

FILE



INDEPENDENT
ENERGY CONSULTANTS

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22
Phone: 330 995-2675
Toll Free: 888 862-6060
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naturalgas-electric.com

June 4, 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 Aggregator Certification Renewal Application for the City of Canton (Case Number 02-1710-GA-GAG)

Enclosed please find an original and ten copies of the renewal application for certification as a Governmental Aggregator of Natural Gas for the City of Canton.

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

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business
Technician And Date Processed 6/6/08
820 Deepwoods Dr. Aurora, Ohio 44202



PUCO USE ONLY – Version 1.07		
Date Received	Renewal Certification Number	ORIGINAL GAG Case Number
		02 - 1710 - GA-GAG

RENEWAL CERTIFICATION APPLICATION OHIO NATURAL GAS GOVERNMENTAL AGGREGATORS

Please **type or print** all required information. Identify all attachments with an exhibit label and title (*Example: Exhibit B-1 – Authorizing Ordinance*). All attachments should bear the legal name of the Applicant. Applicants should file completed applications and all related correspondence with the Public Utilities Commission of Ohio, Docketing Division, 13th Floor, 180 East Broad Street, Columbus, Ohio 43215-3793.

This PDF form is designed so that you may directly input information onto the form. You may also download the form by saving it to your local disk.

SECTION A - APPLICANT INFORMATION

A-1 Renewal Applicant information:

Legal Name City of Canton Ohio
Address 218 Cleveland Avenue S.W., Canton, OH 44702
Telephone No. 330-489-3251 Web site address www.cityofcanton.com
Current PUCO Certificate Number 02-015(2) Effective Dates 08-6-2006 - 08-6-2008

A-2 Contact person for regulatory or emergency matters:

Name Joseph Martuccio Title Law Director
Business Address 218 Cleveland Avenue S.W., Canton, OH 44702
Telephone No. 330-489-3251 Fax No. 330-489-3374 Email Address jmcarman@ci.canton.oh.us

A-3 Contact person for Commission Staff use in investigating customer complaints:

Name Mark R. Burns Title President, Independent Energy Consultants, Inc.
Business address 820 Deepwoods Drive Aurora, Ohio 44202
Telephone No. 330-995-2675 Fax No. 216-274-9176 Email Address mburns@naturalgas-electric.com

A-4 Applicant's address and toll-free number for customer service and complaints:

Customer service address 820 Deepwoods Drive Aurora, Ohio 44202
Toll-Free Telephone No. 888-862-6060 Fax No. 216-274-9176 Email Address mburns@naturalgas-electric.com

SECTION B - APPLICANT AUTHORITY AND AGGREGATION PROGRAM INFORMATION

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED

- B-1 Exhibit B-1 "Authorizing Ordinance,"** provide a copy of the adopted ordinance or resolution that reflects voter authorization to form a governmental aggregation program pursuant to Sections 4929.26 and 4929.27 of the Ohio Revised Code.
- B-2 Exhibit B-2 "Operation and Governance Plan,"** provide a copy of the applicant's plan for operation and governance of its aggregation program adopted pursuant to Sections 4929.26(C) or 4929.27(B) of the Revised Code. The Operation and Governance Plan should include all information pursuant to Rule 4901:1-28-03 of the Ohio Administrative Code.
- B-3 Exhibit B-3 "Automatic Aggregation Disclosure Notification,"** if the aggregation program provides for automatic aggregation in accordance with Section 4929.26(A) of the Revised Code, provide a copy of the disclosure notification required by Section 4929.26(D) of the Revised Code,
- B-4 Exhibit B-4 "Opt-Out Notice,"** provide a draft copy of the applicant's opt out notice that comports with the Opt-Out disclosure requirements pursuant to Rule 4901:1-28-04 of the Ohio Administrative Code. *(Ten days prior to public dissemination, the applicant shall docket with the Commission, the finalized Opt-Out notice that provides or offers natural gas aggregation service.)*
- B-5 Exhibit B-5 "Experience,"** provide a detailed description of the applicant's experience and plan for: providing aggregation services (*including contracting with consultants, broker/aggregators, retail natural gas suppliers*); providing billing statements; responding to customer inquiries and complaints; and complying with all applicable provisions of Commission rules adopted pursuant to Section 4929.22 of the Ohio Revised Code and contained in Chapter 4901:1-29 of the Ohio Administrative Code.

