

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

This Agreement made this _____ day of _____, 20____, (“Agreement”) by and between _____ located at _____ (the “Supplier”), and Columbia Gas of Pennsylvania, Inc. (the “Company”), 290 W. Nationwide Blvd., Columbus, OH 43215.

WHEREAS, the Company has instituted a service regulated by the Pennsylvania Public Utility Commission (“Commission”) in which it offers gas distribution service to residential and small commercial customers of the Company (“Choice Service”);

WHEREAS, the Choice Service contemplates that the Company’s customers will secure their gas supplies competitively, through a natural gas supplier that has been licensed to supply natural gas in Pennsylvania and is eligible to provide service on the Company’s system, and that the Company’s customers will continue to use the Company to distribute the gas supplies;

WHEREAS, the Choice Service provides that the Company, at its option, may purchase the accounts receivable from participating Suppliers who desire the Company to make such purchases;

WHEREAS, the Supplier is participating in the Choice Service, and the Supplier desires to have the Company purchase its accounts receivable and the Company has agreed to purchase the Supplier’s accounts receivable;

NOW THEREFORE in consideration of the mutual promises and covenants contained in this Agreement, the Supplier 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 the Supplier under the Company’s Choice Service and delivered on the Company’s distribution system, whether billed or unbilled. This definition does not include any Company distribution charges or the applicable sales tax.
 - b. “**Adder**” means the fixed administrative adder of 0.59% as defined in paragraph 9(e) of the Joint Petition for Settlement of All Issues at Commission Docket No. P-2009-2099333. The Adder will be permanently eliminated once actual costs of making modifications to the way the Company purchases Accounts Receivable are recovered, but may be suspended intermittently, and then reinstated for a period of time, in order for the Company to reconcile the administrative costs.
 - c. “**Billing Option**” means the billing option as described in the Rules Applicable Only to Choice Service in the Company’s tariff.
 - d. “**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.

- e. “Customer” means the Company’s customers who are participating in the Company’s Choice Service, who are being provided natural gas by the Supplier, and who are being billed under Billing Option 2. Under no circumstances shall the term “Customer” include the Company’s customers who are not participating in the Choice Service or who are not being provided natural gas by the Supplier.
 - f. “Customer Base” means the entire group of Customers for which the Supplier is providing natural gas and the Company is purchasing the accounts receivable from the Supplier pursuant to this Agreement.
 - g. “Supplier Agreement” means any and all agreements between the Supplier and the Company and/or all applicable tariffs of the Company as approved by the Commission, which govern the relationship between the Supplier and the Company. The Supplier Agreement is hereby incorporated by reference and made part of this Agreement.
 - h. “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 Supplier’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 Supplier, and the Supplier agrees to sell to the Company, the Supplier’s Accounts Receivable in accordance with the terms and conditions of this Agreement, the Company’s tariff, the Commission-approved Joint Petition for Settlement of all Issues at Commission Docket No. P-2009-2099333 (the “Settlement”) and subsequent rules adopted by the Commission applicable to the Company’s purchase of Suppliers’ Accounts Receivable, including the following requirements:
- a. The Company shall make purchases on a daily basis beginning on the commencement date of this Agreement (pursuant to 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 Supplier on the date such Account Receivable comes into existence, final settlement of the price between the Company and the Supplier shall be effected on a monthly basis as provided in Paragraph 5 with respect to all Receivables 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

