

# Dominion Energy Ohio Supplier Information Meeting

December 2, 2021

# Meet Our Team

- ▶ Kirsten Janecko - Manager, Gas Operations Customer Service
  - ▶ Cody Barrett - Assoc. Retail Transportation Analyst
  - ▶ Ayden Canavos - Assoc. Retail Transportation Analyst
  - ▶ Linda Hudak - Business Performance Analyst
  - ▶ John Morgan - Assoc. Business Performance Analyst
  - ▶ Sherry Skinner - Sr. Retail Transportation Analyst
  - ▶ Laura Whitkofski - Retail Transportation Analyst
- ▶ Cliff Andrews - Gas Development Services Advisor
- ▶ Dina Longo - Transportation Services Program Manager

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# Meeting Agenda



Supplier Updates



General Auction Structure



Auction Details



Capacity Release Process

# Supplier Updates



# Customer Education Fee

- ▶ In accordance with the Stipulation approved by the PUCO in Case No. 18-1419-GA-EXM, beginning with service on or after December 1, 2021, Dominion Energy Ohio (DEO) shall assess a Customer Education Fee in the amount of \$0.01/Mcf to all Suppliers participating in DEO's Energy Choice program, to all Suppliers of governmental aggregations in the DEO service territory, to all Suppliers participating in DEO's Monthly Retail Rate (MRR) program, and to the Suppliers awarded tranches through the Standard Choice Offer or Standard Service Offer auctions.
- ▶ DEO expects that the first invoice reflecting the charge will be the December 2021 Energy Choice invoice issued in January 2022. The fee will continue to be assessed to Suppliers for all such volumes billed prior to the first billing cycle in December 1, 2025.

# Powhatan Point

- ▶ *On July 22, 2021, Dominion Energy Ohio (DEO) notified suppliers of the filing of an application with the PUCO to transfer approximately 710 accounts in the Powhatan Point service area to Knox Energy Cooperative Association. This application is still pending before the PUCO as of December 2<sup>nd</sup>, 2021.*

# Powhatan Point (cont.)

- ▶ *At this time, DEO continues to expect all of the following:*
  - *That SSO/SCO auction winners to supply Powhatan Point load through March 31, 2022, with DEO continuing to establish nomination targets and potentially stepping into the role of purchasing the gas and reselling it to Knox.*
  - *That, beginning April 1, 2022, Knox will take full responsibility for acquiring commodity service to the Powhatan Point service area, and the Powhatan Point area would no longer be included in the SSO/SCO auctions.*
  - *That individual Energy Choice contracts will remain in effect until DEO issues the final bill following any closing, at which point DEO expects the contract would terminate, given that Powhatan Point will no longer be part of DEO's service territory.*

# Powhatan Point (cont.)

- ▶ *DEO has requested a PUCO ruling prior to the February 2022 SSO/SCO auction for 2022-2023 supply, but the timing of PUCO action is beyond DEO's control. Until further notice, SSO/SCO auction bidders and winners should continue to assume that the Powhatan Point area will continue to be included in SSO/SCO supply obligations, including during the 2022-2023 service year.*
- ▶ *SSO/SCO auction bidders and winners, however, are advised that if the application is approved and the transaction closes after the auction occurs, the capacity released to serve Powhatan Point will be recalled at that time.*



# New EBB

- ▶ Moving from Dekaflow to QPTM forecasted Q2 2022.
- ▶ In preparation for Go-Live, we will continue to keep you updated on training sessions and critical dates. Please refer to Dekaflow info postings for updates.





# Background Information



# Dominion Energy Ohio Market

- ▶ DEO serves 1.2 million customers in Ohio with normalized annual on-system throughput of approximately 355 Bcf
- ▶ Two primary operating areas - East Ohio and West Ohio (Lima)
- ▶ East Ohio served by company-owned storage, local production, Utica wells, Processing Plants, and pipeline interconnects:

ANR	Ohio River System
Blue Racer Midstream	Panhandle Eastern
Eastern Gas Transmission and Storage, Inc.	Rockies Express
Equitrans Midstream	Tennessee Gas Pipeline
MarkWest Cadiz	Texas Eastern
Nexus Gas Transmission	UEO Kensington
North Coast Transmission	

