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# Dominion Energy Ohio Supplier Information Meeting

December 7, 2023



# Meet Our Team

- Amy Koncelik- Manager, Gas Operations Customer Service
  - Joel Bussard – Assoc. Retail Transportation Analyst
  - Ayden Canavos – Retail Transportation Analyst
  - Linda Hudak - Business Performance Analyst
  - Laurel (L J) Lohrey – Sr. Retail Transportation Analyst
  - Dina Longo – Transportation Services Program Manager
  - Charlie Roach – Sr. Business Performance Analyst
  - Sherry Skinner – Sr. Retail Transportation Analyst
  - Laura Whitkofski – Retail Transportation Analyst
- Cliff Andrews – Commercial Services Advisor
  - [EOG\\_Trans\\_Serv@dominionenergy.com](mailto:EOG_Trans_Serv@dominionenergy.com) or
  - [Gas\\_Energy\\_Choice@dominionenergy.com](mailto:Gas_Energy_Choice@dominionenergy.com)

# Meeting Agenda



Supplier Updates



General Auction Structure



Auction Details



Capacity Release Process

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# Supplier Updates



# Sale to Enbridge

- Dominion Energy announced on September 5, 2023, that it entered into an agreement to sell their local distribution companies to Enbridge, Inc.
- Through the regulatory approvals and transition period, which could extend to the end of 2025, nothing will change regarding your service or billing
- The DEO sale is estimated to close 1Q 2024

# Dominion Energy Ohio Market

- DEO serves 1.2 million customers in Ohio with normalized annual on-system throughput of approximately 353 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 with:

|   |                                    |
|---|------------------------------------|
| ANR Pipeline (ANR)                          | Ohio River System (ORS)            |
| Blue Racer Midstream (BRM)                  | Panhandle Eastern Pipe Line (PEPL) |
| Columbia Gas Transmission/Buzzard (Buzzard) | RH energytrans (RH)                |
| Eastern Gas Transmission & Storage (EGTS)   | Rockies Express Pipeline (REX)     |
| Equitrans Midstream (EQM)                   | Tennessee Gas Pipeline (TGP)       |
| MarkWest Cadiz (MW)                         | Texas Eastern Pipeline (TETCO)     |
| Nexus Gas Transmission (Nexus)              | UEO Midstream UEO)                 |
| North Coast Gas Transmission (NCGT)         |                                    |

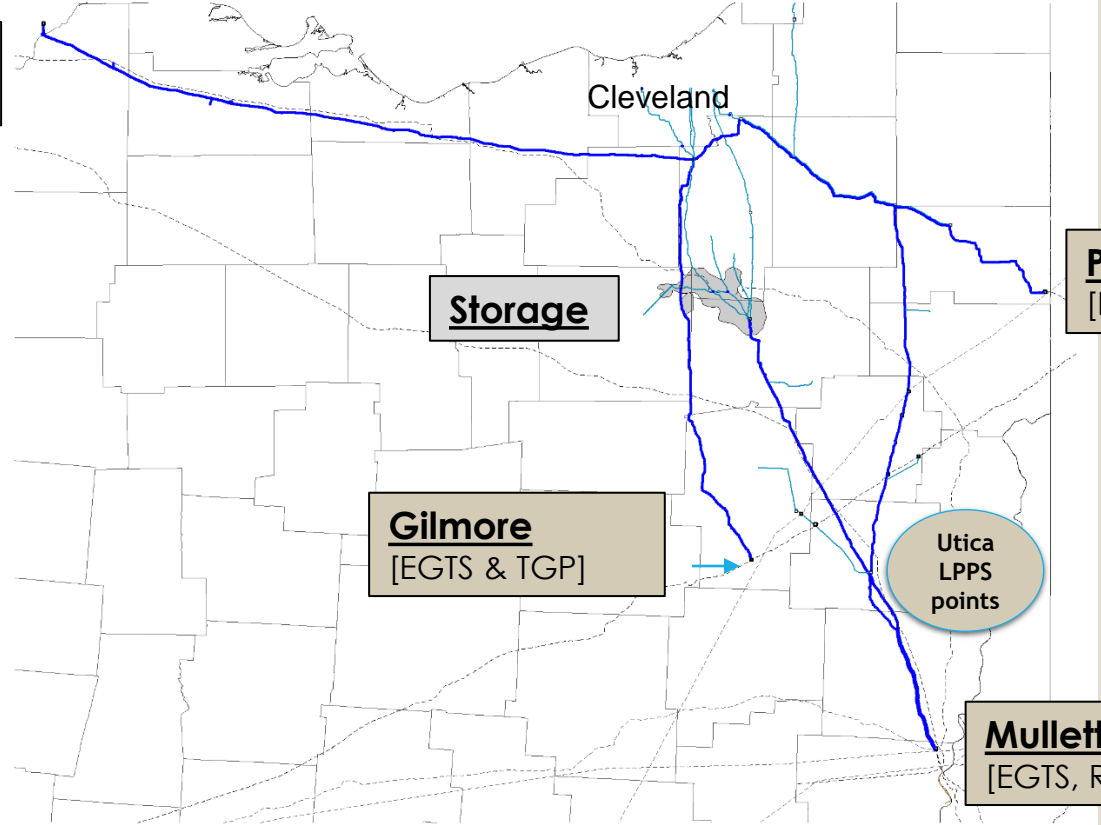
# Dominion Energy Ohio Market (Continued)

- West Ohio served by interconnects with:

|                                 |
|---------------------------------|
| ANR Pipeline (ANR)              |
| Columbia Gas Transmission (TCO) |
| KNG Energy                      |