Applicant Signature and Title



Canton Law Director

Sworn and subscribed before me this

3rd

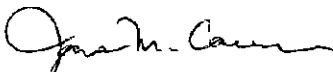
day of

JUNE

Month

2008

Year



Signature of official administering oath

JANE M. CARMAN, NOTARY PUBLIC

Print Name and Title

My commission expires on

6/23/09



The Public Utilities Commission of Ohio

Ohio Natural Gas Governmental Aggregation
Affidavit Form
(Version 1.07)

In the Matter of the Application of)

City of Canton Ohio)

for a Certificate or Renewal Certificate to Provide)

Natural Gas Governmental Aggregation Service in)
Ohio.

Case No. 02-1710

-GA-GAG

County of Stark
State of Ohio

Joseph Martuccio, Law Director

[Affiant], being duly sworn/affirmed, hereby states that:

- (1) The information provided within the certification or certification renewal application and supporting information is complete, true, and accurate to the best knowledge of affiant.
- (2) The applicant will timely file an annual report of its intrastate gross receipts and sales of hundred cubic feet of natural gas pursuant to Sections 4905.10(A), 4911.18(A), and 4929.23(B), Ohio Revised Code.
- (3) The applicant will timely pay any assessment made pursuant to Section 4905.10 or Section 4911.18(A), Ohio Revised Code.
- (4) Applicant will comply with all applicable rules and orders adopted by the Public Utilities Commission of Ohio pursuant to Title 49, Ohio Revised Code.
- (5) Applicant will cooperate with the Public Utilities Commission of Ohio and its staff in the investigation of any consumer complaint regarding any service offered or provided by the applicant.
- (6) Applicant will comply with Section 4929.21, Ohio Revised Code, regarding consent to the jurisdiction of the Ohio courts and the service of process.
- (7) Applicant will inform the Public Utilities Commission of Ohio of any material change to the information supplied in the certification or certification renewal application within 30 days of such material change, including any change in contact person for regulatory or emergency purposes or contact person for Staff use in investigating customer complaints.
- (8) Affiant further sayeth naught.

Affiant Signature & Title

Joseph Martuccio

Canton Law Director

Sworn and subscribed before me this 30 day of JUNE Month 2008 Year

James M. Carman

Signature of Official Administering Oath

JAMES M. CARMAN, NOTARY PUBLIC
Print Name and Title

My commission expires on

4/23/09

(Ohio Natural Gas Governmental Aggregator Renewal) Page 3 of 3

City of Canton Exhibit B-1 "Authorizing Ordinance" LAW

JM/tk

6/28/2002

2475

By: Joseph Martuccio, Law Director

RDL by NJS - 6/28/02

⑤ 1st Reading JUL 01 2002

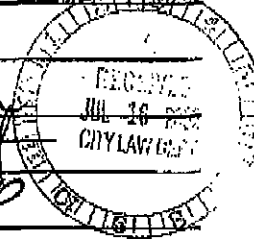
Referred to ENV + PUB UTIL

2nd Reading JUL 15 2002

3rd Reading JUL 15 2002

PASSED: JUL 15 2002

My H.L.
Richard E. Felt
Don R. Dyck



Recorded in Volume _____ Page _____

Rec'd 12:34 PM - 7/15/02

ORDINANCE NO. 115/2002

AN ORDINANCE AUTHORIZING THE MAYOR AND/OR DIRECTOR OF PUBLIC SERVICE TO TAKE ALL ACTION NECESSARY TO EFFECT A GOVERNMENTAL NATURAL GAS AGGREGATION PROGRAM WITH OPT-OUT PROVISIONS PURSUANT TO LAW; AND DECLARING THE SAME TO BE AN EMERGENCY

WHEREAS, pursuant to Ohio Revised Code Section 4929.26, municipalities may aggregate customers within their jurisdiction in order to secure lower cost natural gas services within the municipality through the collective purchasing of natural gas services; and

WHEREAS, this Council seeks to establish a governmental aggregation program with opt-out provisions, according to law, for the eligible residents, businesses and other natural gas consumers in the City who receive commodity sales service and distribution service from Dominion East Ohio; and

WHEREAS, the ballot question, authorized by Ordinance No. 165/2001, has received at least a majority of the vote cast at the November, 2001 election; and

WHEREAS, this Council seeks to adopt a City of Canton Natural Gas Aggregation Program Plan of Operations and Governance pursuant to Ohio Revised Code Section 4929.26 for the residents, businesses and other natural gas consumers in the City and in conjunction jointly with any other municipal corporation, township, county or other political subdivision of the State of Ohio, as permitted by law;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CANTON, STATE OF OHIO, THAT:

Section 1. Canton City Council finds and determines that it is in the best interest of the City, its eligible residents, businesses and other natural gas consumers located within the corporation limits of the City and who receive commodity sales service and distribution service from Dominion East Ohio to establish an opt-out Aggregation Program in the City in accordance with law. The City is hereby authorized to aggregate in accordance with Ohio Revised Code Section 4929.26 or as otherwise provided by law, the retail natural gas usage located within the City.