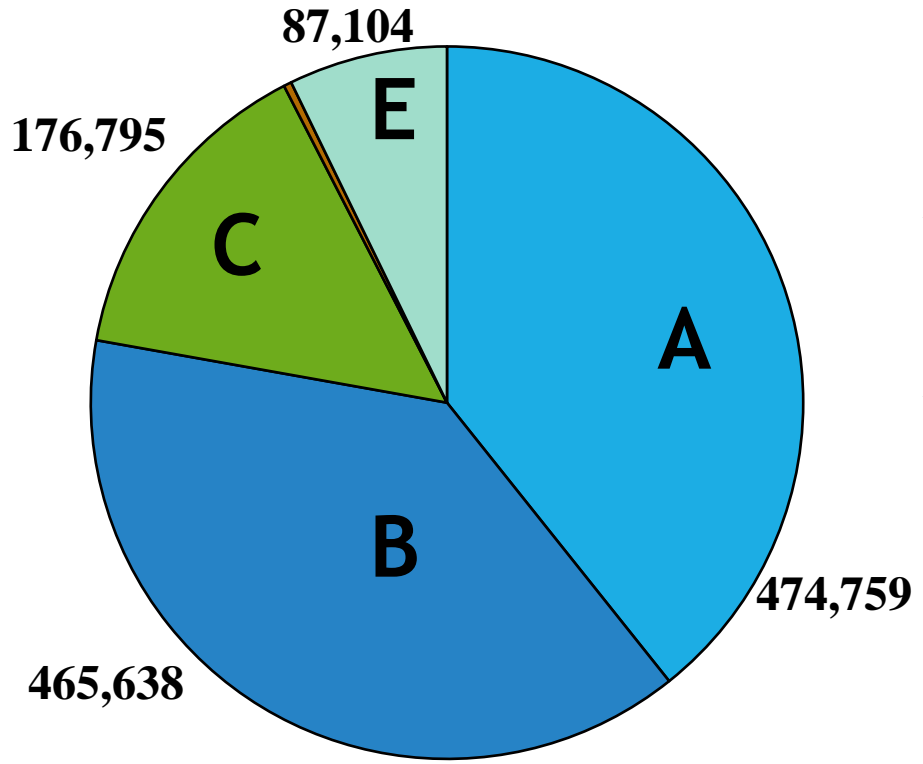
- ▶ West Ohio served by interconnects with:

ANR  
Columbia Transmission  
KNG Energy

# Types of DEO Customers

<b>SSO (Standard Service Offer)</b>	Default commodity service for customers who are <u>not</u> Choice-eligible (including PIPP+ customers)
<b>PIPP (Percentage Income Payment Plan)</b>	Low-income payment plan for households at or below 150% of poverty level (Not eligible to participate in Energy Choice)
<b>Choice-Eligible</b>	Must have no arrears, be current on a payment, or not have broken a payment plan more than once in last 12 months
<b>Governmental Aggregation</b>	Customers participating in governmental aggregation programs (opt-out – do not affirmatively elect to participate)
<b>SCO (Standard Choice Offer)</b>	Default commodity service for certain <b>residential and non-residential</b> Choice-eligible customers (price set by auction)
<b>MRR (Monthly Retail Rate)</b>	Default commodity service for <i>certain</i> Choice-eligible customers (more information follows)
<b>Traditional Transportation</b>	Customers participating in DEO's non-Choice transportation program under the DTS, GTS or TSS rate schedules)

# October 2021 Customer Composition



Energy Choice customers include those participating in **Opt-in** Governmental Aggregation programs

**Opt-out** Governmental Aggregation customers do not affirmatively elect to participate

- A - Energy Choice
- B - Governmental Aggregation
- C - SCO Customers
- D - MRR Customers (4,295)
- E - SSO (Primarily PIPP)



# Nature of SSO Service

- ▶ Obligation to provide the daily gas supply requirements of Choice-ineligible customers
- ▶ Supply volume, not actual customers, will be awarded
  - ▶ Aggregate load of ~9.2 Bcf
  - ▶ Customers served under sales tariffs
- ▶ SSO pool customer load will change for various reasons, including:
  - ▶ Weather conditions / usage equation updates
  - ▶ Participation in Energy Choice / aggregation programs
  - ▶ Level of PIPP program participation
  - ▶ New customer additions / termination & restoration of service
  - ▶ Supplier default
- ▶ SSO available to certain Choice-eligible customers for up to two billing periods:
  - ▶ Includes new customers and those whose Energy Choice or aggregation contracts expire without renewal

# After Two Months on SSO - Choice Eligible Customers Move to ...

	<b>Default Service</b>	<b>Options Available <sup>(2)</sup></b>
New Customer <sup>(1)</sup>	SCO (Res) and Small (Non-Res) MRR (Non-Res – based on size)	- Energy Choice - Governmental Aggregation
Customer whose opt-out aggregation program ends	SCO (Res) and Small (Non-Res) MRR (Non-Res – based on size)	- Energy Choice - Governmental Aggregation
Customer whose Energy Choice agreement expires	SCO (Res) and Small (Non-Res) or MRR (Non-Res – based on size)	- Energy Choice - Governmental Aggregation - SCO

1. *New customers include those establishing service for first time, relocating without portability agreement, or restoring service more than 10 days after being disconnected*
2. *Choice-eligible customers served under SSO, SCO and MRR are eligible to be included in opt-out aggregation programs*

# Monthly Retail Rate (MRR Program)

## Small Non-Residential

0 - 200 Mcf annually - not eligible for MRR, default to SCO

## Medium Non-Residential

201 - 500 Mcf annually - default to MRR, but may elect to move to SCO

## Large Non-Residential

501 and over Mcf - not eligible for SCO, default to MRR

- ▶ Replaced Monthly Variable Rate (MVR) program in July 2020.
- ▶ Customers on MRR will be charged the lower of the monthly retail rate submitted by their assigned MRR supplier or a “median price” if the participating supplier’s submitted rate is higher.
- ▶ The median MRR price will be determined each month based on the median of each MRR supplier’s lowest monthly variable rate offer posted on the PUCO’s website. All MRR suppliers must charge a variable rate at or below the median MRR determined for each month.