# Dominion Energy Ohio System Map

**Maumee**  
[ANR & PEPL]



**Petersburg**  
[EGTS & TGP]

**Gilmore**  
[EGTS & TGP]

**Mullett/Clarington**  
[EGTS, REX & TETCO]





# Dominion Energy Ohio System Map

**Maumee**  
[ANR & PEPL]

**Nexus**

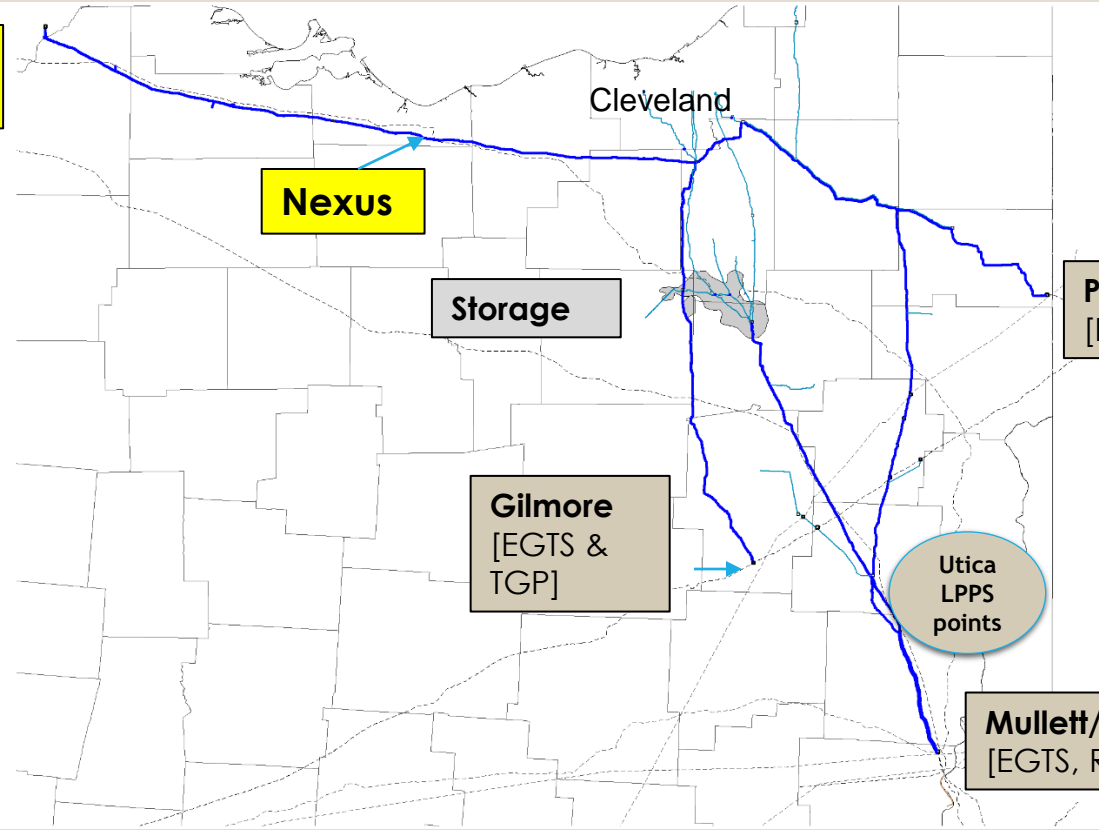
**Storage**

**Gilmore**  
[EGTS & TGP]

Utica  
LPPS  
points

**Petersburg**  
[EGTS & TGP]

**Mullett/Clarington**  
[EGTS, REX & TETCO]



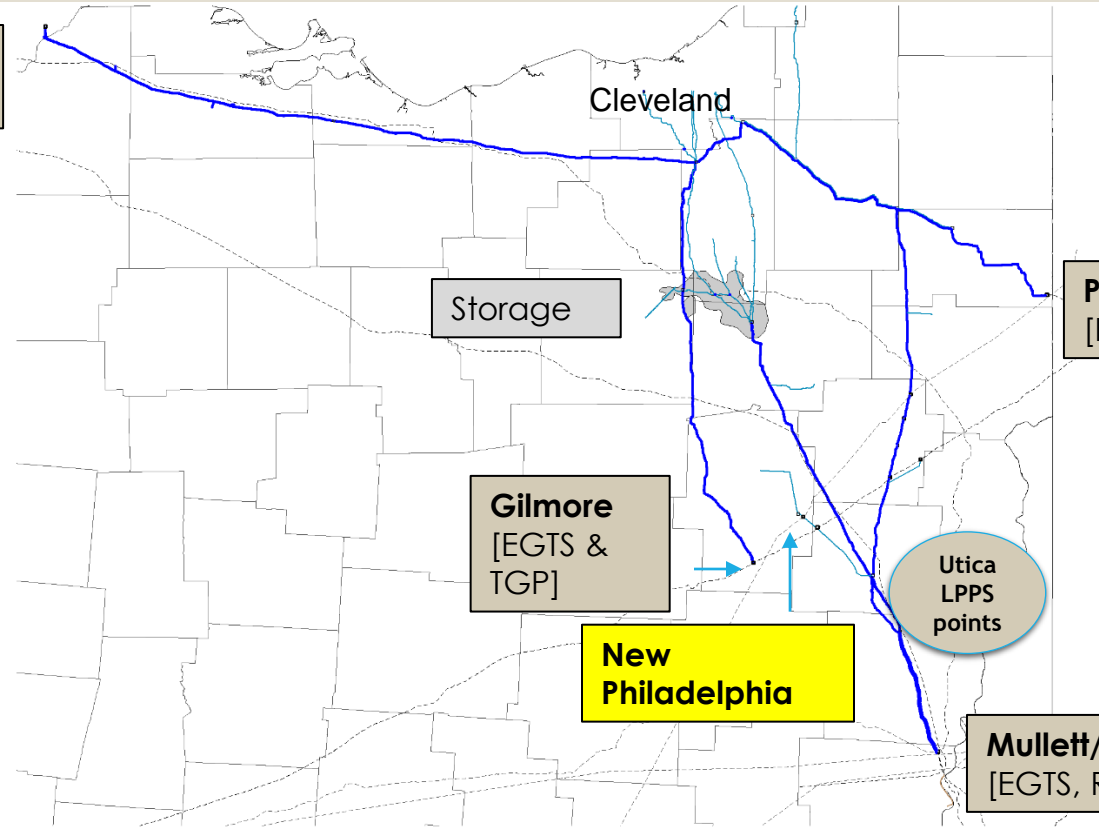
# Maumee Point Specific OFO

| 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  |

- Gas can be sourced from ANR, PEPL, and/or Nexus
- Under these 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
- 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 various pipelines

