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# PECO Energy Company

## GAS CHOICE SUPPLIER COORDINATION TARIFF

### COMPANY OFFICE LOCATION

2301 Market Street  
Philadelphia, Pennsylvania 19101

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Issued: January 16, 2003

Effective: February 1, 2003

**ISSUED BY:**  
**Kenneth G. Lawrence**  
**PECO Energy Distribution Company**  
**2301 Market Street**  
**Philadelphia, PA. 19101**

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# NOTICE.

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**LIST OF CHANGES MADE BY THIS SUPPLEMENT**

**Definition of Terms and Explanation of Abbreviations (2<sup>nd</sup> Revised Pages 3 and 4)**

**10.11.2 Reconciliation of Deliveries Using the Company's Retained Pipeline FT Capacity, Pipeline Storage or Peaking Capacity (1<sup>st</sup> Revised Page No. 27A)**

**18.0 Delivered Service Option (1<sup>st</sup> Revised Page No. 51 and 52)**

These changes are being made in accordance with "Petition for Approval of Modifications to PECO Energy Company's Gas Choice Program," filed September 4, 2002 and approved by the Commission on October 24, 2002, and are designed to encourage Natural Gas Supplier and LVT Customer participation in PECO's Gas Choice Program."

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**HOW TO USE LOOSE-LEAF TARIFF**

1. This Tariff is issued on the loose-leaf plan. Each page will be issued as "original page," consecutively numbered, commencing with the title page, which in all cases will be considered as Page No. 1. For example: "Original Page No. 2", "Original Page No. 3," etc.
  
2. All changes in, additions to, or elimination from, original pages, will be made by the issue of consecutively numbered supplements to this Tariff and by reprinting the page or pages affected by such change, addition, or elimination. Such supplements will indicate the changes which they effect and will carry a statement of the make-up of the Tariff, as revised. The Table of Contents will be reissued with each supplement.
  
3. When a page is reprinted the first time, it will be designated under the P.U.C. number as "First Revised Page No....," the second time as "Second Revised Page No....," etc. First revised pages will supersede original pages; second revised pages will supersede first revised pages, etc.
  
4. When changes or additions to be made require more space than is available, one or more pages will be added to the Tariff, to which the same number will be given with letter affix. For example, if changes were to be made in Original Page No. 2 and, to show the changed matter, more than one page should be required, the new page would be issued as "First Revised Page No. 2, superseding Original Page No. 2"; and the added page would be issued as "Original Page No. 2A." If a second added page should be required, it would be issued as "Original Page No. 2B". Subsequent reprints will be consecutively designated as "First Revised....," "Second Revised....," etc.
  
5. On receipt of a revised page it will be placed in the Tariff immediately following the page which it supersedes, and the page which is to be superseded thereby plainly marked "See following page for pending revision." On the date when such revised page becomes effective, the page superseded should be removed from the Tariff.

**DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS**

**Additional Capacity Resource Requirements** – the additional capacity resources the Company needs to meet its design day requirements over its existing firm capacity resources as identified in its annual 1307(f) filing for the immediately following November through October period. (C)

**Aggregated Daily Contract Quantity (“ADCQ”)** - the firm transportation capacity (“Pipeline FT Capacity”) in Dths assigned by the Company to the Supplier and required to deliver Competitive Natural Gas Supply to Supplier’s LVT Customers (as defined later) or, pursuant to Rule 18.1, the capacity resource equivalent thereto for which the Supplier has the obligation to obtain and maintain each day during the effective period of its Delivery Service Option election. (C)

**Aggregated Daily Delivery Quantity (“ADDQ”)** - the quantity of firm natural gas each Supplier is directed to deliver in Dths, to satisfy its LVT Customer Group requirements for a given day and provide return of balancing service quantities, which amount shall not exceed the ADCQ. This quantity will include corrections for Volume Adjustments.

**Bad Credit** - a Supplier has bad credit if it is insolvent (as evidenced by: a credit report, prepared by a reputable credit bureau or credit reporting agency, or public financial data; liabilities exceeding assets; or the failure to pay debts as they become due) or has failed to pay Company invoices when they became due on two or more occasions within the last twelve billing cycles.

**Ccf** - hundred Cubic Feet.

**Charge** - any fee or charge that is billable by the Company to a Supplier under this Tariff, including any Coordination Services Charge.

**City Gate** - physical location where gas is delivered by a pipeline to a local distribution company.

**City Gate Solutions** - the name of the PECO Energy website used to transmit Supplier information including, for example, deliveries, penalties, and SMOs.

**Commission or PaPUC** - the Pennsylvania Public Utility Commission.

**Company** - PECO Energy Company's gas distribution operations.

**Competition Act** - the Natural Gas Choice and Competition Act, 66 Pa.C.S. §2201, et seq.

(C) Denotes Change

**Competitive Natural Gas Supply** - firm natural gas delivered by a Supplier for the purpose of serving LVT Customers.

**Coordinated Supplier** - a Natural Gas Supplier that has appointed a Scheduling Coordinator as its designated agent for the purpose of submitting gas schedules to PECO Energy.

**Coordination Activities** - all activities related to the provision of Coordination Services.

**Coordination Obligations** - all obligations identified in the Tariff, relating to the provision of Coordination Services.

**Coordination Services** - those services provided by the Company that enable Suppliers to schedule the delivery of Competitive Natural Gas Supply on an aggregate basis, including, for example: Customer Group usage forecasting, scheduling-related functions, supply reconciliation and management.

**Coordination Services Agreement** - the agreement entered into between the Company and the Supplier for services in connection with the delivery of Competitive Natural Gas Supply.

**Coordination Services Charges** - all charges contained in Rule 9 of this Tariff that are billed by the Company for Coordination Services performed hereunder.

**Creditworthy** - as between a Supplier and the Company, a Supplier which pays the Company's charges as and when due, complies with the Rules and Regulations of this Tariff or of the Pennsylvania Public Utility Commission, and evidences an otherwise adequate credit rating.

**Cumulative Aggregated Daily Contract Quantity ("CADCQ")** – cumulative ADCQ of NGSs receiving service under Rule 18. **(C)**

**Customer** - any person, partnership, association, or corporation receiving firm service under Rate Schedules: GR (General Service-Residential), GC (General Service Commercial), CAP (Customer Assistance Program), OL (Outdoor Lighting Service), L (Large High Load Factor Service), MV-F (Motor Vehicle-Firm), or the Excess Off-Peak Use Rider, or the successors thereto.

**Dekatherm ("Dth" or "Dths")** - a unit of energy equating to 1,000,000 Btus.

**Deliver** - as to documents or other similar items (but not including natural gas commodity), to "Deliver" shall mean to tender by certified mail, hand delivery, or overnight express package delivery service.

**Delivered Service Option** – an option within the Company's natural gas customer choice program which allows a Supplier to use its own capacity resources to supply the ADDQ of its LVT Customers in lieu of receiving assigned capacity from the Company, as set forth in Rule 18 of the Tariff. **(C)**

**Electronic Data Interchange ("EDI")** - the computer-to-computer exchange of business documents in standard, machine-readable formats.

**FERC** - the Federal Energy Regulatory Commission.

**Gas Choice** - program under which Suppliers provide Competitive Natural Gas Supply to LVT Customers.

**Interest Index** - an annual interest rate determined by the average of 1-Year Treasury Bills for September, October and November of the previous year.

**(C)** Denotes Change

**Low Volume Transportation Customer (“LVT Customer”)** - any person, partnership, association or corporation receiving Competitive Natural Gas Supply from a Supplier under Rates Schedules GR (General Service-Residential), GC (General Service Commercial), CAP (Customer Assistance Program), OL (Outdoor Lighting Service), L (Large High Load Factor Service), MV-F (Motor Vehicle-Firm), or the Excess Off-Peak Use Rider, or the successors thereto, and not under Rate Schedules TCS, IS, MV-I, TS-F, TS-I, and/or CGS, or the successors thereto.

**Mcf** - thousand cubic feet.

**Meter Read Date** - the date on which the Company schedules a meter to be read for purposes of producing a LVT Customer bill in accordance with the regularly scheduled billing cycles of the Company.

**Month** - a month under this Tariff means 1/12 of a year, or the period of approximately 30 days between two regular Meter Read Dates of the Company's meter or meters installed on the LVT Customer's premises, except for capacity release which is on a calendar month.

**Natural Gas Distribution Company (“NGDC”)** - a public utility that owns natural gas distribution facilities, used at times in this Tariff to refer to the role of the Company as the distributor of Competitive Natural Gas Supply pursuant to the Competition Act.

**Natural Gas Supplier (“Supplier” or “NGS”)** - a Natural Gas Supplier, as defined in the Competition Act, that has been licensed by the Pennsylvania Public Utility Commission to sell Competitive Natural Gas Supply on the Company's system.

**NGDC Tariff** - the Company's most recently approved Natural Gas Service Tariff.

**NGS (Supplier) Representative** - any officer, director, employee, consultant, contractor, or other agent or representative of an NGS acting in its role as a Supplier. To the extent an NGS is a division or group of a company, the term NGS Representative does not include any person in that company who is not part of the NGS division.

**PaPUC or Commission** - the Pennsylvania Public Utility Commission.

**Scheduling Coordinator** - an entity that performs one or more of a NGS's Coordination Obligations, including the submission of gas scheduling information to PECO Energy, and that is the agent, for scheduling purposes, of one or more Coordinated Suppliers.

**Supplier of Last Resort Service (“SLR” or “Sales Service”)** - natural gas supply service provided by the Company under the NGDC Tariff to LVT Customers who do not choose a Supplier, who choose to be supplied by the Company, who are refused service by a Supplier, whose Supplier has defaulted or exited the system, or who choose to return to the Company.

**SUCCESS** - the Company’s Customer account information website used to exchange data with Suppliers and within the Company.

**System Maintenance Order (“SMO”)** - operational directives issued by the Company in its sole discretion to protect the operational integrity of its system in terms of line pressure and adequacy of supply, which orders will directly affect the quantity of gas to be delivered on the same gas day or other near-term gas days.

**Tariff** - this Natural Gas Supplier Coordination Tariff.

**Volume Adjustment** - the then current adjustable factor applied to all rate classes to account for: a) system losses; and b) thermal correction, the latter being determined by dividing the daily average Btu content per cubic foot of gas for the Company’s system by a reference Btu content of 1,000 Btu per cubic foot, which value as of the effective date of this Tariff is 2.5%.

**RULES AND REGULATIONS****1.0 THE TARIFF**

**1.1 Filing And Posting.** A copy of this Tariff, which comprises the Charges, Rules and Regulations and Riders under which the Company will provide Coordination Services to Suppliers under the Company's Gas Choice program, is on file with the Commission and is posted and open to inspection at the offices of the Company.

**1.2 Revisions.** This Tariff may be revised, amended, supplemented or otherwise changed from time to time in accordance with the Pennsylvania Public Utility Code, and such changes, when effective, shall have the same force as the present Tariff.

**1.3 Application.** The Tariff provisions apply to all licensed Suppliers selling Competitive Natural Gas Supply to Low Volume Transportation ("LVT") Customers under the Company's Gas Choice program including an affiliate or division of the Company that provides Competitive Natural Gas Supply, and with whom the Company has executed an Coordination Services Agreement as required herein. In addition, the Charges herein shall apply to anyone receiving service unlawfully or to any unauthorized or fraudulent receipt of Coordination Services.