# Monthly Retail Rate (MRR) Rules

- ▶ Effective February 26, 2021 forward, an MRR supplier shall either have at least 100 Energy Choice customers (non-MRR, non-SCO), or be serving at least 10,000 Mcf of Energy Choice (non-MRR, non-SCO) annual load
- ▶ MRR customers within an existing MRR supplier's pool for more than 12 bills will be randomly reassigned annually to the MRR suppliers in place at that time

# Nature of SCO Service

- ▶ Opportunity to serve specific customers will be awarded:
  - ▶ Residential Choice-eligible SSO and SCO customers are randomly assigned to each supplier based on the number of tranches won
  - ▶ ~14.9 Bcf, ~177,000 customers
  - ▶ Customers are served under Energy Choice residential and non-residential tariffs
- ▶ Obligation to provide the daily gas supply needs of Choice-eligible customers assigned as a result of the:
  - ▶ February 2022 SCO auction and
  - ▶ Rotating assignment of residential and non-residential customers of a certain size entering SCO service after leaving the SSO or another form of Energy Choice commodity service
- ▶ Suppliers not awarded SCO tranches can elect to participate in the rotating assignment provided they have an active Energy Choice pool
  - ▶ Annual election
  - ▶ Notice will be posted on the EBB with deadline dates for executing contracts

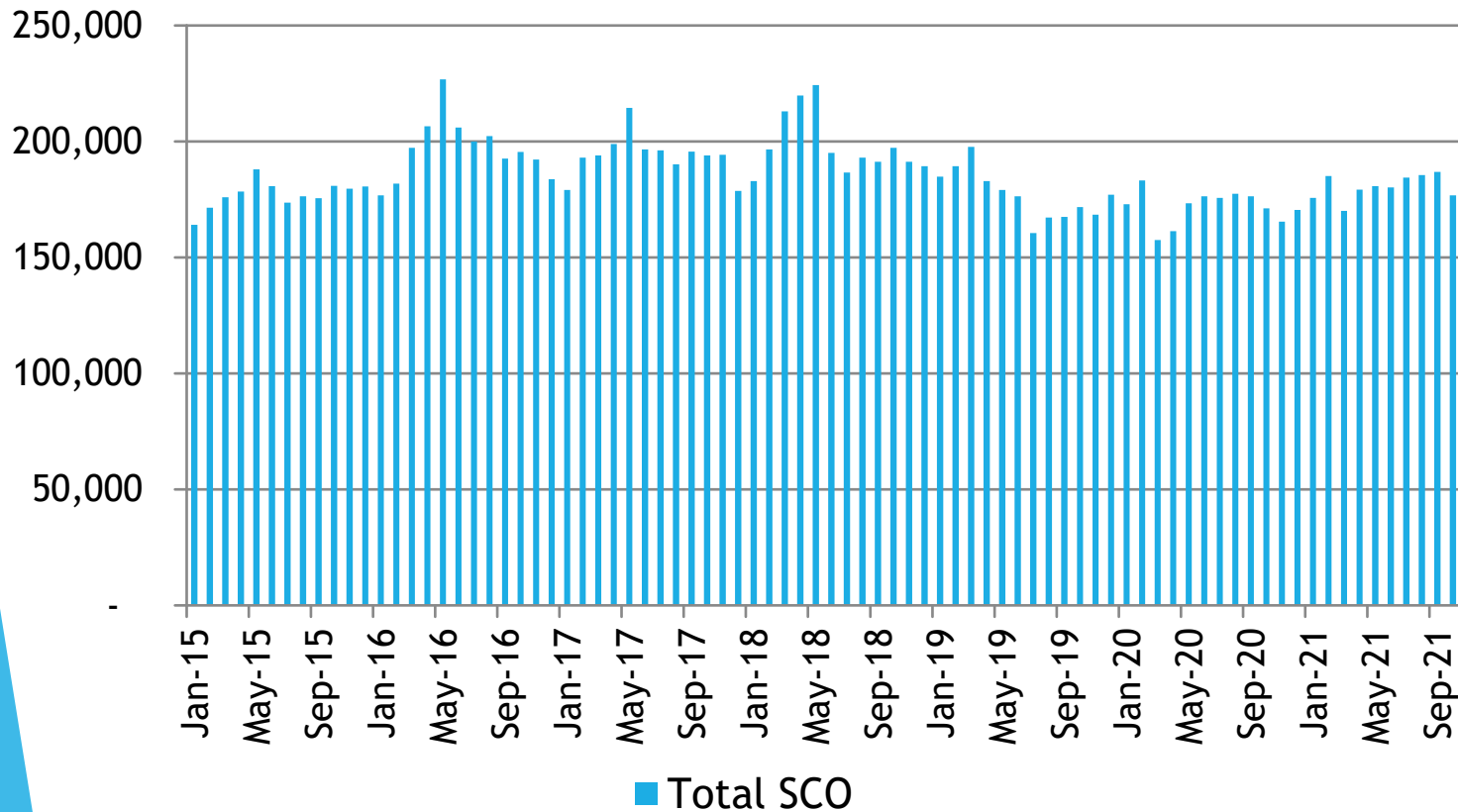
# Nature of SCO Service (continued)

