

Dominion Energy Ohio Supplier Information Meeting

December 8, 2022

Meet Our Team

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

EOG_Trans_Serv@dominionenergy.com or
Gas_Energy_Choice@dominionenergy.com

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) will continue to 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.
- ▶ The fee will continue to be assessed to Suppliers for all such volumes billed prior to the first billing cycle in December 1, 2025.

Expected: New Philadelphia OFO

- ▶ At this time, DEO expects to require a new point-specific OFO beginning November 1, 2023. Under the following conditions, the new OFO would direct supply as follows to receipts points listed below in into DEO's New Philadelphia market area:

Avg. Temp	New Philadelphia Supply Requirement
11 to 20 degrees F	20,000 Mcf
1 to 10 degrees F	30,000 Mcf
-5 to 0 degrees F	40,000 Mcf
-6 to -13 degrees F	50,000 Mcf

- ▶ Under these conditions, DEO will allocate responsibility for required New Philadelphia deliveries based on estimated usage of Full Requirements and Energy Choice pools and, if applicable, of those Daily Transportation Service customers in the New Philadelphia area
- ▶ Acceptable Receipt Points
 - TGP Pleasant Valley (ML044/421086)
 - TGP Holmes (ML041/48850)
 - EGTS Plum Run (ML043/20180)
 - Ohio River System Fulton (L285)
 - Mark West Cadiz (L010)

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 8, 2022.*

Powhatan Point (cont.)

- ▶ *At this time, DEO continues to expect all of the following:*
 - *That SSO/SCO auction winners will supply Powhatan Point load through March 31, 2023, 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, 2023, 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 by the end of 2022, and prior to the February 2023 SSO/SCO auction for 2023-2024 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 2023-2024 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 may be recalled at that time.*

QPTM OFO Requirement Screen

- ▶ The QPTM **Requirement** screen is comprised of three tabs:
 - ▶ Target Requirement (Daily) – Applies to ECPS/SSO contract holders. It contains data by contract for net daily requirement and any applicable isolated delivery point requirement.
 - ▶ Monthly Imbalance – Applies to ECPS/SSO contract holders. It contains imbalance detail by contract, including the monthly true-up volume.
 - ▶ OFO Requirement – This tab applies to applicable transportation and pooling contract holders. There are two types of OFOs that may display.
 - ▶ Point Specific OFO – Per company
 - ▶ System Wide OFO – Per contract

The screenshot displays the 'OFO REQUIREMENT' tab in the QPTM interface. It is divided into two sections: 'Point Specific OFO' and 'System Wide OFO'.

Point Specific OFO: This section is titled 'Note: Point Requirements are stated in CG Dth'. It features a table with columns for Gas Day, Svc Req Name, Location Name, Temp, Point Req, and Facility. A red box highlights the 'Point Req' column, which contains the value '444' for the entry on 11/1/2022.

Gas Day	Svc Req Name	Location Name	Temp	Point Req	Facility
1 11/1/2022		MAUMEE/NEXUS GROUP METER	-13	444	EAST

System Wide OFO: This section is titled 'Note: OFO Targets are stated in BT Dth for End Users and CG Dth for Marketers'. It features a table with columns for Gas Day, Svc Req Name, Svc Req, TOS, Temp, and OFO Target. A yellow box highlights the 'OFO Target' column, which contains the value '350' for the entry on 11/1/2022.

Gas Day	Svc Req Name	Svc Req	TOS	Temp	OFO Target
1 11/1/2022		K		-13	350

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.
- ▶ QPTM users selected which notices would be received via email and on the QPTM dashboard/pop-up notifications:
 - ▶ **Critical:** Computer System Status/Outages, No Increase Order, Operational Alert, Operational Flow Order
 - ▶ **Maintenance:** Planned Service Outage
 - ▶ **Other:** BTU, Capacity Offer, Cash Out, Energy Choice, Firm Receipt Pt, Fuel Retention, HCA, Nom Deadline, Other, Rates and Charges, Reallocation Dates, Storage
- ▶ Ensure your EBB users relay information to appropriate contacts, or view directly via the new public website:
 - ▶ <https://dominionenergyinfopostoh.dominionenergy.com/>

New Info Posting Website

- ▶ When DEO creates a posting in QPTM, each notice is also posted to our new info posting website:

▶ <https://dominionenergyinfopostoh.dominionenergy.com/>

The screenshot displays the website interface for Dominion Energy Ohio Informational Postings. The browser address bar shows the URL dominionenergyinfopostoh.dominionenergy.com. The page title is "Dominion Energy Ohio Informational Postings".

