



Integrys Energy Services, Inc.

1716 Lawrence Drive

De Pere, WI 54115

www.integrysenergy.com

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September 5, 2012

Public Utilities Commission of Ohio **Docketing Division** 11th Floor 180 East Broad Street Columbus, OH 43215-3793

RE: Case No. 02-1880-GA-GAG City of Cleveland Heights

Dear Sir/Madam:

Enclosed please find a Renewal Certification Application, Ohio Natural Gas Governmental Aggregation to Provide Natural Gas Governmental Aggregation Service to the City of Cleveland Heights, Ohio.

Integrys Energy Services, Inc. is filing this application on behalf of the City of Cleveland Heights. Please file these documents and return a time-stamped copy of the application in the enclosed self-addressed stamped envelope. If you have any additional questions or concerns, please feel free to call me at 614-871-5290 or contact me at bgcoffey@integrysenergy.com

Sincerely,

Bunda & Coffey

Integrys Energy Services, Inc.

**Enclosures** 

This is to certify that the images appearing ar accurate and complete reproduction of a case file document delivered in the regular course of busi Technician



PUCO USE,O	L	
Date Received	Renewal Certification Number	ORIGINAL GAG Case Number
		02 - 1880 - 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-I - 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 Cleveland Heights

Address

40 Severance Cirice, Cleveland Heights, OH 44118

Telephone No.

216-291-4444

Web site address

www.develandheights.com

Current PUCO Certificate Number 02-032G(5)

Effective Dates October 13, 2010 thru October 13, 2012

#### A-2 Contact person for regulatory or emergency matters:

Susanna Niermann O'Neil Name

Title Acting City Manager

Business Address 40 Severance Cirice, Cleveland Heights, OH 44118

Telephone No. 216-291-3737

Fax No. 216-291-3790

Email Address soneil@clvhts.com

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

Name

Brendan Healy

Title Assistant Law Director

Business address 40 Severance Circle, Cleveland Heights, OH 44118

Telephone No. 216-291-4410

Fax No. 216-291-3731

Email Address bheaty@civhts.com

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

Customer service address Integrys Energy Services, Inc., 300 W. Wilson Bridge Rd., Suite 350, Worthington, OH 43085

Toll-Free Telephone No.

Fax No. 614-844-4305

Email Address bgcoffey@integrysenergy con

(Ohio Natural Gas Governmental Aggregator Renewal) Page 1 of 3

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In the Matter of the Application of

# The Public Utilities Commission of Ohio

Ohio Natural Gas Governmental Aggregation Affidavit Form (Version 1.07)

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City of Cleveland Heights.  for a Certificate or Renewal Certificate to Provide  Natural Gas Governmental Aggregation Service in  Ohio.			)	Case No.	02-1880	-GA-GAG		
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	inty of te of	Cuyahoga Ohio						
	Susam	⊓a Niermann O'Ne∃	١	[Affiant], being	duly swom	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)	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 Obio 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 Sudauna Marma Month 21/2 Year

Sworn and subscribed before me this 27 day of Against Month 21/2 Year

Signature of Official Administering Oath

Print Name and Titl

ion arrives on

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

KOHN H. GIBBON, Attorney
Notary Public
No expiration date

#### 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 <u>Exhibit B-4 "Ont-Out Notice</u>," 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

Sworn and subscribed before me this

27 day of August

Month 20/2 Year

Signature of official administering oath

Print Name and Title

The 11. Coubbon, Attuy,
expires on Law Duncky

Maura Merma

My commission expires on

POHN H. GIBBON, Atierney Notary Publis

No expiration date

# EXHIBIT B-1 CITY OF CLEVELAND HEIGHTS

# **AUTHORIZING ORDINANCE**

Authorizing Ordinance - Pages 1-3

# Exhibit B-1 "Authorizing Ordinance"

ORDINANCE NO. 141-2001 (MS)

By: Council Member Caplan

AN ORDINANCE AUTHORIZING ALL ACTIONS NECESSARY TO EFFECT A GOVERNMENTAL GAS AGGREGATION PROGRAM WITH OPT-OUT PROVISIONS PURSUANT TO SECTION 4929.26, OHIO REVISED CODE; DIRECTING THE CUYAHOGA COUNTY BOARD OF ELECTIONS TO SUBMIT A BALLOT QUESTION TO THE ELECTORS; AND DECLARING AN EMERGENCY.