- ▶ SCO pool customer load will change for various reasons, including:
  - ▶ Weather conditions / usage equation updates
  - ▶ Customer enrollment with an Energy Choice supplier
  - ▶ Customer participation in an opt-out governmental aggregation
  - ▶ Change in customer status from Choice-eligible to Choice-ineligible
  - ▶ Termination of service
- ▶ Operations and fees are identical to those of the Energy Choice program (applies to SSO service as well)
- ▶ Winning suppliers execute an SCO Letter Agreement
- ▶ Suppliers cannot charge any exit or termination fees to departing SCO customers
- ▶ Since April 2013, DEO has included SCO customer information in the customer lists that are purchased by Certified Retail Natural Gas Service (CRNGS) suppliers

# SSO/SCO Pricing Structure

- ▶ **SSO/SCO = Prompt Month NYMEX + Retail Price Adjustment**
  - ▶ Retail Price Adjustment equals the difference between the \$/Mcf to be billed customers over the month and the NYMEX settlement price for that month on the final day of trading
- ▶ Retail Price Adjustment includes all costs for:
  - ▶ Upstream transportation to city gate
  - ▶ Btu conversion
  - ▶ DEO fuel retention
  - ▶ ECPS pooling and other fees
  - ▶ Uncertainty of aggregate load to be served
  - ▶ Unique nature of the commodity service

# SCO Customer Counts



# Past Auction Results

DATE	AUCTION TYPE	RESULTS
Aug-06	SSO	\$ 1.44
Jul-08	SSO	\$ 2.33
Feb-09	Separate SSO/SCO	\$ 1.40
Feb-10	Separate SSO/SCO	\$ 1.20
Mar-11	Separate SSO/SCO	\$ 1.00
Feb-12	Combined	\$ 0.60
Feb-13	Combined	\$ 0.60
Feb-14	Combined	\$ 0.43
Feb-15	Combined	\$ 0.02
Feb-16	Combined	\$ (0.05)
Feb-17	Combined	\$ 0.00
Feb-18	Combined	\$ 0.07
Feb-19	Combined	\$ 0.22
Feb-20	Combined	\$ 0.15
Feb-21	Combined	\$ 0.15

# General Auction Structure



# Combined SSO/SCO Auction

- ▶ DEO will conduct one descending clock auction for both wholesale (SSO) and retail (SCO) load
- ▶ Winning bidders are awarded SCO customers **AND** a slice of the SSO load
  - ▶ Existing SCO customers will be reassigned to winning suppliers as of April 1st
  - ▶ SSO load will be administered as a separate pool
- ▶ Total load of ~24.3 Bcf divided over a minimum of nine (9) tranches
- ▶ Bidders must be certified CRNGS providers to participate
- ▶ Auction website:  
<https://www.dominionenergy.com/ohio/large-business-services/transportation-services/auctions>



# Auction Structure

- ▶ Internet-based descending clock auction administered by Enel X North America
- ▶ Term of commodity service obligation is April 2022 to March 2023
- ▶ Descending clock auction process:
  - ▶ Supplier bids # of tranches it would supply at the Going Price
  - ▶ Going Price is reduced round-by-round until market is cleared
- ▶ Going Price = Fixed adder to NYMEX settlement price for prompt month
- ▶ Initial Going Price and decrement pricing may change during the auction
- ▶ Sealed bid process if # of tranches bid in a round falls below the # needed to clear market (9 tranches)

# Bid Review and Approval

- ▶ In prior auctions, PUCO filed its post auction report the same day as the auction
- ▶ PUCO typically approves the auction results the following day
- ▶ DEO then executes supply agreements with winning suppliers
- ▶ PUCO has ability to reject results if it concludes there were material deficiencies in the auction process, that the final Going Price is unacceptable, or for any other reason(s) it deems appropriate
- ▶ Because the PUCO is not obligated to rule on the auction results within a specific timeframe, DEO cannot provide assurance that the prior timeline will be followed
- ▶ Within 30 days after PUCO ruling, DEO will return or cancel any security that was provided by unsuccessful bidders

# Bidder Pre-Qualification/ Certification

- ▶ Interested parties must submit financial statements with Auction Application to facilitate creditworthiness review
- ▶ Primary collateral must be posted to participate in the Auction. Three acceptable collateral templates are found on auction [website](#)
  - ▶ Guaranty Agreement
  - ▶ Letter of Credit Issuer Requirements:
    - ▶ Minimum \$10B in assets
    - ▶ Rated A- or better by S&P and Moody's
    - ▶ Domestic presentment is required (if issuing bank is foreign)
    - ▶ Letter of Credit must have the ISP98 and NY jurisdiction references
  - ▶ Surety Bond Issuer Requirements
    - ▶ Issuer must have a rating of Excellent or Superior by AMBest's Credit Rating Service
- ▶ Collateral requirement for a single tranche is based on 60 days' exposure at current weighted cash-out rate under ECPS tariff creditworthiness provisions.
  - ▶ Collateral Requirement per tranche = \$4,240,000, or
  - ▶ Collateral Requirement per tranche = \$520,000 with perfected interest to DEO via executed Security Agreement with a corresponding UCC filing
- ▶ Successful bidders will also post a Default Fee collateral letter of credit (addressed later in presentation)

