

**COLUMBIA GAS OF VIRGINIA, INC.
ACCOUNTS RECEIVABLE PURCHASE AGREEMENT**

This Agreement made this _____ day of _____, 20____, (“Agreement”) by and between _____, located at _____ Competitive Service Provider (“CSP”) and Columbia Gas of Virginia, Inc. a Virginia public service corporation (“Company”), 1809 Coyote Drive, Chester, VA 23836.

WHEREAS, the Company has instituted services regulated by the State Corporation Commission of Virginia (“Commission”) pursuant to which it offers gas transportation services to residential, small commercial and industrial customers of the Company (“Customer CHOICESM”);

WHEREAS, the Customer CHOICESM program contemplates, among other things, that (i) the Company’s customers will secure their gas supplies competitively, through a Competitive Service Provider (“CSP”) that has been certified by the Commission to supply natural gas in Virginia and is eligible to provide service on the Company’s system (ii) the Company’s customers will continue to use the Company to transport their gas supplies and (iii) the Company is the supplier of last resort;

WHEREAS, the Company, at its option, may purchase the accounts receivable from participating CSPs who desire the Company to make such purchases;

WHEREAS, the CSP is participating in the Customer CHOICESM program, and the CSP desires to sell and assign to the Company its accounts receivable and the Company has agreed to purchase the CSP’s accounts receivable in accordance with the terms and conditions hereof;

NOW THEREFORE in consideration of the mutual promises and covenants contained in this Agreement, the CSP and the Company agree to the following terms and conditions:

1. **Definitions.** The following capitalized terms will have the following meanings when used in this Agreement:
 - a. **“Accounts Receivable”** means the indebtedness and other obligations of any Customer to pay for natural gas provided by CSP under the Company’s Customer CHOICESM program and delivered on the Company’s distribution system, whether billed or unbilled, including the applicable sales tax, but does not include any Company distribution charges.
 - b. **“Collections”** means, with respect to any Account Receivable, all cash collections and other cash proceeds of such Account Receivable, including, without limitation, all cash proceeds of Related Security with respect to such Receivable.

- c. “Customer” means the Company’s customers who are both participating in the Customer CHOICESM program and who are being provided natural gas by the CSP. Under no circumstances will the term “Customer” include the Company’s customers who are not participating in the Customer CHOICESM program or who are not being provided natural gas by the CSP.
 - d. “Customer Base” means the entire group of Customers for which the CSP is providing natural gas.
 - e. “Competitive Service Provider Service Agreement” means the agreement entered into between the CSP and the Company that is in conformance with the terms of the form agreement of the same name included in Company’s Tariff as approved by the Commission, which governs the relationship between the CSP and the Company. The Competitive Service Provider Service Agreement is hereby incorporated by reference and made part of this Agreement.
 - f. “Related Security” means with respect to any Account Receivable:
 - (i) all security interests or liens and property subject thereto from time to time purporting to secure payment of such Account Receivable, together with all financing statements authorized by a Customer describing any collateral securing such Receivable;
 - (ii) all guaranties, insurance and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Account Receivable; and
 - (iii) all of CSP’s right, title and interest, if any, in and to all invoices that evidence, secure or otherwise relate to such Account Receivable.
2. Purchases. Under this Agreement, the Company agrees to purchase from the CSP, and the CSP agrees to sell and assign to the Company, the CSP’s Accounts Receivable arising from gas commodity sales to its Customers in accordance with the terms and conditions of this Agreement including the following requirements:
- a. The Company shall make purchases on a daily basis beginning on the commencement date of this Agreement (see Paragraph 3, below) and shall make purchases daily through the remainder of the term of this Agreement. Although the price for each Account Receivable coming into existence after the date hereof shall be owed by the Company to the CSP on the date such Account Receivable comes into existence, final settlement of the price between the Company and the CSP shall be effected on a monthly basis as provided in Paragraph 5 with respect to all Accounts Receivable coming into existence during the most recently completed billing cycle for each particular Customer.

