



SCO Program Overview

National Fuel Gas Distribution of Ohio, LLC.

Last updated 10/2026

SCO Supplier Billing

- Rendered each month by the 25th day of the month, for the prior month's activity.
- National Fuel Gas Distribution of Ohio, LLC. (NFOH) 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 NFOH typically is made within three days of issuance of the monthly invoice statement via wire.
- Payment from Supplier to NFOH is due within five days of receipt of the electronic monthly invoice statement.

SCO Supplier Billing, Cont'd.

- **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 NFOH, 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 charge will be assessed on any volumes over, under or otherwise inconsistent with, the applicable restrictions specified by NFOH

SCO Supplier Billing, Cont'd.

- **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 NFOH-established maximums or less than the NFOH-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or over-withdrawal rights, Company shall not impose the Storage Non-Compliance Charge on any volumes injected or withdrawn less than the minimum or greater than the maximum daily injection and withdrawal limits set by Company.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.

SCO Supplier Billing, Cont'd.

- **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 NFOH for penalties NFOH 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 NFOH for all charges NFOH incurs in connection with interstate pipeline transportation of Supplier-Delivered Gas including any gas costs, penalty charges, or cash-outs.

SCO Supplier Billing, Cont'd.

- **Receivables**

- NFOH will purchase 100% of the of SCO and Choice Supplier receivables without discount so long as NFOH 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, NFOH 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.
 - NFOH bills on a 21-cycle basis. Receivables for April will be paid in May.

SCO Supplier Billing, Cont'd.

- **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 CcfAmount
- 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.

SCO Supplier Billing, Cont'd.

- Post Phase Receivables - Prior Period Adjustments
 - Prior period adjustments are adjustments to customers' charges for prior periods.
 - NFOH 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, NFOH 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 National Fuel 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.

SCO Supplier Billing, Cont'd.

- **Monthly Reconciliation**

- 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, 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 NFOH's Tariff.
 - The Supplier's Allocated Requirements will include the Supplier's portion of Large Transporter Imbalance volumes (sum of their deliveries minus NFOH tariff unaccounted for gas percentage minus usage converted to Dth using NFOH's monthly average BTU), NFOH line pack changes, and NFOH 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.

Supplier Billing, Cont'd.

- 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 ETCAudits.

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 through March				
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	Charged 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

Contact Information

National Fuel Gas Distribution of Ohio, LLC

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The following documents may be accessed via the National Fuel website at www.natfuel.com and the Public Utility Commission of Ohio Portal at: <https://puco.ohio.gov/documents-and-rules/tariffs/tariff-utility-company?company=Vectren%20Energy%20Delivery%20of%20Ohio,%20Inc.%20dba%20CenterPoint%20Energy%20Ohio&type=Natural%20Gas>

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	173.26 KB	Jan 26, 2026
PUCO 5.pdf	1.25 MB	Sep 1, 2026
Standard Choice Offer Supplier Agreement.pdf	556.28 KB	Aug 17, 2021

SCO Supplier Requirements for Participation

- Sign and submit Registration Form, Credit application, 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 NFOH of the pre-qualification notice setting forth the maximum number of tranches for which the SCO Supplier is qualified to bid
- Pass initial/ongoing NFOH financial evaluation and provide additional Financial Assurance as determined by ongoing credit evaluations performed by NFOH.
- Meet all Pre and Post collateral requirements
- Adhere to the terms and conditions of Rate Schedule
- Have a computer and internet access necessary to access NFOH GTS system
- Attend a training session on NFOH gas transportation program
- Become an approved bidder on NFOH pipelines and provide an up to date and accurate Dun & Bradstreet D-U-N-S Number (or a successor program offered by Dun & Bradstreet) or provide NFOH with information equivalent to a Dun & Bradstreet D-U-N-S Number from an alternative source by NFOH or an alternative type of information satisfactory to NFOH
- Provide SCO Suppliers public PGP keys to NFOH

