

Energy Choice Glossary

Aggregation

Under Ohio law, persons, local governments, or organizations may band together into an aggregation, or buying group, to negotiate favorable rates for purchasing natural gas. Some potential advantages of aggregation may be the option of locking in a rate for a longer period of time, lower prices, or other benefits for group members.

Basic Service Charge

This charge recovers fixed-cost operating expenses associated with delivering natural gas. It also includes a component that allows the utility to recover a return on its investment in assets used to deliver natural gas for its shareholders, as approved by the PUCO.

Commodity Price

The price for the natural gas itself or simply, gas cost.

Contract Terms and Conditions

The details of an Energy Choice agreement between a customer and supplier that specifies length or duration of the contract (i.e., monthly, yearly, multiple year), gas cost rate, any associated fees, and other important information.

Current Offer

As shown on the PUCO's energychoice.ohio.gov website, a current offer comprises the suppliers' current commodity price, exclusive of sales tax; rate type; introductory price; term length in months; early termination fee; monthly fee and promotional offers. Commodity options may be a fixed, variable, or stable rate plan.

Customer

Any person or entity that is an end user of natural gas and is connected to any part of the delivery system within a natural gas utility service territory within this state.

Default Service / Default Rate

If customers eligible to participate in the Energy Choice program do not choose a natural gas supplier, they will receive natural gas from an approved supplier under one of Enbridge Gas Ohio's default service tariffs, either the Standard Choice Offer (SCO) Commodity Service or the Monthly Retail Rate (MRR) Commodity Service depending on the type of customer. The default rate is the rate corresponding to the SCO service or MRR service. These rates change monthly.

Deregulation

Removal or relaxation of regulations or controls governing business or service operations like utilities. Deregulation in Ohio allows customers to purchase gas from retail suppliers other than the regulated public utility that delivers the gas.

Federal Energy Regulatory Commission (FERC)

An independent federal agency that regulates the interstate transmission of natural gas, oil and electricity.

Fixed Rate Plan

A per unit price for the natural gas commodity that remains constant for the contracted term. Although the per unit price is fixed, the total charge will vary depending on the amount of gas consumed.

Gross Receipts Tax

As a public utility, Enbridge Gas Ohio pays a tax based on its gross receipts for the privilege of doing business in the State of Ohio. This tax is passed through to customers as a charge calculated as 4.6044% of total Enbridge Gas Ohio charges billed. A gross receipts tax is not charged on the natural gas commodity purchased from retail suppliers through the Energy Choice program or on warranty products. Federal government accounts are not subject to the gross receipts tax.

**HEAP**

HEAP is the Home Energy Assistance Program, a federally funded program administered by the Ohio Department of Job and Family Services. It is designed to help eligible low-income Ohioans meet the high costs of home heating. HEAP makes a one-time payment for most PUCO-regulated utility customers reflecting their usage for the current winter heating season.

Large Volume Customer

An Enbridge Gas Ohio customer who uses 3,000 Mcf or more of natural gas per year.

Local Distribution Company (LDC)

The local natural gas distribution utility, regulated by the PUCO, that delivers natural gas to your home or business.

MCF

An abbreviation for one thousand cubic feet, a unit used to measure natural gas usage. This is the unit of measure used by Enbridge Gas Ohio.

Monthly Retail Rate

The default natural gas cost for medium and large nonresidential customers whose Energy Choice or opt-in governmental aggregation contract has expired, if another retail supplier is not selected. Under this rate, Enbridge Gas Ohio assigns a participating supplier to provide gas supply. The rate your supplier charges will be a calculated MRR price determined each month based on the median of each MRR supplier's lowest monthly variable rate offer, or the assigned supplier's monthly variable rate if it is lower than the median price.

Nonresidential Customer Default Service

As defined by the PUCO settlement in Case No. 18-1419-GA-EXM, default gas service options for nonresidential customers are determined based on annual consumption as follows:

Small Nonresidential – Those consuming 200 Mcf of gas or less per year.

