

**RATE FRAS**

**FULL REQUIREMENTS AGGREGATION SERVICE**

**AVAILABILITY**

This service is available to Suppliers delivering gas on a firm basis to the Company's city gate receipt points on behalf of customers receiving firm transportation service from the Company under Rate Schedule FT-L.

**DEFINITIONS**

"Aggregation Service" is a service provided by the Company that allows Suppliers to deliver to the Company, on a combined basis, those natural gas supplies that are needed to satisfy the full firm requirements of the one or more firm transportation customers that comprise the membership of the Supplier's pool, as defined below, all in accordance with the rules established by the Company regarding delivery requirements, banking, billing and payments, and Supplier performance requirements.

"Arrears" means an account that is at least 30 days past due and amounts to at least \$50.

"Commission" means the Kentucky Public Service Commission.

"Customer" means a recipient of transportation service provided by the Company under Rate FT-L that secures its gas supply from a Supplier.

"Gas Supply Aggregation/Customer Pooling Agreement" is an agreement between the Company and Supplier that defines the mutual responsibilities and obligations of those parties relative to the Aggregation Service provided under Rate FRAS.

"Operational Flow Order" (OFO) is a directive issued by the Company via its electronic bulletin board ("EBB") requiring Suppliers to adjust their daily deliveries into the Company's system to either (1) match, (2) match or be less than, or (3) match or be more than their pool's actual daily measured usage for those customers receiving service under Rate FT-L, Rate IT and interruptible special contracts, or deliver at specified city gate receipt points as requested by the Company.

"Over-Deliveries" or "Positive Imbalance Volume" is the amount by which the sum of all volumes actually delivered to the Pool customers during the period is less than the sum of the volumes made available by supplier for redelivery by the Company to the Pool during the same period.



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**DEFINITIONS (Contd.)**

"Pool" is a single customer or group of customers that have been joined together for supply management purposes, and that has a combined annual throughput of at least 30,000 Mcf. Supplier will have a one year period to build their annual pool throughput volume to the indicated level, after which they may be subject to removal from the Program for not having achieved a minimum participation level.

"Program" means the Company's firm transportation/supply aggregation program under Rate FT-L and Rate FRAS.

"Supplier" is a marketer, supplier, broker, pool operator, producer, or other qualified business entity that has joined a group of the Company's firm transportation customers together for gas supply management purposes, meets the qualifications for a "Supplier" set forth in Rate FRAS, agrees to accept responsibility for the aggregate supply management requirements of the pool, and has executed a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company.

"Suppliers Daily Pool Delivery Obligation" is defined as the daily city gate delivery quantities determined by the actual measured usage of customers in Supplier's FT-L Pool adjusted for "unaccounted for" losses back to the Company's city gate stations, and then converted from volumetric to thermal quantities.

"Under-Deliveries" or "Negative Imbalance Volume" is the amount by which the sum of all volumes actually delivered to the Pool customers during the period exceeds the sum of the volumes made available by supplier for redelivery by the Company to the Pool during the same period.

**AGGREGATION AGREEMENT**

Before commencing service hereunder, Supplier must have met the qualifications to act as a program supplier and must have executed a "Gas Supply Aggregation/Customer Pooling Agreement" with the Company. Such agreement shall be for a minimum of two years and shall set forth the mutual obligations and responsibilities of both the Company and the Supplier relative to this aggregation customer pooling service.

The mutual benefits and obligations under the "Gas Supply Aggregation/Customer Pooling Agreement" and under this tariff begin when the Supplier commences to supply pool customers with gas supply service. Supplier's obligations under this tariff and referenced Agreement shall inure to, and be binding on its successors and assigns, survivors and executors or administrators, as the case may be, of the original parties thereto, for the full term thereof. However, no agreement for service may be assigned or transferred without the written consent or approval of the Company, which shall not be unreasonably withheld.



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**REQUIREMENTS FOR PARTICIPATION**

Each Supplier who applies to participate in the Company's Customer Aggregation/Firm Transportation Program will be evaluated to ensure that it possesses the financial resources and sufficient experience that will enable it to perform its responsibilities as a Supplier in the program. On the basis of this evaluation, a Supplier's participation may be limited to a level specified by the Company.

Suppliers not meeting the necessary credit level will be required to provide additional security in the form of a letter of credit, a cash deposit, and/or other appropriate guaranty in order to participate in order for the Company to perform its evaluation, Suppliers will be required to provide the following information:

1. Audited financial statements prepared within the last 12 months;
2. Most recent annual report, 10K or 10Q;
3. A listing of parent company and other affiliates;
4. Names, addresses, and telephone numbers of 3 trade references; and
5. Names, addresses, and telephone numbers of banking institution contacts.