The left sidebar contains the following navigation items:

- Home
- Contact Us
- EBB Login
- EBB Interactive Training Module
- System Map
- Tariff
- Info Posting - Critical
- Info Posting - Maintenance
- Info Posting - Other
- Gathering - Producer Services
- Transportation Services Information
- Agreements
- Calendars
- Energy Choice Information
- Forms
- Guidelines and Procedures

The main content area features a table titled "Transportation Services Information/Guidelines and Procedures". The table has three columns: "Posted Date", "File", and "Description".

Posted Date	File	Description
9/23/2022	How to Download Existing Noms and Re-import to Reuse Nom Paths_8.1.docx	How to Download Existing Noms and Re-import
9/1/2022	DEO QQM Measurement Report Guide_9.1.docx	QQM Measurement Report Guide
8/5/2022	DEO New EBB System FAQ_8.2.docx	Frequently Asked Questions as of 8/2

A callout box points to the "Transportation Services Information/Guidelines and Procedures" category in the sidebar, stating: "CONTAINS NOTICE POSTINGS CREATED IN QPTM:". Below this, it lists the following categories and their descriptions:

- Info Posting - Critical:** Computer System Status/Outages, No Increase Order, Operational Alert, Operational Flow Order
- Info Posting - Maintenance:** Planned Service Outage
- Info Posting - Other:** BTU, Capacity Offer, Cash Out, Energy Choice, Firm Receipt Pt, Fuel Retention, HCA, Nom Deadline, Other, Rates and Charges, Reallocation Dates, Storage

Another callout box points to the "Guidelines and Procedures" category in the sidebar, stating: "Contains how-to documents that are not stored in QPTM".



Background Information



Dominion Energy Ohio Market

- ▶ DEO serves 1.2 million customers in Ohio with normalized annual on-system throughput of approximately 331 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	

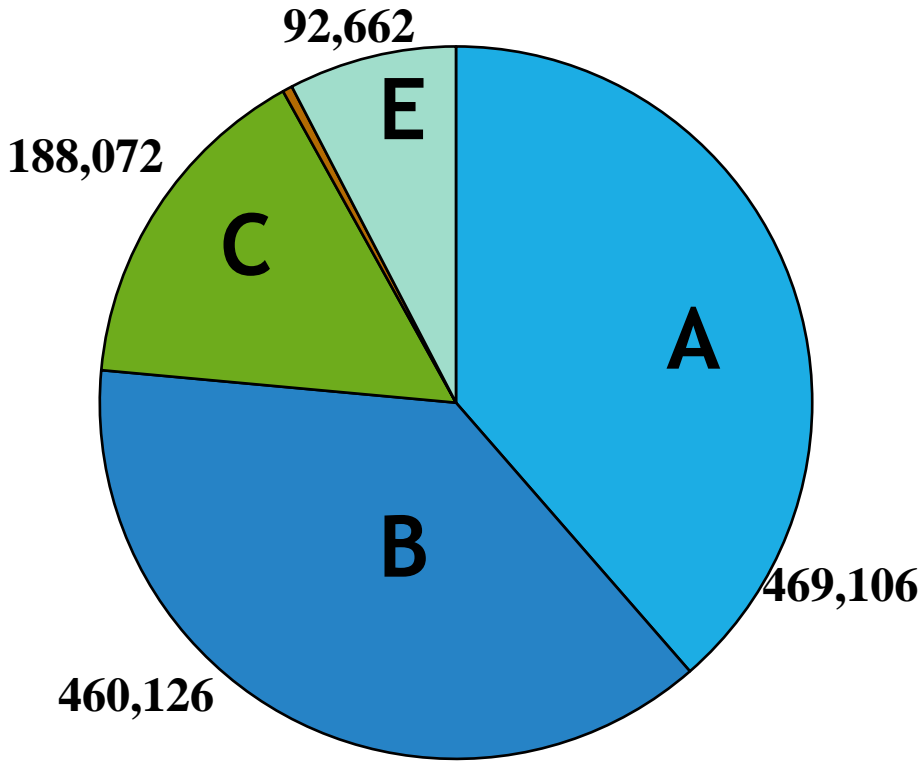
- ▶ West Ohio served by interconnects with:

