DOMINION ENERGY OHIO

STANDARD SERVICE OFFER/STANDARD CHOICE OFFER

CAPACITY RELEASE INFORMATION PACKAGE

Disclaimer

The information presented in this information package, at the information sessions for potential and registered bidders, or in any other Dominion Energy Ohio ("DEO") communication regarding the auction process is for the sole purpose of providing general information about the auction process in order to help potential participants determine whether they will participate in the auction. The information is subject to change, and it is not intended to be, and does not purport to constitute, a sufficient basis on which to determine whether to participate or how to structure potential bids. While Dominion Energy Ohio has used reasonable efforts to ensure the accuracy of the information presented herein, it does not warrant the accuracy of that information for use by any party in assessing potential participation or structuring potential bidding approaches or actual bids.

STANDARD SERVICE/CHOICE OFFER AUCTION TO BE CONDUCTED IN FEBRUARY

Background

The Auction Information Package posted for the annual SSO/SCO auction provides an overview of the capacity release process, which states in part:

- Due to the small volumes operationally required for DEO's isolated markets in Woodsfield and Powhatan Point, DEO will release the associated Texas Eastern capacity only to winning bidders and will require them to nominate volumes to those delivery points based on targets provided by DEO.
- In order to ensure adequate deliveries into DEO's much larger isolated Ashtabula market area, DEO will require Energy Choice suppliers and winning bidders to accept a release of the associated Tennessee Gas Pipeline ("Tennessee") and corresponding downstream Dominion Energy Transmission ("DETI") capacity needed to serve that area on a pro rata basis. All suppliers assigned Tennessee and associated DETI capacity will be obligated to nominate volumes through those pipelines based on targets provided by DEO. Because Tennessee deliveries to the Cochranton, Pennsylvania interconnection must be re-delivered to DEO through DETI, only the DETI portion of the release will count towards the supplier's comparable capacity requirements.
- In order to ensure adequate deliveries to the West Ohio market, DEO will require a minimum volume of flow to the West Ohio system via ANR Pipeline ("ANR") capacity released to Energy Choice suppliers and winning bidders. . All suppliers assigned ANR capacity will be obligated to nominate volumes based on targets provided by DEO.
- In order to maintain on-system storage injections, all Energy Choice and SSO suppliers will be required to deliver a portion of their storage injections at the Tennessee Gilmore interconnection.
- All other capacity will be made available to Energy Choice suppliers and winning bidders on a pro rata basis. The pro rata calculations will be performed separately for DEO's East Ohio and West Ohio systems because they are served by different upstream pipelines. Winning bidders are required to accept pro rata capacity releases. Energy Choice suppliers who are assigned a pro rata share will initially have the option to reject the capacity (with the exceptions of the Tennessee, associated DETI, and West Ohio associated ANR Pipeline capacity). This capacity cannot be turned back for reposting. Capacity will remain released to the same supplier unless recalled.

- If any capacity made available to Energy Choice suppliers is not initially accepted through the capacity release process, it will be reposted and made available to other suppliers on a non-discriminatory basis. Winning bidders will have the first option to accept this reposted capacity. If no winning bidders accept the reposted capacity, the capacity is again reposted to all other pool operators and/or end-use customers. If no other suppliers or end-use customers accept the reposted capacity, the Energy Choice supplier who received the initial assignment of capacity will be required to accept all previously assigned volumes.
- DEO will periodically review the interstate pipeline capacity assigned to suppliers and reserves the right to revise such assignments in the event of a material change in a supplier's load served under SSO, SCO or Energy Choice commodity service.
- Under the terms of the release, the supplier will not be permitted to change the primary receipt or delivery points stated on the contract, and DEO will retain any associated right-of-first-refusal rights upon contract expiration.

Capacity to Release

Appendix A is a listing of the interstate pipeline capacity that DEO will release. Unless otherwise specified, all contracts will be released at the applicable posted maximum rates. If a contract has a negotiated rate, the negotiated rate information will be released to suppliers only after the execution of an Auction Bidder Registration form. All interstate pipeline capacity will be allocated and released to qualified suppliers using the procedure outlined below.

Procedure to Distribute and Award Capacity

Below is a description of the sequence that DEO will use to release interstate capacity to suppliers as part of the auction process:

1. DEO determines the interstate pipeline capacity available for release to suppliers and posts this information to the Auction web site.