4. Price. The Company shall purchase the Supplier's Accounts Receivable at a discount of the total amount billed by the Supplier to its total Customer Base for providing natural gas supplies to the Customer Base for that month. The discount to be applied is based upon the Company's experienced uncollectible accounts expense ratio as established in its then most recently-concluded base rate proceeding plus the Adder. The Company shall calculate the amount due the Supplier by first adding together all of the bills for natural gas sold to Customers in the Supplier's Customer Base, and then multiplying that total amount by the sum of one hundred percent (100%) minus the discount. 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, the Company shall make payment to the Supplier for the Accounts Receivable being purchased within thirty (30) days after the last unit billed in any billing cycle. Subject to the provisions of Paragraphs 3, 8 and 10, said monthly payment shall be made to the Supplier by the Company regardless of whether any particular Customer or Customers in the Supplier's Customer Base pays their bill(s).
6. Sales Tax Responsibility/Indemnification. The Supplier, and not the Company, is fully responsible for all Pennsylvania sales tax deficiencies and audits regarding the Supplier's sale of the natural gas commodity to the Customer. The Company acknowledges that it is providing a service to the Supplier in those situations where the Company collects the sales tax and remits the sales tax over to Pennsylvania. The Supplier also acknowledges that it is responsible for collecting and maintaining Pennsylvania sales tax exemption certificates from the Customers and informing the Company as to which Customers are not required to pay the sales tax. The Company is fully responsible for all Pennsylvania sales tax deficiencies and audits regarding the Company's charges related to the distribution of the natural gas commodity to the Customer. To the fullest extent allowed by law, the Supplier shall defend, indemnify, and hold the Company harmless from any and all costs, claims, damages, fines, taxes and any penalties and interest thereon, relating in any way to: (i) the Company's reliance on information or directives provided by Supplier to Company, or (ii) the Company's collection or remittance or failure to collect or remit sales taxes on Supplier's behalf, or (iii) the failure of the Supplier to satisfy its tax obligations related to the sale of natural gas. The Company is only responsible for Pennsylvania sales tax deficiencies and audits regarding the Company's charges directly related to its distribution of the natural gas commodity to the Customer. The obligations of Supplier to defend indemnify and hold Company harmless shall survive the termination or expiration of this Agreement.
7. Late Payment Fees. The Company shall be entitled to collect and retain from the Customers any and all late payment fees specified in the tariff.
8. Adjustments. The Company reserves the right to adjust the Supplier's account with regard to Accounts Receivable purchases for up to two (2) years after the original billing date for any individual Customer's bill at issue for accounting errors or any other necessary adjustment. Consistent with paragraph 4, the discount will be adjusted based

upon the Company’s experienced uncollectible accounts expense ratio as established in its then most recently-concluded base rate proceeding.

9. Additional Actions. Supplier agrees to provide the Company with any additional documents and take any additional steps that the Company may request to perfect the Company’s interest in the Accounts Receivable being sold and assigned to the Company pursuant to this Agreement, and the Supplier hereby authorizes the filing of UCC-1 financing statements to perfect the Company’s interest.
10. Right of Set-Off. If the Supplier 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 Supplier. In calculating the payment due the Supplier under this Agreement, said amounts owed by the Supplier to the Company shall be deducted from the amount to be paid to the Supplier (see Paragraph 4) after the discount is applied to total amount billed by the Supplier to its total Customer Base for providing natural gas supplies to the Customer Base for that month.
11. Binding Agreement. This Agreement shall be binding upon the parties hereto, their heirs, executors, administrators, successors and assigns.
12. Assignment. This Agreement may be assigned only with the prior written consent of the Company.
13. Notice and Payments. If requested by the Supplier in writing, all payments to the Supplier under this Agreement shall be made by wire transfer pursuant to the wire instructions provided by the Supplier to the Company. All notices to the Supplier and the Company which are provided for in this Agreement shall be duly delivered to the post office address as follows:

Supplier

Supplier’s legal name: _____
 Address: _____
 Contact Name: _____
 Telephone number: _____
 Email: _____

Company

Columbia Gas of Pennsylvania Inc.
 Attn: Choice Program Management
 290 W. Nationwide Blvd.
 Columbus, Ohio 43215
 Email: Choice@nisource.com

14. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall in all respects be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania (without regard to the conflict of law principles of such Commonwealth), including all matters of construction, validity and performance. 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 Commonwealth of Pennsylvania 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.

15. 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.
16. Headings. All headings contained in this Agreement are for convenience only and shall not, in any way, affect the meaning of any provision hereof.
17. 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.
18. Signatures. Facsimile signatures of the parties on this instrument and any amendment thereto, shall be legally binding.
19. 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.
20. 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.
21. 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.
22. True Sale. The Company and the Supplier have structured this Agreement with the intention that each purchase of Accounts Receivable hereunder be treated as a sale of such Accounts Receivable by the Supplier to the Company. In the event that, contrary to the mutual intent of the Company and the Supplier, any purchase of Accounts Receivable under the Accounts Receivable Purchase Agreement is not characterized as a sale, the Supplier shall, effective as of the date hereof, be deemed to have granted (and the Supplier hereby does grant) to the Company a first priority security interest in all of Supplier'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. The Supplier 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.

Supplier Name: _____
Address: _____

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

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

Signature: _____
Name: Kylia Davis
Title: Manager Choice &
Transportation Support Services
Date: _____