SCO Supplier Eligibility

- Adhere to tariff terms and conditions of the NFOH tariff
- Must be CRNG Suppliers certified by PUCO and maintain that certification
 - Suppliers do not have to be participants in the NFOH 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 NFOH in October of each year to demonstrate their capacity and supply plans for the upcoming seasons
 - Pass Electronic Data Interchange (EDI) testing with the NFOH third party vendor, ESG, no later than the date indicated on the NFOH 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
- Customers that are not eligible for SCO will be assigned to the DSS 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
- 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 NFOH territory on a sequential basis

Transportation Capacity

- **The NFOH 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 NFOH, Supplier may not utilize any delivery point other than those primary and secondary points identified by NFOH 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 NFOH.
- **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 NFOH Tariff.
- **Supplier may re-release on a recallable basis any transportation capacity (excludes Columbia Gas Transmission (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 NFOH harmless in the event charges are not paid.
 - Any re-release of such capacity remains subject to the requirements and restrictions identified in the NFOH Tariff.

Capacity Portfolio

National Fuel Gas Distribution of Ohio, LLC – Interstate Capacity Portfolio						
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	VEDO GRP-1 30,000 dth (year round)
ANR	ETS	126279	742252	Rex Shelbyville	1400988	VEDO 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	Description	Primary Delivery	SCQ
TCO	FSS (SCQ)		Stoi		Stow	7,648,483
	FSS	99600	33/Stow		Stoi/33	

Storage Capacity

- The NFOH 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 NFOH Tariff.

Tri-Party Capacity Release

- NFOH-held pipeline transportation and storage capacity may be released directly to an SCO Supplier's Designee.
- The Parties must enter into the NFOH 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 NFOH system**
 - The TCO storage holders will receive the cash-outs, premiums, and non-compliance charges assessed to Large Transportation Pool Operators on a monthly basis based on their 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 NFOH system
 - NFOH does not retain a portion of TCO storage to perform the system balancing function
 - Suppliers must agree to follow NFOH-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 NFOH the rights to view all of Suppliers' nominations and storage information on their NFOH released contracts
 - TCO Agency Agreements will be supplied by NFOH for Suppliers to utilize during the SCO Phase. The expiration date is populated in a manner which allows NFOH 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 NFOH's system
 - Suppliers must agree to allow NFOH 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
 - NFOH 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 NFOH** in TCO's EBB and NFOH's EBB, GTS
- **Minimum Storage Levels**
 - Suppliers must have at least the minimum storage level designated by NFOH in their storage account at all times
 - Volumes below the minimum storage level are subject to Storage Non-Compliance Charges of \$35/per dth

System Balancing, Cont'd.

- All SCO and Choice Suppliers will be required to enter into a TCO Agency Agreement, **on a monthly basis**, giving NFOH the rights to view all of Suppliers' nominations and storage information on their NFOH released contracts.
 - TCO Agency Agreements will be supplied by NFOH for Suppliers to utilize during the SCO Phase. The expiration date is populated in a manner which allows NFOH 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 NFOH's system.
 - Suppliers must agree to allow NFOH 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.
 - NFOH 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 NFOH** in TCO's EBB and NFOH's EBB, GTS.
- **Minimum Storage Levels**
 - Suppliers must have at least the minimum storage level designated by NFOH 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 National Fuel Gas Distribution of Ohio, LLC 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

* National Fuel Ohio (NFOH) will not require a minimum balance in inventory from February 16th through the end of October. NFOH 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.

** NFOH will require all the released capacity holders of the NFOH 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 NFOH to be assured that the first TCO storage ratchet is not reached prior to February 15th each year.

System Balancing, Cont'd.

