

## **RATE 396** **SCO SUPPLIER SERVICE**

### **APPLICABILITY**

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

This Rate Schedule shall be subject to Company's General Terms and Conditions included in this Tariff for Gas Service, SCO Supplier Terms and Conditions in Sheet No. 56, and Commission's Regulations, as well as the applicable provisions of the SCO Supplier Agreement.

### **CHARACTER OF SERVICE**

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

### **MONTHLY STATEMENT**

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

#### **Nomination Error Charge:**

\$0.50 per Dth applied to the difference between SCO Supplier's daily pipeline nomination volume submitted by SCO 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 SCO Supplier(s) by an interstate pipeline when no balancing agreement is in place between pipeline and Company. SCO Supplier is responsible for identifying and correcting all nomination errors, or changes to pipeline nominations.

#### **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 Tranche's DDQ and aggregate deliveries.

#### **City Gate Allocation Non-Compliance Charge:**

\$5.00 per Dth for any daily city gate nomination less than the minimum or greater than the maximum City Gate Allocations percentage 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.

## **RATE 396** **SCO SUPPLIER SERVICE**

**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 SCO 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 Reconciliation Amount:**

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

**Peaking Supplies Charge:**

The cost of Peaking Supplies provided by Company for SCO Supplier's Tranche as set forth in the Allocation of Peaking Supplies section of Sheet No. 56.

**Meter Operator Charges:**

SCO Supplier shall reimburse Company for penalties Company incurs as meter operator. Penalties will be assessed to each SCO Supplier that contributed to the penalty 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 SCO Supplier for providing Provider of Last Resort services.

**Customer Billing Amount:**

SCO Price amounts billed to SCO Customers by Company on behalf of SCO Supplier.

**Pipeline Delivery Point Balancing Amount:**

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

**Pipeline Invoice Charge:**

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

**Related Charges:**

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

## **RATE 396** **SCO SUPPLIER SERVICE**

**Riders:**

The following Riders shall be applied monthly, as applicable:

- Sheet No. 37 - Gross Receipts Excise Tax Rider

**Miscellaneous Charges:**

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

**REQUIREMENTS FOR SCO SUPPLIER PARTICIPATION**

In order to qualify for participation under the SCO Program, including any auction process, SCO Supplier applicant must:

- 1) Complete and sign SCO Supplier Registration Form and Credit Application with Company;
- 2) Sign Company's SCO Supplier Agreement, which among other items, provides Company a security interest in all SCO receivables;
- 3) Provide any additional Financial Assurance as determined by ongoing credit evaluations performed by Company;
- 4) Successfully pass Company's Electronic Data Interchange ("EDI") testing requirements;
- 5) Maintain comparable firm capacity as set out in the SCO Supplier Terms and Conditions;
- 6) Adhere to the terms and conditions of this Rate Schedule;
- 7) Have a computer and internet access necessary to access Company's GTS; and
- 8) Maintain a certificate demonstrating that SCO Supplier is certified by the PUCO to provide retail natural gas service.

As noted, SCO Supplier's creditworthiness will be evaluated by Company prior to its participation in any SCO auction, and if successful in the auction, on an ongoing basis thereafter. Company will apply, on a non-discriminatory basis, reasonable financial standards to assess the SCO Supplier's creditworthiness, scope of operations, and level of risk to the Company. The provisions of this Rate Schedule and Contract between Company and SCO Supplier shall govern Company's creditworthiness requirements and procedures.

**AGREEMENT**

Pursuant to Rule 4901:1-29-13(B) OAC, SCO Supplier must enter into a written SCO Supplier Agreement with Company which shall set forth specific covenants and obligations undertaken by Company and SCO Supplier under this Rate Schedule. At a minimum the SCO Supplier Agreement shall include the following provisions: representations and warranties, indemnification, limitations on liability, default (breach), remedies, force majeure, commencement and term. The SCO Supplier Agreement shall have a term consistent with the SCO Phase term as approved by the Commission.