**1.4 Rules And Regulations.** The Rules and Regulations, as part of this Tariff, are a part of every Coordination Services Agreement entered into by the Company pursuant to this Tariff and govern all Coordination Activities, unless specifically modified by a Charge or Rider provision. The obligations imposed on NGSs in the Rules and Regulations apply as well to anyone receiving service unlawfully or to any unauthorized or fraudulent receipt of Coordination Services.

**1.5 Use Of Riders.** The terms governing the supply of Coordination Services under this Tariff or a Charge therein may be modified or amended only by the application of those standard Riders, filed as part of this Tariff.

**1.6 Statement By Agents.** No Company representative has authority to modify a Tariff rule or provision, or to bind the Company by any promise or representation contrary thereto.

**2.0 SCOPE AND PURPOSE OF TARIFF**

**2.1 Scope And Purpose Of Tariff.** This Tariff sets forth the basic requirements for interactions and coordination between the Company, in its role as the NGDC, and Suppliers necessary for maintaining the delivery of a sufficient volume of Competitive Natural Gas Supply to LVT Customers.

**2.2 Applicability of Terms to Scheduling Coordinators.** As used in this Tariff, the term “NGS” shall apply equally to a Scheduling Coordinator to the extent that it has been assigned a NGS obligations and rights pursuant to this Tariff.

**2.3 FERC Jurisdictional Matters.** Any reference to FERC jurisdictional matters within the scope of the Tariff is intended solely for informational purposes and is not intended to accord any jurisdictional authority over such matters to the PaPUC. Further, to the extent anything stated herein conflicts or is inconsistent with any provision of the Natural Gas Act, or any rule, regulation, order or determination of the FERC under the Natural Gas Act, then such FERC rule, regulation, order or determination or provision of the Natural Gas Act shall control.

### **3.0 AVAILABILITY**

Service hereunder is available throughout the Company's Service Territory to any NGS qualified pursuant to Rule 5 of the Tariff that obtains the consent and appointment of: (1) a group of at least fifty (50) eligible LVT Customers; or (2) a group of such eligible Customers whose quantities total at least 5,000 Mcf on an annual basis, and that agrees to assume the primary responsibility for the Competitive Natural Gas Supply obligations for that group of LVT Customers ("LVT Customer Group").

Service hereunder does not apply to Customers served under Rate Schedules TCS, IS, and MVI nor to the High Volume Transportation Customers as defined in the Company's Natural Gas Tariff, meaning those Customers who purchase natural gas from alternative Suppliers under Rate Schedules TS-F, TS-I, and/or CGS, or the successors thereto.

#### **4.0 CHARACTER OF SERVICE**

Service furnished pursuant to this Tariff shall be considered firm service.

Through the procedures and provisions of this Tariff, qualified Suppliers will contract for service with LVT Customers and shall serve such Customers for an established minimum period of at least one (1) billing month, with the term of service commencing with the Customer's first regularly-scheduled meter reading after enrollment.

## 5.0 SUPPLIER QUALIFICATION CRITERIA AND COMMENCEMENT OF SERVICE

**5.1** Suppliers applying for service hereunder shall be required to complete the Company's Supplier Evaluation Form for review by the Company based on the criteria set forth in this Tariff and provide the Company a completed registration as detailed in Section 5.5.1.

**5.2** If the Supplier plans to bill any Customers in its LVT Customer Group for Supplier charges, the Supplier shall describe in the Supplier Evaluation Form these billing procedures and resources. In all cases, the Supplier shall retain ultimate responsibility for this function with its Customers.

**5.3** Suppliers shall include with their Supplier Evaluation Form, payment of a non-refundable three hundred fifty dollars (\$350.00) Supplier Registration and Application Fee.

### 5.4 Commencement of Service

**5.4.1 Registration for Coordination Services.** In addition to the Supplier Evaluation Form and the Supplier Registration Fee, a NGS seeking to obtain Coordination Services hereunder must deliver to the Company a completed registration, consisting of the following:

- a. A Supplier Coordination Services Agreement as contained in Rule 15 of this Tariff, fully executed in duplicate by a duly authorized NGS Representative;
- b. A Commission-endorsed EDI Trading Partner Agreement, fully executed in duplicate by a duly-authorized NGS Representative.
- c. A copy of the Supplier License issued by the Commission ; and
- d. An initial Surety as provided in Rule 11.10 of this Tariff.

**5.4.2 Incomplete Registrations.** In the event the NGS submits an incomplete registration, the Company shall provide written notice to the NGS of the registration's deficiencies within ten (10) business days after the date of service of the registration, as determined under 52 Pa. Code 1.56. An incomplete registration shall not be processed by the Company until it is fully completed by the NGS and delivered to the Company.

**5.4.3 Processing of Registrations.** The Company shall complete the processing of each registration for Coordination Services within ten (10) business days after the date of service of the completed registration, as determined under 52 Pa. Code 1.56. The Company shall approve all completed registrations unless grounds for rejecting the registration, as set forth in Section 5.5.4, exist.

**5.4.4 Grounds for Rejecting Registration.** The Company may reject any registration for Coordination Services on any of the following grounds:

- a. The NGS has undisputed outstanding debts to the Company arising from its previous receipt of Coordination Services from the Company under this Tariff;
- b. The NGS has failed to comply with credit requirements specified in Rule 11.10.1 of the Tariff;
- c. The NGS has failed to meet the Company's technical, operational, and/or billing standards, as applicable;
- d. The NGS has failed to submit a completed registration within thirty (30) calendar days after the date of service of written notice deficiency of the registration, as determined under 52 Pa. Code 1.56;
- e. Any material fact set forth in the registration or application is false or misleading at the time the registration or application is delivered to the Company or becomes false or misleading at a later date.

**5.4.5 Offer of Conditional Acceptance of Registration.** Where grounds for rejection of a registration exist due to an NGS's outstanding and undisputed debts to the Company arising from its previous receipt of Coordination Services from the Company under the Tariff, the Company may offer the affected NGS a conditional acceptance if the NGS pays such debts prior to provision of Coordination Services. If the NGS rejects the Company's offer of conditional acceptance under this Rule, then its registration for Coordination Services will be deemed rejected.

**5.4.6 Rejection of Registration.** Upon rejection of any registration, and within ten (10) business days of the expiration of the thirty (30) day period contained in Rule 5.5.4(c), the Company shall provide the affected NGS with written notice of rejection and shall state the basis for its rejection.

**5.4.7 Approval of Registration.** Upon its approval of a registration for Coordination Services, the Company shall execute the Coordination Services Agreement tendered by the NGS, maintain a copy for its own records, and provide one copy to the NGS by delivering such within ten (10) business days after the date of service of a completed registration.

**5.4.8 Identification Numbers.** Upon its approval of a registration for Coordination Services, the Company will assign to the NGS a Supplier Identification Number to be used in subsequent electronic data transmissions between the NGS and the Company.

**5.4.9 Commencement of Coordination Services.** Coordination Services shall commence within fifteen (15) calendar days after the Company's approval of an NGS's registration for Coordination Services, provided that all of the information necessary for the Company to provide Coordination Services has been provided to the Company, and all conditions required under Rule 11.9 have been satisfied by the NGS.

## **5.5 Utilization of Scheduling Coordinators**

**5.5.1 Participation Through a Scheduling Coordinator.** If a NGS chooses not to interact directly with PECO Energy for scheduling purposes, a NGS may become a Coordinated Supplier by entering into a business arrangement with another NGS or other entity that will act as the NGS's Scheduling Coordinator. A Coordinated Supplier may enter into this business arrangement with a Scheduling Coordinator for an individual service such as delivery scheduling, or for a variety of services encompassing assigned capacity, delivery scheduling, and reconciliation rights and responsibilities. To the extent it is responsible for the following activities, the Scheduling Coordinator's obligations, rights and responsibilities under its Coordination Services Agreement shall be extended to include those of its Coordinated Suppliers. All actions of the Scheduling Coordinator performed on behalf of Coordinated Supplier are binding on, and the responsibility of, said Coordinated Supplier.

**5.5.2 Designation of a Scheduling Coordinator.** To designate a Scheduling Coordinator, a NGS must provide the Company with a completed Scheduling Coordinator Designation Form, in the form contained in Rule 16 of this Tariff, which has been fully executed by both the NGS and the Scheduling Coordinator. The Scheduling Coordinator Designation Form is not intended to supplement or replace any agency contract between a NGS and a Scheduling Coordinator.

**5.5.3 Change in or Termination of Scheduling Coordinator.** To change or terminate a Scheduling Coordinator, the NGS shall notify the Company in writing and said notice shall specify the effective month of the change or termination. The effective day of the change or termination shall be the first day of the month indicated in the notification letter, unless notification is received by the Company less than ten (10) business days before the first day of that month, in which case the effective day of the change shall be the first day of the next subsequent month. In the event a NGS ceases using a Scheduling Coordinator, a NGS shall immediately resume the direct performance of all NGS obligations under this Tariff.

**5.5.4 Gas Delivery Scheduling through a Scheduling Coordinator.** Coordinated Suppliers cannot submit individual delivery schedules to PECO Energy, nor can Coordinated Suppliers propose scheduling changes on an individual basis. Rather, the Scheduling Coordinator is responsible for submitting all schedules and changes thereto on behalf of itself as well as its Coordinated Suppliers.

**5.5.5 Primary Obligations of a Coordinated Supplier.** Notwithstanding their designations of Scheduling Coordinators, each NGS remains primarily responsible for fully satisfying the requirements of this Tariff.

## 6.0 CUSTOMER RELEASE OF INFORMATION AND SWITCHING

**6.1 Provision of Customer Release of Information List.** Pursuant to applicable Commission Orders, the Company will send Customer Choice Release of Information packets to all LVT Customers. Customers will be given the opportunity to authorize the release of their confidential account information in accordance with the Interim Customer Information Disclosure Order (Docket No. M-00991249F005). On or before August 1, 2000, unless the Commission directs otherwise, the Company shall provide, without charge, to all licensed NGSs a complete list, in electronic format via the Success website, or the successor thereto, of Customers who as of that date, have authorized the release of information. Said list shall be provided at the Customer account level and shall include all of the information outlined in Rule 6.2(a), below, for Customers that do not restrict the release of Customer information pursuant to applicable Commission Secretarial Letters, Orders, Rules or Regulations, and only the information identified in Rule 6.2(b) below, for Customers that have restricted the release of their usage data. The list shall be updated quarterly and shall include individual monthly gas billing data for the most recent twelve (12) month period preceding the respective quarter, for which data is available. The lag time for this data shall not exceed two (2) billing cycles. Customers who restrict the release of all of their confidential account information shall not be included in the above described Customer list. The Company will provide, electronically, updated lists without charge, to licensed NGSs until January 1, 2004, unless the Commission shall make a generic determination (whether by Secretarial Letter, Order, Rule or Regulation) that such program shall continue and, if so, under what terms. In the event, however, that the PECO/ Unicom merger is not consummated by February 2, 2001, the Company will provide NGSs no additional lists hereunder, unless and until such time as the merger is consummated or the Commission makes the above-described generic determination, at which point the Company will continue to provide lists pursuant to terms contained herein.

**Data Exchange.** The list of Customers that the Company provides to all NGSs pursuant to Rule 6.1 above, shall be posted on the SUCCESS website, or its successor, and shall include the following:

- a. As to Customers who have authorized the release of all of their Customer information:
  - (i) PECO Energy Account Number (including Billing Route)
  - (ii) Customer Name
  - (iii) Service Address
  - (iv) Mailing Address
  - (v) Rate Class
  - (vi) Rate Sub-Class
  - (vii) Customer usage data (i.e., strata, twelve (12) individual months of historical usage)
- b. As to Customers who have not authorized the release of their usage data:

- (i) PECO Energy Account Number (including Billing Route)
- (ii) Customer Name
- (iii) Service Address
- (iv) Mailing Address
- (v) Rate Class
- (vi) Rate Sub-Class

**6.3 NGS Selection Procedures.** Customers shall have the opportunity to select a Supplier in accordance with Commission Orders and the procedures contained in this Tariff and in the NGDC Tariff.