2. In order to determine whether an Energy Choice supplier is eligible for the initial release of capacity, DEO calculates each supplier's Energy Choice peak day requirements ("PD") based on the most recent monthly enrollment information. Those requirements will exclude any existing SCO and/or SSO load that the supplier may serve.

3. DEO determines the Energy Choice market share for each supplier using the following formula:

EC Market Share % = Supplier PD / ∑ All Suppliers PD

<u>Those suppliers with an Energy Choice market share of 1% or more will be responsible to receive an initial pro rata release of interstate pipeline capacity.</u>

4. DEO calculates the estimated aggregate peak day requirements for the SSO and SCO customer load to be bid upon in the auction. Registered bidders are notified of the estimated per tranche capacity release available to winning bidders. Winning bidders are required to accept pro rata releases based on the number of tranches awarded to the supplier.

5. Eligible Energy Choice suppliers are notified of the capacity release quantities they are designated to receive effective April 1st based upon the supplier's Energy Choice peak day requirements divided by the aggregate peak day requirements for DEO's Energy Choice, SSO and SCO customers.

6. After the auction process is complete, DEO informs the winning bidders of the capacity available for release to them based on the number of tranches awarded. The market share of each supplier is calculated using the following formula:

   Total Market Share % = Supplier PD* / ∑ All Suppliers PD* where

   PD* is the combined peak day requirements of Energy Choice, SSO and SCO customers

   The Total Market Share for each winning bidder is multiplied by the interstate pipeline capacity available for release in order to determine the capacity that each supplier may accept as a release subject to the following provisions.

   a. GSS/FSS capacity is assigned to match the FTNN-GSS/SST assigned.

7. Winning bidders are given the first option of requesting capacity returned by Energy Choice suppliers.

   a. If the volume of capacity requested exceeds the amount of capacity returned, the capacity will be awarded on a pro rata basis to the requestors using the number of tranches won. For example:

      Marketer A won 2 tranches and requests all interstate capacity.
      Marketer B won 1 tranches and requests all interstate capacity.

      Marketer A receives 2/3 of the capacity.

Marketer A receives 1/3 of the capacity.

8. If the winning bidders do not want all of the capacity returned by Energy Choice suppliers, any remaining capacity will be posted on DEO's EBB for a limited time for any DEO pool operator or end user to request.

    a. If the volume of capacity requested exceeds the amount of remaining capacity, the capacity will be awarded pro rata based on peak day requirements. For Full Requirement Pooling Service ("FRPS") pool operators, the forecasted FRPS pool peak day will be used. For end users, the customer's actual (or estimated if no actual daily usage is available) most recent peak January usage.

9. DEO will post all of the releases on the respective pipeline EBB and notify the shipper of the offer numbers.

Capacity will only be recalled in the case of a shipper default. The actual dates concerning EBB posting will be posted at a later date. Appendix B shows an example of the assignment of West Ohio capacity.

APPENDIX A
DOMINION ENERGY OHIO INTERSTATE CONTRACTS APRIL 2019 THROUGH MARCH 2020

Pipeline Name	Abb	K#	Type	Rate	Dt/d	MSC	Receipt	Delivery	Start Term	End of Term	Rate
Dominion Energy Transmission, Inc.	DETI	100002	Firm Transportation	FTNN	148,100	n/a	VARIOUS[1]	20100	1-Apr-2019	31-Mar-2024	Max
Texas Eastern Transmission Co.	TETCo	910505R4	Firm Transportation	FT-1	7,000	n/a	70217	VARIOUS[2]	1-Apr-2007	31-Mar-2020	Max
ANR Pipeline	ANR	112981	Enhanced Transportation Service	ETS	15,000	n/a	103565 (SE)	VARIOUS[3]	1-Apr-2018	31-Mar-2021	Max
ANR Pipeline[4]	ANR	119434	Enhanced Transportation Service	ETS	5,000 *winter only	n/a	Joliet Hub	EOH/ Maumee	1-Apr-2018	31-Mar-2021	Max
Columbia Transmission	TCo	89769	Firm Transportation Service	FTS	15,000	n/a	Tco IPP Pool	80-3	1-Apr-2015	31-Mar-2020	Max
Panhandle Eastern Pipeline	PEPL	21456	Enhanced Firm Transportation	EFT	29,000	n/a	PEPL Field Zone	EOHIO (840)	1-Apr-2018	31-Mar-2021	$10.8314 discounted

[1] Dominion Energy Transmission K# 100002 has the following primary receipt points and firm rights: 40104 (39,790 dt), 40105 (45,062 dt), 40208 (89,771 dt), 60001 (75,167 dt), 60002 (0 dt), APPNP (7,790 dt), and DOMSP (9,420 dt). Tennessee Receipt Point rights will be released at the same ratio as assigned upstream Tennessee capacity.