In the event any of the above information is unavailable from a Supplier, the Company may permit the Supplier to provide other verifiable sources of financial information for that Supplier.

Financial evaluations will be based on standard credit factors such as previous customer history, financial and credit ratings, trade references, bank information, unused line of credit, and related financial information. The Company will determine Supplier's creditworthiness based on the above criteria, and it will not deny a Supplier's participation in the Program without reasonable cause. A fee of \$50.00 will be assessed to Supplier for each financial evaluation.

The Company may acquire information regarding Supplier's performance in other programs and other states in order to evaluate supplier's reputation and fitness for inclusion in the Company's Program.

The Company reserves the right to re-evaluate Suppliers' financial standing from time to time. Such re-evaluation may be initiated either by a request from the Supplier or by the Company, if the Company reasonably believes that the creditworthiness of a Supplier may have changed or that the Supplier's participation level has exceeded the level for which the Supplier was previously approved. Based on such re-evaluation, a Supplier's amount of required financial security or approved participation level may be increased or decreased, or the Supplier may be removed from further participation in the Program.



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**SUPPLIER CODE OF CONDUCT**

Each Supplier participating in the Company's transportation programs must:

1. communicate to participating customers in clear, understandable terms the customer's rights and responsibilities. This communication must include (a) the Supplier's customer service address and local or toll-free telephone number; and (b) a statement describing the Supplier's dispute resolution procedures;
2. provide in writing pricing and payment terms that are clearly defined and understandable and that inform consumers whether the price that the customer will pay is inclusive or exclusive of applicable taxes, and Company approved tariff riders and surcharges;
3. refrain from engaging in communications or promotional practices which are fraudulent, deceptive, or misleading;
4. deliver gas to the Company on a firm basis on behalf of the Supplier's pool members in accordance with the requirements of the "Gas Supply Aggregation/Customer Pooling Agreement";
5. establish and maintain a creditworthy financial position that enables Supplier to indemnify the Company and the customers for costs incurred as a result of any failure by Supplier to deliver gas in accordance with the requirements of the program and to assure payment of any KyPSC-approved charges for any such failure;
6. refrain from requesting customer-specific billing, payment, and usage history without first having received the customer's approval to access such information.

Failure to fulfill any of these obligations shall be considered a violation of the Supplier's Code of Conduct.



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**CONSEQUENCES OF SUPPLIER'S FAILURE TO PERFORM OR COMPLY**

If Supplier fails to deliver gas in accordance with the full service requirements of its Pool customers, the Company shall supply gas temporarily to the affected Pool customers and shall bill Supplier the higher of either (1) the fair market price for that period; or (2) the highest incremental cost of gas for that period that the Company actually paid for gas supplies, including transportation and all other applicable charges. The Company shall have the right to immediately and unilaterally invoke Supplier's letter of credit, parental guarantee or any other collateral posted by the Supplier in order to enforce recovery from supplier of the cost of these replacement supplies.

If Supplier fails to deliver gas in accordance with the requirements of the Company's "Gas Supply Aggregation/Customer Pooling Agreement," or otherwise fails to comply with the provisions of this tariff, including those specified in the "Supplier Code of Conduct" section, the Company shall have the discretion to temporarily suspend or terminate such Supplier from further participation in the Program. If Supplier is suspended or terminated from the Company's Program, customers in the Supplier's Pool shall revert to the Company's sales service until said customers join another Supplier's Pool.

If the Company seeks to suspend or terminate a Supplier from further participation in the Company's Program, it shall first notify the Supplier of the alleged violations which merit suspension or termination. Such notice must be in writing and must be communicated to the Supplier at the contact information listed in the "Gas Supply Aggregation/Customer Pooling Agreement" at least five (5) business days prior to the effective date of the suspension or termination.

**BILLING**

Customers receiving service under Rate FT-L will receive two bills as follows:

- (a) The Company bills and collects its portion of the bill. This billing includes charges for local delivery service and all applicable surcharges. In the event that a customer remits to the Company less than the amount included on the Company's bill, the customer shall be subject to the same late charges and disconnection procedures which would be applicable if the customer were receiving service as a Company sales customer.
- (b) Supplier will be responsible for billing and collecting its portion of the bill including any arrearages that are due from Supplier's own prior billings. To facilitate Supplier's billing, the Company will provide the Supplier with a listing of the monthly meter readings and usages of all those customers within Supplier's pool that have been billed by the Company. This billing data will correspond to the consumption data on which the Company based its bill for local delivery service. Supplier is responsible for providing gas supplies to all customers within its pool until the customers are returned to system supply or move to another pool in accordance with the procedures that have been developed for adding and deleting customers from a Supplier's pool.