# Dominion Energy Ohio System Map

**Maumee**  
[ANR & PEPL]



# New Philadelphia OFO

| 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                          |

◦DEO will be implementing a new point-specific OFO beginning November 1, 2023. Under the following conditions, the new OFO will direct supply to the New Philadelphia market area:

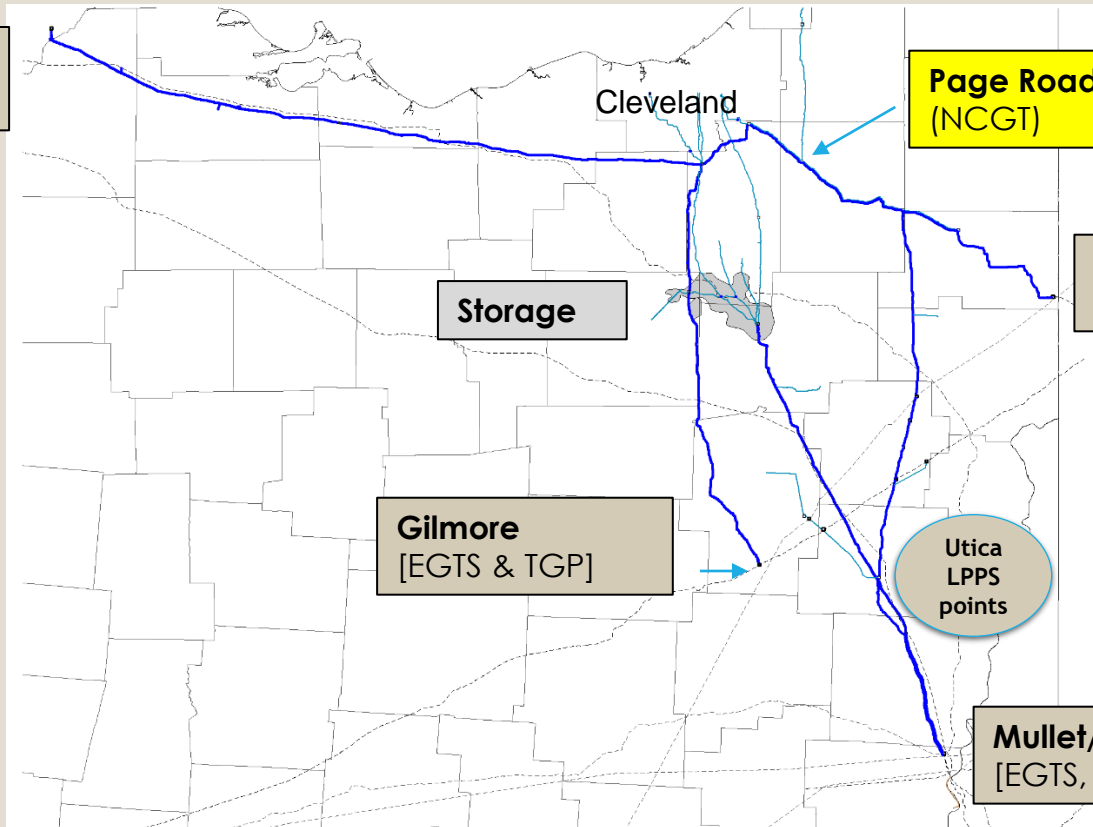
◦Under these conditions, DEO will allocate responsibility for required New Philadelphia deliveries based on estimated usage of Full Requirements and Energy Choice pools and Daily Transportation Service customers in the New Philadelphia area

◦Acceptable Receipt Points

- TGP Gilmore (ML019/420934)
- TGP Holmes (ML041/48850)
- EGTS Plum Run (ML043/20180)
- ORS Fulton (L285)
- MarkWest Cadiz (L010)

# Dominion Energy Ohio System Map

**Maumee**  
[ANR & PEPL]



**Page Road**  
(NCGT)

**Petersburg**  
[EGTS & TGP]

**Storage**

**Gilmore**  
[EGTS & TGP]

Utica  
LPPS  
points

**Mullet/Clarington**  
[EGTS, REX & TETCO]

# North Coast Gas Transmission

(April 1, 2024 – March 31, 2025)