[2] Texas Eastern K# 46085 has the following primary delivery points: 70471 (5,000 dt), 70983 (1,200 dt), and 74040 (800 dt). Primary Receipt is Gulf South Pipeline interconnect at Kosiusko,MS.

[3] ANR Pipeline K# 112981 is primary delivery to Zone ML7 at GRP 1 (Maumee) meter and secondary in path delivery to Zone ML3 at GRP 2 (WOG) meter.

[4] ANR Pipeline K# 119434 is winter only.

UPSTREAM PIPELINES/STORAGE											
Pipeline Name	**Abb**	**K#**	**Type**	**Rate**	**Dt/d**	**MSC**	**Receipt**	**Delivery**	**Start Term**	**End of Term**	**Rate**
Tennessee Gas Pipeline[5]	TGP	62002	Firm Transportation	FT-A	47,000	n/a	(Zone L) 500 Leg	420087 (Zone 4)	1-Apr-2015	31-Mar-2020	Max
Dominion Energy Transmission, Inc.	DETI	700002	Storage Service Firm Transportation	FTNN-GSS	104,000	n/a	10002	20100	1-Feb-2014	31-Mar-2021	Max
Dominion Energy Transmission, Inc.	DETI	300003	Firm Storage Service	GSS	104,000	4,680,000	10001/ 10002	10002/ 10001	1-Feb-2014	31-Mar-2021	Max
Columbia Transmission	TCo	80559	Storage Service Firm Transportation	SST	25,444	n/a	STOW	Various	1-Apr-2015	31-Mar-2020	Max
Columbia Transmission	TCo	80560	Firm Storage Service	FSS	25,444	1,220,710	STOW	STOW	1-Apr-2015	31-Mar-2020	Max

[5] TGP capacity can also be used to deliver gas directly to DEO at the Petersburg and Gilmore points when (i) it is not needed for Cochranton deliveries and (ii) the deliveries can be accommodated within the stated restrictions at Petersburg and Gilmore. NOTE: Because Tennessee deliveries to the Cochranton interconnect must be delivered to DEO through DTI, only the DTI portion of the release will count towards the supplier's comparable capacity requirement.

APPENDIX B

DOMINION ENERGY OHIO INTERSTATE CONTRACTS

ASSIGNMENT EXAMPLE

I. Determine Eligibility

e.g. Six (6) existing West Ohio Division suppliers and the forecasted SSO and SCO loads.

Supplier	EOG (WOG Division)	% Market Share	Comment
Supplier A	20,000	20.00%	
Supplier B	15,000	15.00%	
Supplier C	13,000	13.00%	
Supplier D	900	0.90%	Does not qualify for release.
Supplier E	850	0.85%	Does not qualify for release.
Supplier F	250	0.25%	Does not qualify for release.
SSO/SCO	50,000	50.00%	

II. Prorating Assets

e.g. Three (3) qualified West Ohio Division suppliers and the forecasted Auction load.

				ANR	TCo	TCo	TCo
				EFT	FT	SST	FSS
Supplier	EOG (WOG division)	% Market Share	Assignment %	15,000	15,000	25,444	1,220,710
Supplier A	20,000	20.00%	20.41%	3,061	3,061	5,193	249,125
Supplier B	15,000	15.00%	15.31%	2,296	2,296	3,894	186,843
Supplier C	13,000	13.00%	13.26%	1,990	1,990	3,375	161,931
SSO/SCO	50,000	50.00%	51.02%	7,653	7,653	12,982	622,811
1 % Market Share Total	98,000	98.00%	100.00%	15,000	15,000	25,444	1,220,710
Total Market Share	100,000						
SSO/SCO		tranches	9	850	850	1,442	69,201