

**SECTION IV
COMPANY AND CERTIFIED SUPPLIER OBLIGATIONS (GENERAL TERMS)**

4.1. Availability of Certified Supplier Services

The Company or its agent shall make available, at a tariffed rate, Certified Supplier Services, as defined in the attached rate schedules. In the event of a transmission constraint, the Certified Supplier or its designated TSA shall be responsible for making necessary arrangements for the delivery of electrical energy into the Cinergy Control Area.

4.2. Timeliness and Due Diligence

Certified Suppliers shall exercise due diligence in meeting their obligations and deadlines under the Certified Supplier Tariff so as to facilitate the Customer Choice Program.

4.3. Duty of Cooperation

The Company and each Certified Supplier or its designated TSA will cooperate in order to ensure delivery of Competitive Retail Electric Service to End-use Customers as provided for by the Certified Supplier Tariff, Retail Tariff Rate Schedules, the OATT, the Ohio Revised Code, and orders of the Commission.

4.4. State Licensing

A Certified Supplier must have and maintain certification from the Commission as an authorized Certified Supplier in order to be eligible to participate in the Company's Customer Choice Program.

4.5. Registration and Participation Requirements

Each Certified Supplier desiring to register in the Company's Customer Choice Program must meet the registration and participation requirements described in Section V of these Service Regulations.

4.6. Energy Procurement

A Certified Supplier or its designated TSA shall make all necessary arrangements for obtaining Competitive Retail Electric Service in a quantity sufficient to serve its End-use Customers.

4.7. Certified Supplier Wholesale Power Responsibilities

A Certified Supplier or its designated TSA is responsible for procuring those Ancillary and Interconnected Operations Services that are necessary for the delivery of Competitive Retail Electric Service to its End-use Customers.

4.8. Multiple Certified Suppliers

Only one Certified Supplier shall provide Competitive Retail Electric Service to a specific End-use Customer's account during any given Billing Cycle.

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4.9. Partial Competitive Retail Electric Service

An End-use Customer is not permitted to have partial Competitive Retail Electric Service. The Certified Supplier shall be responsible for providing the total energy consumed by the End-use Customer's account during any given Billing Cycle.

4.10. Retail Energy Imbalance

At the time Energy Imbalance occurs, the Cinergy Control Area will not have real-time data available for each End-use Customer's consumption. However, metering on the Cinergy Control Area Transmission System will allow such imbalances to be detected, and the Cinergy Control Area will react accordingly. Specifically, if consumption is greater than the scheduled amount, Cinergy Control Area will automatically supply its own power to make up for the deficiency. If consumption is less than the scheduled amount, Cinergy Control Area will automatically back down its own generation by the amount of oversupply. Energy Imbalance will be settled according to the provisions set forth in the OATT.

Energy Imbalance will be charged according to the OATT Schedule 4R Retail Energy Imbalance. Such Charges shall be billed directly to the Certified Supplier or its designated TSA, whichever entity is the Transmission Customer. Any default or dispute concerning Energy Imbalance will be settled in accordance with the OATT.

Calendar month hourly Energy Imbalances will be supplied to the entity acting as TSA within sixty (60) days after the end of a calendar month.

4.11. Real Power Transmission Losses

A Certified Supplier or its designated TSA must arrange for real power losses on the Cinergy Bulk and the Company's Common transmission systems, as set forth in the OATT and associated business practices.

4.12. Distribution Losses

In addition to supplying the energy to serve End-use Customer load, a Certified Supplier or its designated TSA will be responsible for scheduling and supplying the associated Distribution Losses.

4.13. Back-up Generation

If notice is received that the Certified Supplier/TSA relationship is terminated, the Company shall be the back-up supplier of energy. The Certified Supplier shall either designate another TSA or assume the TSA function itself (if eligible) within five (5) business days of the termination of the Certified Supplier/TSA relationship. The new entity acting as the TSA shall begin scheduling power within ten (10) business days after designation by the Certified Supplier. The Certified Supplier may be on Back-up Generation service for a total of fifteen (15) business days. The Certified Supplier agrees to pay the Company such Charges defined in the Certified Supplier Back-up Generation Charges, until the new TSA's services are active. The Certified Supplier's failure to comply with these requirements shall render it in default as described in Section XX of the Certified Supplier Tariff.

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4.14. Scheduling

A Certified Supplier or its designated TSA must make all necessary arrangements for scheduling the delivery of energy, including, but not limited to, providing for real power transmission and Distribution Losses, into the Company's service territory pursuant to the OATT.

4.15. Consolidated Scheduling

Schedules may be combined if submitted to a single dispatch center using a single class of transmission service (e.g. network service) and the transmission service, for all loads scheduled, provides for the same method of calculating Energy Imbalance settlements. Such consolidated scheduling, shall, for example, permit the combined scheduling of retail loads across affiliated utilities in a single state that use a single dispatch center and for combined scheduling for retail and wholesale loads under the above stated circumstances.

4.16. Reliability Requirements

A Certified Supplier or its designated TSA shall satisfy all reliability requirements issued by the Commission, ECAR, NERC, or any successor organizations or any other governing reliability councils with authority over the Certified Supplier or its designated TSA. Any penalties or sanctions issued by such organizations' governing reliability councils to the Cinergy Control Area will be apportioned by the Cinergy Control Area Operator, in its sole discretion, to any Certified Supplier or its designated TSA whose actions contributed to the violation. A Certified Supplier or its designated TSA shall abide by the decisions and actions of the Cinergy Control Area Operator in regards to standard operating policies established by ECAR, including the ECAR reserve sharing program, and apportionment of penalties or sanctions.

4.17. Supply of Data

A Certified Supplier, TSA, and the Company shall supply to each other all data, materials or other information specified in this Certified Supplier Tariff, or otherwise reasonably required by the Certified Supplier, TSA or Company in connection with the provision of Certified Supplier Services, in a thorough and timely manner and according to the inspection procedures and within the time period reasonably designed to protect the confidentiality of the information requested to be reviewed.

4.18. Communication Requirements

A Certified Supplier or its designated TSA must be equipped with the communications capabilities necessary for a TSA to conduct business as a transmission customer. A TSA must have installed communication capabilities that enable it to reserve and confirm transmission and ancillary services on the transmission provider's OASIS and submit NERC electronic tags for each transaction. As industry standards for communication capabilities change, the TSA must make the necessary changes to continue to conduct business as a transmission customer.

4.19. Record Retention

A Certified Supplier, its designated TSA and the Company shall comply with all applicable laws, Commission and FERC rules and regulations for record retention. In addition, a Certified Supplier and its designated TSA shall comply with the record retention requirements set forth in these Service Regulations.

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4.20. Payment Obligation

The Company shall not be required to provide Certified Supplier Services to a Certified Supplier unless the Certified Supplier is current in its payment of all Charges owed under this Certified Supplier Tariff.

4.21. Certified Supplier Marketing and Solicitation

Each Certified Supplier participating in the Company's Customer Choice Program shall follow the Commission rules for Competitive Retail Electric Service providers.

4.22. Company Standards of Conduct with Respect to Marketing Affiliates

The Company shall follow the Commission established Standards of Conduct with respect to marketing affiliates.

4.23. Emergency Operation

If the Cinergy Control Area Operator determines that an emergency exists, the Certified Supplier or its designated TSA shall comply with the Cinergy Control Area Operator's directives.