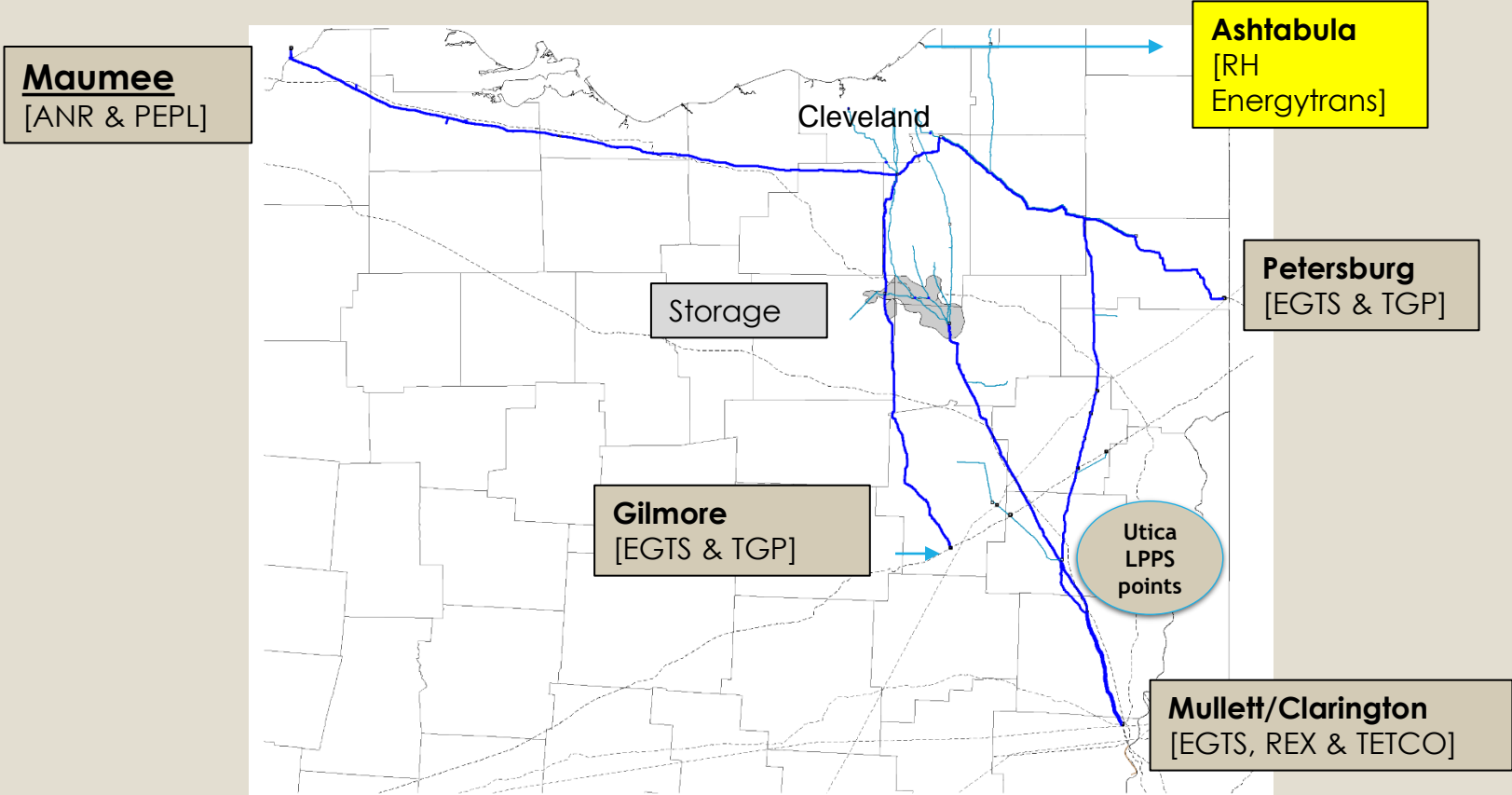
- In mid- January 2024, DEO will post a notice requesting bids for those Energy Choice suppliers interested in acquiring DEO's NCGT Firm Transportation capacity for the Apr24/Mar25 timeframe
- Supply will be sourced from the Crossroads Pipeline/ NCGT interconnect at Cygnet and scheduled to the DEO/NCGT interconnect at Brecksville
- Can be used as comparable capacity as well as count towards Maumee point specific OFO requirements

# North Coast Gas Transmission

(April 1, 2025 – March 31, 2026)

- Mandatory assignment of NCGT capacity begins. Volume will be allocated pro-rata to all Energy Choice suppliers (over 1% threshold) for the Apr25/Mar26 timeframe
- Supply will be sourced from the Crossroads Pipeline/ NCGT interconnect at Cygnet and scheduled to the new delivery point, planned at the interconnect of DEO's TPL-14 and NCGT (TPL-14/NC)
- DEO to treat the TPL-14/NC demand as an Isolated Point with separate daily supply targets for the winter. Target will escalate based on temperature thresholds during OFO periods

# Dominion Energy Ohio System Map





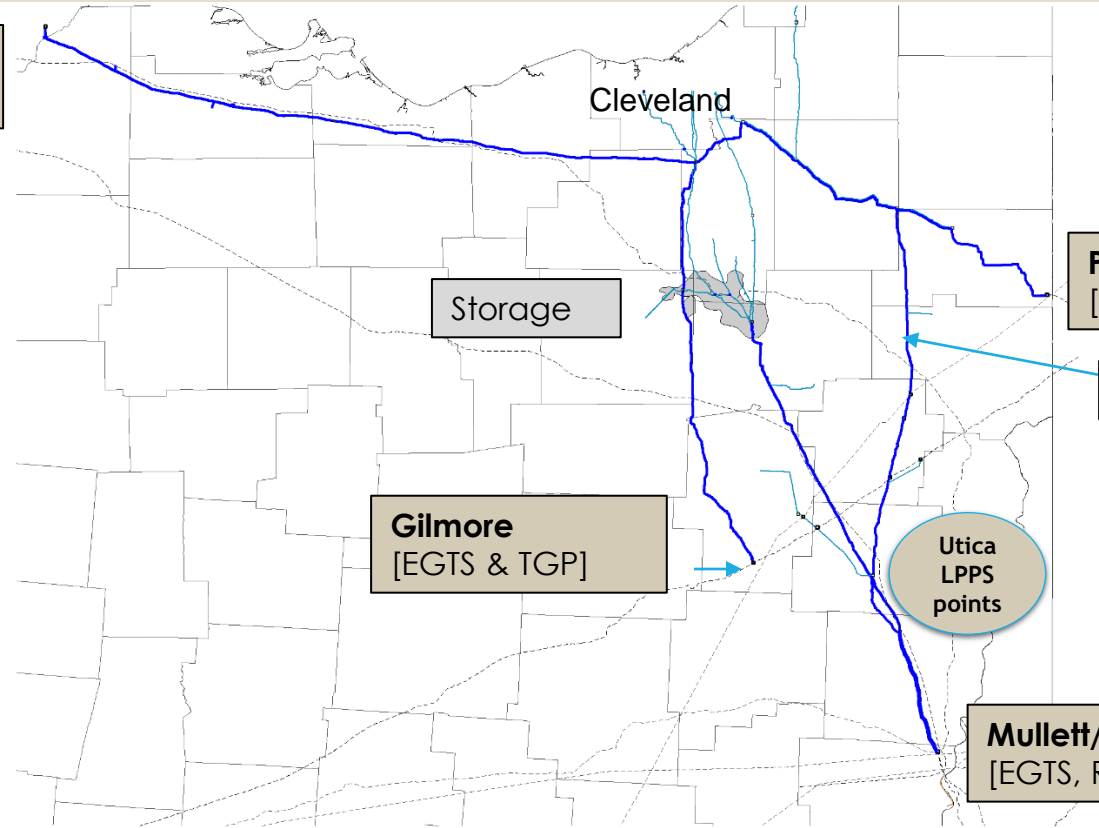
- Mandatory assignment of RH Energytrans capacity will be allocated pro-rata to all SSO auction winners
- Supply sourced from the TGP/RH Energytrans interconnect at Cochranon (TGP – Z4) and scheduled to the DEO / RH Energytrans interconnect at North Kingsville (near Ashtabula, OH)
- DEO will treat North Kingsville demand as an Isolated Point with separate daily supply targets for the winter period. Target will escalate based on temperature thresholds during OFO periods
- DEO will provide additional information closer to the implementation date