City of Canton Exhibit B-1 "Authorizing Ordinance"

Section 2. The Mayor and/or Service Director are hereby authorized and directed to enter into an agreement with the natural gas supplier selected through the competitive bidding process which has been concluded.

Section 3. Council finds and determines that it is in the best interest of the City, its eligible residents, businesses and other natural gas consumers located within the corporate limits of the City to adopt a City of Canton Natural Gas Aggregation Program Plan of Operations and Governance pursuant to Ohio Revised Code Section 4929.26. The Mayor and/or Service Director are further authorized to take all action necessary to effect a governmental natural gas aggregation program with opt-out provisions pursuant to law.

Section 4. This ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health or safety of the citizens of the City of Canton; the emergency being that it is immediately necessary to utilize consulting services for advice in a rapidly changing technical area and adopt a Natural Gas Aggregation Program Plan of Operation and Governance subject to state administrative deadlines. And provided it receives the affirmative vote of two-thirds of the elected and/or appointed members to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED: JUL 15 2002



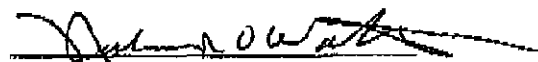
President of Council

ATTEST: JUL 15 2002



Clerk of Council

APPROVED: JUL 15 2002



Mayor

CITY OF CANTON NATURAL GAS AGGREGATION PROGRAM

PLAN OF OPERATION AND GOVERNANCE

For additional information contact:
Mark R. Burns, President
Independent Energy Consultants, Inc.
Ph: (330) 995-2675



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City of Canton Exhibit B-2 "Operation and Governance Plan"

(A) Introduction

This aggregation plan has been developed in compliance with Ohio Revised Code, Section 4929.26 regarding governmental aggregation of natural gas service.

The City of Canton ("City") passed the necessary resolution to place the issue of Opt-out Governmental Aggregation of natural gas on the November 6, 2001 ballot. The ballot issue subsequently passed by wide margin. The City will follow the Plan of Operation and Governance ("Plan") outlined below. This Plan was adopted after two public hearings were held in accordance with section 4929.26 (C) of the Ohio Revised Code.

(B) Operation and Governance Plan Detail

(1) Description of Services and Professional Assistance

The City Aggregation Program ("Program") seeks to aggregate the retail natural gas loads of consumers located in the City to negotiate favorable rates for the supply of Natural Gas. Favorable shall mean rates lower than those available to individual residents at the time. The City may also select an offer based on beneficial terms and conditions not available through the regulated utility. Fixed-rate pricing that would provide stability, particularly during the heating season, would be an example of a beneficial condition.

With a City population of approximately 80,000 the Program has the potential to combine approximately 10,000 residential accounts and small commercial accounts into a buying group that will be attractive to Certified Retail Natural Gas Service (CRNGS) suppliers. Participation in the Program is voluntary. Any individual customer ("Member") has the opportunity to decline to participate in the Program and to return to Dominion East Ohio ("Dominion") supply or to enter into a service contract with any CRNGS supplier.

The City will administer an opt-out aggregation program that will automatically include all eligible natural gas accounts within the City boundaries.

Residential and small commercial natural gas customers often lack the ability to effectively negotiate natural gas supply services. The City's Program provides them an opportunity to benefit from professional representation and bargaining power achieved through an aggregation program. The aggregation Program is designed to reduce the amount Members pay for natural gas and to gain other favorable terms of service such as price stability.

Due to the complexity of deregulation of the Natural Gas utility industry, the City has entered into contract with Independent Energy Consultants, Inc. (Independent Energy Consultants), a PUCO certified broker and aggregator of natural gas and electricity. Among other things, Independent Energy Consultants will provide these consulting services:

- Draft and assist in maintaining the Plan of Operation and Governance.
- Lead any required Public Hearings and attend City Council meetings upon request.
- Assist the City in the day-to-day administration of program (problem resolution, press releases, PUCO compliance, supplier liaison, contract review, etc.)
- Administer the Request for Proposal process, analyze supplier responses and provide

City of Canton Exhibit B-2 "Operation and Governance Plan"

recommendations for the supply agreement

- Review customer data provided by Dominion East Ohio that would serve as the basis for an opt-out notice
- Track the performance of the selected supplier, report on program participation and provide an analysis of current and future market conditions
- Write/prepare reports on a quarterly/annual basis to the City, PUCO and Ohio Consumers' Counsel.

