

Columbia Gas of Ohio, Inc.

SCO Auction Rules

General:

- The SCO auction (“the auction”) will be conducted as set forth in Section 9 pages 10-12 of the Amended Revised Settlement Program Outline and on Sheet 3 of Section VIII in Columbia’s Tariff. In addition to the process as described in those documents, the rules listed herein shall apply to the auction.
- Each participating bidder has the obligation to review and become competent in the use of EnerNOC auction platform as demonstrated by EnerNOC prior to the auction.
- The auction will begin at 9:00 AM EST on the date set forth in the timeline. Bidders will be able to log onto EnerNoc’s auction platform at 8:00 AM EST. The WebEx Webinar chat system will also become active at this time for questions that may remain regarding the use of the EnerNOC Exchange.

Bidding and Reporting Phases:

- Each round of the auction will consist of a bidding phase and a reporting phase.
- Each bidding phase will last for five minutes
- Each reporting phase will last for ten minutes
- For determining start time, ending time, and time remaining in the bidding and reporting phases of each round, the server time rules. Bidders should not rely on their watch, computer, the WebEx Webinar system or any other time source.
- Columbia may change the time length of the bidding or reporting phases in consultation with PUCO Staff, in order to provide more or less time as is deemed appropriate to the circumstances.
- In the reporting phase, reports will be available to each bidder that will include the target price for the next round, the start time for the next round, and the end time for the next round. Each round’s report will also include notes regarding any time outs called during a round or reasons for round extensions. The report will not include the number of tranches bid or the number of bidders bidding.

Bids:

- A bidder may bid on up to four tranches, but may not bid on a greater number of tranches than has been approved by Columbia as a result of the Registration process. Bids in excess of the amount qualified for are prohibited and will be cancelled by EnerNOC.
- Bidders may revise their bid within a bidding phase of a round.
- When the bidding phase of a round ends, the last bid submitted by a bidder is a binding commitment to supply the associated SCO Requirements pursuant to the terms of the SCO Supplier Agreement.
- A bidder cannot bid on partial tranches.

- A bidder may only bid a number of tranches that are equal to or less than the number that they bid in the prior round. Bids that are in excess of a bid from a previous round are prohibited and will be cancelled by EnerNOC.
 - There is an exception to this rule. If, as compared to what it bid in the prior round, a bidder reduces the number of tranches it bids, and in that round, less than the maximum tranches offered are bid in total, then in the next round, when the offered price is increased, that bidder will be allowed to revert back to the number of tranches that it bid in the round prior to the round in which the bid was reduced.
- If a bidder does not intend to bid for any tranches in a round, they must bid zero tranches. This will cause them to drop out of the auction and their access to auction information will cease. However, if the bidder fails to submit a bid of zero, and submits no bid by the end of the bidding phase, their bid in that round will be considered a bid of “zero” tranches.
 - There is an exception to this rule. If such a bid of zero occurs in a round in which less than the maximum tranches offered are bid in total, then in the next round, when the offered price is increased, that bidder will be allowed to revert back to the number of tranches that it bid in the round prior to the round in which it bid zero.
- The SCO Auction will end when the number of Tranches bid at an offered price equals the maximum number offered by Columbia. However, if the number of Tranches bid in a round is less than the maximum number offered by Columbia, then the auctioneer will revert back to the price of the previous round and begin the next round by reducing the price of that previous round by one cent, and will continue additional rounds using decrements of one cent until the number of Tranches bid equals the maximum number offered by Columbia. If in this process, the number of Tranches bid once again drops to less than the maximum number of Tranches offered, then the immediately prior round shall be considered the final round. In such event, because the final round will have more than the maximum number of Tranches offered by Columbia bid, the size of each Tranche will be proportionally lower as the number of customers assigned each Tranche shall be reduced accordingly.
- The actual number, and size, of the tranches used in an auction may vary from year to year.

Example 1 Final Round Matches Maximum Tranches Offered

Bidder	Round 5	Round 6	Awarded
Bid Price	1.25	\$1.24	\$1.24
A	4	4	4
B	4	4	4
C	4	3	3
D	3	3	3
E	2	2	2
Total	17	16	16

Example 2 Final Round Undersubscribed Reverting to Previous Round

Bidder	Round 5	Round 6	Awarded
Bid Price	1.25	\$1.24	\$1.25
A	4	4	4
B	4	4	4
C	4	3	4
D	3	2	3
E	2	2	2
Total	17	15	17

Requests to Extend Bidding Phase (i.e. “timeouts”):

- The bidding phase of any round may be extended for a period of ten (10) minutes at the request of any participating bidder.
- A request for such an extension must be requested by the bidder through the GoTo Webinar Chat System at least one minute prior to the end of the then current bidding phase.
- A bidding phase may be extended only once in each round.
- Each bidder is limited to two bidding phase extensions during the auction.
- During a bidding phase extension, all bidders have the right to revise their bid as they would during a normal bidding phase.

Extensions of Bidding or Reporting Phase by Columbia:

- Each bidding or reporting phase may be extended in an unlimited number of ten-minute increments by Columbia at its discretion in consultation with PUCO Staff.

Decrements of Going Price:

- The amount of the decrement in the offered price when moving from one round to the next is subject to change by Columbia in consultation with PUCO Staff.