# RH Energytrans

**April 1, 2025 – March 31, 2026**

# Dominion Energy Ohio System Map

**Maumee**  
[ANR & PEPL]



**Petersburg**  
[EGTS & TGP]

TPL-15

**Gilmore**  
[EGTS & TGP]

Utica  
LPPS  
points

**Mullett/Clarington**  
[EGTS, REX & TETCO]

# TPL-15 Planned Maintenance



- DEO is planning to conduct maintenance on its TPL-15 transmission line in May 2024
- Receipts from EGTS, TETCO, and Utica LPPS points may be restricted throughout May 2024
- Additionally, storage injection quantities may be restricted unless supplied via TGP Gilmore and/or Maumee pipelines (ANR, PEPL, and Nexus)
- A Notice Posting with additional information will be sent via QPTM by April 2024

# Customer Education Fee Reminder

- 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, DEO will continue to assess a Customer Education Fee of \$0.01/Mcf to all auction winners, as well as suppliers participating in the Energy Choice program, governmental aggregation programs, and Monthly Retail Rate (MRR) program
- The fee will continue to be assessed to suppliers for all volumes billed prior to the first billing cycle in December 2025

- 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

## QPTM OFO Requirement Screen

# QPTM Email Notification for Nomination Changes

CAUTION! This message was NOT SENT from DOMINION ENERGY Are you expecting this message to your DE email? Suspicious? Use PhishAlarm to report the message. Open a browser and type in the name of the trusted website instead of clicking on links. DO NOT click links or open attachments until you verify with the sender using a known-good phone number. Never provide your DE password.

TSP: 1001 - Dominion Energy Ohio

Service Requester: 777 - SUPPLIER NAME Update date/time: 12/04/2023 9:14 AM Update User: LAURA\_WHITKOFSKI

Origin: Confirmation/Scheduled Quantity has been changed through Nomination Maintenance Beg Gas Day: 12/1/2023 12:00:00 AM End Gas Day: 12/1/2023 12:00:00 AM

Cycle: 6 - Intraday 3

Contract: 99999

Rec Loc: ML018 - TEXAS EASTERN PIPELINE-CLARINGTON Del Loc: 99999 - SUPPLIER CONTRACT TYPE Up K: 888888 Dn K:

Previous Rec Qty (Nom): 100 Previous Del Qty (Nom): 96 Previous Rec

Qty(Sched): 100 Previous Del Qty (Sched): 96 Updated Rec Qty(Nom): 90 Updated Del Qty(Nom): 86 Updated Rec Qty(Sched): 90 Updated Del Qty(Sched): 86

Nom Comments:

Confirmation Reduction Reason: Rec Reduction Reason: CPR, Del Reduction

Reason: CPR

Confirmation Comments: Rec Comment: TEST EMAIL, Del Comment:

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# Info Postings on EBB



- DEO posts auction and other critical information on its EBB.
- QPTM users select 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, Cash Out, Fuel Retention, Nom Deadline, Rates and Charges, Reallocation Dates, Storage
- Ensure your EBB users relay information to appropriate contacts, or view directly via DEO's public website:
  - <https://dominionenergyinfopostoh.dominionenergy.com/>

# Info Posting Website Example

**Informational Postings**

- 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

| Transportation Services Information/Guidelines and Procedures   |   |   |
|---|---|---|
| Posted Date   | File  | Description                                 |
| 9/23/2022   | <a href="#">How to Download Existing Noms and Re-import to Reuse Nom Paths_8.1.docx</a> | How to Download Existing Noms and Re-import |
| 9/1/2022  | <a href="#">DEO QQM Measurement Report Guide_9.1.docx</a>                               | QQM Measurement Report Guide                |
| <p>CONTAINS NOTICE POSTINGS CREATED IN QPTM:</p> <p><u>Info Posting - Critical</u>: Computer System Status/Outages, No Increase Order, Operational Alert, Operational Flow Order</p> <p><u>Info Posting - Maintenance</u>: Planned Service Outage</p> <p><u>Info Posting - Other</u>: BTU, Capacity Offer, Cash Out, Energy Choice, Firm Receipt Pt, Fuel Retention, HCA, Nom Deadline, Other, Rates and Charges, Reallocation Dates, Storage</p> |   |   |
| 8/5/2022  | <a href="#">DEO New EBB System FAQ_8.2.docx</a>   | Frequently Asked Questions as of 8/2        |