# Registered Bidder Restrictions

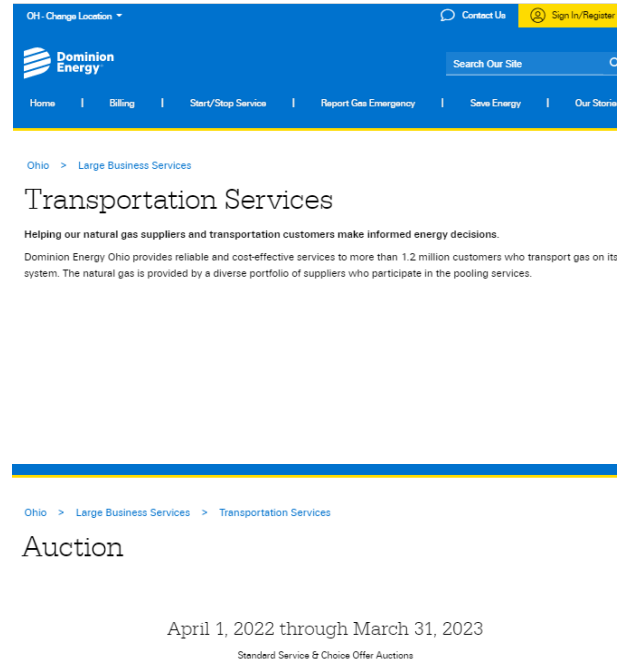
- ▶ May participate on stand-alone basis or as part of joint arrangement, but not both
- ▶ Joint bidders must identify all parties involved
- ▶ May not have controlling interest, corporate affiliation with, or  $\geq 10\%$  stake in another bidder
- ▶ May not have relationship with another bidder that includes supply arrangements or provides incentives based on auction outcome
- ▶ Must maintain confidentiality of bidding strategy and not retain advisors/consultants used by other bidders
- ▶ Must maintain confidentiality of discounted rates for pipeline capacity

# On-Line Information

- ▶ 2022-2023 Auction Application and related attachments available at:
  - ▶ <https://www.dominionenergy.com/ohio/large-business-services/transportation-services/auctions>
  - ▶ Navigation notes on next slide
- ▶ General Auction Rate information available at:
  - ▶ <https://www.dominionenergy.com/ohio/rates-and-tariffs/sso-and-sco-auctions>
- ▶ All Dominion Energy Ohio tariffs available at:
  - ▶ <https://www.dominionenergy.com/ohio/rates-and-tariffs/tariffs>
- ▶ All Public Utilities Commission of Ohio filings available at: <http://dis.puc.state.oh.us/>
  - ▶ 07-1224-GA-EXM
  - ▶ 11-6076-GA-EXM
  - ▶ 12-1842-GA-EXM
  - ▶ 18-1419-GA-EXM

# Auction Link from revised Transportation Services webpage

- ▶ [Dominionenergy.com](https://www.dominionenergy.com)
- ▶ Make sure Location for “OH” is selected in the top left of the screen
- ▶ Scroll to bottom of any page and click on **TRANSPORTATION SERVICES**
- ▶ Scroll to the bottom to find a link for Auctions
- ▶ A new Auction page will open holding reference materials



# Auction Details



# Auction Process Timing

Step	Description	Date
1	Information session held for interested parties	12/02/2021
2	Application deadline (firm)	12/15/2021
3	Application response and credit requirement notification	01/05/2022
4	Tranche size, initial going price, decrement and final rules issued	01/14/2022
5	Registration deadline and collateral submitted	01/21/2022
6	Mock auction conducted by Enel X North America	02/01/2022
7	Live auction conducted by Enel X North America	02/08/2022
8	PUCO ruling on auction results (based on previous timing*)	02/9/2022
9	Gas supply agreements executed	03/16/2022
10	Gas flow starts	04/01/2022
11	Initial demonstration of comparable capacity	10/20/2022

\* DEO makes no representation regarding the timing of a PUCO ruling



# Default Fee

- ▶ One Default Fee to be posted per winning supplier
  - ▶ Estimated at \$443,000 per tranche. Will be updated when number of final tranches are known
  - ▶ Default Fee must be in the form of a Letter of Credit - DEO cannot accept cash
  - ▶ Fee = \$0.20/Mcf for remaining months' estimated requirements
  - ▶ Fee may increase \$0.06/Mcf for every \$1.00 increase in weighted average NYMEX strip price over remaining term (as compared to average strip price day of the auction)
  - ▶ Fee reduced during winter months only

