

FIRM TRANSPORTATION GAS SUPPLIER PRESENTATIONS



PURCHASE OF ACCOUNTS RECEIVABLE (PAR)

WHAT IS PAR?

- PAR is when the utility pays the supplier for their charges on the utility consolidated invoice at a discounted rate
- Currently, there is no discount rate – supplier charges are paid at 100%
- In order to participate in the PAR Program a supplier must:
 - Sign an Account Receivables Purchase Agreement with Duke Energy Ohio
 - Use Duke Energy Ohio's Consolidated Billing Option
 - Agree to all PAR provisions in Rate FRAS and Rate ARM

HOW PAR WORKS

- Duke Energy will purchase all receivables of a supplier (active in PAR Program) for accounts it bills on behalf of the supplier under the Utility Consolidated Rate-Ready Billing Option
- A supplier may not choose to have some utility consolidated billing accounts purchased and others not purchased

HOW RECEIVABLES ARE PURCHASED

- Within one (1) business day of validating the meter read, Duke Energy Ohio prints its invoices for a given billing cycle containing rate-ready supplier charges
- Duke Energy notifies the supplier of the amounts billed for each account being purchased
- Via wire transfer, payment is made within twenty (20) business days following the end of each month in which the customers' accounts are billed
- The amount transferred is the invoiced amount for natural gas delivered by the supplier, taxes associated therewith, less the agreed upon discount rate