Contains how-to documents that are not stored in QPTM



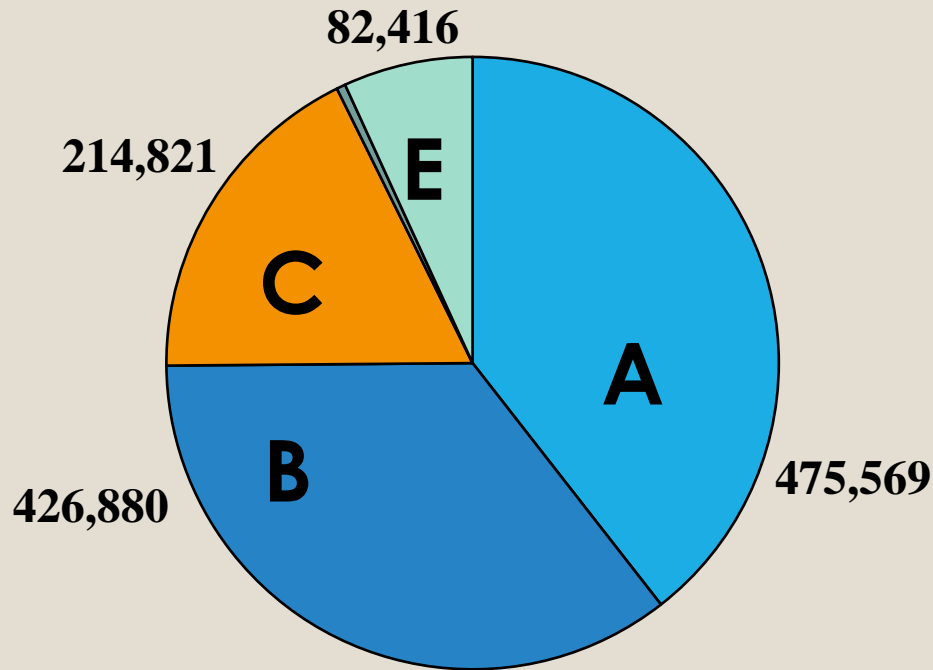


# System Information

# 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 ECPS)                |
| <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)                  |

# Customer Composition: End of 2023 Q3



- A - Energy Choice
- B - Governmental Aggregation
- C - SCO Customers
- D - MRR Customers (5,664)
- E - SSO (Primarily PIPP)

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

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

Obligation to provide daily gas supply requirements of  
Choice-ineligible customers

Supply volume, not actual customers, will be awarded with  
aggregate load of ~9.2 Bcf

Customers served under sales tariffs

SSO pool customer load may 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 when Energy Choice or  
aggregation contracts expire without renewal



# Customer options through our Gas Energy Choice website

- ▶ Residential and Small Nonresidential options for buying natural gas:
  - ▶ Customers can select a certified natural gas supplier and enroll in an Energy Choice agreement with that supplier or join a governmental aggregation program if available
  - ▶ Default to or choose service under the SCO program, if eligible. (Res and small non-res customers will default to SCO if a supplier or aggregation program is not selected)
- ▶ Medium Non-res customers can elect choices above or may elect the MRR rate
  - ▶ MRR is the default for medium nonresidential customers who don't actively choose a program.
- ▶ Large Non-res customers 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 Non-res customers default to SCO
  - ▶ Medium and Large Non-res customers are assigned to an MRR supplier

