

FILE



IntegrYS Energy Services, Inc.
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 Worthington, OH 43085
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September 28, 2011

HAND DELIVERED

Chief of Docketing
 Public Utilities Commission of Ohio
 180 East Broad St., 11th Floor
 Columbus, OH 43215-3793

RE: Opt-Out Notice for City of Cleveland Heights, OH – Case Number 02-1880-GA-GAG

Please find enclosed an original and 10 copies of the Natural Gas Governmental Aggregation Opt-Out Notice to be sent to all eligible customers in the City of Cleveland Heights, OH. The opt-out notice is scheduled to be mailed on October 17, 2011, and the opt-out period will run from October 17, 2011, through November 7, 2011.

IntegrYS Energy Services is providing aggregation services to the City of Cleveland Heights and is filing this information on the City's behalf.

Should you have any questions or need additional information please feel free to contact me.

Sincerely,

Brenda G. Coffey
 Aggregation Business Developer and Manager
 IntegrYS Energy Services, Inc.
 (614) 871-5290
bgcoffey@integrysenergy.com

Enclosure

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 Technician DR Date Processed 9-28-11

CITY OF CLEVELAND HEIGHTS NATURAL GAS AGGREGATION PROGRAM

October 17, 2011

Full Name
Address Line 1
Address Line 2
City State Zipcode

Dear Resident,

Welcome to the tenth year of the City of Cleveland Heights Natural Gas Aggregation Program. Approximately 7,000 residential and commercial customers are currently participating in the City's Program. Integrys Energy Services is pleased to continue as the supplier to the City's Natural Gas Aggregation Program.

In November of 2001, the City of Cleveland Heights' voters authorized the City's creation of a natural gas aggregation program. The City's Aggregation Program is an automatic aggregation whereby residential and commercial customers who are either eligible Dominion East Ohio Gas customers or who are currently Cleveland Heights Aggregation Program participants, ("Eligible Residents") will be automatically enrolled unless they opt-out. Cleveland Heights' Natural Gas Aggregation Program is supplied by Integrys Energy Services, Inc.

A resident who has an existing contract with another retail gas supplier is not considered an Eligible Resident, and will not be automatically enrolled in the program. However, if you are receiving this letter, our records indicate that you are an Eligible Resident and will be automatically enrolled in the program unless you opt-out.

The current Program Rate will expire with November, 2011 billing. With this letter, Integrys Energy Services is offering Eligible Residents a choice of a Yearly Rate of \$ 5.90 per Mcf, a Locked-In Price with Flex Down OpportunitySM Rate of \$ 5.98 per Mcf, or a Reduced Quarterly Variable Rate.

With each rate option you will receive our new EcovationsTM renewable gas product which is an innovative, eco-friendly alternative to our conventional natural gas offerings. This product is a blend of renewable gas and carbon emission offsets for a portion of the natural gas you use and is being made available to you **at no additional cost.**

The Cleveland Heights Natural Gas Aggregation Program is designed to allow Eligible Residents to choose a rate that fits their gas needs. All customers should review the details of these three options on the following Terms and Conditions pages to choose the rate that is best for them.

In order to receive the Yearly Rate, you do not need to respond! You will automatically be enrolled in the Program effective with your December 2011 billing unless you decide to opt-out of the program. To choose either the Locked-In Price with Flex Down OpportunitySM Rate or the Reduced Quarterly Variable Rate, you **must** contact Integrys Energy Services. Our customer service call center is available 24 hours a day, 7 days a week, at 1-888-566-1117 or you may enroll online at www.Integrysenergy.com/clevehts on or before November 7, 2011. Eligible Residents who do not contact Integrys Energy Services and do not opt-out will automatically be placed on the Yearly Rate.