# Auction Rules

- ▶ Each supplier is given only one ID for use during the actual auction
- ▶ Round 1 has 10-minute bidding and reporting phases (subject to change in later rounds after consultation with PUCO Staff)
- ▶ Total number of tranches bid in the round is announced at the end of reporting period (no reporting of individual supplier bids)
- ▶ Bids can be changed or withdrawn during bidding phase, but last bid is binding
- ▶ Once a supplier drops out, its access to auction information ends
- ▶ Bidding phase can be extended once per round with suppliers given two opportunities apiece to request a time out
- ▶ Round duration, Initial Going Price and subsequent Price Decrements are subject to change after consultation with PUCO Staff

# End of Auction Procedure

(Refer to document on auction website)

- ▶ Auction concludes once the number of tranches bid equals the required number (minimum of 9 tranches)
  
- ▶ If an over-supplied round is followed by an under-supplied round, the suppliers that participated in the last over-supplied round must submit a sealed bid
  
- ▶ The sealed bid is to indicate (1) # of tranches bidder is willing to supply and (2) the lowest price that the bidder is willing to accept for those tranches
  - ▶ All suppliers participating in the last over-supplied round must submit a bid even if it only reflects the Going Price and tranches bid in that round
  - ▶ The # of tranches cannot exceed that bid in the over-supplied round
  - ▶ There is no minimum price
  
- ▶ DEO will use the minimum sealed bid price that clears the market as the final Going Price for the auction
  - ▶ If the market clears with more than 9 tranches, the load will be prorated among those suppliers that submitted a bid at or below the clearing price

# SCO Letter Agreement

- ▶ Winning Suppliers must sign letter agreement to confirm award
  - ▶ Summarizes performance and service to be rendered by supplier and DEO
  - ▶ Shows resulting auction price and number of tranches won
  - ▶ States Btu conversion and UFG percentage
  - ▶ Describes the default fee required of all auction-winning SCO suppliers

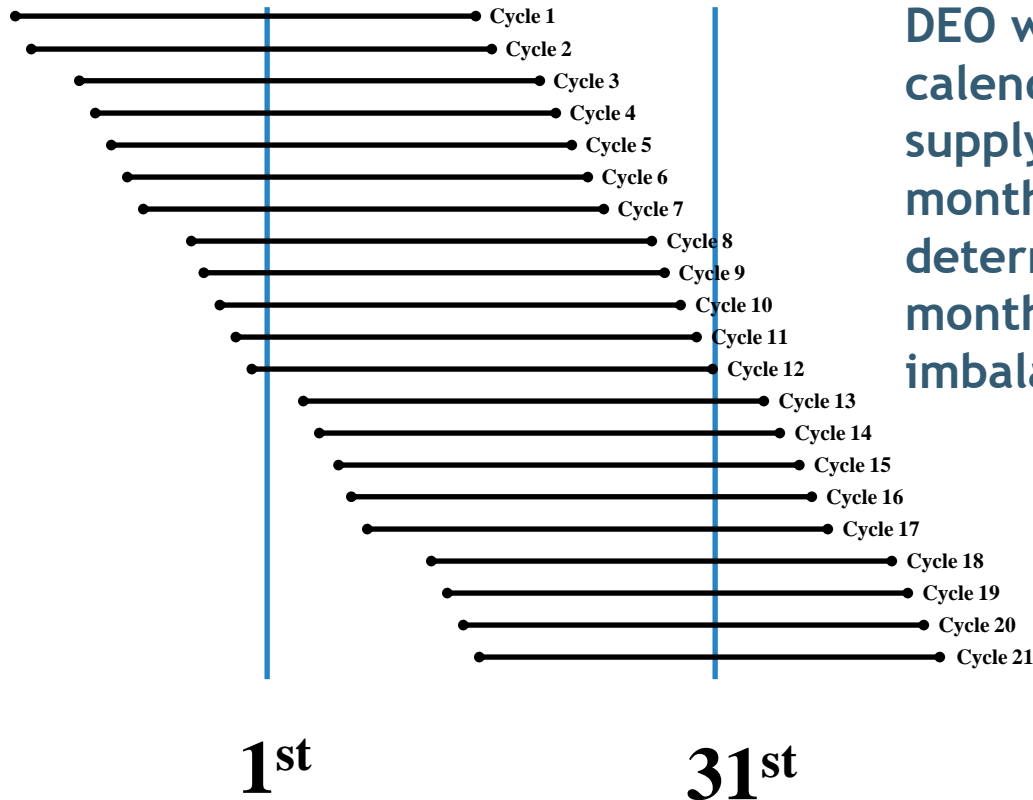
# SSO Supplier Payment

- ▶ Supplier payment will equal  $(\text{NYMEX} + \text{Retail Price Adjustment}) \times \text{Burner-tip Mcfs billed}$
- ▶ Suppliers reimbursed via wire transfer on first business day following 15<sup>th</sup> for prior month's supply
- ▶ Initial payment is based on volume supplied over the calendar month
- ▶ After billed volumes become known, DEO performs volumetric and financial true-up to the billed volume
- ▶ Objective is to ensure amounts and volumes billed exactly match amounts and volumes supplied:
  - ▶ If Mcfs billed < volume supplied, DEO returns excess gas and reduces the next month's remittance accordingly (and vice-versa)
  - ▶ Volumes to be supplied and amounts remitted to suppliers can be affected by customer rebills
- ▶ DEO assumes receivable risk - suppliers are paid whether DEO is paid or not, with no reduction in receivables
- ▶ DEO may adjust supplier volumes and dollars owed up to two months after the term ends