#### 6.3.1

- a. If a Customer or person authorized to act on the Customer's behalf contacts the Company via telephone to select an NGS, the Company will advise the Customer to contact that NGS.
- b. A NGS enrolling a Customer for its Competitive Natural Gas Supply service must first obtain appropriate authorization from the Customer, or from the person authorized to act on the Customer's behalf, indicating the Customer's choice of NGS. The authorization may be obtained through direct oral confirmation. The NGS must maintain recorded or written evidence of the Customer's authorization to provide documented evidence of authorization to the Commission in the event of a dispute.
- c. The NGS shall provide an electronic file to the Company via a 4010 version EDI transaction, or successor thereto, pursuant to standards approved by the PaPUC and authorized by the Company. The required electronic file shall include, at a minimum, an NGS identifier, the Company Account Number, the specific transaction (add, drop, transfer, etc.), Rate Code, Billing Option, Transaction Date, and Transaction Time. The Company will confirm receipt of the file via an EDI transaction and within three (3) business days of receipt will provide Supplier an electronic validation of the records contained therein. To become the applicable NGS of record beginning on the Customer's next regularly scheduled Meter Read Date, the NGS must submit the required electronic file at least sixteen (16) days prior to said Meter Read Date.
- d. In the event the Customer requests a switch less than sixteen (16) days before the Customer's next regularly scheduled Meter Read Date, the switch will be effective as of the Meter Read Date following the next scheduled one.
- e. If, in any month, a Customer selects more than one NGS, the NGS that submitted to the Company the latest valid NGS contract, before the end of the applicable NGS selection period, will become the Customer's NGS of record beginning on the Customer's next regularly scheduled Meter Read Date.

- f. The Company will send a confirmation notice to all Customers who have made a NGS selection by the next business day after receiving the request from the NGS. Included in this notice shall be notification of a ten (10) day waiting period in which the Customer may cancel its selection of an NGS. The confirmation notice shall include the Customer's Name, Address, the Company Account Number, selected NGS, selected Billing Option (consolidated bill or separate bill), Service Effective Date and Billing Date. The waiting period shall begin on the day the notice is mailed to the Customer. The Company will notify the Customer's prior NGS, via an EDI transaction, of the intended discontinuance of service to the Customer from that prior NGS.
- g. If the ten (10)-day waiting period expires, and the Customer has not contacted the Company to dispute the NGS selection, the NGS will become the Customer's NGS of record.
- h. If the Customer elects to rescind its NGS selection, the Company will notify the rejected NGS and the reinstated NGS electronically via the appropriate EDI transactions. In the event the Customer rescinds its NGS selection after the ten (10) day waiting period, the Customer will be required to remain with the selected NGS for a minimum of one billing month.

**6.3.2** If an NGS requests from the Company Customer usage information (12 individual months of historic usage) that is electronically available for a Customer with whom it is discussing the possibility of providing Competitive Natural Gas Supply, the Company will only provide such information if the NGS provides to the Company a completed copy of the Company's Authorization Form signed by the Customer (letterhead not required), or by the appropriate EDI transaction, indicating that the Customer has authorized the release of Customer usage information to the NGS. If the Customer usage information is not electronically available, it will be provided for a fee of ninety-two dollars (\$92.00).

**6.3.3**

- a. If a Customer contacts the Company to request a switch from the Competitive Natural Gas Supply Service of an NGS to the Company's tariffed SLR Sales Service, at least sixteen (16) days prior to the Customer's next regularly scheduled Meter Read Date, the request will be effective as of that Meter Read Date and the Company as the Supplier-of-Last Resort will become the supplier of record.
- b. In the event the Customer requests a switch less than sixteen (16) days before the Customers next scheduled Meter Read Date, the switch will be effective as of the Meter Read Date following the next scheduled one. The Company will notify the Customer's prior NGS, via an EDI transaction, of the discontinuance of service to the Customer from that prior NGS.

**6.3.4**

- a. If a Customer contacts the Company to discontinue natural gas service at the Customer's then current location, and initiates a request for service at a new location in the Company's service territory, the Company will notify the current NGS, via an EDI transaction, of the Customer's discontinuance of service for the account at the Customer's old location. The Company will also send an electronic transaction to the Customer's selected NGS for its new location, which may or may not be the current NGS. If the selected NGS is not the same NGS that served the Customer at the old location, the Company will provide the last NGS that served the Customer at the old location with the Customer's new mailing address or forwarding address.
- b. If a Customer contacts the Company to discontinue natural gas service and indicates that the Customer will be relocating outside of the Company's service territory, the Company will notify the current NGS, via an EDI transaction, of the Customer's discontinuance of service for the account at the Customer's location. If available, the Company will provide the NGS that served the Customer at the old location with the Customer's new mailing address or forwarding address.

**6.3.5** If the Company elects to change the account number for a Customer receiving Competitive Natural Gas Supply from an NGS, the Company will notify the NGS of the change in account number at the same Customer location, via an EDI transaction.

**6.4 Provisions relating to an NGS' LVT Customers.**

**6.4.1 Arrangements with NGS' LVT Customers.** NGSs shall be solely responsible for having appropriate contractual or other arrangements with their LVT Customers necessary to implement Gas Choice consistent with all applicable laws, PaPUC requirements, and this Tariff. The Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

**6.4.2 Transfer of Cost Obligations Between NGSs and LVT Customers.** Nothing in this Tariff is intended to prevent an NGS and an LVT Customer from agreeing to reallocate between them any charges that this Tariff imposes on the NGS, provided that any such agreement shall not change in any way the NGS obligation to pay such charges to the Company, and that any such agreement shall not confer upon the Company any right to seek recourse directly from the NGS LVT Customer for any charges owed to the Company by the NGS.

## 7.0 COORDINATION OBLIGATIONS

### 7.1 Confidentiality of Information

**7.1.1 General.** Without the Company's consent, the Supplier shall not disclose to any third party any Company information made available to a Supplier in connection with the provision of Coordination Services, including, but not limited to, usage data, and information regarding the Company's computer and communications systems. Without the Supplier's consent, the Company shall not disclose to any third party any Supplier information made available to the Company in connection with the provision of Coordination Services, including, but not limited to, usage data, and information regarding the Supplier's computer and communications systems.

**7.1.2 Customer Information.** The Supplier shall keep all Customer-specific information supplied by the Company confidential unless the Supplier has the Customer's written authorization to do otherwise.

**7.2 Timeliness and Due Diligence.** The Supplier and the Company shall each exercise its best efforts in meeting its obligations and deadlines under this Tariff so as to facilitate Coordination Services.

**7.3 Duty of Cooperation.** The Company and each Supplier shall cooperate to maintain delivery of Competitive Natural Gas Supply to LVT Customers as provided for by this Tariff, the NGDC Tariff and the Competition Act.

**7.4 State Licensing.** A Supplier must have and maintain in good standing a license from the PaPUC as an authorized Supplier and comply with all applicable PaPUC requirements and procedures.

**7.5 Natural Gas Capacity Assignment.** The Company and each Supplier must make all necessary arrangements for assigning or receiving assignment of Pipeline FT Capacity to serve the Supplier's LVT Customers based on the Supplier's LVT Customer Group size and its associated ADCQ. Once new/renewed capacity becomes available to Suppliers, the Company and each Supplier must make all necessary arrangements for receiving assigned Pipeline FT Capacity from PECO or providing comparable capacity thereto to serve the Supplier's LVT Customers based on the Supplier's LVT Customer Group size and its associated ADCQ.

**7.6 Natural Gas Procurement.** A Supplier must make all necessary arrangements for obtaining Competitive Natural Gas Supply to serve its LVT Customers on a firm basis.

**7.7 Natural Gas Scheduling.** A Supplier must make all necessary arrangements for scheduling the delivery of natural gas through the appropriate channels. The Company shall assist in that process as set forth in this Tariff.

**7.8 Reliability Requirements.** A Supplier shall satisfy all applicable reliability requirements.

**7.9 Supply of Data.** A Supplier and the Company shall provide to the other in a thorough and timely manner all data, materials or information specified in this Tariff, or otherwise reasonably required by the Supplier or Company in connection with the provision of Coordination Services.

**7.10 Communication Requirements.** A Supplier must have the software, hardware and technical acumen necessary to access the Company's websites. In addition, Suppliers who are assigned Pipeline FT Capacity, must have the hardware, software, and user competencies necessary to access pipeline electronic bulletin boards.

**7.10.1** At a minimum, a Supplier must be equipped with the following communications capabilities or better:

- a. Internet electronic mail (e-mail);
- b. Internet browser (Netscape 4.0 or better) for access to both the SUCCESS and City Gate Solutions websites, or their respective successors, and file uploads and downloads; and
- c. Value Added Network(VAN) or Internet EDI peer-to-peer communication with push and pull capability.

**7.11 Record Retention.** A Supplier shall comply with all applicable laws and PaPUC rules and regulations for record retention.

**7.11.1** Suppliers are required to create and maintain an encrypted file, with the password for such file provided to the Commission, containing at a minimum the following billing data: NGS name, Customer's NGDC account number, rate class, NGS rate, effective period of such rate and any other information required to properly bill customer at the NGS's rate. Such data will be updated monthly by NGSs and will be released to the Company only in the event of default by an NGS which requires the Company to comply with Section 2207(k) of the Act.

**7.12 Payment Obligation.** The Company's provision of Coordination Services to a Supplier is contingent upon the Supplier's payment of all charges due under this Tariff.

**7.13 Surety Creditworthiness Requirements.** The Supplier shall maintain the Surety required by the Company and shall maintain an acceptable credit rating in accordance with the requirements of the Supplier Evaluation Form. The Company reserves the right to conduct financial evaluations during the course of the year when information has been received by the Company that indicates the creditworthiness of the Supplier has

deteriorated. The Company will bill the Supplier a ninety two dollar (\$92.00) fee for such evaluations. The Company will limit evaluations at Supplier expense to two (2) evaluations in any twelve (12) month period.

#### 7.14 Data Exchange

- a. Subject to Rule 7.14(b) below, Supplier shall receive information regarding that LVT Customer via a Company-approved EDI transaction from the Company.
- b. A Supplier must notify its LVT Customers that by signing up for Competitive Natural Gas Supply with the Supplier, the Customer is authorizing the disclosure by the Company to the Supplier of certain basic information about the Customer. The notice shall inform the Customer that the following information may be disclosed: the Customer's PECO Energy account number, data about meter readings, rate class and natural gas usage, and the Customer's address(es).
- c. Supplier will utilize all file formats for EDI transactions, including changes thereto for which Supplier has received at least seven (7) days. The Company will not change the file format without notice via internet mail.
- d. Nothing in this Rule 7.14 shall prohibit the Company from making available to Suppliers other electronic data, in formats chosen by the Company.