The City through its consultant, Independent Energy Consultants, will seek bids and negotiate with CRNGS suppliers. The City will not assume title to natural gas. It will not buy and resell natural gas to the Members of the program. Instead, the City will competitively bid and negotiate a contract with a Competitive Retail Natural Gas supplier to provide natural gas supply to the Members of the aggregation program. Similarly, the City will not handle billing or scheduling of natural gas. Those responsibilities rest with Dominion East Ohio and selected supplier.

Only Suppliers meeting strict criteria will be considered.

- Suppliers will need to be certified by the Public Utilities Commission of Ohio
- Registered with Dominion East Ohio Corporation to do business in their service territory. Both the certification and registration ensure that Suppliers possess the managerial, technical, and financial competence to perform the services they offer.
- Successfully completed Electronic data Interchange (EDI) computer system testing with Dominion East Ohio to support Governmental Aggregation Program transactions.
- Agree to hold harmless the City from any financial obligations arising from the Program.
- The selected CRNGS suppliers will need to agree to notify the City and negotiate with the City at least 60 days in advance of attempting to terminate the agreement for any reasons other than (i) the scheduled end date or (ii) Force Majeure.
- The selected CRNGS supplier shall demonstrate its creditworthiness by possessing an investment grade long-term bond ratings from at least two of the following rating agencies:

Standard & Poors	BBB or Higher
Moody's Investors' Services	Baa3 or Higher
Fitch ICBA	BBB or Higher
Duff & Phelps	BBB or Higher

Should the CRNGS supplier be unable to demonstrate its creditworthiness, the supplier will be required to provide:

- a Letter of Credit; or
- a Parental Guaranty from a company that is deemed creditworthy; or
- a Surety Bond. Details of the credit type and amount will be subject to negotiation.

(2) Determination of Rates

Through the efforts of its consultant, Independent Energy Consultants, Inc., the City will seek proposals from CRNGS suppliers. The request for proposals shall require the CRNGS suppliers to offer firm, full-requirements natural gas supply. CRNGS suppliers will bid by Dominion East Ohio customer rate schedule or customer class. CRNGS suppliers will be encouraged to bid on as many natural gas accounts as possible, but it is recognized that from a practical standpoint it is not likely that bids will be received for larger commercial and industrial accounts that require individual price

City of Canton Exhibit B-2 "Operation and Governance Plan"

analysis. Furthermore, commercial and industrial customers consuming more than 500 Mcf/year are classified as mercantile customers and are ineligible to participate in a governmental aggregation program.

The prices to be charged to Members in the Program will be set by the Mayor or his/her designee, with prior authorization from the Council. The Mayor will set prices following negotiations with the selected CRNGS supplier and receipt of a favorable offer. Members will be notified of the rates and terms of the Program through a direct mailing sent to each eligible resident and business within the City limits. Once offers are found a table similar to the one shown below will be populated to reflect the offer rates.

Customer Class	Rate Schedule	Supplier Offer (\$/Mcf)	Term
Residential Sales Service	RS		
General Sales Service	GS		

Neither the City nor the selected supplier will impose any terms, conditions, fees, or charges on any Member served by the governmental aggregation unless the particular term, condition, fee, or charge is clearly disclosed to the Member at the time the Member chose not to opt-out of the aggregation

Members may terminate their agreement without penalty if they relocate outside of the City. Members that leave for other reasons may be assessed an early termination fee by CRNGS supplier. Early termination fees are standard in most natural gas contracts. The City will negotiate with the CRNGS supplier to ensure that any early termination fee assessed is reasonable and clearly stated in the opt-out disclosure notice.

There is no switching fee for Members leaving Dominion East Ohio supply service to select a CRNGS supplier.

Members will remain responsible for all other billable charges, such as, taxes, Dominion East Ohio transportation charges, monthly service charge, etc.

The City of Canton will not accept a CRNGS supplier offer that is not favorable at the time for the majority of Members of a given customer class or rate schedule. It is, however, the individual Member's responsibility to carefully review the price, terms and conditions of an offer to determine if the offer is in their best interest. The City will not be responsible for any Member's decision to remain in or opt-out of the Program.

(3) Plan for Providing Opt-out Notice

When a successful supply offer is found the City shall order the eligible customer list from Dominion East Ohio. Dominion East Ohio shall turn over the list to the City or its consultant upon request. Once the list is obtained, it will be shared with the selected CRNGS supplier and they will have 30 days from the City's receipt of the data to mail the opt-out notices to all eligible Members receiving an offer.

The selected CRNGS supplier and the City will agree upon the format of the opt-out notice and will docket a sample with the PUCO at least ten days prior to mailing it to eligible Members.

