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February 27, 2008

PUCO

Chief of Docketing
Public Utilities Commission of Ohio
Docketing Division, 13th Floor
180 East Broad Street
Columbus, Ohio 43215-3793

RE: Natural Gas Governmental Aggregation Opt-Out Notice to Newly Eligible Customers in the City of Canton (Case Number 02-1710-GA-GAG).

Enclosed please find an original and ten copies of the opt-out notice being sent to newly eligible customers in the community's natural gas aggregation program.

The mailing is currently scheduled to begin March 6, 2008 and the opt-out period is currently scheduled to end on or about March 27, 2008.

Independent Energy Consultants, Inc. is providing aggregation consulting services to the city of Canton and is filing this application on their behalf.

If you have any additional needs or questions, please call me at 330 995-2675 or email me at mburns@naturalgas-electric.com

Sincerely,

Mark R. Burns
President

Enclosures

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Natural Gas Governmental Aggregation Program



March X, 2008

Dear City of Canton Natural Gas Customer:

Vectren Source is pleased to have been selected to continue serving as the natural gas supplier for your City's Municipal Aggregation Program for another 2 years. Vectren Source, in cooperation with the City of Canton, is providing you with the opportunity to join the program with other Canton residents and small commercial customers in the natural gas *governmental aggregation* program. City Council previously approved an ordinance authorizing the creation of a program that automatically aggregates natural gas consumers within your city limits in order to maximize the buying power of its citizens. In November 2001, the city voters authorized the Council to create this purchasing group. Since that time, the City has: (a) become certified by the Public Utilities Commission of Ohio as a Government Aggregator; (b) approved a Plan of Operation and Governance; and (c) decided to continue the opt-out program for another 2 years. This phase of the aggregation program for the City of Canton will begin with your May 2008 billing cycle and end with your April 2010 billing cycle.

You will be automatically enrolled in The City of Canton Natural Gas Aggregation Program and there is no cost for enrollment. If you choose to opt-out of this program, you will revert to service by Dominion East Ohio Gas ("DEO") unless and until you choose another supplier.

If you wish to be excluded, you must return the enclosed "opt-out" postcard within 21 calendar days after the postmark on this notice, or you can call Vectren Source, toll free, at 1-866-200-4793. The City's new program with Vectren Source has several features we think you will find attractive. 1. The city will have the flexibility to select a variable price that changes every month if the city believes it is in your best interest. The city will also be able to lock-in a fixed-rate for any period of time if and when the city believes market conditions are favorable. 2. You will be able to leave the program free of charge at any time for any reason. 3. Finally, as a way of saying thank you for your business, Vectren Source is offering the voluntary Rewards+ Program to anyone participating in the natural gas aggregation program. Rewards+ offers valuable discounts on select merchandise and services, and it does not increase your natural gas rates in any way. If you become a new member in the aggregation group, you will receive a letter from DEO advising you of your impending transfer to Vectren Source, and advising you to contact DEO if you do not wish to be included in the Program. Again, if you would like to participate in the Aggregation Program, simply ignore that letter.

In Ohio's restructured natural gas environment, DEO will continue to maintain the pipeline system that delivers natural gas to your home or business and they will still read your meter and respond to emergencies. You will continue to receive a single, easy to read bill from DEO including Vectren Source's charges. You will still contact DEO regarding loss of gas service, odor of gas, or for any other concerns or issues having to do with your local service. Budget billing and automatic billing options will continue to be available through DEO.

If you have any questions, please call Vectren Source at 1-866-200-4793 8am to 8pm, Monday through Friday. For general information on natural gas deregulation in Ohio, you can also visit the Web Sites of the Ohio Consumer's Counsel (www.pickocc.org) or the Public Utilities Commission of Ohio (www.PUCO.ohio.gov).

We are pleased to continue serving the residents of Canton.

Sincerely,

Greg Collins, President
Vectren Source

P.S. Remember to return the "Opt-Out" form or call Vectren Source only if you do not want to participate in the City of Canton Natural Gas Aggregation Program.

If the home or small business for which you have received this letter is not located within the jurisdictional limits of the City of Canton you have received this letter in error. Please contact Vectren Source at 1-866-200-4793 to be removed from the aggregation list.



P.O. Box 3037 • Evansville, IN 47703-3037

Address Service Requested

Opt-Out Form on Reverse Side

**City of Canton
Natural Gas
Governmental Aggregation Program**

***** postal presort *****

JOHN A. SAMPLE
1234 MAIN STREET
ANYTOWN USA 12345-6789



Terms & Conditions

Parties: Vectren Retail, LLC ("VECTREN SOURCE") will supply the commodity portion of my ("Customer") natural gas as part of my community's Government Aggregation Program ("Program"). Dominion East Ohio Gas ("DEO") will remain my Natural Gas Distribution Company ("NGDC").

Term: The term of this Agreement will begin with initial gas deliveries enabled by the Program and will continue through the April 2010 billing cycle ("Current Term").

Enrollment: Customer's service with VECTREN SOURCE will commence upon the successful completion of the Program's opt-out period and enrollment process with DEO, which is expected to commence within one or two billing cycles following completion of the opt-out period.

Rate: Customer price will be calculated using the applicable weighted (NYMEX Price x 1.031) plus \$1.35/MCF. This price formula will be used to set each monthly price or, at the direction of the community to set a stable price for any period through March 2010. If the NYMEX price is not otherwise triggered by the community, the NYMEX Settle for the month of gas flow will be used for the NYMEX value in the formula.