**7.15 Natural Gas Supply Reliability Plan.** Under Section 1307 of the Public Utility Code, the Company is required to submit annually to the PaPUC a reliability plan for its system identifying the projected peak day and seasonal requirements of the firm service Customers on its system, and the transportation capacity, storage, peaking or on-system production that shall ensure deliverability of such system requirements (together referred to as "Deliverability Assets"). Each Supplier shall cooperate with the Company in the preparation of such reliability plans, and shall provide all reasonable information related to gas Deliverability Assets under its control required by the reliability plan in a form of an affidavit specifying that supply is available. Such information shall not be subject to disclosure to a third party except as required by law or as necessary for the purposes of documenting reliability for the Company's distribution system. Each Supplier shall ensure that Deliverability Assets under its control, which are relied upon in the Company's reliability plan, are available to the Company, or PaPUC-authorized Supplier of Last Resort, in accordance with the Supplier's obligations under its Coordination Services Agreement and this Tariff.

**7.16 Compliance with Commission Orders.** The Company and Suppliers shall each comply with all applicable final Commission Orders regarding Gas Choice, including, for example, Commission standards for credit determination, deposits, initiation and disconnection of service to LVT Customers as set forth in Maintaining Service Quality Guidelines at Docket No. M-00991249F0003, Customer Information Disclosure Requirements at Docket No. M-00991249F0005 regarding Supplier disclosure of terms of service, marketing,

advertising and sales practices, and privacy of customer information, and Procedures to Ensure Customer Consent to a Change of Supplier at Docket No. M00991249F0006.

## 8.0 DISTRIBUTION SYSTEM OPERATIONAL REQUIREMENTS

**8.1 Issuance of System Maintenance Orders.** The Company reserves the right to issue a System Maintenance Order ("SMO") which, in the Company's sole discretion, is necessary to preserve the operational integrity of its system in terms of line pressure and adequacy of supply. Such SMOs may require one or more Suppliers to reduce or increase their deliveries to the Company's City Gate in order to alleviate or otherwise resolve, a) a pipeline Operational Flow Order, b) force majeure event, or c) any emergency condition(s), under which the Company cannot supply the firm demand of Customers without the assistance of a NGS.

**8.2 Communication of System Maintenance Orders.** SMOs will be communicated to the Supplier 24 hours in advance where possible. This communication will occur in two ways, 1) via the Company's City Gate Solutions Website, or its successor, and 2) by telephone or fax.

**8.3 Charges for Violation of System Maintenance Orders.** In addition to all other Charges due the Company, for an over or under-delivery by a Supplier in violation of any SMO issued under this Rule, the Supplier will be assessed a charge of seventy five dollars (\$75.00) per Dth on the difference between the amount specified by the SMO and the actual delivered quantities, plus the payment of all other charges incurred by the Company as a result of the Supplier's failure to comply, including, but not limited to, any interstate pipeline charges. In the event of an over-delivery when the SMO arises out of an excess of gas on the system the Company will take possession of all gas which exceeds the specified volumes and not credit the excess deliveries to the Supplier's LVT Customer Group balance.

**8.4 Force Majeure.** For purposes of this Tariff, a Force Majeure event that excuses a Supplier from delivering the required ADDQ on any given day shall be limited to when the applicable interstate pipeline has curtailed the Pipeline FT Capacity assigned to a Supplier pursuant to Rule 10.4.1 herein, such curtailment directly and substantially affects a Supplier's ability to deliver its ADDQ, and no alternative natural gas supply is available. During such period of curtailment, a Supplier claiming excuse from performing due to Force Majeure must schedule all available Pipeline FT capacity to satisfy its ADDQ obligation.

The Supplier is responsible for providing the Company complete information and verifiable proof of all the particulars requested by the Company related to any such Force Majeure event.

As requested by the Company, quantities not delivered by a Supplier pursuant to this Force Majeure provision must be made up by Supplier as soon as possible pursuant to a delivery schedule to be established by the Company. Any requested quantities which are not made-up pursuant to that schedule will be sold to Supplier at a rate of ten dollars (\$10.00) per Dth, plus the replacement cost of such gas including, but not limited to, the purchase price of the gas and any applicable interstate pipeline charges.

## 9.0 SUPPLIER COORDINATION SERVICES FEES

**9.1 Supplier Registration Fee.** Supplier will pay a one-time nonrefundable fee of three hundred fifty dollars (\$350.00) to recover the cost of processing the Supplier's registration and the cost associated with qualifying a Supplier for EDI transactions on the Company's system.

**9.2 Consolidated Bill Fee.** Suppliers who elect to have the Company bill for Supplier Charges will be required to pay a fee of \$0.25 per Consolidated NGDC bill.

**9.3 Financial Fitness Evaluation Fee.** Suppliers shall pay a fee of ninety-two dollars (\$92.00) for each financial fitness evaluation required to maintain creditworthiness as described in Rule 7.13, with such payments to be limited to two (2) in any twelve (12) month period.

**9.4 Usage Data Supply Fee.** At the request of the Supplier, the Company will supply twelve (12) months of historical usage data for no charge. Any additional historical information requested will be provided, if available, for a fee of ninety two dollars (\$92.00) per provision.

**9.5 Technical Support and Assistance Fee.** The Company is under no obligation to provide technical support or assistance to Suppliers, with the exception of questions raised and research requests by a licensed Supplier in support of its natural gas supply business. The Company, if reasonably able, will provide five (5) hours of such assistance per month at no charge. Any additional technical assistance will be provided at the rate of forty-six dollars (\$46) per hour.

## 10.0 SPECIAL PROVISIONS

**10.1 Title to Natural Gas.** Supplier warrants that, at the time of delivery of natural gas to the Company's city gate, Supplier shall have good title to deliver all quantities made available.

**10.2 Control and Possession.** After Supplier delivers, or causes the delivery of natural gas to the Company, the Company shall be deemed to be in control and possession of the natural gas until it is redelivered to the LVT Customer at the LVT Customer's meter.

**10.3 Natural Gas Quality.** Natural gas delivered or caused to be delivered by the Supplier must satisfy the quality specifications of the pipelines used to transport Supplier's natural gas.

### 10.4 Upstream Capacity

**10.4.1 Assignment of Pipeline FT Capacity and Determination of Aggregate Daily Contract Quantity ("ADCQ").** Each Supplier shall receive a twelve (12) month assignment of the Company's Pipeline FT Capacity at the applicable maximum rate charged by the pipeline. The amount of Pipeline FT Capacity assigned to a Supplier shall be based on the Supplier's ADCQ in Dth/day. The ADCQ shall be determined based on the Supplier's LVT Customer Group estimated daily average usage under normal actual weather conditions in the winter period, December through February, as reflected in the Company's Reliability Plan. The ADCQ shall be adjusted, at the Company's discretion, to reflect increases or decreases in a Supplier's LVT Customer Group. Pipeline FT Capacity will be assigned by the Company in proportions equal to the amount of Pipeline FT Capacity held by the Company on each interstate or intrastate pipeline. See Rule 17 for the Pipeline FT Capacity Allocation Factors. A tariff supplement will be filed to implement any change in Pipeline FT Capacity and changes in projected consumption of residential and small commercial customers as used in the Company's annual proceeding pursuant to Section 1307(f) of the Public Utility Code. Such tariff supplement shall be filed on 60 days notice to become effective November 1 of each year.

**10.4.2 Recall of Assigned Pipeline FT Capacity.** Pipeline FT Capacity will be assigned to the Supplier for twelve (12) months on a recallable basis and may be re-released by the Supplier also on a recallable basis. Assignment of such capacity will be reviewed on a monthly basis. Pipeline FT Capacity may be recalled from a Supplier by the Company in the event of Supplier's unexcused failure to deliver its ADDQ, upon exit by the Supplier from the Company's Gas Choice Program or loss of Supplier's LVT Customers, or due to Supplier's failure to pay pipeline demand charges.

**10.5 Delivery of Natural Gas.** Upon assignment of Pipeline FT Capacity, Suppliers must deliver the ADDQ to the Company's city gate, or as specified by the Company. Specification of a delivery point other than a PECO city gate shall not increase the transportation cost of Supplier. Except in the case of a Force Majeure event, all assigned Pipeline FT Capacity shall be presumed to be available to the Supplier for the purpose of delivery of

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ADDQ. Rule 10.8 and Rule 10.9 penalties shall apply to all excessive or deficient deliveries of a Supplier except for unavoidable minor deviations which fall within the two (2) percent tolerance ranges specified therein. Trading of any excessive or deficient deliveries falling within the five (5) percent range specified in Rule 10.12 shall not be permitted unless the excessive or deficient deliveries were unavoidable.

**10.6 Communication Protocol and Nomination Process.** Suppliers will receive their ADCQ, their ADDQ, and SMOs, as well as send and receive nomination information, via a secure, individualized website, called City Gate Solutions, or its successor and will receive Customer account information via the SUCCESS website, or its successor.

Each Supplier nomination transmission must include: name of pipeline, pipeline contract number, pipeline activity number, PECO Energy or other designated delivery meter, volume of delivered quantities, and effective dates. The Company reserves the right to change the type of information required as well as the nomination deadline to comply with the requirements of the interstate pipelines.

Nominations will be confirmed in a manner consistent with the procedures of the interstate pipelines serving the Company. However, the Company reserves the right to not confirm supply nominations if, in the Company's sole judgment, acceptance of such supplies would affect the integrity of the Company's distribution system. The Company also reserves the right to not confirm supply nominations that are received beyond the Company's deadline or otherwise improperly nominated.

**10.7 Determination of Aggregate Daily Delivery Quantities ("ADDQ").** Each month, the Company shall determine the ADDQ applicable to each Supplier's LVT Customer profile based on projected weather normalized consumption and based on application of the reconciliation procedures set forth in Rule 10.11. Each ADDQ shall be made available to the applicable Supplier via City Gate Solutions, or its successor, by nine (9) o'clock in the morning of the day prior to the first day of each calendar month. A Supplier's ADDQ shall remain unchanged throughout the applicable calendar month unless, as determined by the Company, operating conditions dictate that the ADDQ should be modified. Operating conditions shall include variation of at least 10% in customer consumption from projected weather normalized consumption, imposition of an operational flow order (OFO) or curtailment order of an interstate pipeline company, management of the Company's storage deliverability and inventories at appropriate levels, avoiding interstate pipeline company penalties, and the Company's imposition of an SMO. The monthly determination of an ADDQ, and changes thereto shall be applied to each Supplier on a not unduly discriminatory basis.

**10.8 Correction of Over-Deliveries and Penalties associated with Over-Deliveries.** The Company is not obligated to accept any quantities nominated by Supplier in excess of its ADDQ. As to quantities exceeding the ADDQ, the Company may either refuse to confirm said quantities, in conjunction with appropriate interstate pipeline confirmation protocol, or, if the Supplier is also providing other service, excess quantities may be delivered to such Customers. The Company will not be liable for any cost incurred by the Suppliers, resulting

from pipeline nominations in excess of the ADDQ. In the event the Company is unable to reduce the Supplier's deliveries to the ADDQ level, the Supplier shall pay the Company a penalty equal to the lesser of twenty-five dollars (\$25) per Dth or two hundred (200) percent of the mathematical average of the prices for delivered gas supplies published in Gas Daily for points located in Texas Eastern M-3 and Transco Z6 (non-NY) which are applicable to the calendar day in which the excess deliveries were made on the positive difference between the amount delivered by the Supplier and the ADDQ, plus all costs incurred by the Company as a result of the Supplier's over-delivery.

Over-deliveries in one day do not satisfy under-deliveries in another day, nor will under-deliveries correct previous over-delivery of supply. The Company shall waive imposition of the above penalty where the positive difference between the amount delivered by the Supplier and the ADDQ did not exceed two (2) percent of a Supplier's ADDQ, subject to the Supplier eliminating the excess volume pursuant to a schedule directed by the Company.