If you are currently a Program participant, your rate will automatically be adjusted effective with your December 2011 billing at the Yearly Rate unless you contact Integrys Energy Services to choose either the Locked-In Price with Flex Down OpportunitySM Rate or the Reduced Quarterly Variable Rate. All Eligible Residents will be automatically enrolled in the Aggregation Program unless they opt-out during the 21 day Opt-out Period. The City's Program is an opt-out aggregation program. At the risk of being repetitious, we again emphasize that you are automatically in the Aggregation Program unless you choose to opt-out.

Continued on back

To take advantage of the Yearly Rate you need do nothing! If you choose to opt-out, within the 21 day Opt-out Period, there will be no charge.

Residents who wish to opt-out of the City's Program must complete and return the enclosed Opt-out Post Card to Integrys Energy Services postmarked no later than November 7, 2011, or you may simply call Customer Service at 1-888-566-1117, 24 hours a day, 7 days a week, on or before November 7, 2011. Telephonic opt-outs will be recorded to comply with the Public Utilities Commission of Ohio's verification requirements.

It is our pleasure to serve you. For more information, please call 1-888-566-1117, 24 hours a day, and seven days a week. You may also visit our website at www.integrysenergy.com/clevehts.

Sincerely,

Integrys Energy Services-Natural Gas, LLC

Enclosure

*See Page 2 of enclosed Program Terms and Conditions for a further explanation of eligibility.

ATTACHMENT 1 – TERMS AND CONDITIONS

The City of Cleveland Heights, OH, pursuant to the aggregation authority conferred upon it by referendum, which passed by a majority of the vote on November 6, 2001, and Resolution No. 119-2010, selected Integrys Energy Services – Natural Gas, LLC ("Seller") to supply the aggregation and to administer enrollments as described below. **IF YOU DO NOT WISH TO PARTICIPATE, YOU MUST OPT-OUT BY RETURNING THE POSTCARD POSTMARKED NO LATER THAN NOVEMBER 7, 2011 OR BY CALLING OUR TOLL FREE NUMBER (888-566-1117) BY NOVEMBER 7, 2011.** You, the account holder (also referred to as "Buyer") for the account referenced on the letter accompanying this Opt Out Notice (the "Account"), and Seller agree to the following terms and conditions (the "Agreement").

1. Enrollment: Enrollment is automatic for those who are eligible, but participation is voluntary. **IF YOU DO NOT WISH TO PARTICIPATE, YOU MUST OPT-OUT BY RETURNING THE POSTCARD POSTMARKED NO LATER THAN NOVEMBER 7, 2011 OR BY CALLING OUR TOLL FREE NUMBER (888-566-1117) BY NOVEMBER 7, 2011.**

Eligibility: To be eligible for automatic aggregation, Buyer and the Accounts to be served (i) must be located within the jurisdictional boundaries of the City of Cleveland Heights, OH and the Dominion East Ohio Gas Company (the "Utility"), (ii) may not be under contract with another competitive supplier, (iii) may not be a mercantile customer or a PIPP customer (Percentage of Income Payment Plan program customers), and (iv) must be in good credit standing with the Utility.

Rescission Period: Upon Buyer's successful enrollment, the Utility will send Buyer a letter confirming the transfer of service. Buyer may cancel its enrollment without penalty within nine (9) calendar days of the postmark date of that letter ("Rescission Period") by contacting the Utility in writing or by telephone as noted in that letter.

2. Delivery Period: Service shall begin on your first or second meter read occurring after the close of the 21-day Enrollment Period that will conclude by November 7, 2011 and continue through November, 2012 billing cycle. Service shall continue at the Price noted herein for the next twelve billing cycles. Prior to the end of the initial Delivery Period, Seller shall provide Buyer notice of any changes to the terms and conditions of this Agreement that apply to service during the next Delivery Period. If renewal is indicated in the expiration notice, service will renew at the terms stated in the renewal notice unless Buyer affirmatively terminates the Agreement upon the expiration as provided in the notice. Buyer shall have the opportunity to opt-out of the Aggregation at least every two years without penalty.