For illustration purposes only, if a Customer's billing cycle is the fifteenth (15th) day of Month One to the fifteenth (15th) day of Month Two, in Month Two, the Company shall pay for those Customer's Accounts Receivable that are billed in Month Two.

- b. Irrespective of Paragraph a. above, in no case shall the Company purchase the Accounts Receivable for any Customer's indebtedness incurred prior to that Customer's enrollment with the CSP. Under no circumstance shall the Company purchase the Accounts Receivable for any Customer or Customers who did not participate in the Customer CHOICESM program for the month being purchased.
 - c. CSP warrants that it has good title to all Accounts Receivable delivered to Company hereunder, and that such Accounts Receivable will be free and clear of all liens, encumbrances, and claims whatsoever, and that it will indemnify Company, and save it harmless from all suits, actions, debts, accounts, damages, costs, losses and expenses arising from or out of a breach of such warranty.
 - d. Although it is not the intent of this Agreement to interfere with or otherwise compromise the confidential nature of any information possessed by CSP, CSP hereby agrees to provide access at reasonable times and in a reasonable manner to all books, records and other information (including, without limitation data contained in computer programs, tapes, discs, punch cards, data processing software and related property and rights) relating to such Accounts Receivable and only to the extent necessary in the event Company possesses no other reasonably comparable information and therefore needs such access to collect such Accounts Receivable.
3. Term. The "Initial Term" of this Agreement shall commence upon the execution date of this Agreement and shall continue through the December 20__ billing cycle. Upon the expiration of the Initial Term or any subsequent Additional Terms (defined below), this Agreement shall be automatically renewed for additional one (1) year term(s) ("Additional Term") unless either party hereto has submitted written notice of intent to terminate this Agreement at least thirty (30) days prior to the expiration of the then current term. Either party may terminate this Agreement at any time upon thirty (30) days written notice to the other party with no further obligation or duty owing between the parties, except as relating to obligations or duties incurred prior to the date of termination. If any person or entity successfully challenges Company's right to purchase Accounts Receivable through the Commission or State or Federal Court, if applicable, or retain amounts collected from Customers as a result of CSP's sale and assignment of the Accounts Receivable under this Agreement, or if CSP is no longer certified to supply natural gas in Virginia or eligible to supply service on the Company's system, the Company may, at its sole discretion, terminate any further obligation to purchase Accounts Receivable under this Agreement and Company, in any such instance, may upon written notice to CSP, require CSP to immediately repurchase, in whole or in part, uncollected Accounts Receivable previously purchased and paid for by the Company hereunder, for the same amount paid by the Company. Notwithstanding the foregoing, the remainder of this Agreement shall remain in full force and effect in the

event Company exercises this option.

4. Price. The Company shall purchase the CSP's Accounts Receivable at a four percent (4%) discount of the total amount billed by the CSP to its total Customer Base for providing natural gas supplies to the Customer Base for that month. The Company shall calculate the amount due the CSP by first adding together all of the bills for natural gas sold to Customers in the CSP's Customer Base, and then multiplying that total amount by ninety-six percent (96%). This calculation methodology shall be effective for all Accounts Receivable purchases made during the initial term as well as all subsequent terms of this Agreement.
5. Payment. Beginning with Accounts Receivable purchased from the commencement of the term of this Agreement (see Paragraph 3, above), and continuing on a monthly basis for the remainder of the term, CSP directs the Company to make payment to it for the Accounts Receivable being purchased by the twenty-fifth (25th) of the month following the last unit billed in the final billing cycle of each month. Subject to the provisions of Paragraphs 3, 8, and 10, said monthly payment shall be made to the CSP by the Company regardless of whether any particular Customer or Customers in the CSP's Customer Base pays their bill(s).
6. Adjustments. The Company reserves the right to adjust the CSP's account with regard to Accounts Receivables purchases for up to twelve (12) months after the original billing date for any individual Customer's bill at issue for accounting or billing errors, Customer billing disputes, or any other necessary or appropriate adjustment.
7. Additional Actions. CSP agrees to provide Company with any additional documents and take any additional steps that Company may request to perfect Company's interest in the Accounts Receivable being sold and assigned to Company pursuant to this Agreement, and CSP hereby authorizes the filing of UCC-1 financing statements to perfect the Company's interest.
8. Right of Set-Off. If the CSP owes the Company any sum under this Agreement or any other arrangement whatsoever, the Company shall have the rights of recoupment and set-off, with respect to any payments for Accounts Receivable purchased, as against all amounts owed to the Company by CSP. In calculating the payment due the CSP under this Agreement, said amounts owed by CSP to the Company shall be deducted from the amount to be paid to the CSP(see Paragraph 4).
9. Binding Agreement. This Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors, and assigns.
10. Assignment. This Agreement may be assigned only with the prior written consent of the Company.