**10.9 Penalties associated with Under-Deliveries.** To maintain system reliability and integrity, the following penalty charges will apply for Supplier's failure to deliver the entire ADDQ to the Company. This reconciliation is done on a daily basis.

Suppliers who fail to deliver the ADDQ established by the Company will be subject to the following penalty: a) if the under-delivery occurs in the months of April-October, a penalty equal to the lesser of \$25 per dth or two hundred (200) percent of the mathematical average of the prices for delivered gas supplies published in Gas Daily for points located in Texas Eastern M-3 and Transco Z6 (non-NY) which are applicable to the calendar day in which the deficient deliveries were made; or b) if the under-delivery occurs in the months of November-March, a penalty equal to the lesser of \$50 or two hundred (200) percent of the mathematical average of the prices for delivered gas supplies published in Gas Daily for Texas Eastern M-3 and Transco Z6 (non-NY) which are applicable to the calendar day in which the deficient deliveries were made. The Supplier will also pay all costs incurred by the Company to obtain gas volumes needed to rectify the deficiency.

The Company shall waive imposition of the above penalty where the positive difference between the ADDQ and the amount delivered by the Supplier did not exceed two (2) percent of a Supplier's ADDQ, subject to the Supplier eliminating the deficient volume pursuant to a schedule directed by the Company.

**10.10 Imbalances During a System Maintenance Order.** A Supplier which fails to deliver the ADDQ while an SMO is in effect will be subject to a penalty charge of seventy five dollars (\$75.00) per Dth, on the positive difference between the ADDQ and the amount delivered to the Company during the SMO. The Supplier will also pay all other costs incurred by the Company to satisfy the deficiency.

**10.11 Reconciliation Procedures**

**10.11.1 Daily Usage Determination.** Meter data collected by the Company shall be utilized to calculate the quantity of natural gas consumed by a Supplier's LVT Customer Group in Dths. Data from monthly metered LVT Customers shall be collected in subsets corresponding to Customer billing cycles (billing routes) which close on different days of the month. To estimate usage on a daily basis, the Company shall convert such metered data for LVT Customers to equivalent daily usage based on experienced heating degree days and the applicable Volume Adjustment. For the purposes of Rules 10.11.2 and 10.11.3, equivalent daily usage will be aggregated on a calendar month basis and compared to total gas received by the Company from the Supplier expressed in Dths.

**10.11.2 Reconciliation of Deliveries Using the Company's Retained Pipeline FT Capacity, Pipeline Storage or Peaking Capacity.**

- a. Suppliers shall be responsible for returning natural gas volumes forwarded by the Company using Pipeline FT Capacity, Pipeline Storage and Peaking Capacity. Aggregate equivalent daily usages determined pursuant to Rule 10.11.1 shall be used to calculate the net amount of gas delivered by the Company using such delivery assets. The difference between the aggregate equivalent daily usage and Supplier's ADDQ for each day of the calendar month shall be deemed to have been delivered by the Company to the extent aggregate equivalent daily usage exceeds the ADDQ.
- b. Where a Supplier's aggregate equivalent daily usage does not exceed the Supplier's ADCQ, the difference shall be deemed to have been delivered using the Company's retained Pipeline FT Capacity and netted against volumes deemed to have been delivered by the Supplier on days where aggregate equivalent daily usage is less than Supplier's ADDQ. To the extent such netting shows an imbalance of deliveries over an entire calendar month, the Supplier's ADDQ shall be adjusted to the extent operationally feasible pursuant to Rule 10.7.
- c. Where a Supplier's aggregate equivalent daily usage exceeds the Supplier's ADCQ, the difference shall be deemed to have been delivered using the Company's Storage and Peaking Capacity. The aggregate of volumes deemed to have been delivered each month using such delivery assets during November-March (Winter Season) shall be carried forward to the extent operationally feasible and the Supplier's ADDQ during the subsequent April-October (Summer Season) shall be adjusted pursuant to Rule 10.7 to eliminate the forwarded amount.
- d. Rule 10.11.3 shall apply to reconcile supply imbalances due to the timing of NGS Enrollment.

**10.11.3 Monthly Reconciliation of Pipeline FT Capacity Supply Imbalances Due to Timing of NGS Enrollment**

**10.11.3.1 Delivery Obligations During Months of Intra-Calendar Month Transfers.**

**10.11.2 Reconciliation of Deliveries Using the Company's Retained Pipeline FT Capacity, Pipeline Storage or Peaking Capacity. (C)**

**(continued)**

- e. The Company, at its sole discretion and to the extent that it is operationally feasible, and upon request by an NGS, may adjust the NGS' ADDQ to accelerate the elimination of the aggregate carry-forward volumes (as described in paragraph 10.11.2.c) during April – August instead of April-October. This accelerated payback option is not available to NGSs who are participating in the Delivered Service Option as described under Rule 18. In order to participate in this accelerated pay back program, an NGS must inform the Company of its intention to do so by February 1 of each year. The Company will review the request and respond by February 15. If approved, the accelerated payback shall commence in April of that year.

**(C)** Denotes Change

- a. Transfers From SLR (Sales) Service to Transportation Service:
- (i) When an LVT Customer transfers from SLR (Sales) Service to Transportation Service during a calendar month in which the NGS has not been assigned the corresponding amount of Pipeline FT Capacity (and the NGS' ADCQ and ADDQ levels do not include the Customer's requirements), the Company shall deliver the full Pipeline FT Capacity gas requirements of such Customer for that calendar month.
  - (ii) When an LVT Customer transfers from SLR (Sales) Service to Transportation Service during a calendar month in which the NGS has been assigned the corresponding amount of Pipeline FT Capacity (and the NGS' ADCQ and ADDQ levels include the Customer's requirements), the NGS shall deliver the full Pipeline FT Capacity gas requirements of such Customer for that calendar month.
- b. Transfers Between Two Transportation Services of Two NGSs:
- (i) When an LVT Customer switches from the Transportation Service of one NGS (NGS1) to the Transportation Service of a second NGS (NGS2) during a calendar month (and NGS2's assigned Pipeline FT Capacity, ADCQ and ADDQ do not include the Customer's requirements), NGS1 shall deliver the full Pipeline FT Capacity gas requirements of such Customer for that calendar month.
  - (ii) When an LVT Customer switches from the Transportation Service of one NGS (NGS1) to the Transportation Service of a second NGS (NGS2) during a calendar month (and NGS2's assigned Pipeline FT Capacity, ADCQ and ADDQ include the Customer's requirements), NGS2 shall deliver the full Pipeline FT Capacity gas requirements of such Customer for that calendar month.
- c. Transfers From Transportation Service To SLR (Sales) Service:
- (i) When an LVT Customer transfers from Transportation Service to SLR (Sales) Service during a calendar month in which the NGS has been assigned the corresponding amount of Pipeline FT Capacity (and the NGS' ADCQ and ADDQ levels include the Customer's requirements), the NGS shall deliver the full Pipeline FT Capacity gas requirements of such Customer for that calendar month.
  - (ii) When an LVT Customer transfers from Transportation Service to SLR (Sales) Service during a calendar month in which the NGS has not been assigned the corresponding amount of Pipeline

- (iii) FT Capacity (and the NGS' ADCQ and ADDQ levels do not include the Customer's requirements), the Company shall deliver the full Pipeline FT Capacity gas requirements of such Customer for that calendar month.

**10.11.3.2 Imbalance Cash-out.** Natural gas imbalances caused by the timing of Customer transfers under 10.11.3.1 a, b, or c above, and the corresponding changes to the level of assigned Pipeline FT Capacity, ADCQ and ADDQ, shall be subject to the following cash out mechanism:

- a. The party responsible for delivering Pipeline FT Capacity gas after the applicable transfer shall be paid by the non-delivering party a cash amount equal to the following:
  - (i) capacity charges, as determined for each of the transferring Customers for which the delivering party delivered Pipeline FT Capacity gas by multiplying the maximum applicable pipeline tariff rates (apportioned on a pro rata basis equal to the amount of Pipeline FT Capacity held by the Company on each pipeline) by each such Customer's ADCQ, and dividing that amount by the fraction of the calendar month which transpired after the transfer; and
  - (ii) delivered gas costs, as determined for each of the transferring Customers for which the delivering party delivered Pipeline FT Capacity gas after the transfer, by multiplying the volume of such Pipeline FT Capacity gas (grossed up for pipeline fuel charges and apportioned on a pro rata basis equal to the amount of Pipeline FT Capacity held by the Company on each pipeline) by the Index Price, plus applicable variable pipeline charges (apportioned in the same ratios of Pipeline FT Capacity).
- b. Delivered gas volumes associated with natural gas delivered by the Company to satisfy each LVT Customer's Pipeline Storage or Peaking Capacity requirements shall be reconciled pursuant to Rule 10.11.2.c.

**10.11.3.3 Index Price.** For the purposes of this Rule 10.11.3, "Index Price" shall mean the proportional weighted average of the weekly index prices for Transco Station 65 and Tetco ELT, or the successors thereto, as published in Natural Gas Week. If Natural Gas Week ceases publication, the Company shall choose indices from an alternative publication.

**10.11.3.4** The Company shall determine the applicable cash-out amount owed by or payable to each NGS pursuant to this Rule 10.11.3. Where cash-out amounts applicable to an NGS involve gas volumes delivered for more than one Customer, the cash-out amounts will be aggregated, with amounts owed by the Company offset against amounts owed by the NGS, so that only one net cashout amount shall be paid. Cashout determinations of the Company shall become final if not disputed within sixty (60) days of notice to the affected NGS(s).

**10.11.3.5** Applicable cash-out payments between the Company and each NGS determined pursuant to this Rule 10.11.3, shall be debited or credited to the E-Factor component of the Company's annual filing made pursuant to Section 1307(f) of the Public Utility Code.

**10.12 Trading of ADDQ Under-Deliveries and Over-Deliveries.** Offsetting ADDQ Under- and Over- Deliveries that are otherwise subject to penalty under Rules 10.8 and 10.9 and do not exceed five (5) percent of the Supplier's ADDQ may be traded between Suppliers as a means of eliminating those volumes from the calculation of the applicable penalty; provided, however, that such trade must occur within 24 hours of the day to which the offsetting under-delivered and over-delivered amounts apply; and provided further, that the Company shall assess to each NGS, and each NGS shall pay, a \$0.025 per dth trading fee.

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**11.0 PAYMENT AND BILLING**

**11.1 LVT Customer Billing by the Company or Supplier.** All LVT Customer billing by either the Company or a Supplier shall comply with the Competition Act and all applicable rules and regulations.

**11.2 Supplier Payment of Obligations to the Company.** A Supplier shall pay all Coordination Services Charges or any other Charge it incurs hereunder in accordance with Section 11.3.

**11.3 Billing Procedure.** Each month, the Company shall submit an invoice to the Supplier for all Coordination Services Charges and other charges provided under this Tariff. The invoice may be transmitted to the Supplier by any reasonable method requested by the Supplier. On or before the due date shown on the bill, a Supplier shall make payment for charges incurred. The due date shall be determined by the Company and shall not be less than fifteen (15) days from the date of transmittal of the bill.

**11.4 Billing Corrections and Estimated Billings.** Notwithstanding anything stated herein to the contrary: (1) invoices shall be subject to adjustment for any errors in arithmetic, computation, meter readings, estimating or other errors for a period of 6 months after the rendering of the invoice; and (2) the Company shall be entitled to submit estimated bills (subject to correction) in the event either the Supplier fails to supply necessary information in a timely fashion or other circumstances limit the timely availability of necessary data.