City of Canton Exhibit B-2 "Operation and Governance Plan"

The selected CRNGS supplier will be required to pay for printing and mailing of opt-out disclosure notices. The notices will be mailed to the owner or occupant residing at the natural gas account mailing address shown on Dominion East Ohio's customer list. A City official's name will be on the notice and it will contain the City's name and logo on the outside to clearly indicate to the recipient that it is a notice from the City.

Prior to mailing opt-out notices a thorough review will be performed to see that all eligible Members receiving an offer are sent the notice. The review process will include the efforts of numerous parties and utilize a number of resources as specified in section four of this plan.

Following acceptance of an offer by the City, the CRNGS supplier will mail opt-out notices to eligible Members receiving a favorable offer. Members will have 21 days from the postmark date on the notice to postmark the return opt-out card if they do not wish to participate in the City's program. Members may also call the CRNGS supplier's toll-free recorded phone number to opt-out. The selected CRNGS supplier will not enroll those accounts opting out from the Program.

In the event that an eligible Member is inadvertently not sent an opt-out notice and is omitted from the Program, the CRNGS supplier shall, upon request, enroll the eligible Member at the group rate for the remaining term.

All members of the Program will also be given an opportunity to opt-out without penalty at least once every two years.

(4) Process for Determining the Pool of Customers

Under the opt-out aggregation provisions, all eligible natural gas consumers within the City will be automatically included in the Program. However, such customers will be given prior notice entitling them to affirmatively elect not to be part of the Program.

Prior to mailing opt-out notices a thorough review will be performed to see that all ineligible customers are excluded. The review process will include the efforts of numerous parties and utilize a number of resources:

- Dominion East Ohio will query their customer database using best efforts to capture all accounts within the City limits.
- The City's consultant working with the CRNGS supplier, available City resources and publicly available material shall screen out customers who are not located within the City limits. Those resources may include any or all of the following: Property records, water and/or sewer records, fire and/or police department address records, 911 address records, street listings, City maps, internet maps, county parcel mapping databases, and geographical information systems (GIS).
- Ineligible accounts will be screened out based on codes provided in the Dominion East Ohio data.
- The data shall be reviewed to see that all zip codes have been included, all streets included, all customer classes, all customer rate codes, and finally that an expected total for a community of this population was turned over.

Any potential Member who suspects they were inadvertently omitted from the Program will likely have to contact Dominion East Ohio for an explanation. The Dominion East Ohio customer list

City of Canton Exhibit B-2 "Operation and Governance Plan"

provided to the City will not include customers who are already served by a CRNGS supplier, participate in PIPP, are classified as mercantile, or are 30-days or more in arrears of \$50 or more. Because of this, the City, its consultant, and CRNGS supplier will not be able to determine if a potential Member is ineligible or was inadvertently omitted.

Customers who have opted-off the standard customer information list are required to be included in an opt-out program assuming they meet the other eligibility requirements. If needed, the City will request a separate list of those customers from Dominion East Ohio so they can be given an opportunity to participate in the Program.

Customers who meet the following criteria will become Members of the aggregation program:

- Are up to date with their bill payment;
- Have not opted-out of the program;
- Are currently supplied natural gas by Dominion East Ohio or are Members of an existing Program;
- Are not mercantile customers;
- Have not exercised their right of rescission; or
- Are not part of the Percentage of Income Payment Program (PIPP).

(5) Customer Billing Procedures

The City will utilize the coordinated billing services of Dominion East Ohio and the selected CRNGS supplier. Most customers are expected to receive a single bill from Dominion East Ohio that itemizes among other things, the cost of natural gas provided by the CRNGS supplier. In some instances, particularly for commercial accounts, the CRNGS supplier may request that dual billing be used. In this case the supplier would issue a bill for their supply service and Dominion East Ohio would issue a bill for their delivery services.

Members currently on budget billing will continue to be budget billed. Dominion East Ohio's process will remain the same. Members wishing to start budget billing should contact Dominion East Ohio. The process will take place in accordance with Dominion East Ohio's policy and is not unique to the City's Program.

Members are required to remit and comply with the payment terms of Dominion East Ohio and/or their supplier if dual billing is used. This Program will not be responsible for late or no payment on the part of any of its members. Furthermore, slow or no payment on the part of some Members will not adversely impact the rates charged to other Members. The selected supplier shall not charge more than 1 ½ percent per month for overdue balances owed to the selected supplier.

(6) Credit and Deposit Policies

Collection and credit procedures remain the responsibility of Dominion East Ohio, the selected supplier and the individual Member. Members are required to remit and comply with the payment terms of Dominion East Ohio. This Program will not be responsible for late or no payment on the part of any of its Members. The City will have no separate credit or deposit policy.