# SSO True-Up Example

- ▶ October calendar month target volume for Supplier A equals 400,000 Mcf, which it flows as requested
- ▶ DEO pays Supplier A for that volume on the first business day following November 15th
- ▶ DEO determines that the actual volume billed for the October billing month was 385,000 Mcf
- ▶ DEO returns the 15,000 Mcf over-supply to Supplier A prior to the October imbalance trading period that occurs in mid-November
  - ▶ Imbalances can be traded, put in storage or cashed out
- ▶ DEO withholds 15,000 Mcf times the October NYMEX price plus the Retail Price Adjustment from the next payment to Supplier A

# Billing Cycle Illustration



DEO will compare calendar month supply to billing month usage to determine the monthly SSO pool imbalance

# Resolution of Default Risk

The risk facing non-defaulting auction suppliers has been addressed by:

- ▶ Requiring Default Fee from auction winners
  - ▶ In event of default by an auction supplier, 100% of Default Fee financial security will be distributed on a weighted basis to non-defaulting suppliers
- ▶ Supplier's increase in its SSO and/or SCO share is limited to 50% of the load originally obtained in the auction
  - ▶ Suppliers can voluntarily provide more
  - ▶ DEO will conduct supplemental auction for any amounts not covered by 50% increase



# Provider of Last Resort (POLR)

- ▶ Supply sequence in the event of a supplier default:
  - ▶ Voluntary supply from non-defaulting Energy Choice, SCO and SSO suppliers
  - ▶ Storage inventory of defaulting supplier(s)
  - ▶ Operational balancing inventory
  - ▶ Incremental purchases by DEO
- ▶ DEO's POLR obligation extends to the billing month after the one in which the default occurred
  - ▶ Customer's price in the month of default will be at its supplier's price
  - ▶ Will revert to SSO price in the month following the default
- ▶ After DEO's two-month POLR obligation ends, customers of a defaulting supplier will revert to SSO service for up to two months
  - ▶ Residential customers of a defaulting opt-out aggregation or SCO pool will be assigned to a SCO supplier after second SSO bill
  - ▶ Non-residential customers, based on size, will either be assigned to a SCO or MRR supplier after second SSO bill

# Energy Choice Supplier Options after the Auction ...

- ▶ Winning suppliers must accept SCO customers via rotating assignment process
- ▶ Other CRNGS suppliers can elect to participate in the rotation process, serving customers at the established SCO rate
  - ▶ Supplier must make one-time election by March 1<sup>st</sup> to participate
  - ▶ Supplier must maintain an active Energy Choice pool
  - ▶ Supplier must agree to continue serving assigned customers at the SCO rate through March 2023 billing period
  - ▶ Suppliers who elected to be SCO supplier last year must re-elect to continue
- ▶ All CRNGS suppliers can elect to accept customers at a Monthly Retail Rate (above provisions also apply)
  - ▶ Suppliers who elected to be MRR supplier last time must re-elect to continue
- ▶ Suppliers cannot charge any exit or termination fees to departing SCO or MRR customers

# Capacity Release Process



# Operation/Supply Issues

- ▶ Assignment of DEO Interstate Capacity
- ▶ Isolated Points
- ▶ Delivery Point Issues
- ▶ Information in DEO's EBB

# Interstate Capacity Assignment

(Refer to Auction website)

- ▶ All non-operational balancing upstream capacity released for entire term of auction (April 2022 to March 2023)
- ▶ Suppliers notified of available capacity once final tranche size is determined
- ▶ Winning bidders and qualifying Energy Choice suppliers (those with a > 1% market share) must take pro rata share of remaining capacity
- ▶ Energy Choice suppliers may initially reject assignments
  - ▶ Becomes mandatory if capacity remains unreleased after the optional assignment process is complete
  - ▶ TGP (and associated EGTS) and West Ohio associated ANR capacity cannot be rejected.

# Capacity Release Update

▶ *Historically, when performing capacity release analysis, Dominion Energy Ohio assessed each entity's market share percentage separately, with only those entities with a 1% or greater market share offered capacity. Although the 1% threshold will remain the same, new for this 2022 auction period, we will aggregate the market shares of marketers under common ownership to determine capacity assignment. Capacity will be released at a parent company level.*

# Interstate Capacity Assignment Example

- ▶ Estimated East Ohio capacity for one tranche:

	Tranche	
Peak Day (PD)	27,530	Mcf BT
91.75% of PD	25,259	Mcf BT
On-System Storage	9,387	Mcf BT
Un-Met Capacity	15,872	Mcf BT
	16,522	CG Dth
Assigned Capacity	6,732	CG Dth
Un-Met Capacity	9,790	CG Dth

# Interstate Capacity Assignment Example

- ▶ Estimated West Ohio capacity for one tranche:

	Tranche	
Peak Day	2,969	Mcf BT
91.75% of PD	2,724	Mcf BT
Un-Met Capacity	2,724	Mcf BT
	2,836	CG Dth
Assigned Capacity	2,226	CG Dth
Un-Met Capacity	610	CG Dth