**11.5 Manner of Payment.** The Supplier shall make payments of funds payable to the Company by wire transfer to a bank designated by the Company. The Company may require that a Supplier that is not Creditworthy tender payment by means of a certified, cashier's, teller's, or bank check, or by wire transfer, or other immediately available funds. If disputes arise regarding a Supplier bill, the Supplier must pay the undisputed portion of disputed bills under investigation. There shall be a returned check fee of \$50.00 payable by the Supplier for each returned check.

**11.6 Late Fee for Unpaid Balances.** If payment is made to the Company after the due date shown on the bill, the Company may add a late fee of ten percent (10%) per annum on the unpaid balance until the entire bill is paid in full.

**11.7 Supplier Default.** In the event the Supplier fails, for any reason other than a good faith billing dispute, to make payment to the Company on or before the due date, and such failure of payment is not corrected within fifteen (15) calendar days after said due date, Supplier shall be deemed to be in Default under the Coordination Services Agreement. In the event of a good faith billing dispute between the Company and the Supplier, the Company will continue to provide service pursuant to the Coordination Services Agreement and the Tariff to the extent that the Supplier continues to make all payments not in dispute and provides adequate documentation in

support of the disputed amount.

**11.8 Billing for Supplier Obligations to Other Parties.** The Company will assume no responsibility for billing other parties except as stated otherwise in this Tariff or upon mutual agreement.

**11.9 Guarantee of Payments.** Before the Supplier can render service, or continue to render service under this Tariff, the Company shall require any Supplier applying for Coordination Services, or a Supplier currently receiving such services, as applicable, to provide and maintain a cash deposit, letter of credit, performance or surety bond, or other guarantee, (any of these referred to as "Surety") for an amount, and in a form, satisfactory to the Company. The Company will hold any Surety for the Supplier's delivery of gas and for payment of undisputed charges due from a Supplier under this Tariff. In addition, the Company at any time may require a Supplier to post a cash deposit if the Company determines that the Supplier is no longer Creditworthy. In the event the Commission establishes an additional amount to be included in the Surety to cover fines or obligations of a Supplier to its LVT Customers, such amount shall be payable on the same terms as the Surety to the Company; provided, however, that the Company shall not be required to execute on the Surety for any amounts owed by the Supplier to its LVT Customers unless such amounts are not in dispute or the Commission directs the Company to do so in a final order.

**11.10 Amount of Surety.**

The Surety calculation formula is comprised of three components as follows:

- a. The Company's exposure for gas "borrowed" by the Supplier, adjusted for a colder than normal winter,
- b. Pipeline demand charges in the event of a Supplier default, and
- c. The Company's exposure related to honoring the Supplier's contract price within a billing period.

Each of these components are detailed below:

- a. "Borrowed" gas component:  $[(\text{projected volumes for NOV-MAR in most recent 1307(f) filing}) \times (10\% \text{ adjustment for a design winter}) - (\text{delivered gas per ADCQ for NOV-MAR})] \times (\text{most recent Company 1307(f) filing average delivered commodity cost for NOV-MAR})$ .
- b. Pipeline capacity demand charges component:  $[\text{ADCQ} \times 90 \text{ days} \times (\text{most recent Company 1307(f) filing pipeline demand charges})]$ .
- c. Interim billing period component:  $[\text{JAN's volume} \times 30 \text{ days} \times 10\% \text{ assumed difference in Supplier's contract price to the Company's commodity cost}]$ .

**11.10.1 Credit Information.** In addition to any information otherwise required hereunder, a Supplier shall be required to provide to the Company such credit information as the Company may reasonably request. The Company will report the Supplier's credit history with the Company to a national credit bureau.

**11.11 LVT Customer Billing Specifications**

**11.11.1 Notice to Company of Billing Options.** A Supplier who intends to deliver Competitive Natural Gas Supply to LVT Customers must provide the Company notice of the billing options it intends to offer its Customers, or of any changes to its existing billing options, at least thirty (30) days prior to the start of the first billing cycle of any of its LVT Customers. In addition, Suppliers must satisfactorily complete the appropriate Commission-approved EDI testing with the Company prior to being able to deliver Competitive Natural Gas Supply to LVT Customers.

**11.11.2 Billing Service Options****11.11.2.1 Separate NGS Billing.**

- a. If by notifying the Supplier, an LVT Customer elects to have a Supplier separately bill its Supplier Charges, the Company and the Supplier will separately send their bills directly to the Customer.
- b. Within the time frame and via the EDI transaction format approved by the Commission, the Company will transmit meter data (e.g. meter reads, consumption, dates and type of reading) to the Supplier.

**11.11.2.2 Consolidated NGDC Billing.**

- a. If an LVT Customer elects Consolidated NGDC Billing, monthly the Company will render a consolidated bill including both the Company's charges for distribution service and the Supplier's basic charges for its gas supply service, in accordance with the Public Utility Code and the Commission's applicable regulations (e.g. 52 Pa. Code §56.1 et seq.)
- b. The Company charges and Supplier Charges shall be based on the defined NGDC meter reading route.
- c. Within the time frame and via the EDI transaction protocol, approved by the Commission, the Company will transmit Meter Data (e.g., meter reads, consumption, dates and type of reading) to the Supplier.
- d. Within the time frame and via the electronic data exchange protocol approved by the Commission, the Supplier shall calculate its LVT Customers' basic charges and send to the Company such charges, including date of billing period, consumption, usage, rate and resulting calculation (collectively referred to as "Supplier Charges").
- e. The Company will provide the Supplier up to two lines, each 80 characters in length, on its standard bill for messages directly related to the calculation of the Supplier portion of the bill.

- f. Any transaction with Supplier Charges sent to the Company after the time period, or not in the format, specified in Paragraph c. above, will be rejected and the LVT Customers' bill for the current billing period will state that the Supplier Charges for the current billing period are not available. The Supplier must resubmit the data the following month as required along with the then current month charges. Upon such resubmission, the Company will place the Supplier Charges into the that billing cycle and the delayed Supplier Charges will appear on the LVT Customer's bill for the then current month.
- g. The Company will collect and process LVT Customer's payments in accordance with Section 2205 (c)(5) of the Competition Act and the Commission's applicable payment priority requirements. The Company shall pay the Supplier amounts owed for all undisputed Supplier Charges for which the Company has received payment from Customer within twenty (20) days after such payments have been properly posted to the Customer's account.
- (i) The Company will make payments to the Supplier by Automatic Clearing House ("ACH"), with remittance advice to a bank designated by the Supplier.
  - (ii) In the event the Company fails to pay Supplier within the above twenty (20) day period, the Company will pay the Supplier (ten) 10% interest per annum on the unpaid amount.

**11.11.2.3 Consolidated NGDC Budget Billing.** The Company will provide a budget billing option for LVT Customers served under Rate Schedules GR, GC, and OL, for both Company and Supplier Charges.

- a. The following process will apply:
- (i) Supplier transmits its current charges to the Company
  - (ii) The Company calculates both its budget amount and the Supplier's budget amount, combines them together and places the total budget charges on the Company's consolidated bill
  - (iii) The Company sends budget bill to Customer
  - (iv) Customer pays the Company for budget charges
  - (v) The Company pays Supplier for current charges within twenty (20) days after such payments have been properly posted to the Customer's account.
- b. General Rules for Budget Billing:

- (i) Under consolidated billing, the Company will calculate the budget bill for the Company's charges and for Supplier Charges using the Company's budgeting protocol.
- (ii) The Company will provide information of a Customer's budget status to a Supplier when confirming a Customer's switch of Suppliers.
- (iii) A Supplier can notify the Company electronically, after receiving Customer permission, to change or end the budget billing option.
- (iv) The Customer who is being billed under the budget billing option at the time of switching to a Supplier will stay on that option unless the Supplier indicates otherwise at the time of the Customer switch.
- (v) The Company will display actual, budget and budget balance on the consolidated bill.

### 11.11.3 Dispute Process

**11.11.3.1 Residential Dispute Process.** The Company shall process all disputes in accordance with the Public Utility Code and the Commission's applicable orders and regulations (52 Pa. Code 56.1 et. seq.). In the event the dispute relates to the Company's charges or actions, or to both Company's and the Supplier's Charges or actions, the Company, as the entity responsible for the consolidated bill will coordinate with the Supplier so that a proper investigation to a Customer dispute is conducted and completed within the time period prescribed by 52 Pa Code 56.151(5) and so that the Customer and the Supplier (if the Supplier is involved in the dispute) are informed of the results of the investigation. The Supplier shall provide all information needed by the Company relating to the Customer's dispute within five (5) business days of the Company's request. In the event, however, the dispute relates solely to the Supplier's Charges or actions the Company shall refer the Customer directly to the Supplier for resolution of the dispute.

**11.11.3.2 Residential Informal Complaints.** The Company shall process all informal complaints in accordance with the Public Utility Code and the Commission's applicable orders and regulations. In the event the informal complaint relates to the Company's charges or actions, or to both the Company's and the Supplier's Charges or actions, the Company will coordinate with the Customer's Supplier so that the proper information is submitted to the Commission's Bureau of Consumer Services within the time period required by the Commission. In the event, however, the informal complaint relates only to the Supplier's Charges or actions, the Supplier shall have the sole responsibility to submit the proper information.

**11.11.3.3 Non-Residential Dispute Process.** In the event the dispute relates to the Company's charges or actions, or to both the Company's and the Supplier's Charges or actions, the Company will coordinate with the Supplier so that the proper investigation is made and so that the Customer and the Supplier (if the Supplier is

involved in the dispute) are informed of the results of the investigation. The Supplier shall provide all information needed by the Company relating to the Customer's complaint within five (5) business days of the Company's request. In the event, however, the dispute relates only to the Supplier's Charges or actions, the Company shall refer the Customer directly to the Supplier for resolution of the dispute.

**11.11.3.4 Non-Residential Informal Complaints.** The Company shall process all informal complaints in accordance with the Public Utility Code and the Commission's applicable orders and regulations. In the event the informal complaint relates to the Company's charges or actions or to both the Company's and the Supplier's Charges or actions, the Company will coordinate with the Customer's Supplier so that the proper information is submitted to the Commission's Bureau of Consumer Services within the time period required by the Commission. In the event, however, the informal complaint relates only to the Supplier's Charges or actions, the Supplier shall have the sole responsibility to submit the proper information.

**11.11.3.4 Collections.** In accordance with the Company's credit and collection policies, a Customer's outstanding prior balances will not be transferred when a Customer switches from the Company to a Supplier, switches from one Supplier to another, switches from a Supplier to the Company or when the Customer chooses another billing option, unless mutually agreed to by the Company and the Supplier.

## 12.0 SUPPLIER EXIT PROCEDURES

### 12.1 Withdrawal by Supplier from Gas Choice

**12.1.1 Supplier's Notice of Withdrawal.** In compliance with all applicable Commission rules and regulations, and at least ninety (90) days before withdrawal, a Supplier shall provide to the Company electronic notice, in a form specified by the Company, of withdrawal by the Supplier from the Gas Choice Program, meaning withdrawal from supplying, under this Tariff, Competitive Natural Gas Supply on the Company's system to LVT Customers.

**12.1.2 Notice to Customers.** In compliance with all applicable Commission rules and regulations, and at least ninety (90) days prior to said withdrawal, a Supplier shall also provide written notice to its LVT Customers of its withdrawal from Gas Choice.

**12.1.3 Costs for Noncompliance.** A Supplier that withdraws from Gas Choice without providing timely notice of withdrawal to the Company and to its LVT Customers shall reimburse the Company for any of the following costs associated with the withdrawal:

- a. Mailings by the Company to the Supplier's Customers to inform them of the withdrawal and their options;
- b. Non-standard/manual bill calculation and production performed by the Company
- c. Supplier data transfer responsibilities that must be performed by the Company; and
- d. Charges or penalties imposed on the Company by other third parties resulting from Supplier non-performance.