(7) Governmental Aggregator's Customer Service Procedures and Dispute Resolution

City of Canton Exhibit B-2 "Operation and Governance Plan"

Members will have multiple means of addressing complaints. As a general rule, concerns regarding service reliability and billing should be directed to Dominion East Ohio. They continue to read meters, handle billing and generally have the most information about a customer's account. Questions regarding the Program administration should go to the City or Independent Energy Consultants. Unresolved disputes between Members and the supplier or Dominion East Ohio should be directed to the Public Utilities Commission of Ohio or the Ohio Consumers' Counsel for residential accounts. Listed below is a table of local or toll-free numbers for Members to call for assistance.

Nature of Complaint	Contact	Phone Number
Service interruptions or emergencies	Dominion East Ohio	1-800-362-7557
Service turn on/off	Dominion East Ohio	1-800-362-7557
Billing disputes – Delivery Charges	Dominion East Ohio	1-800-362-7557
Billing disputes – Supplier charges	Vectren Source	1-866-200-4793
Joining/Leaving Program	Vectren Source	1-866-200-4793
Aggregation Program Questions	City of Canton Independent Energy Consultants	(330) 489-3251 1-888-862-6060
Unresolved Disputes	Public Utilities Comm. (voice)	1-800-686-7826
Unresolved Disputes	Public Utilities Comm. TDD/TTY	1-800-686-1570
General Information – residential	Ohio Consumers' Counsel	1-877-742-5622

(8) Members Moving Into/Within the Aggregation (New Customer)

Utility rules require that people moving into a different residence, new construction or otherwise, be assigned a new account number and be served for at least one month by the local utility before they can switch to a new supplier. The above-mentioned is an example of utility rules approved by the PUCO that will impact the operation of Canton's aggregation program.

Residents and businesses that move into the City will not be automatically included in the City's Program. The City cannot guarantee the rates, terms and conditions to Members enrolling after the initial 21-day opt-out period. Members wishing to opt-in to the Program may contact the City or the CRNGS supplier to obtain enrollment information. There is, however, no guarantee that customers opting-in at a later date will receive the same price, terms and conditions as did the initial participants. The selected CRNGS supplier's decision whether or not to extend an offer will be based, in part, on the market prices at the time of request.

Members who move within the City limits and are assigned a new account number by Dominion East Ohio will be treated in the same manner as a new resident. They will not be automatically enrolled, but may contact the CRNGS supplier concerning re-enrollment. Once again, there is no guarantee that the CRNGS supplier will extend an offer, or an offer that is the same as that of the initial enrollees.

(9) Members Moving Within the Aggregation (Same Account Number)

The selected CRNGS supplier shall continue service at the same rate and under the same terms and conditions for any Member who relocates within the City prior to the expiration of the contract term, providing that the Member notifies the CRNGS supplier of their desire to do so with thirty (30) days written notice. Moving within the City may cause the Member to be served for a brief

City of Canton Exhibit B-2 "Operation and Governance Plan"

period of time by the local utility.

(10) Joining the Program at a Later Date

Members desiring to join the program at a later date during the midst of an ongoing supply agreement will be treated similar to Members moving into the City. They will need to contact the City or its supplier to obtain enrollment information. They will follow an opt-in approach. There is however, no guarantee that customers opting-in at a later date will receive the same price, terms and conditions as did the initial Members. Suppliers are unable to hold price offerings for an unlimited amount of time, and if the community asks for such a requirement, the price offering received from suppliers will be higher to reflect the greater risk. Residents opting-in to the City's program will be responsible for knowing if there is a switching fee for leaving their current supplier.

In the event of a high rate of attrition from the Program or population growth within the City, the City may request the selected CRNGS supplier to conduct a subsequent opt-out campaign during the term of a supply agreement. If this were to occur, the opt-out notice would be sent to new eligible Members and would not be sent to anyone who had previously opted-out of the current supply agreement.

(C) Availability of Plan of Operation and Governance

The City will maintain a copy of this Plan of Operation and Governance on file at its Administrative office. This Plan will be kept available for public inspection. It will, upon request, be copied for any existing or potential Members of the aggregation in accordance with the City rules for copying public documents.

(D) Altering the Plan of Operation and Governance

The City will not alter its Operation and Governance Plan in any way that would materially affect the customers of the aggregation without first providing notice to all affected Members and providing these Members the opportunity to opt-out of the aggregation according to the procedures established for the initial opt-out disclosure notice set forth in rule 4901:1-28-04 of the Administrative Code. In the event of a material change, the City will provide a notice explaining the changes to the plan, and informing the Members of their right to opt-out of the aggregation without penalty, and identifying the method and time frame for the customer to opt-out.