3. Supplier's and Utility's Role: Seller agrees to sell to Buyer and deliver to the Utility, and Buyer agrees to purchase from Seller and receive from the Utility, Buyer's full requirements of natural gas for the accounts listed on the Enrollment Notice ("Accounts"). The Utility will deliver the natural gas to the Accounts and shall invoice and collect Seller's charges. Seller does not impose credit or deposit requirements. The Utility's billing and payment procedures shall apply in accordance with the applicable tariff, including but not limited to, the Utility's right to assess late payment fees and to disconnect gas service for past due charges. The Utility or Seller may terminate your service under this Agreement for non-payment with at least fourteen (14) days written notice. Seller may cause the Utility to correct previous invoices in the event of invoicing errors. Buyer should contact the Utility in the event of a natural gas emergency.

4. Price: The Price will be an **Annual Fixed Rate of \$ 5.90 per MCF**, provided however, if Buyer indicates its preference for a **Locked-In Price with Flex Down OpportunitySM Rate** or a **Reduced Quarterly Variable Rate** as directed in the Opt-out Notice, then the Price will be the rate requested by Buyer.

The **Reduced Quarterly Variable Rate** will be \$.10 per MCF less than the price titled 'Quarterly Variable Rate' posted on Integrys' website for the "Dominion East Ohio - Energy Choice Program" for the same period. The Quarterly Variable Rate is based on a formula including an Adder and a weighted average Market Price determined by Seller approximately one month prior to the quarter. The Quarterly Variable Rate will change every three months based on the weighted average Market Price for the relevant period however Buyer's price may not remain the same for three consecutive months if Buyer's service begins mid-quarter.

The **Locked-In Price with Flex Down OpportunitySM Rate** is "capped" at **\$ 5.98 per MCF** through your November 2012 billing cycle. Each month Seller will compare the capped price to the then-current weighted average Market Price and may adjust your price to account for a downward or upward pricing trend within the Capped Period (through your November 2012 Billing cycle). Your rate with the Locked-In Price with Flex Down OpportunitySM Rate will never exceed the capped price during the Capped Period.

The "Market Price" is a price at which the relevant months' natural gas futures contract traded on the New York Mercantile Exchange. Each month's Market Price will be weighted based on Seller's usage forecast for the applicable month.

The Price includes all gas supply costs to the Utility and some pass-through charges from the Utility to the burnertip, including, but not limited to, btu factor and shrinkage. If the pass-through charges from the Utility increase, or if new charges are approved by a governmental agency with jurisdiction and passed through, or if existing tariff charges are administered differently and the pass-through charges from the Utility increase, the Price will increase accordingly. There are no recurring or nonrecurring supplier charges that are billed in addition to the Price. A switching fee may apply under the terms of the Utility's tariff. **Seller shall not charge You separately for any switching fees.** The Price does not include Taxes (as defined below) or Utility distribution charges.

5. Taxes: Buyer is responsible for all state and local sales, use, revenue, gross receipts, commercial activity, excise and/or ad valorem tax (collectively, "Taxes") and shall reimburse Seller if Seller is required to remit such Taxes in connection with this Agreement. Tax exempt customers wishing to participate are requested to please send their most recent tax-exempt certificate on or before November 7, 2011, to: Integrys Energy Services-Natural Gas, LLC, 1716 Lawrence Drive, De Pere, WI 54115 or fax to 920.272.4244. Be sure to note the City of Cleveland Heights Aggregation Program on the certificate. Integrys Energy Services-Natural Gas, LLC will not charge sales tax starting with the date the certificate is received.

6. Customer Information: Seller will not request a deposit or investigate your credit history to establish service. Seller shall not disclose Buyer's social security number and/or account number(s) without Buyer's affirmative written consent, except for the purpose of (i) Seller's collections and credit reporting, (ii) participation in programs funded by the universal service fund, (iii) pursuant to section 4928.54 of the Revised Code, or (iv) assigning this Agreement to another certified retail natural gas provider. Upon request of Buyer, Seller will provide up to 24 months of Buyer's payment history without charge.