### 12.2 Supplier's Discontinuance of Customers

**12.2.1 Notice of Discontinuance to the Company.** At least thirty (30) days in advance of any intended discontinuance of service to any of its LVT Customer classes, a Supplier shall provide electronic notice to the Company of any such discontinuance in a form specified by the Company, and in a manner consistent with applicable PaPUC rules.

**12.2.2 Notice to LVT Customers.** A Supplier shall provide a minimum of thirty (30) days advance notice to all members of any LVT Customer class it intends to stop serving in a manner consistent with applicable PaPUC rules.

**12.2.3 Effective Date of Discontinuance.** A discontinuance will be effective on a Meter Read Date and in accordance with the Supplier switching rules contained in this Tariff and in the NGDC Tariff.

### **12.3 Termination of Coordination Services Agreement**

**12.3.1 Effect of Withdrawal on Coordination Services Agreement.** In the event the Supplier ceases to participate in, or otherwise withdraws from, the Company's Gas Choice Program, the Coordination Services Agreement between the Supplier and the Company shall terminate thirty (30) days following the date on which the Supplier has no more active LVT Customers.

**12.3.2 The Company's Termination Rights Upon Default by Supplier.** In the event of a Default by the Supplier, the Company may terminate the Coordination Services Agreement between the Supplier and the Company by providing written notice to the Supplier, without prejudice to any remedies at law or in equity available to the Company by reason of the Default.

**12.3.3 Effect of Termination.** If a Customer of a terminated Supplier has not switched to another Supplier prior to termination, said Customer will receive SLR Sales Service from the Company (as provided in the NGDC Tariff, and as applicable, at the rate specified in Rule 21.11, of that tariff, or the successor thereto), pending its selection of another Supplier.

**12.3.4 Survival of Obligations.** Termination of the Coordination Services Agreement for any reason shall not relieve the Supplier of any obligation accrued or accruing prior to such termination, including, but not limited to, full financial responsibility for the assigned Pipeline FT Capacity at maximum pipeline rates. Only the Company, in its sole discretion, may relieve the Supplier of its obligations accrued as of the time of termination of service.

### **12.4 Supplier Exit and Return of Assigned Capacity**

**12.4.1 Supplier's Notice of Withdrawal and Return of Assigned Capacity.** Within ten (10) days of notifying the Company of withdrawal from the Company's Gas Choice Program, the Supplier shall, at the Company's option, release, assign or transfer to the Company any capacity which was assigned to the Supplier to serve the Supplier's firm LVT Customers. Any such release, assignment or transfer shall be at the applicable contract rate, not to exceed the FERC-approved pipeline recourse rate for such capacity.

**12.4.2 Company’s Notice of Termination and Return of Assigned Capacity.** Within ten (10) days of receiving notice from the Company of termination from the Gas Choice Program, the Supplier shall, at the Company’s option, release, assign or transfer to the Company any capacity which was assigned to the Supplier to serve the Supplier’s LVT Customers. Any such release, assignment or transfer shall be at the applicable contract rate, not to exceed the FERC-approved pipeline recourse rate for such capacity.

**12.5 Supplier Exit and Assignment of New/Renewed Capacity**

**12.5.1 Supplier’s Notice of Withdrawal and Assignment of New/Renewed Capacity.** Within ten (10) days of providing the Company notice of withdrawal from the Company’s Gas Choice Program, the Supplier shall, at the Company’s option, release, assign or transfer to the Company any new or replacement capacity which was approved to serve the Supplier’s firm LVT Customers. Any such release, assignment or transfer shall be at the applicable contract rate, not to exceed the FERC-approved pipeline recourse rate for such capacity. The amount released, assigned or transferred shall be sufficient to serve the level of the LVT Customers’ requirements for which the Supplier had procured such capacity. Release, assignment or transfer shall be for a term of sufficient length to allow for the Company to secure replacement capacity of like quantity and quality.

**12.5.2 Company’s Notice of Termination and Assignment of New/Renewed Capacity.** Within ten (10) days of receiving notice from the Company of termination from the Gas Choice Program, the Supplier, at the Company’s option, shall release, assign or transfer to the Company any new or replacement capacity which was approved to serve the Supplier’s firm LVT Customers. Any such release, assignment or transfer shall be at the applicable contract rate, not to exceed the FERC-approved pipeline recourse rate for such capacity. The amount released, assigned or transferred shall be sufficient to serve the level of the LVT Customers’ requirements for which the Supplier had procured such capacity. Release, assignment or transfer shall be for a term of sufficient length to allow for the Company to secure replacement capacity of like price, quantity and quality.

**13.0 LIABILITY**

**13.1 General Limitation on Liability.** The Company shall have no duty or liability with respect to natural gas before it is delivered by an NGS to a point of delivery on the Company’s distribution system. After its receipt of natural gas at the point of delivery, the Company shall have the same duty and liability for distribution service to Customers receiving Competitive Natural Gas Supply as to those receiving natural gas from the Company.

**13.2 Limitation On Liability for Service Interruptions and Variations.** The Company does not guarantee continuous, regular and uninterrupted supply of service. The Company may, without liability, interrupt or limit the supply of service for the purpose of making repairs, changes, or improvements in any part of its system for the general good of the service or the safety of the public, or for the purpose of preventing or limiting any actual or threatened instability or disturbance of the system. The Company is also not liable for any damages due to accident, strike, storm, riot, fire, flood, legal process, state or municipal interference, or any other cause beyond the Company’s control.

**13.3 Additional Limitations on Liability in Connection with Gas Choice.** Other than its duty to deliver natural gas, the Company shall have no duty or liability to an NGS providing Competitive Natural Gas Supply arising out of or related to a contract or other relationship between an NGS and a Customer of the NGS.

The Company shall implement Customer selection of an NGS consistent with applicable rules of the Commission and shall have no liability to an NGS providing Competitive Natural Gas Supply arising out of or related to switching NGSs, unless the Company is negligent in switching or failing to switch a Customer.

**14.0 BREACH OF COORDINATION OBLIGATIONS**

**14.1 Breach of Obligations.** The Company or an NGS shall be deemed to be in material breach of its Coordination Obligations under the Coordination Services Agreement, and under this Tariff, upon its failure to observe any material term or condition of this Tariff, including any Rule and Regulation, Charge or Rider thereof.

**14.2 Events of Breach.** A material breach of Coordination Obligations hereunder, as described in Rule 14.1, shall include, but is not limited to, the following:

- a. NGS's failure to maintain its PaPUC Supplier license.
- b. NGS's failure to maintain the required Surety;
- c. NGS's failure to make full payment of any undisputed Coordination Services Charges in the time prescribed.
- d. The involuntary bankruptcy/insolvency of the NGS, including, but not limited to, the appointment of a receiver, liquidator or trustee of the NGS, or a decree by such a court adjudging the NGS bankrupt or insolvent or sequestering any substantial part of its property or a petition to declare bankruptcy so as to reorganize the NGS;
- e. NGS's filing of a voluntary petition in bankruptcy under any provision of any federal or state bankruptcy law, or its consent to the filing of any bankruptcy or reorganization petition against it under any similar law or, without limiting the generality of the foregoing, an NGS's admission in writing of its inability to pay its debts generally as they become due or an NGS's consent to the appointment of a receiver, trustee or liquidator of it, or of all, or any part of, its property; or
- f. NGS's unexcused failure to deliver its ADDQ for two (2) or more days within any thirty (30) day period.

**14.3 Cure and Default.** In the event that either the Company or a NGS materially breaches any of its Coordination Obligations, the other party shall provide the breaching party with notice of the breach. If the breach is not cured or rectified within fifteen (15) days of the receipt of such notice, the breaching party shall be deemed in Default of the Agreement; except that, if a NGS fails to deliver its ADDQ as provided in Rule 14.2 f. above, or a NGS fails to restore its required Surety within three (3) business days, each such failure constitutes a Default and the Company may, without further notice, immediately terminate the Coordination Services Agreement without prejudice to any remedies at law or in equity available to the Company by reason of the Default. Notwithstanding the above, the NGS shall have the right during said fifteen (15) day cure period to obtain an order from the Commission preventing or staying termination.

**14.4 Rights Upon Default.** In addition to the Company's rights to terminate the Coordination Services Agreement as provided in Rule 12.2.1 and Rule 14.3, upon the occurrence of any Default, the party not in Default shall be entitled to: (i) commence an action to require the party in Default to remedy such Default and specifically perform its duties and obligations hereunder in accordance with the terms and conditions hereof; and (ii) exercise such other rights and remedies as it may have in equity or at law.

15.0 SUPPLIER COORDINATION SERVICES AGREEMENT

15.1 This Agreement ("Agreement"), dated as of \_\_\_\_\_ is entered into, by and between PECO Energy Company (the "Company") and \_\_\_\_\_ ("Supplier").

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15.2 The Company agrees to supply, and the Supplier agrees to have the Company supply, all "Coordination Services" specified in the then current Gas Choice Supplier Coordination Tariff ("Supplier Coordination Tariff"), including, but not limited to, Customer usage forecasting, gas delivery scheduling, and reconciliation services. Both Parties agree that such services are necessary to coordinate the delivery of Competitive Natural Gas Supply to Low Volume Transportation Customers ("LVT Customers") located within the Company's gas distribution service territory ("Territory").

15.3 Representations and Warranties.

- a. The Supplier hereby represents, warrants and covenants as follows:
  - (i) The Supplier is in compliance, and will continue to comply, with all obligations, rules and regulations, as established by the Supplier Coordination Tariff and the Company's Natural Gas Service Tariff, that are applicable to Suppliers serving LVT Customers located in the Company's Territory ; and
  - (ii) The Supplier is licensed by the Pennsylvania Public Utility Commission ("PaPUC") to provide Competitive Natural Gas Supply to Customers in Pennsylvania and has and will continue to satisfy all other PaPUC requirements applicable to Suppliers.
- b. The Company and the Supplier, individually referred to hereafter as the "Party," each represents, warrants and covenants as follows:
  - (i) Each Party's performance of its obligations hereunder has been duly authorized by all necessary action on the part of the Party and does not and will not conflict with or result in a breach of the Party's charter documents or bylaws or any indenture, mortgage, other agreement or instrument, or any statute or rule, regulation, order, judgment, or decree of any judicial or administrative body to which the Party is a party or by which the Party or any of its properties is bound or subject.
  - (ii) This Agreement is a valid and binding obligation of the Party, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect that affect creditors' rights generally or by general

principles of equity.

**15.4** The Supplier shall provide notice to the Company via facsimile, with a copy delivered pursuant to overnight mail, at such time that the Supplier learns that any of the representations, warranties, or covenants in Section 3.0 of this Agreement have been violated.

**15.5** As consideration for Coordination Services provided by the Company, the Supplier shall pay the Company those Coordination Services Charges billed to the Supplier in accordance with the terms and conditions of the Supplier Coordination Tariff.

**15.6** Coordination Services between the Company and the Supplier will commence on \_\_\_\_\_ (“Commencement Date”). This Agreement shall be for a term of twelve (12) months, and upon the anniversary of the Commencement Date, shall automatically renew for successive twelve (12) month terms, unless terminated in accordance with the Rules of the Supplier Coordination Tariff.

**PECO Energy Company**

15.7 Any notice or request made to or by either Party regarding this Agreement shall be made to the representative of the other Party as indicated below.