(E) Certification Prior To Sending Opt-out Notices

The City will become certified as a Governmental Aggregator of natural gas (by the PUCO) prior to sending opt-out disclosure notices to potential Members of the Aggregation Program.

(F) Opt-out Disclosure Policies

Prior to including a customer's natural gas account or accounts in an aggregation, the City in cooperation with the selected CRNGS supplier, will provide each eligible Member a written opt-out notice conforming to the requirements of Ohio Administrative Code Section 4901:1-21-17.

The City in cooperation with the selected CRNGS supplier will provide each Member the opportunity to leave the program, free of charge, at least once every two years. The notice will follow the format and requirements of the initial opt-out notification and will include any changes to the price or terms and conditions of the program.

(G) Cooperation Between Natural Gas Companies and Governmental Aggregators

The success of the City's Aggregation Program relies in part to the cooperation it receives from Dominion East Ohio. In addition to other tasks, Dominion East Ohio must turn over accurate customer data and perform the customer switching process in a timely manner. The City will comply with O.A.C. section 4901:1-28-05, and will hold Dominion East Ohio to its obligations under the same.

(H) Termination of the Aggregation Program

The Natural Gas Aggregation Program may be terminated upon the termination or expiration of the supply contract without any extension, renewal or subsequent supply contract being negotiated. Each individual Member receiving natural gas supply service under the Program will receive notification 45-90 days prior to termination of the Program. In the event of termination, Members in the City aggregation program would either return to Dominion East Ohio supply service or choose a CRNGS supplier on their own.

If the City is unable to find a satisfactory offer at the end of an existing supply agreement, they have the option of maintaining their status as a Governmental Aggregator while they continue to seek offers for their Members.

The selected CRNGS suppliers will need to agree to notify the City and negotiate with the City at least 60 days in advance of attempting to terminate the agreement for any reasons other than (i) the scheduled end date or (ii) Force Majeure.

City of Canton Exhibit B-3 "Automatic Aggregation Disclosure Notification"

Section 4929.26 (D) of the Ohio Revised Code states that "no legislative authority or board, pursuant to an ordinance or resolution under divisions (A) and (B) of this section, shall aggregate any retail natural gas load located within its jurisdiction unless it in advance clearly discloses to the person whose retail natural gas load is to be so aggregated that the person will be enrolled automatically in the aggregation and will remain so enrolled unless the person affirmatively elects by a stated procedure not to be so enrolled. The disclosure shall state prominently the rates, charges, and other terms and conditions of enrollment. The stated procedure shall allow any person enrolled in the aggregation the opportunity to opt out of the aggregation every two years, without paying a switching fee. Any such person that opts out of the aggregation pursuant to the stated procedure shall default to the natural gas company providing distribution service for the person's retail natural gas load, until the person chooses an alternative supplier."

The Opt-Out Notification for Canton's program will include language similar to the following and proceed as shown below.

City of Canton officials are acting on behalf of natural gas consumers who are participating in the program to negotiate a gas supply contract with eligible suppliers. Both Canton and <CRNGS Supplier> are certified by the Public Utilities Commission of Ohio to provide this service. This program has been authorized by our Council through an ordinance and voter approval on November 6, 2001. This phase of our aggregation program will begin with your <Month Year> billing cycle and end with your <Month Year> billing cycle.

You will be automatically enrolled in Canton's Natural Gas Aggregation Program unless you choose to "opt out" – that is, to not participate. There is no cost for enrollment and you do not need to do anything to be included. If you choose to opt-out of this program, you will revert to service by Dominion East Ohio, unless and until you choose another supplier.

If you want to be excluded from the Canton Natural Gas Aggregation Program you must return the enclosed "Opt-Out" form to the <CRNGS Supplier>. The return form must be postmarked no later than 21 days from the postmark on this notice. You may also opt-out by calling <CRNGS Supplier>, toll free, at 1-XXX-XXX-XXXX. If you do not opt out at this time, you will be enrolled in the program until it expires in <Month Year>. At that time, you will again have the chance to opt out of the program with no penalty. Every participant will be allowed to leave the program at least once every two years without incurring any penalty.

Please note that newly eligible members remaining in the aggregation group, will receive a letter from Dominion East Ohio advising you of your impending transfer to <CRNGS Supplier>, and advising you to contact Dominion East Ohio within 7 days if you do not want to be in the Program. Again, if you have not changed your mind about participating in the Aggregation Program, you do not have to do anything with that letter.

Warning: If you are already under contract with a competitive retail natural gas service provider you may incur a contract termination fee or other charges if you fail to opt-out of the aggregation.

Under the opt-out aggregation provisions, all eligible natural gas consumers within the City will be automatically included in the Program. However, such customers will be given prior notice entitling them to affirmatively elect not to be part of the Program.