ANR
Columbia Transmission
KNG Energy

Types of DEO Customers

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

October 2022 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 (5,142)
- E - SSO (Primarily PIPP)



Nature of SSO Service

- ▶ Obligation to provide the daily gas supply requirements of Choice-eligible customers
- ▶ Supply volume, not actual customers, will be awarded
 - ▶ Aggregate load of ~9.6 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

Follow a customer's options through our Gas Energy Choice website

- ▶ Residential and Small Nonresidential options for buying natural gas:
 - ▶ Select a certified natural gas supplier and enroll in an Energy Choice agreement with that supplier.
 - ▶ Join a Governmental Aggregation, or "group buying," program if available. These aggregation programs are often "Opt Out" programs, meaning customers must actively choose to participate in a different program.
 - ▶ Default to or choose service under the Standard Choice Offer (SCO), if eligible. (Residential and small nonresidential customers will default to SCO if a natural gas supplier or Aggregation program is not selected.)
- ▶ Medium Nonresidential customers can elect choices above or may elect the Monthly Retail Rate (MRR).
 - ▶ MRR is the default for medium nonresidential customers who don't actively choose a program.
- ▶ Large Nonresidential customer supply choices are Energy Choice or MRR.
 - ▶ MRR is the default if a choice is not made. (SCO is not an option.)
- ▶ All customers who roll off an existing plan may spend up to 2 months in the SSO program. After that, unless they enroll with a specific supplier:
 - ▶ Residential and Small Nonresidential customers default to SCO
 - ▶ Medium and Large Nonresidential customers are assigned to an MRR supplier.

Nonresidential customers: Small < 200 mcf per year; Medium 201 to 500 MCF per year.

<https://www.dominiongaschoice.com/see-your-choices> (Residential Customers)

<https://www.dominiongaschoice.com/about-energy-choice> (Choice FAQs, includes non-residential information)



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

- ▶ 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

- ▶ Link to MRR tariff found [here](#)
- ▶ 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.
- ▶ East Ohio shall randomly reassign each MRR Customer who has been assigned to the same MRR Supplier for the 12 prior consecutive months. The identification of such Customers shall take place annually and reassignment shall be effective with the April billing cycle.
- ▶ MRR Supplier that fails to serve its existing Customers at a price at or below the applicable Median MRR Price shall be disqualified from participating in the MRR program through the next March billing cycle and then an additional 12-month period.
- ▶ To avoid disqualification, an MRR Supplier that is not assigned Customers for a service month because it did not offer a price equal to or below the Median MRR Price must charge its previously assigned Customers a rate that is no more than the Median MRR Price.

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
 - ▶ ~16 Bcf, ~188,000 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 2023 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

