

**DOMINION ENERGY OHIO
STANDARD CHOICE OFFER LETTER AGREEMENT**

THIS LETTER AGREEMENT ("Agreement") is entered into as of the _____ day of February, 2019, by **THE EAST OHIO GAS COMPANY dba Dominion Energy Ohio** ("Company") and _____ ("Supplier").

WITNESSETH: That in consideration of the mutual covenants contained in this Agreement, the parties agree:

Section 1. **Service to be Rendered.** In accordance with the Opinion and Order in Case No. 07-1224-GA-EXM ("Order") and related cases including, but not limited to, Case No. 12-1842-GA-EXM, and the terms and conditions of this Agreement, Supplier has been awarded tranches in Company's natural gas commodity service auction held on February 5, 2019 ("Auction"). By executing the Bidder Registration Form and participating in the Auction, Supplier is obligated to provide natural gas commodity service to these tranches in accordance with certain terms and conditions. This Agreement memorializes and confirms certain of these obligations, terms, and conditions with respect to the provision of Standard Choice Offer ("SCO") natural gas commodity service. Supplier agrees that its obligation to provide such service in accordance with the following terms and conditions is based solely on its participation in the Auction and is not contingent upon the execution of this Agreement.

On February **TBD**, 2019, the Public Utilities Commission of Ohio ("Commission") approved the results of the Auction, which resulted in a Retail Price Adjustment of \$**TBD**, that is, the closing New York Mercantile Exchange ("NYMEX") natural gas futures price for the prompt month with no adjustment. Pursuant to the Commission-approved Auction results, Supplier is to be awarded _____ (__) tranches of the nine (9) tranches awarded in the Auction. Supplier shall supply the full natural gas requirements at the preceding price for all SCO customers assigned to Supplier as a result of the Auction and any subsequent customers assigned to Supplier through the March 2020 billing period.

Company shall prepare the files identifying the customers to be supplied and transmit same to Supplier in a timely manner upon completion of the customer assignment process. In addition, Company shall release upstream interstate pipeline capacity to Supplier pursuant to the procedures set forth in the Auction documents.

Company agrees that it will identify Supplier's name on the monthly bill sent to the SCO assigned customers to indicate that the natural gas supply is being provided by Supplier.

Company shall pay Supplier the price as described above for every Mcf billed to the assigned SCO customers in accordance with the Billing Agreement (tariff sheet F-ECPS 60-66). Payment shall be based on volumes billed, inclusive of any re-billed amounts, and is not contingent upon the actual payment by the assigned customer for the

volumes billed. Adjustments to reflect re-billed amounts may occur up to six (6) months following the end of the term of the Agreement. Company shall perform all billing and collection activities, including the billing and collection of sales tax. Company shall remit to Supplier all billed sales tax, which Supplier shall be responsible for filing with the State of Ohio.

Supplier acknowledges that, for the term of this Agreement, the Dekatherm to Mcf conversion factor shall be 1.061 for East Ohio and 1.066 for West Ohio. Supplier further acknowledges that the unaccounted-for gas percentage shall equal 4.1% for the term of this Agreement.

Supplier shall be responsible for all Commission and Ohio Consumers' Counsel assessments that arise from revenues generated from serving the assigned SCO customers.

Supplier shall be permitted to solicit assigned customers for enrollment in its Energy Choice pool. Supplier agrees not to disclose or permit to be disclosed confidential customer-specific information to any person other than those employees or agents of Supplier who are responsible for servicing and soliciting the assigned customers.

Section 2. **Default Fee.** In addition to any other collateral required pursuant to Company's General Terms and Conditions of Energy Choice Pooling Service, Supplier shall be required to post sufficient collateral with Company to secure payment of the Default Fee on all SCO customer volumes that Supplier is obligated to serve through the remainder of this Agreement. Such additional credit support shall be posted by Supplier within ten (10) days of approval of the Auction results by the Commission, and shall be in the form of a Letter of Credit. The Default Fee shall be initially set at \$0.20 per Mcf as adjusted periodically in accordance with the terms below. Company will establish a baseline weighted average cost of Gas based upon the NYMEX forward months as each settles on the day of the Auction ("Baseline WACOG NYMEX"), and will use this Baseline WACOG NYMEX, as adjusted each month, to compare to the then current monthly closing NYMEX price and all remaining NYMEX futures months for the duration of the Auction, weighted using the same methodology utilized to create the Baseline WACOG NYMEX ("Monthly WACOG NYMEX"). For each full \$1.00 increase in the Monthly WACOG NYMEX over the Baseline WACOG NYMEX, Supplier shall be required to post an additional \$0.06 per Mcf to be served through the remainder of the Agreement, and the Default Fee shall be adjusted by the same amount, to reflect the additional risk. When conducting this analysis, Company shall eliminate from the equation each prior month's price and volume from both the Baseline WACOG NYMEX and Monthly WACOG NYMEX equations. In no event shall the Default Fee be adjusted below \$0.20 per Mcf. Company shall update the Default Fee collateral requirement on a monthly basis from November 2019 through March 2020. In the event a supplier defaults, Company shall remit the defaulting supplier's collateral designated and available for payment of the

Default Fee to non-defaulting suppliers in proportion to the defaulted load served by each supplier as estimated by Company.

Section 3. **Performance Obligation.** Customers of defaulting suppliers shall receive commodity service pursuant to Company's Provider of Last Resort provisions during the month of default and Standard Service Offer ("SSO") commodity service for up to two (2) months after the billing month in which the default occurs. The subsequent movement of such customers to other commodity service arrangements is set forth in the Movement of Customers in Case of Default document posted on the Auction website. The parties intend that the maximum increase in the share of the SCO customer load originally awarded the non-defaulting suppliers shall be 50%, such that in the event of a default Supplier will be obligated to serve SCO customer load of up to 1.5 tranches for each tranche originally awarded in the Auction. Non-defaulting suppliers who have agreed to serve SCO customers may voluntarily provide more than that volume up to one-third (1/3) of the total tranches to be served after the default. If the increase in volume assigned to remaining non-defaulting suppliers would exceed 50%, a supplemental Auction will be conducted for the remainder pursuant to Section 4.4 of Company's SCO Commodity Service tariff.

Section 4. **Regulation.** Company and Supplier agree to abide by the provisions of SCO commodity service as authorized in the Order and further described in the Auction Information Package attachments ("Auction Documents"), and related information posted on the Auction website as of December 3, 2018, as well as all applicable tariff provisions. Supplier shall supply the full natural gas requirements for all customers assigned to Supplier in accordance with applicable tariff provisions in general and specifically the terms and conditions found in Service Agreement, Energy Choice Pooling Service (tariff sheet F-ECPS 1-60 et seq.), as well as all applicable orders of the Commission. In the event of a conflict between this Agreement and the Order, Auction Documents, or applicable tariff provisions, the provisions of the Order, Auction Documents, or tariffs shall control.

Section 5. **Term.** This Letter Agreement shall become effective as of April 1, 2019 and continue through March 31, 2020 for a term of twelve (12) months.

IN WITNESS WHEREOF, the parties hereto have accordingly and duly executed this Agreement as of its effective date.

By: _____ Title: _____

Printed Name: _____ Date: _____

THE EAST OHIO GAS COMPANY

By: _____ Title: _____

Printed Name: _____ Date: _____