Prior to mailing opt-out notices a thorough review will be performed to see that all ineligible customers are excluded. The review process will include the efforts of numerous parties and utilize a number of resources:

City of Canton Exhibit B-3 “Automatic Aggregation Disclosure Notification”

- Dominion East Ohio will query their customer database using best efforts to capture all accounts within the City limits.
- Independent Energy Consultants working with the CRNGS supplier, available City resources and publicly available material shall screen out customers who are not located within the City limits. Those resources may include any or all of the following: Property records, water and/or sewer records, fire and/or police department address records, 911 address records, street listings, City maps, internet maps, county parcel mapping databases, and geographical information systems (GIS).
- Ineligible accounts will be screened out based on codes provided in the Dominion East Ohio data.
- The data shall be reviewed to see that all zip codes have been included, all streets included, all customer classes, all customer rate codes, and finally that an expected total for a community of this population was turned over.

Any potential Member who suspects they were inadvertently omitted from the Program will likely have to contact Dominion East Ohio for an explanation. The Dominion East Ohio customer list provided to the City will not include customers who are already served by a CRNGS supplier, participate in PIPP, are classified as mercantile, are 30-days or more in arrears of \$50 or more, or who have opted-off the standard customer information list. Because of this, the City, its consultant, and CRNGS supplier will not be able to determine if a potential Member is ineligible or was inadvertently omitted.

Customers who have opted-off the standard customer information list are required to be included in an opt-out program assuming they meet the other eligibility requirements. If needed, the City will request a separate list of those customers from Dominion East Ohio so they can be given an opportunity to participate in the Program.

Customers who meet the following criteria will receive an opt-out notice and be subsequently enrolled following the opt-out period.

- Have received an offer from the selected CRNGS Supplier;
- Are up to date with their bill payment;
- Have not opted-out of the program;
- Are currently supplied natural gas by Dominion East Ohio or are Members of an existing Program;
- Are not mercantile customers;
- Have not exercised their 7 day right of rescission; or
- Are not part of the Percentage of Income Payment Program (PIPP).



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

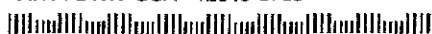
Address Service Requested

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



City of Canton Exhibit B-4 "Opt-Out Notice"
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 customer@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.pickocc.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:



City of Canton Exhibit B-5 "Experience"

The City of Canton is well versed in negotiating, contracting and providing for common services to City residents. Some examples of experience as a service provider are:

1. Police Service
2. Fire Service
3. Parks and Recreation
4. Public Works

The Mayor, City Council and City Staff routinely negotiate for services and supplies that benefit the residents of Canton. However, due to the complexity of Governmental Aggregation, the City has hired Independent Energy Consultants, Inc. (September 19, 2007) to assist them in designing, implementing and maintaining the Program. Independent Energy Consultants are:

- Certified Electric Aggregators and Brokers #04-116(3) in the State of Ohio.
- Certified Natural Gas Aggregators and Brokers #04-078(3) in the State of Ohio.
- Licensed Electric and Natural Gas Aggregators and Brokers #A-17 in the State of Virginia.
- Registered Aggregators #80252 in the State of Texas.

The founder of Independent Energy Consultants, Inc. has personally designed, implemented and administered over 40 opt-in and opt-out Governmental Aggregation Programs in Ohio. Contact information for Independent Energy Consultants is:

Independent Energy Consultants, Inc.
820 Deepwoods Drive
Aurora, Ohio 44202
Phone: 330 995-2675
Fax: 216 274-9176
Email: info@naturalgas-electric.com
www.naturalgas-electric.com

Among other services, Independent Energy Consultants, Inc. will:

- Draft and assist in maintaining the Plan of Operation and Governance.
- Lead any required Public Hearings and attend City Council meetings upon request.
- Assist the City in the day-to-day administration of program (problem resolution, press releases, PUCO compliance, supplier liaison, contract review, etc.).
- Design and issue the Request for Proposal, analyze supplier responses and provide recommendations for the supply agreement.
- Review customer data provided by Dominion East Ohio that would serve as the basis for an opt-out notice.
- Write/prepare reports on a quarterly/annual basis to the City, PUCO, and the Ohio Consumers' Counsel.

City of Canton Exhibit B-5 “Experience”

The City of Canton will not take title to natural gas, issue bills, read meters or staff a call center for complaints. Those functions will be provided by Dominion East Ohio and the selected CRNGS supplier as detailed in Section 7 of its Plan of Operations and Governance. The City will comply with its responsibilities as a Governmental Aggregator (ORC 4929.20) and will respond to questions concerning the Aggregation Program.