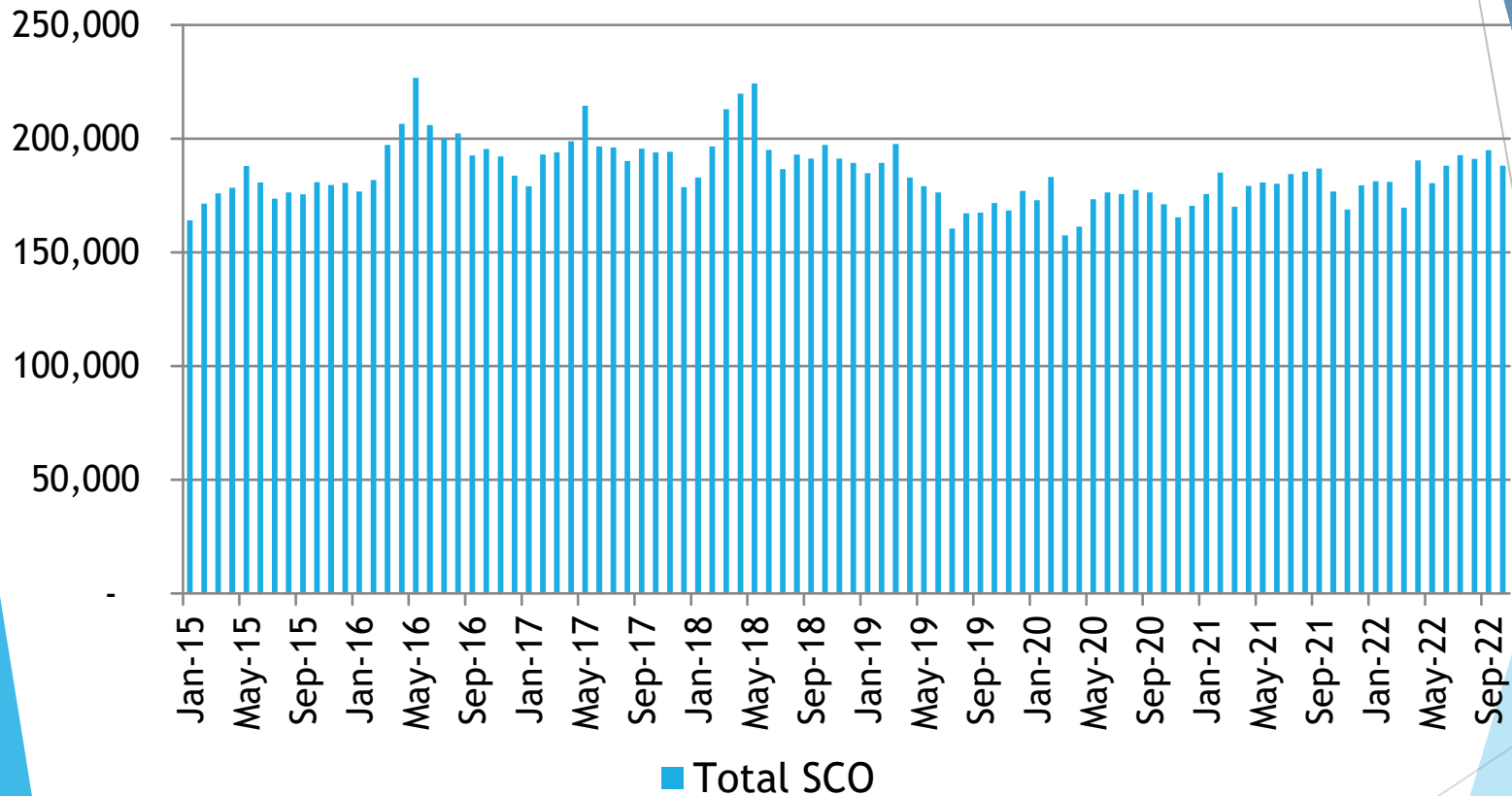
Nature of SCO Service (continued)

- ▶ 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
Feb-22	Combined	\$ 0.18

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 ~25 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 2023 to March 2024
- ▶ 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 week as the auction
- ▶ 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
- ▶ DEO then executes supply agreements with winning suppliers
- ▶ 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. Four 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: Rating of Excellent or Superior by AMBest's Credit Rating Service
 - ▶ *Security Agreement*
 - ▶ May reduce the collateral required for pooling exposure by the value of Accounts Receivables, Storage Inventory, and Local Production assets
- ▶ 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 = \$7,160,000, or
 - ▶ Collateral Requirement per tranche = \$480,000 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

Online Information

- ▶ 2023-2024 Auction Application and related attachments available at:

- ▶ <https://www.dominionenergy.com/ohio/large-business-services/transportation-services/auctions>
- ▶ 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

- ▶ General Auction Rate information available at:

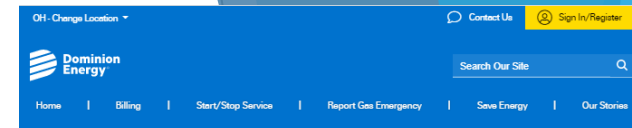
- ▶ <https://www.dominionenergy.com/ohio/rates-and-tariffs/sso-and-sco-auctions>

- ▶ 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



Ohio > Large Business Services

Transportation Services

Helping our natural gas suppliers and transportation customers make informed energy decisions.

Dominion Energy Ohio provides reliable and cost-effective services to more than 1.2 million customers who transport gas on its system. The natural gas is provided by a diverse portfolio of suppliers who participate in the pooling services.