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**UPSTREAM CAPACITY REQUIREMENTS**

Suppliers participating in the Company's firm transportation program must secure their own upstream pipeline capacity required to meet Supplier's Rate FT-L pool peak day requirements. Due to the physical configuration of the Company's system, and certain upstream interstate pipeline facilities, and to enable the Company to comply with lawful interstate pipeline tariffs and/or to maintain the Company's system integrity, the Company reserves the right to direct Supplier to proportionally deliver, with respect to the Systems' (the Duke Energy Ohio and Duke Energy Kentucky, Inc. integrated operating system) northern and southern interstate pipeline interconnects, the Supplier's daily pool requirements. In those instances where the pool operator delivers gas into the Duke Energy Ohio system and Duke Energy Ohio then delivers said gas to Duke Energy Kentucky, Inc. for delivery to the pool operator's customers located in Kentucky, the pool operator shall pay Duke Energy Kentucky, Inc. for charges from Duke Energy Ohio for delivery of said gas, at the FERC approved rate.

The Company may make available to Suppliers, upstream interstate pipeline capacity. Suppliers accepting this capacity are subject to the terms and conditions of the tariffs of the pipeline companies on whose facilities such capacity is accepted. A Supplier who wishes to contract for released capacity must make a request for a period in excess of thirty days and agree to pay the full contract demand rate which the Company would otherwise pay for the released capacity, in order for supplier to be assured the assignment of such capacity. The Company shall not be obligated to provide requested capacity if it has no surplus capacity beyond the amount needed to supply its Gas Cost Adjustment customers.

**SCHEDULING AND BALANCING REQUIREMENTS**

Suppliers must deliver to the Company daily quantities of gas in accordance with the provisions of Rate IMBS.

No later than one hour prior to the North American Energy Standards Board (NAESB) deadline for the timely nomination cycle, Supplier shall submit a valid nomination through the Company's EBB of its total city gate quantities of gas scheduled for the following gas day. The Company will have no obligation to accommodate post-timely nominations, or changes thereto, that are made after the daily deadline.

Pool operators shall have access to Company offered services including balancing services and imbalance trading privileges in proportion to those services that would be available to the individual customers who comprise their customer pool. Pool operators shall also have access to the daily and monthly usage data for the individual customers that comprise their pool.

Suppliers are subject to OFOs issued by the Company as described below. The Company may suspend from this program any Supplier which does not comply with an Operational Flow Order.



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**MEASUREMENT OF CONSUMED VOLUMES**

Monthly volumes billed to participating customers shall be considered actual volumes consumed, whether the meter reading is actual or calculated.

**OPERATIONAL FLOW ORDERS**

Suppliers are subject to the Company's issuance of Operational Flow Orders which will direct each Supplier to adjust scheduled daily delivery volumes to match the Customer Pool's metered FT-L usage.

Failure to comply with an OFO, which is defined as the difference between the daily OFO required delivery volume and actual daily deliveries, will result in the indicated action and/or billing of the following charges:

**Under-deliveries**

- (1) the payment of a gas cost equal to the highest incremental cost paid by Company on the date of non-compliance, plus transportation and fuel charges to the Company's city gate;
- (2) one month's demand charges on the OFO shortfall. This charge shall not be imposed more frequently than once in any calendar month; and
- (3) the payment of all other charges incurred by Company including but not limited to pipeline penalty charges on the date of the OFO shortfall.

**Over-deliveries**

- (1) Over-deliveries will be cashed out to the Supplier at the lowest cost of gas available to Company on the date of non-compliance, plus transportation and fuel charges to the Company's city gate; and
- (2) Company shall bill and Supplier shall pay any charges incurred by Company including but not limited to pipeline penalty charges from the interstate pipelines for such excess deliveries, provided such penalties can be attributed to Supplier's over-deliveries.