# Monthly Retail Rate (MRR Program)

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

## 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

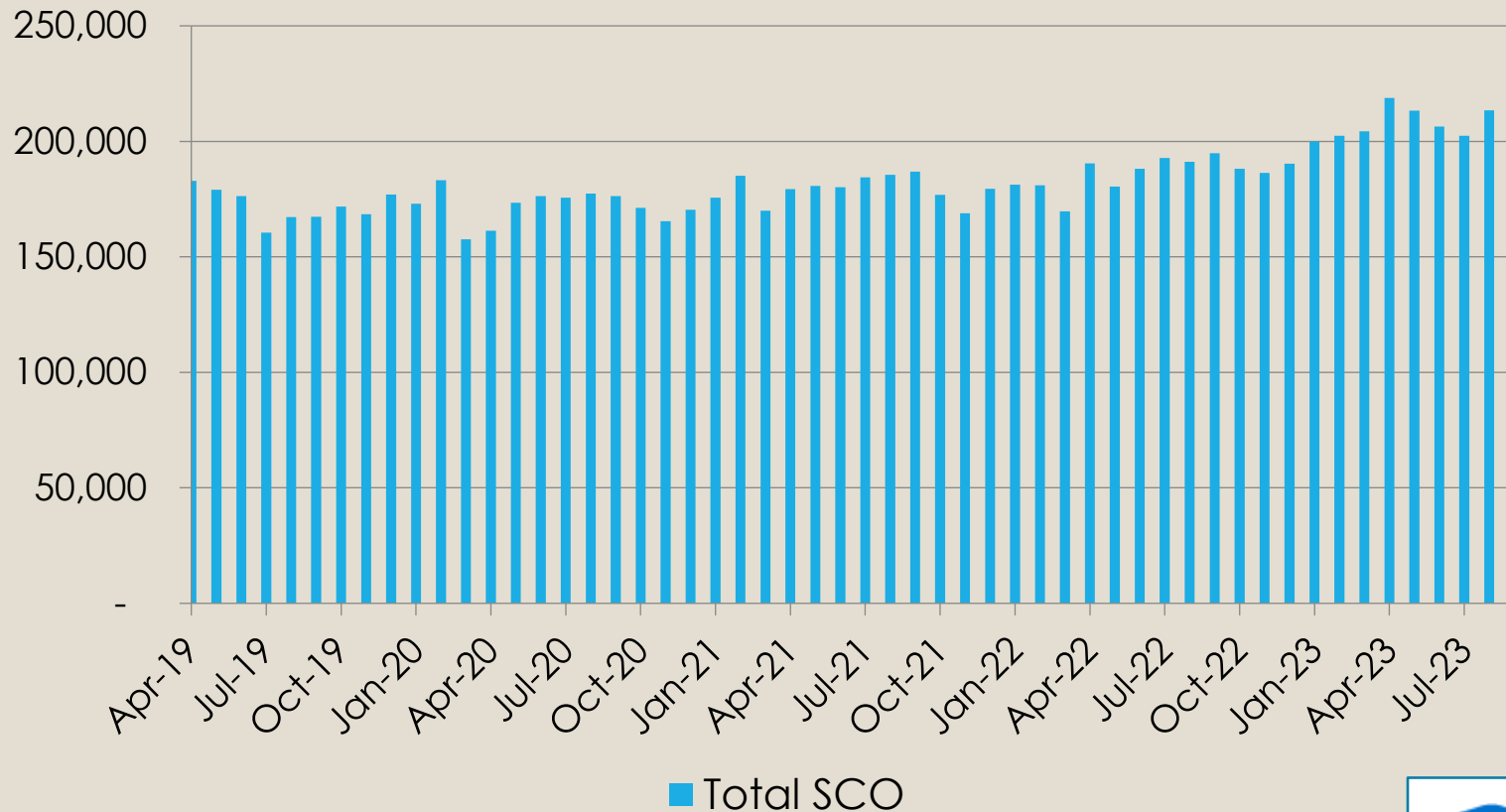
## Large Non-Residential

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

# 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
- DEO randomly reassigns each MRR customer who has been assigned to the same MRR supplier for 12 prior consecutive months. DEO identifies such customers annually and reassignment is effective with the April billing cycle
- An MRR supplier who fails to serve its existing customers at a price at or below the applicable median MRR price shall be disqualified from participation through the next March billing cycle and then an additional 12-month period
- To avoid disqualification, an MRR supplier who 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.

# SCO Customer Counts





# SCO Service

- Opportunity to serve specific customers will be awarded:
  - Residential Choice-eligible SSO and SCO customers randomly assigned to each supplier based on the number of tranches won
  - ~16 Bcf, ~200,000 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 2024 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 with a notice posted on the EBB with deadline dates for executing contracts

# 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)
- Auction winners 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 approved 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

# Prior Auction Results

| DATE   | AUCTION TYPE | ADDER   |
|--------|--------------|---------|
| Feb-19 | Combined     | \$ 0.22 |
| Feb-20 | Combined     | \$ 0.15 |
| Feb-21 | Combined     | \$ 0.15 |
| Feb-22 | Combined     | \$ 0.18 |
| Feb-23 | Combined     | \$ 0.39 |

# General Auction Structure



# Combined SSO/SCO Auction

- DEO conducts one descending clock auction for both wholesale (SSO) and retail (SCO) load
- Auction winners are awarded SCO customers **AND** a slice of the SSO load
  - Existing SCO customers will be reassigned to auction winners as of April 1st
  - SSO load will be administered as a separate pool
- Total load of ~25.5 Bcf divided over a minimum of nine (9) tranches
- Bidder must be certified retail natural gas service (CRNGS) provider 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 2024 to March 2025
- 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 number of tranches bid in a round falls below the number 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 auction winners
- Default Free must be posted within ten days of approval by PUCO
- 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 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](#) (including *Guaranty Agreement, Letter of Credit, Surety Bond and Security Agreement*
  - See the auction website for specific collateral requirement details
- Collateral requirement for a single tranche is based on 60 days' exposure with weighted cash-out rate under ECPS tariff creditworthiness provisions.
  - Collateral Requirement per tranche = \$5,000,000, or
  - Collateral Requirement per tranche = \$100,000 with perfected interest to DEO via executed Security Agreement with a corresponding UCC filing
- Auction winners 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 related to release of pipeline capacity

# Online Information

- 2024-2025 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>



# Auction Details

# Auction Process Timing

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

| Step | Description   | Date       |
|------|---|------------|
| 1    | Information session held for interested parties                     | 12/07/2023 |
| 2    | Application deadline (firm)   | 12/14/2023 |
| 3    | Application response and credit requirement notification            | 01/05/2024 |
| 4    | Tranche size, initial going price, decrement and final rules issued | 01/18/2024 |
| 5    | Registration deadline and collateral submitted                      | 01/22/2024 |
| 6    | Mock auction conducted by Enel X North America - 2:00 pm            | 01/30/2024 |
| 7    | Live auction conducted by Enel X North America – 10:00 am           | 02/06/2024 |
| 8    | PUCO ruling on auction results (based on previous timing*)          | 02/07/2024 |
| 9    | Letter of Credit Default Fee deadline (10 days after PUCO ruling*)  | 02/17/2024 |
| 10   | Gas supply agreements executed                                      | 03/22/2024 |
| 11   | Gas flow starts   | 04/01/2024 |
| 12   | Initial demonstration of comparable capacity                        | 10/18/2024 |

# Default Fee

- One Default Fee posted per auction winner
  - Estimated at \$513,000 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
  - Must be posted within ten days of PUCO's approval of auction results

# Auction Rules

*For more details and an example series of bids, please read the "End of Auction Sealed Bid Example" document on the auction info web page*

- Only one ID is assigned to each bidder 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 Procedures

(Refer to auction website)