Ohio > Large Business Services > Transportation Services

Auction

April 1, 2022 through March 31, 2023

Standard Service & Choice Offer Auctions



Auction Details



Auction Process Timing

Step	Description	Date
1	Information session held for interested parties	12/08/2022
2	Application deadline (firm)	12/15/2022
3	Application response and credit requirement notification	01/05/2023
4	Tranche size, initial going price, decrement and final rules issued	01/20/2023
5	Registration deadline and collateral submitted	01/20/2023
6	Mock auction conducted by Enel X North America	01/31/2023
7	Live auction conducted by Enel X North America	02/06/2023
8	PUCO ruling on auction results (based on previous timing*)	02/09/2023
9	Gas supply agreements executed	03/16/2023
10	Gas flow starts	04/01/2023
11	Initial demonstration of comparable capacity	10/18/2023

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

Default Fee

- ▶ One Default Fee to be posted per winning supplier
 - ▶ Estimated at \$485,000 per tranche. Will be updated when number of final tranches is 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

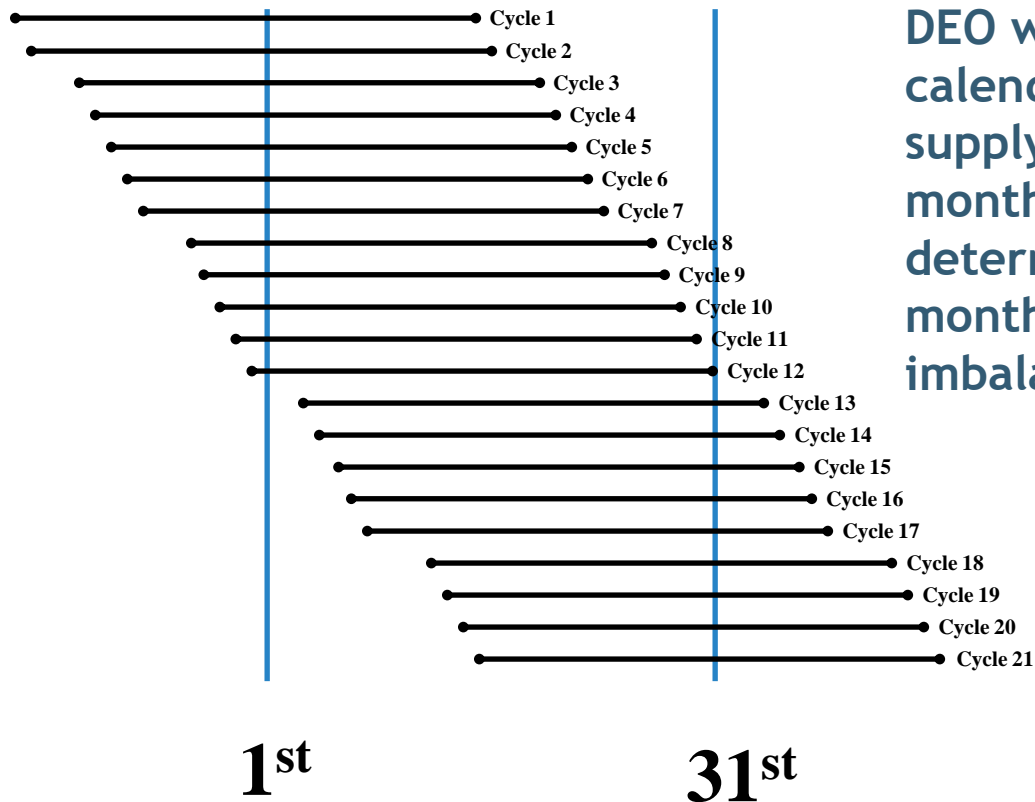
SSO Supplier Payment

- ▶ Supplier payment will equal (NYMEX + Retail Price Adjustment) x Burner-tip Mcfs billed
- ▶ Suppliers reimbursed via wire transfer on first business day following 15th 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, injected or withdrawn from 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 1st to participate
 - ▶ Supplier must maintain an active Energy Choice pool
 - ▶ Supplier must agree to continue serving assigned customers at the SCO rate through March 2024 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 2023 to March 2024)
- ▶ 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, newly implemented in 2022, 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

- ▶ Sample 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

- ▶ Sample 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 Cochranton 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 various pipelines.

Contacts

- ▶ For more information contact:

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Thank You
FOR YOUR BUSINESS