11. Notice and Payments. All notices to and payments to CSP which are provided for in this Agreement shall be duly delivered to the post office address as follows:

CSP

CSP Legal Name: _____
Attention/Title: _____
Mailing Address: _____
Telephone: _____
Email: _____

Company

Columbia Gas of Virginia, Inc.
Attn: Choice Program Management
290 W. Nationwide Blvd.
Columbus, Ohio 43215

And

Email: Choice@nisource.com

12. Governing Law. This Agreement is entered into in and shall be construed in accordance with the laws of the State of Virginia, without regard to its choice of law principles. The parties hereto agree that any and all actions, suits or claims with respect to this Agreement shall be brought in a state or federal court located in the State of Virginia or before the Commission, if appropriate. This Agreement shall not be interpreted either more or less favorably toward any party by virtue of the fact that such party or its counsel was responsible or principally responsible for the drafting of all or a portion hereof.
13. Amendment/Waiver. Provisions of this Agreement shall be changed, waived, discharged or terminated only by an instrument in writing signed by authorized representatives of all parties. Notwithstanding any other provision to the contrary, no waiver by a party of any default of any of the obligations contained in this Agreement to be performed by another party shall be construed as a waiver of any succeeding default or breach of the same, or any other obligation or condition.
14. Headings. All headings contained in this Agreement are for convenience only and shall not, in any way, affect the meaning of any provision hereof.
15. Counterparts. This Agreement may be executed or amended in one or more counterparts, each of which, when so executed and delivered, shall be deemed an original, but all of which together shall constitute one instrument.
16. Signatures. Facsimile signatures of the parties on this instrument and any amendment thereto, shall be legally binding.

17. Invalid or Unenforceable Provisions. If any provision of this Agreement is found by a court of competent jurisdiction to be invalid such provision shall be deemed modified so as to be no longer invalid and, all of the remaining provisions of this Agreement shall remain in full force and effect.

18. Recitals. The recitals set forth in this Agreement are an integral part hereof and shall have the same contractual significance as any other language contained in this Agreement.

19. No Joint Venture. Nothing in this Agreement shall be deemed to constitute a joint venture, partnership, corporation or any other entity taxable as a corporation or otherwise.

20. True Sale. The Company and CSP have structured this Agreement with the intention that each purchase of Accounts Receivable hereunder be treated as a sale of such Accounts Receivable by CSP to the Company. In the event that, contrary to the mutual intent of the Company and CSP, any purchase of Accounts Receivable under this Agreement is not characterized as a sale, CSP shall, effective as of the date hereof, be deemed to have granted (and the CSP hereby does grant) to the Company a first priority security interest in all of CSP's right, title and interest in and to all Accounts Receivable, whether now owned and existing or hereafter acquired or arising, all Related Security and Collections with respect thereto and, to the extent not included in the foregoing, all proceeds of any and all of the foregoing. CSP acknowledges and agrees that the security interest granted herein attaches at the time of delivery of gas to the Customer.

IN WITNESS WHEREOF, the parties hereto executed this Agreement on the day and year first above written.

CSP Name: _____
 Address: _____

Columbia Gas of Virginia, Inc
 290 W Nationwide Blvd.
 Columbus, OH 43215

Signature: _____
 Name: _____
 Title: _____
 Date: _____

Signature: _____
 Name: _____
 Title: _____
 Date: _____