- Auction ends 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

- Auction winners 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

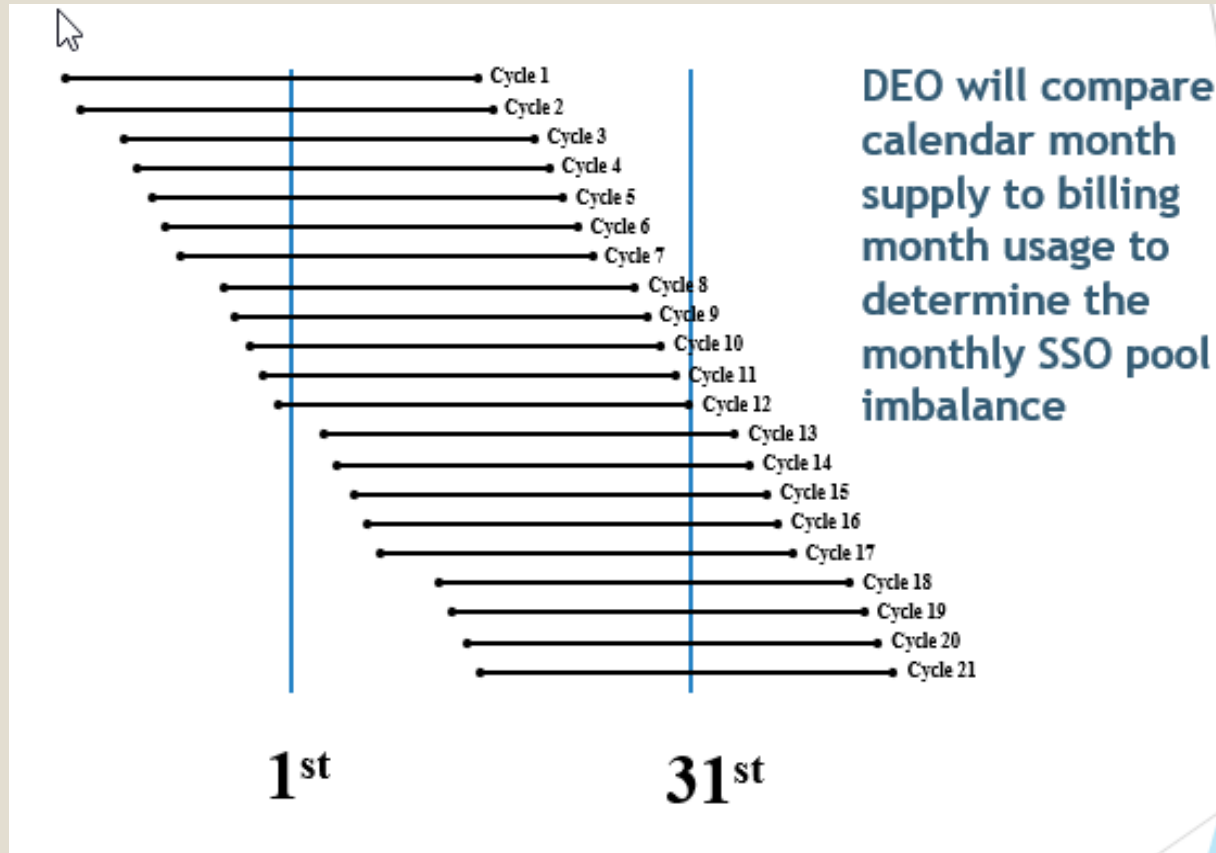
# SSO Supplier Payment

- Supplier payment will equal (NYMEX + Retail Price Adjustment) x burner-tip Mcfs billed
- Suppliers reimbursed via wire transfer on first business day following 15<sup>th</sup> for prior month's supply
- Initial payment is based on volume supplied over the calendar month
- Once billed volumes are known, DEO performs volumetric and financial true-up to the billed volume
- Goal 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

# 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 x the October NYMEX price plus the Retail Price Adjustment from the next payment to Supplier A

# Billing Cycle Illustration



# Resolution of Default Risk

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

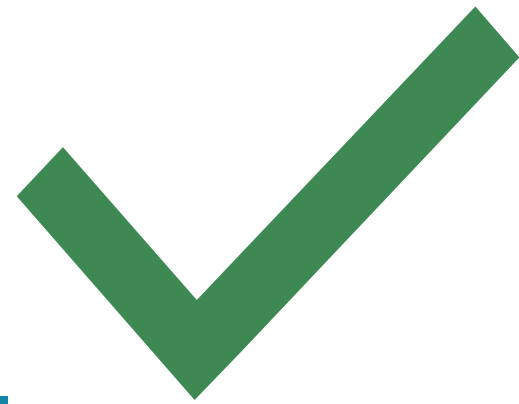
- Requiring Default Fee from auction winners
  - In event of default by an auction supplier, 100% of Default Fee financial security will be distributed on a weighted basis to non-defaulting suppliers
- Supplier's increase in its SSO and/or SCO share is limited to 50% of the load originally obtained in 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*

# Post- Auction

- Auction winners must accept SCO customers via rotating assignment process
- Other CRNG 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 2024 billing period
  - Suppliers who elected to be SCO supplier last year must re-elect in order to continue
- All CRNG suppliers can elect to accept customers in the MRR program (above provisions also apply)
  - Suppliers who elected to be MRR supplier last time must re-elect in order to continue
- Suppliers cannot charge any exit or termination fees to departing SCO or MRR customers



# Capacity Release Process



# Operational 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 capacity upstream of DEO, released for entire term of auction (April 2024 to March 2025)
- Suppliers notified of available capacity once final tranche size is determined
- Auction winners and qualifying Energy Choice suppliers (those with a > 1% market share) must take pro rata share of remaining capacity. Capacity released at a parent company level
- 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.

# East Ohio 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 |

# West Ohio 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:
  - TETCO - 100% released to auction winners
  - TGP and downstream EGTS – 100% released to auction winners and Energy Choice suppliers (Note: Release of TGP obligates shipper to serve the Cochran isolated point)
  - ANR ETS for West Ohio
  - TCO Buzzard – 100% of additional 3,000 dths/day released to auction winners
- **Initially optional** releases of:
  - Non-West Ohio ANR
  - EGTS (the portion not upstream of TGP)
  - PEPL
  - Nexus
  - TCO
- Suppliers cannot take downstream FT on EGTS without the corresponding upstream FT capacity on TGP
- 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 the deadline posted via the EBB
- Auction winners 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 completed prior to their start date
  - If supplier wants capacity released to an agent, supplier and agent must execute DEO's Tri-Party Agent Agreement

# Isolated Points

(Refer to Auction website)

- DEO has four market areas that must receive specific supply
  - Woodsfield (via TETCO)
  - Cochran (via EGTS from TGP)
  - ANR West Ohio - Convoy (via ANR)
  - Buzzard (via TCO) (Note: Only required during a point specific OFO)
- 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 Clarrington can be used to schedule deliveries from TETCO and/or REX

# Contacts

- For more information contact:

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