Regulatory Jurisdiction: The Municipal Aggregation Program as well as competitive retail access pursuant to which VECTREN SOURCE shall supply natural gas is subject to ongoing jurisdiction of the Public Utilities Commission of Ohio ("PUCO"). If the Program is terminated by the PUCO, then both you and VECTREN SOURCE have the right to terminate this Agreement without penalty to either party.

Billing: VECTREN SOURCE will place its charges for the natural gas delivered on Customer's DEO bill. VECTREN SOURCE's commodity charge will be separately identified among those charges Customer regularly receives from DEO. Customer agrees to pay VECTREN SOURCE's commodity charges in accordance with the payment procedures implemented by DEO.

Customer Service: Should Customer have any questions or comments concerning VECTREN SOURCE's services, Customer can call VECTREN SOURCE toll free at

1-866-306-8136 during the hours of 8am to 8pm EST, Monday through Friday, contact VECTREN SOURCE by mail at P.O. Box 3037, Evansville, IN 47730-3037 or by e-mail at customerservice@vectrensource.com. Should a dispute arise between Customer and VECTREN SOURCE that cannot be resolved by a VECTREN SOURCE Customer Service Representative, then that dispute will be referred to a VECTREN SOURCE Customer Service Manager for consideration. A determination regarding the dispute will be communicated to Customer either by telephone, regular mail or electronically. If your complaint is not resolved after you have called VECTREN SOURCE, or for general utility information, residential and business customers may call the Public Utilities Commission of Ohio (PUCO) toll free at 1-800-686-7826 or for TDD/TTY toll free at 1-800-686-1570, from 8:00am to 5:00pm weekdays or visit www.puco.ohio.gov.

Residential customers may call the Ohio Consumers' Counsel ("OCC") toll free at 1-877-742-5622 from 8:00am to 5:00 pm weekdays, or visit the OCC website at www.pickoc.org or as otherwise specified by the OCC.

Rescission and Cancellation of Contract: If Customer is a new participant to the Program, DEO will send Customer a letter confirming Customer's enrollment with VECTREN SOURCE. Customer has seven (7) business days from the postmark date of that letter ("rescission period") to change his/her mind and to rescind Customer's enrollment by contacting DEO at 1-800-362-7557. If Customer voluntarily returns to DEO after having selected VECTREN SOURCE as Customer's marketer, Customer may be charged a price other than the DEO Standard Service Offer rate. Also, should Customer decide to switch from one marketer to another, DEO may impose a switching fee if provided for by the DEO tariff. If Customer is a current participant of the Program and wishes to cancel participation, customer may contact Vectren Source at 1-866-306-8136 and Vectren Source will process the customer's request. This request to cancel will become effective on the customer's next regularly scheduled meter reading date.

Contract Termination: This Agreement shall terminate automatically if: a) the requested service location is not served by DEO; b) Customer relocates; or c) VECTREN SOURCE returns Customer to utility service if such termination is permitted by this Agreement. Customer has the right to terminate this Agreement if: a) Customer relocates; or b) for the same reasons that VECTREN SOURCE has a right to terminate this Agreement.

Payment Information: Customer has the right to request, without charge, up to twenty-four months of payment history for services performed by VECTREN SOURCE.

Non-disclosure of Information: VECTREN SOURCE will not release Customer's account number or Customer's social security number (if Customer provided it) without Customer's affirmative written consent.

Assignment: This contract is assignable by VECTREN SOURCE without Customer's consent subject only to any regulatory approvals.

Eligibility: This Agreement is for residential and small commercial customers who satisfy PUCO and DEO tariff eligibility criteria. Also, VECTREN SOURCE reserves the right at any time to terminate service to Customer locations that consume more than 500 MCF per year and return Customer to DEO with no penalty to either party. Further, participation in the program is subject, in part, to the rules implemented by DEO and, as a result, customers are sometimes terminated from the competitive retail access program. Regardless of the reason for termination, in no case will the Term be extended for months that Customer was unable to participate nor will VECTREN SOURCE have any liability for any early termination or for any months that Customer was unable to participate in the program.

Limitation of Liability: VECTREN SOURCE assumes no liability or responsibility for losses or consequential damages arising from items associated with DEO, including, but not limited to: operations and maintenance of their system; any interruption of service; termination of service; or deterioration of service, nor does VECTREN SOURCE assume responsibility or liability for damages arising from any in-home or building damages and in addition shall not be responsible for any indirect, consequential, special or punitive damages whether arising under contract, tort (including negligence or strict liability) or any other legal theory.

Excuse of Performance: If an event of Force Majeure occurs, the prevention of which is beyond the control of Vectren Source (including, but not limited to, an Act of God, an extraordinary weather problem, a failure of the utility's distribution system, a civil disturbance or a national emergency), that prevents Vectren Source from performing Vectren Source's obligations under these terms and conditions of Agreement, Vectren Source's performance obligations shall be considered excused.

Opt-Out Form City of Canton Natural Gas Governmental Aggregation Program

By returning this signed form, you will be excluded from the opportunity to join other customers in the City of Canton Natural Gas Governmental Aggregation Program.

☐ I wish to opt out of the City of Canton Natural Gas Governmental Aggregation Program (Check box to opt out.)

Dominion East Ohio account holder name (please print clearly):

Account Holder's Signature:

Service Address: (Street Address, City and Zip)

Phone Number:

Date:

13-digit account number as it appears on your natural gas bill:
0000123456789

If the 13-digit account number that appears above is incorrect, please print the correct 13-digit account number in the space provided below:

