomination made to Company and the pipeline nomination.
INTRADAY NOMINATIONS / RETRO NOMINATIONS

– Intraday changes are acceptable for rescheduling due to pipeline cuts. Intraday nomination changes on the day of flow are subject to Company’s approval, and for just cause. Suppliers are advised to keep intraday changes to a minimum.

– Retro Nominations are subject to Company’s approval. Suppliers must submit a Retro Nomination in GTS and are required to enter an adequate note explaining why the Retro Request is being made. Lack of sufficient details will result in denial of the Retro Request.
NOMINATION TYPES

• TRANSPORTATION
  • Requires selection of a pipeline
  • Requires selection of a city-gate
  • Nomination status will default based on the time submitted
  • Contract number is required

• STORAGE INJECTION AND STORAGE WITHDRAWAL
  • Requires selection of Columbia pipeline.
  • Requires selection of city-gate
  • Columbia restricted to Market Area 33-6
  • Contract Number is required.
  • No-Notice Nominations can only be made for Columbia Storage Injections and Withdrawals.
    – No-Notice nominations may be made to Supplier’s scheduled storage withdrawal nominations by VEDO via TCO’s EBB by noon 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. These no-notice nominations are necessary to lessen the impact to other SCO and Choice Suppliers’ system imbalance allocations.
• OFF-SYSTEM STORAGE WITHDRAWAL
  – Does not require a city-gate or contract number.
  – No-Notice nominations cannot be made on Off-System Storage Withdrawals.
    • All off-system storage withdrawals must be nominated to VEDO via the Marketer Extranet.

  – Must be entered into GTS
    • Lack of entry will result in a Nomination Error Charge on the off-system withdrawal volume
    • Off-System storage withdrawal volumes entered in GTS should be the TCO storage volume minus TCO’s withdrawal loss.
The Columbia Imbalance Report details out on a daily basis what the no-notice storage activity is...
Each day you can view:
- Injections
- Withdrawals
- Off-System Storage Withdrawals
- Withdrawal Autobalance
- Injection Autobalance
- Ending Balance
- Totals are displayed at the bottom
- Report has Download to Excel capability
STORAGE SUMMARY

- Each day you can view:
  - Beginning Balance
  - Ending Balance
  - SCQ
  - Recommended Balance
  - Minimum Required Balance
  - Variance from Required
  - % Full
The Events screen allows you to search for:

- Cold OFO’s
- Cold OFO’s with Storage Restrictions
- Warm OFO’s
- Warm OFO’s with Storage Restrictions
- Curtailments
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