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## COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES

In conducting its Program, the Company will adhere to the following Standards of Conduct for Marketing Affiliates:

- (1) Company must apply any tariff provision relating to transportation services in the same manner for the same or similarly situated persons if there is discretion that may be applied in the application of the provision.
- (2) Company must strictly enforce a tariff provision for which there is no discretion allowed in the application of the provision.
- (3) Company may not, through a tariff provision or otherwise, give any Supplier including its marketing affiliate or customers of any Supplier including its affiliate, preference over any other gas Suppliers or their customers in matters, rates, information, or charges relating to transportation service including, but not limited to, scheduling, balancing, metering, storage, standby service, or curtailment policy. For purposes of the Company's Program, any ancillary service provided by Company, e.g., billing and envelope service, that is not tariffed will be priced and made equally available to all.
- (4) Company must process all similar requests for transportation in the same manner and within the same approximate period of time.
- (5) Company shall not disclose to anyone other than a Company employee any information regarding an existing or proposed gas transportation arrangement, which Company receives from (i) a customer or Supplier, (ii) a potential customer or Supplier, (iii) any agent of such customer or potential customer, or (iv) a Supplier or other entity seeking to supply gas to a customer or potential customer, unless such customer, agent, or Supplier authorizes disclosure of such information.

**CANCELLED**

January 3, 2026

**KENTUCKY PUBLIC  
SERVICE COMMISSION**

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**KENTUCKY  
PUBLIC SERVICE COMMISSION**

**Linda C. Bridwell**  
Executive Director



**EFFECTIVE**

**1/4/2022**

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

**COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Contd.)**

- (6) If a customer requests information about Suppliers, the Company must provide a list of all Suppliers operating on its system, but shall not endorse any Supplier nor indicate that any Supplier will receive a preference because of a corporate relationship.
- (7) Before making customer lists available to any Supplier, including any Company marketing affiliate, Company will post on its electronic bulletin board a notice of its intent to make such customer list available. The notice will describe the date the customer list will be made available, and the method by which the customer list will be made available to all Suppliers.
- (8) The Company will, to the extent practicable, separate the activities of its operating employees from its affiliate marketing employees in all areas where their failure to maintain independent operations may have the effect of harming customers or unfairly disadvantaging unaffiliated Suppliers.
- (9) Company must not condition or tie its agreements for gas supply or for the release of interstate pipeline capacity to any agreement by a gas supplier, customer or other third party in which its marketing affiliate is involved.
- (10) Company and its marketing affiliate must keep separate books of accounts and records.
- (11) Neither the Company nor its marketing affiliate personnel shall communicate to any customer, Supplier or third party the idea that any advantage might accrue for such customer, Supplier or third party in the use of Company's service as a result of that customer's, Supplier's or other third party's dealing with any Supplier including its marketing affiliate.
- (12) The Company's complaint procedure for resolving issues concerning compliance with these standards of conduct will operate as follows. All complaints, whether written or verbal, will be referred to the Company's designated attorney. The Company's designated attorney will orally acknowledge the complaint within five (5) working days of receipt. The complainant party shall prepare a written statement of the complaint which will contain the name of the complainant and a detailed factual report of the complaint, including all relevant dates, companies involved, employees involved, and specific claim. The Company's designated attorney must communicate the results of the preliminary investigation to the complainant in writing within thirty (30) days after the complaint was received including a description of any course of action which was taken. He or she must keep a file with all such complaint statements for a period of not less than three years.

**CANCELLED**

January 3, 2026

**KENTUCKY PUBLIC  
SERVICE COMMISSION**

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**EFFECTIVE**

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**COMPANY STANDARDS OF CONDUCT WITH RESPECT TO MARKETING AFFILIATES (Contd.)**

- (13) If the Company offers any Supplier, including its affiliate or a customer of any Supplier, including its affiliate a discount, or fee waiver for transportation services, balancing, meters or meter installation, storage, standby service or any other service offered to shippers, it must prospectively offer such discounts, rebates or fee waivers to all similarly situated non-affiliated suppliers or customers under similar terms and conditions.
- (14) The Company will not use its name and logo in its marketing affiliate's promotional material, unless the promotional material discloses in plain, legible or audible language, on the first page or at the first point where the Company's name and logo appear, that its marketing affiliate is not the same entity as the Company. The Company is also prohibited from participating in exclusive joint activities with any Supplier, including its affiliate, such as advertising, marketing, sales calls or joint proposals to any existing or potential customers.

**OTHER RULES AND REGULATIONS**

Except to the extent superseded herein, the Company's Rules and Regulations Governing the Distribution and Sale of Gas and such other Commission rules as are applicable shall apply to all gas transportation service provided hereunder.



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