7. Termination; Remedies: (a) This Agreement will automatically terminate or Buyer may terminate the Agreement without penalty if (i) the requested service location is not served by the Utility or (ii) Buyer, or the applicable Account being served, moves outside the Utility service area or to an area not served by Seller.

(b) This Agreement will terminate upon written notice, but without penalty to Buyer if, (i) competitive retail natural gas service is no longer available due to a change in regulation, tariff, or law, or (ii) Seller defaults, which includes, an unexcused failure to deliver natural gas under the terms of this Agreement.

(c) An "Early Termination" shall occur if this Agreement is terminated (i) by Buyer to select a different price or rate plan after the Rescission Period but prior to the end of the Delivery Period, or for any other reason other than those listed in (a)-(b) above or (ii) by Seller due to Buyer's default, which includes a failure to pay or an unexcused failure to receive natural gas under the terms of this Agreement. In the event of an Early Termination, Seller may charge and Buyer agrees to pay a termination fee of \$25.00. Buyer agrees to pay Seller for Early Termination within ten (10) calendar days of the invoice date to the payment address noted on the invoice, or as otherwise agreed upon by Buyer and Seller. No termination fee is due if Buyer remains a customer of Seller, but selects a different Rate Plan available to the aggregation. If Buyer returns to the Utility after the Rescission Period, Buyer may not be served on the same rates, terms and conditions that apply to the Utility's Standard Service Offer.

8. Limitations: ALL NATURAL GAS SOLD HEREUNDER IS PROVIDED "AS IS", AND SELLER EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE. IN NO EVENT WILL EITHER PARTY BE LIABLE UNDER THIS AGREEMENT, WHETHER IN AGREEMENT, IN TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), OR OTHERWISE, FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES.

9. Force Majeure: Except for Buyer's obligation to pay Seller timely, neither Party shall be liable to the other for failure to perform an obligation if such failure was caused by any event beyond the reasonable control of the non-performing party, that could not be remedied by the exercise of due diligence and that was not reasonably foreseeable, including without limitation, acts of God, interruption of utility service, terrorist acts or wars, force majeure events of the Utility. Seller may return Buyer to Utility service upon notification of a Force Majeure event preventing performance.

10. Questions, Complaints and Concerns: Buyer may contact Seller (i) by calling 24 hours per day, 7 days per week at 1-888-566-1117, by visiting www.integrityenergy.com/clevehts; or (ii) by writing us at 1716 Lawrence Drive, De Pere, WI 54115. Seller will attempt to resolve all customer complaints in a timely manner and will respond to all complaints within 3 business days of receipt. If Buyer's complaint is not resolved after Buyer has called Seller, or for general utility information, residential and business customers may contact the PUCO for assistance at 1-800-686-7826 (toll-free), or for TYY toll free at 1-800-686-1570, from 8am to 5pm weekdays, or visit the PUCO website at www.puco.ohio.gov or as otherwise specified by PUCO. Residential customers may also contact the Ohio Consumers' Counsel ("OCC") for assistance with complaints and utility issues at 1-877-742-5622 from 8am to 5pm weekdays, or visit www.pickocc.org.

11. Miscellaneous: This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio. Subject to regulatory approvals and notice from Seller, Seller may assign this Agreement without Buyer's consent. Buyer may assign this Agreement only with Seller's consent. This Agreement constitutes the entire agreement between the Parties, superseding all verbal and written understandings.

12. Ecovations™ Renewable Gas: Eight percent (8%) of Buyer's annual usage will be (i) sourced with flowing renewable gas containing carbon dioxide allowances, (ii) offset by unbundled carbon dioxide allowances, or (iii) sourced and offset by a combination of (i) and (ii). No additional premium has been added to the Price for Ecovations™ Renewable Gas. Seller will retire the carbon dioxide allowances on behalf of the Buyer within ninety days following the close of a calendar year and only Buyer shall be entitled to make the environmental claims associated with its purchase of Ecovations™ Renewable Gas.