- Recommended Storage Inventory Levels

Columbia Gas Transmission - Recommended Operating Parameters per National Fuel Gas Distribution of Ohio, LLC				
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.***

Pipeline Delivery Point Imbalances

- Differences between the actual deliveries through the Delivery Point meters and the nominations to those meters will be managed by NFOH 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.
 - **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 NFOH 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

Daily Directed Quantities (DDQ's)

- By 9:00 a.m. Central Clock Time (CCT) each weekday, NFOH will post on its Gas Tracking System (GTS) SCO Suppliers' DDQ's 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 NFOH's UAFG Percentage, plus
 - any necessary adjustments for interstate pipeline and/or NFOH 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**
 - **NFOH typically will post DDQ's on Friday for Saturday, Sunday, and Monday**
 - Subject to change
 - May post for longer/shorter period should NFOH deem the need
- **Example Holiday DDQ Posting Schedule (TCO non-critical days)**
- NFOH will post DDQ's on the last National Fuel business day prior to holiday through the next National Fuel 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

- NFOH 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
- $\text{Net Sales} = \text{Total NFOH Demand} - \text{Large Gas Transportation Deliveries}$
- NFOH will forecast daily transportation deliveries when nominations are not available and use actual nominations from pool operators when available
- If needed, NFOH 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 NFOH Design Peak Day Forecast to determine the pools' allocation of Peak Day Demand and accompanying capacity
- 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, NFOH shall indicate the minimum, maximum or exact MMBtu quantity that shall be delivered by Supplier on each interstate pipeline or to each NFOH city-gate to meet the DDQ
- Suppliers will be required to nominate scheduled storage injections and withdrawals **to the pipelines and to NFOH**, including TCO storage withdrawals to non-NFOH delivery points
 - The volumetric difference between what is nominated to NFOH and what is nominated to the pipelines is subject to a Nomination Error Charge
- All off-system storage withdrawals must be nominated to the NFOH GTS EBB. TCO off-system storage withdrawals are not eligible for TCO no-notice nomination changes
- Shipper must deliver primary (receipt and delivery)
- NFOH 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 NFOH**
- **By 1:00 p.m. Central Clock Time (CCT)** each day the Supplier shall nominate to the NFOH 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 NFOH 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. **NFOH will not be held responsible for any such penalties**
- In the event that NFOH, 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 NFOH prior to scheduling and should be avoided unless they are being scheduled to rectify a pipeline cut**

City-Gate Delivery Requirements

- 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 NFOH 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

Operation Flow Order's (OFO's)

- 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 NFOH 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)
- NFOH will make every effort to give 24-hour notice of OFO's. If the risk of a potential future critical issue is identified, NFOH will attempt to post an OFO Alert notice to their EBB.
- NFOH 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.
- NFOH 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 Provider of Last Resort (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 regarding 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, NFOH 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.

POLR Responsibilities

- 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, NFOH 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.

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
- **A Customer's premise may or may not remain with the same SCO Supplier from one phase to the next**
- EDI Drop transactions will not be sent to SCO Suppliers from the previous phase

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)

Customer Enrollment

- The customer list will be sent to an FTP site provided by NFOH
- On April 1, NFOH 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

Customer Enrollment

- **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
 - 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

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

SCO Bill Inserts and Welcome Letters

- NFOH 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
 - NFOH will mail the Bill Inserts over a three-week period
- SCO Suppliers are required to send the standard Welcome Letter
- **SCO Suppliers will mail their Standard Welcome Letters as of the date indicated on the SCO Auction timeline**
 - 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
 - NFOH has condensed the pre and postApril 1 Welcome Letters to one single letter to eliminate confusion by the Suppliers and Customers

EDI Information

- Post April 1 enrollments, drops, changes, etc. are all processed via EDI files
- Winning SCO Suppliers are required to pass EDI testing with NFOH's third party 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

Migration To/From Choice

- 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

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

Customer Drops

- 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

Tax Exemptions

- 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 NFOH 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 NFOH
- NFOH 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 NFOH from their Supplier

Billing of Taxes

- County Taxes on SCO Supplier supply charges:
 - NFOH 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 NFOH via EDI Change Detail Transaction
 - Change Detail Transactions can only be sent after the Supplier has received an Enrollment Response from NFOH
 - NFOH 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)

Resync Reporting provided by NFOH

- **Resync Report** – Posted to Suppliers' NFOH 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 NFOH's system
- “Resync” reports will be provided monthly to SCO and Choice Suppliers via the NFOH hosted ftp site which lists all active and pending customers