Medium Nonresidential – Those consuming more than 200 Mcf per year and up to 500 Mcf of gas per year.

Large Nonresidential – Those consuming more than 500 Mcf of gas or more per year.

NOPEC

Many communities in Northeast Ohio have formed an aggregation called the Northeast Ohio Public Energy Council (NOPEC). NOPEC is the largest such aggregation group in the United States.

NYMEX

The New York Mercantile Exchange (NYMEX) is a public market on which commodities, including natural gas, are bought and sold. Buyers purchase futures contracts on the NYMEX for natural gas that will be delivered at a later date. The month-end settlement price for the coming month's futures contract is the basis for the SSO and SCO rates.

OCC

The Office of the Ohio Consumers' Counsel represents the interests of Ohio's residential utility customers, including in proceedings before the Public Utilities Commission of Ohio.

PIPP Plus

Percentage of Income Payment Plan (PIPP) is a low-income payment assistance plan sponsored by Enbridge Gas Ohio in accordance with PUCO rules. This program is administered by the Ohio Department of Job and Family Services and Enbridge Gas Ohio.

PUCO

The Public Utilities Commission of Ohio (PUCO) affects nearly every household in Ohio. The PUCO regulates providers of all kinds of utility services, including electric and natural gas companies.

Residential Gas Service

A natural gas service provided to any location where the use is primarily of a domestic nature.

**Sales Tax**

When natural gas is purchased from a competitive retail natural gas supplier, the natural gas cost billed is subject to Ohio sales or use tax. Because sales tax rates vary by county throughout Ohio, sales tax is not included in the supplier's total rate on the PUCO's energychoice.ohio.gov website.

Small Commercial Customer

A commercial customer, but not mercantile customer (as defined under division (L) of section 4929.01 of the Revised Code). This is a customer that consumes less than 500 Mcf of natural gas per year for other than residential use.

Standard Choice Offer (SCO)

The Standard Choice Offer is a variable rate that certain eligible customers pay for their natural gas consumption. It is determined monthly by the market price for natural gas (i.e., the NYMEX futures settlement price for the coming month) plus a retail price adjustment determined in an annual auction process. The SCO can be elected by Energy Choice-eligible residential customers and nonresidential customers with annual usage of 200 Mcf or less by contacting Enbridge Gas Ohio, and it is the default rate for these customers who have not chosen a supplier or joined a municipal aggregation program. The SCO may also be elected by medium nonresidential customers with annual usage of more than 200 Mcf and up to 500 Mcf by contacting Enbridge Gas Ohio.

Standard Service Offer (SSO)

Enbridge Gas Ohio's Standard Service Offer commodity service is provided to Energy Choice-ineligible customers and certain transitional customers. The SSO natural gas rate, like the SCO, is based on the NYMEX futures settlement price for the coming month plus the Retail Price Adjustment determined in an annual auction and changes monthly due to fluctuations in the price of natural gas on the NYMEX.

Supplier

The company you choose to provide the supply portion of your natural gas service. You buy your gas from this company and Enbridge Gas Ohio delivers it to your home or business.

Total Rate

Includes the natural gas commodity price plus the usage-based charges.

Usage-Based Charges

The usage-based portion of your bill covers the operating costs associated with natural gas distribution that are charged on a per Mcf basis. This portion is billed separately from the gas cost commodity portion of your bill for Energy Choice-eligible customers. For SSO customers, the gas cost is included. Usage-based charges include applicable volumetric base rate(s), and the following: Excise Tax rider, Percentage of Income Payment Plan rider, Uncollectible Expense rider, competitive retail natural gas service Surcredit rider, Demand Side Management rider and Transportation Migration rider. The usage-based charges change at least quarterly as the various components are revised with approval by the PUCO.

Usage History

The portion of your bill that shows a 13-month comparison of natural gas usage.

Variable Rate

A natural gas commodity price per unit Mcf that fluctuates within the contracted term.