To PECO Energy Company:

PECO Energy Company  
2301 Market Street  
Philadelphia, PA 19101

Attn.: \_\_\_\_\_  
Title: Vice President, Regulatory and External Affairs  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Internet E-Mail: \_\_\_\_\_

To the Supplier:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn.: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone: \_\_\_\_\_ [for contact twenty-four hours a day, seven days a week]  
Facsimile: \_\_\_\_\_  
Internet E-Mail: \_\_\_\_\_

15.8 The Supplier Coordination Tariff and the Company's Natural Gas Service Tariff, as the same may be amended from time to time, are incorporated herein by reference and made a part hereof. All terms used in this Agreement that are not otherwise defined shall have the meaning provided in the Supplier Coordination Tariff.

**IN WITNESS WHEREOF**, and intending to be legally bound thereby, PECO Energy Company and the Supplier identified above have caused this Coordination Services Agreement to be executed by their respective authorized officials.

**PECO ENERGY COMPANY**

By: \_\_\_\_\_  
Name Title Date

1  
2 **PECO Energy Company**

3  
4  
5 \_\_\_\_\_  
6 **[Supplier]**

7  
8  
9  
10 By: \_\_\_\_\_  
11 Name Title Date

**PECO Energy Company**

**16.0 SCHEDULING COORDINATOR DESIGNATION FORM**

**16.1** This scheduling Coordinator Designation Form, dated \_\_\_\_\_, is being submitted to PECO Energy Company (the "Company") by the following Natural Gas Supplier ("NGS"):

\_\_\_\_\_

**16.2** By submitting this form, the NGS hereby notifies the Company that it has appointed the following entity to act as its Scheduling Coordinator in accordance with Rule 5.5 of the Company's Gas Choice Supplier Coordination Tariff (the "Supplier Coordination Tariff"): \_\_\_\_\_

**16.3** The NGS further notifies the Company that it is designating the person identified in the preceding paragraph as its Scheduling Coordinator for the specific purpose of daily natural gas delivery scheduling, dispatching, giving and receipt of notices, informing the NGS of its balancing status for each billing period, and other administrative aspects of Low Volume Transportation Service.

**16.4** The Company may utilize the Scheduling Coordinator as the sole point of contact with the NGS in connection with the Company's provision of Coordination Services to the NGS. Likewise, the Scheduling Coordinator appointed by the NGS shall be responsible for the performance of all Coordination Obligations of the NGS that are specifically delegated to said Scheduling Coordinator in this Form.

**16.5** The NGS agrees that the Company may bill the Scheduling Coordinator directly for all Coordination Services Charges attributable to the NGS and that the Scheduling Coordinator will pay the Company such charges on behalf of the NGS in accordance with the terms and conditions in the Supplier Coordination Tariff.

**16.6** The NGS and its appointed Scheduling Coordinator shall comply with all terms and conditions of the Supplier Coordination Tariff, including those pertaining to Scheduling Coordinators and to payment and billing.

**16.7** All inquiries, communications or notices relating to the NGS's use of the Scheduling Coordinator designated above may be directed to the following representatives:

To the NGS:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attn: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone: \_\_\_\_\_

1  
2 **PECO Energy Company**

3  
4 Facsimile: \_\_\_\_\_

5 Internet email: \_\_\_\_\_

6  
7  
8 To the Scheduling Coordinator:

9 \_\_\_\_\_  
10 \_\_\_\_\_  
11 \_\_\_\_\_

12  
13 Attn: \_\_\_\_\_

14 Title: \_\_\_\_\_

15 Telephone: \_\_\_\_\_

16 Facsimile: \_\_\_\_\_

17 Internet email: \_\_\_\_\_

18  
19 **16.8** The Supplier Coordination Tariff is incorporated herein by reference and made a part hereof. All capitalized  
20 terms used, but not defined, in this designation form shall have the meaning stated in the Supplier Coordination  
21 Tariff.

22  
23 **16.9** The NGS has executed this designation form below by its duly authorized representative as follows:

24  
25 Signature: \_\_\_\_\_

26 Name: \_\_\_\_\_

27 Title: \_\_\_\_\_

28 Date: \_\_\_\_\_

29  
30 **16.10** The NGS has obtained the following Acknowledgment and Consent to this designation, which is executed  
31 below by the duly authorized representative of the Scheduling Coordinator:

32 **Acknowledgment and Consent**

33 Intending to be legally bound thereby, the duly authorized representative of above-designated  
34 Scheduling Coordinator has executed this document below to acknowledge and consent to its appointment  
35 as a Scheduling Coordinator, and to further state its agreement to abide by the terms and conditions of its  
36 designation set forth above in the Scheduling Coordinator Designation Form prepared by the NGS, including  
37 the terms and conditions of the NGS Coordination Tariff which is incorporated therein by reference.

38 Signature: \_\_\_\_\_

**PECO Energy Company**

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Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

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**PECO Energy Company**  
**17.0 RESIDENTIAL STRATA AND PIPELINE FT ALLOCATION FACTORS**

**17.1 Residential Gas Strata and Descriptions**

Strata	Rate Class	STRATA DESCRIPTION
500	GR	General Service Residential - Non-Heating Winter DAU* < 1 ccf
501	GR	General Service Residential - Non-Heating 1 <= Winter DAU < 2 ccf
502	GR	General Service Residential - Non-Heating 2 <= Winter DAU < 6 ccf
503	GR	General Service Residential - Non-Heating 6 <= Winter DAU < 12 ccf
504	GR	General Service Residential - Non-Heating >=12 ccf
550	GR	General Service Residential - Heating Winter DAU < 1 ccf
551	GR	General Service Residential - Heating 1 <= Winter DAU < 2 ccf
552	GR	General Service Residential - Heating 2 <= Winter DAU < 6 ccf
553	GR	General Service Residential - Heating 6 <= Winter DAU < 12 ccf
554	GR	General Service Residential - Heating 6 >= 12 ccf

**17.2 Residential FT Allocation**

<u>Rate Class-</u>		<u>Average Winter</u>	<u>% of FT</u>	<u>FT Allocation</u>	<u># of</u>
<u>Rate Code</u>	<u>Strata</u>	<u>DAU - Ccf</u>	<u>Allocated</u>	<u>DTH/Cust</u>	<u>Customers</u>
GR - G	500	0.39	19.40%	0.03	37,772
GR - G	501	1.33	13.76%	0.10	7,827
GR - G	502	3.75	34.68%	0.27	7,002
GR - G	503	7.84	24.33%	0.57	2,350
GR - G	504	18.08	7.83%	1.31	<u>328</u>
					54,280

		<u>Average Winter</u>	<u>% of FT</u>	<u>FT Allocation</u>	<u># of</u>
<u>Ratecode</u>	<u>Strata</u>	<u>DAU - Ccf</u>	<u>Allocated</u>	<u>DTH/Cust</u>	<u>Customers</u>
GR - H	550	0.50	0.20%	0.04	7,064
GR - H	551	1.57	1.41%	0.11	15,930
GR - H	552	4.19	48.96%	0.30	207,649
GR - H	553	7.65	42.04%	0.55	9,7710
GR - H	554	16.78	7.40%	1.21	<u>7,836</u>
					321,288

\*DAU = Daily Average Gas Usage

## 18.0 DELIVERED SERVICE OPTION

( C )

### 18.1 Availability

The Delivered Service Option ("DSO") shall be made available pursuant to this Rule 18 to an NGS that has been deemed eligible by the Company, and only to the extent that the cumulative ADCQ of NGSs receiving service under this Rule 18 ("CADQC") does not exceed the Additional Capacity Resource Requirement established pursuant to Rule 18.3 ("ACRR").

An NGS taking service under the Delivered Service Obligation is required to obtain and maintain capacity resources sufficient to deliver natural gas equal to its ADDQ each day during the effective period of its Delivery Service Option election.

### 18.2 Character of Service

Service under the DSO constitutes a limited exception to the otherwise applicable rules under this Tariff. An NGS taking service under the DSO (a) except as required under Rule 18.4, shall not be required to take assignment or release of the Company's Pipeline FT Capacity as otherwise required under Rule 10.4.1, Assignment of FT Pipeline Capacity and Determination of Aggregate Daily Contract Quantity; and (b) must Cash-out its Monthly Imbalance in accordance with Rule 18.5 below.

### 18.3 Additional Capacity Resource Requirement

The CADQC of NGS taking service under the DSO may not exceed the additional capacity resources the Company requires each year to meet its design day demand requirement, as identified in its annual 1307 (f) filing, for the immediately following November through October period ("Additional Capacity Resource Requirement").

The Company shall monitor the CADQC of all NGS taking service under the DSO and provide notice of the prior calendar month's CADQC to NGS taking service under the DSO no later than the 5<sup>th</sup> business day after the close of the prior calendar month.

Based on such monitoring, an NGS shall be assigned Pipeline FT Capacity pursuant to Rule 10.4.1 to the extent that an increase in its ADCQ causes the CADQC to exceed the ACRR.

Where the increase of one or more NGS' ADCQ causes the CADQC to exceed the ACRR during a given month, the excess shall be allocated among such NGS pro rata based on the relative ADCQ increase of each such NGS and Pipeline FT Capacity assignments pursuant to Rule 10.4.1 shall be made accordingly. An NGS without an ADCQ increase during the month in which the CADQC increases above shall not be required to take assignment of Pipeline FT Capacity associated with such increase.

Where the decrease of one or more NGS' ADCQ causes the CADQC to fall below the ACRR during a given month, the Company may recall Pipeline FT Capacity from the NGS on a like pro rata basis. An NGS without an ADCQ decrease during the month in which the CADQC declines below the ACRR shall not be subject to such mandatory recall.

**(C)** Denotes Change

#### 18.4 Annual Service Election

(C)

To establish eligibility under the Delivery Service Obligation, an NGS must make a timely annual service election. No later than July 1 of each year, the Company will notify all NGSs of the ACRR. Thereafter, an NGS interested in receiving service under the DSO must notify the Company by July 15<sup>th</sup>, in writing, of its desire to use the DSO. Within 15 business days of receiving the timely submitted annual election, the Company will inform the NGS of its eligibility status. Eligibility will be based on the status of the NGS' Coordination Services Agreement and its compliance thereto. Unless otherwise permitted under this Rule 18.4, an annual election of service under the DSO shall remain effective for the following one-year period November 1 through October 31.

An NGS may subsequently withdraw its DSO election, for any reason, by providing the Company written notice of such withdrawal prior to the immediately following August 15<sup>th</sup>. Such withdrawal will result in an assignment of Pipeline FT Capacity to the NGS pursuant to Rule 10.4.1, effective November 1<sup>st</sup>, in an amount equal to its ADCQ.

#### 18.5 Reconciliation of Deliveries

As an exception to Rule 10.11.2, natural gas imbalances caused by the difference between the ADDQ and Supplier's aggregate daily usage (see Rule 10.11.2) shall be subject to the following cash out mechanism:

- a) The price to be paid for the volume shall be the weighted average of the cash-out prices as published by the delivering interstate pipelines for deliveries at city gate points located in Transco's Zone 6 and Tetco's M3, for the month of delivery.
- b) Suppliers shall be cashed out on a monthly basis.

#### 18.6 Otherwise Applicable Tariff Rules and Regulations

Under the DSO, all rules and regulations applicable to an NGS under the Tariff, except for the modifications specified in Rule 18, shall remain applicable. Where a conflict exists between this Rule 18 and the other rules and regulations of the Tariff, the rule provided under Rule 18 shall prevail.

**(C)** Denotes Change