# Interstate Capacity Assignment

- ▶ **Mandatory releases of:**
  - ▶ Texas Eastern (TETCo) - 100% released to winning bidders
  - ▶ Tennessee Gas Pipeline (TGP) and upstream EGTS - 100% released to winning bidders and Energy Choice suppliers
  - ▶ ANR Pipeline ETS for West Ohio
  - ▶ TCo (for Buzzard) - 100% of additional 3,000 dths/day released to winning bidders
- ▶ **Initially optional releases of:**
  - ▶ Non-West Ohio ANR Pipeline (ANR)
  - ▶ Eastern Gas Transmission and Storage, Inc. (EGTS) (the portion not upstream of TGP)
  - ▶ Panhandle Eastern (PEPL)
  - ▶ Nexus Gas Transmission (NEXUS)
  - ▶ Columbia Transmission (TCo)
- ▶ Suppliers cannot take upstream FT on EGTS and TCo without the corresponding downstream FT capacity
- ▶ Release of TGP obligates shipper to serve the Cochran isolated point
- ▶ Certain capacity discounts apply only to volumes nominated to Energy Choice pools at the primary receipt point(s)
  - ▶ Supplier must pay max rates if nominated elsewhere

# Interstate Capacity Assignment Process

- ▶ Final number of tranches are established
- ▶ Existing SCO suppliers have their SCO customers backed out of peak day number to determine Energy Choice market share
- ▶ All suppliers and auction customer peak days compared
  - ▶ Pools with less than 1% peak day market share are excluded
  - ▶ Remaining pools are assigned share of capacity based on percent of total qualifying market share they hold

# Interstate Capacity Assignment Process (Continued)

- ▶ E-mails sent to all qualified suppliers and registered bidders showing:
  - ▶ Amount of capacity assigned
  - ▶ Applicable discounted capacity rates
- ▶ Suppliers with the option to elect capacity must inform DEO of capacity they do not want by date posted on the EBB

# Interstate Capacity Assignment Process (Continued)

- ▶ Winning auction bidders given first option to accept any capacity returned after auction
- ▶ Any unclaimed capacity will then be posted via the EBB and made available to all suppliers and end-users on DEO's system
- ▶ Any capacity not accepted by posted deadline will then revert to original supplier who initially rejected capacity
- ▶ All releases will be done prior to their start date
  - ▶ If supplier wants capacity released to an agent, supplier and agent must execute Three Party Agent Agreement

# Isolated Points

(Refer to Auction website)

- ▶ DEO has four market areas that must receive specific supply
  - ▶ Powhatan Point and Woodsfield (via TETCo)
  - ▶ Cochrannton (via EGTS from TGP)
  - ▶ ANR West Ohio - Convoy (via ANR)
  - ▶ Buzzard (via TCo)
    - ▶ In order to ensure adequate deliveries to customers served in Wayne, Holmes, and Knox counties, during the winter months, DEO will require a minimum volume of flow from TCo into DEO at its Buzzard interconnect via TCo capacity released only to auction winning bidders. Auction winning bidders will be obligated to nominate volumes based on targets provided by DEO. Note: this portion of TCo capacity will count towards supplier's comparable capacity requirements for DEO's East Ohio division (not for the West Ohio division)

# Isolated Points (Continued)

(Refer to Auction website)

- ▶ If supplier receives a release of these capacities, they must serve these isolated markets
- ▶ Isolated Point targets are posted on the same screen as the daily Energy Choice/SSO targets
  - ▶ Total target requirement includes these isolated point volumes

# Delivery Point Notes

- ▶ Monthly allocated space at TGP should be scheduled to the TGP Gilmore meter
  - ▶ Operational issues may require DEO to request a change to the TGP Petersburg meter
- ▶ Monthly allocated space assigned for TETCo interconnect can be used to schedule deliveries from TETCo and/or Rockies Express (REX)
  - ▶ REX deliveries subject to rules posted on the EBB
- ▶ Under certain operating conditions, suppliers may be required to deliver additional volumes to west side delivery points above the capacity that has been released on ANR, Panhandle, and/or Nexus

# Maumee Point Specific OFO

Temperature Range	Requirements
11 to 20 degrees F	75,000 Mcf
1 to 10 degrees F	110,000 Mcf
-5 to 0 degrees F	150,000 Mcf
-13 to -6 degrees F	175,000 Mcf

- Under such conditions, DEO will allocate responsibility for required west side deliveries based on estimated usage of Full Requirements and Energy Choice pools and of those Daily Transportation Service customers whose load is served primarily by west side of Cleveland volumes



# Info Postings on EBB

- ▶ DEO posts auction and other critical information on its EBB
- ▶ Make sure your EBB users relay information to appropriate contact
- ▶ DEO will send information to ONE company contact only
  - ▶ Supplier's responsibility to distribute or use group e-mail
- ▶ Supplier's EBB users can set up Event Notification to have all postings emailed

# Contacts



- ▶ For more information contact:

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**Dominion  
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*Thank You*  
FOR YOUR BUSINESS