WHEREAS, the Ohio legislature has enacted legislation which authorizes municipal corporations to aggregate automatically (subject to opt-out requirements) competitive retail natural gas service for the retail natural gas loads that are located within the municipal corporation and to enter into service agreements to facilitate for those loads the purchase and sale of natural gas ("Governmental Aggregation"); and

WHEREAS, Governmental Aggregation provides an opportunity for residential and small business consumers to participate collectively in the potential benefits of gas deregulation through lower natural gas rates than would otherwise be available to those gas consumers individually; and

WHEREAS, this Council seeks to establish a Governmental Aggregation Program providing for automatic aggregation with opt-out provisions pursuant to Section 4929.26, Ohio Revised Code, (the "Aggregation Program") for the residents, businesses and other gas consumers in the City.

NOW, THEREFORE, BE IT ORDAINED by the Council for the City of Cleveland Heights, Ohio, that:

Section 1. This Council finds and determines that it is in the best interests of the City, its residents, businesses and other natural gas consumers located within the corporate limits of the City to establish the Aggregation Program in the City. Provided that the Aggregation Program is approved by the electors of the City pursuant to Section 2 of this Ordinance, the City is hereby authorized to automatically aggregate, in accordance with Section 4929.26, Ohio Revised Code, the retail natural gas loads located within the City, and for that purpose, to enter into service agreements to facilitate for those loads the purchase and sale of natural gas. The City may exercise such authority individually or jointly with any other municipal corporation, township or county, or other political subdivision of the state of Ohio to the full extent permitted by law. The aggregation shall occur automatically for each person owning, occupying, controlling or using a natural gas load center proposed to be aggregated unless such person affirmatively elects by a stated procedure not

ORDINANCE NO. 141-2001 (MS)

to participate in the Aggregation Program pursuant to the opt-out provisions described in Section 4929.26, Ohio Revised Code, in Section 3 of this Ordinance.

Section 2: The Board of Elections of Cuyahoga County is hereby directed to submit the following question to the electors of the City at the general election on November 6, 2001:

Shall the City of Cleveland Heights have the authority to aggregate the retail natural gas loads located in the City, and for that purpose, enter into service agreements to facilitate for those loads the purchase and sale of natural gas, such aggregation to occur automatically except where a person affirmatively elects not to participate in the aggregation program, all in accordance with Section 4929.26, Ohio Revised Code, and Ordinance No. 141-2001 adopted by City Council?

The Clerk of Council is instructed to immediately file a certified copy of this Ordinance and the proposed form of the ballot question with the County Board of Elections not less than seventy-five days prior to November 6, 2001. The Aggregation Program shall not take effect unless approved by a majority of the electors voting upon the Aggregation Program at the election held pursuant to this Ordinance and Section 4929.26, Ohio Revised Code.

Section 3: Before adopting such a plan of operation and governance for the Aggregation Program, this Council shall hold at least two public hearings on the plan. Before the first hearing, notice of the hearings shall be published once a week for two consecutive weeks in a newspaper of general circulation in the City. The notice shall summarize the plan and state the date, time and location of such hearing. No plan adopted by this Council shall automatically aggregate any retail natural gas load located within the City unless, in advance, it 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 Program 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 Program the opportunity to opt-out of the program every two years without paying a switching fee. Any such person that opts out of the Aggregation Program pursuant to the stated procedure shall default to the natural gas company providing distribution service for the persons' retail natural gas load, until the person chooses an alternative supplier.

Section 4: It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal actions were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

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#### ORDINANCE NO. 141-2001 (MS)

Section 5: This Ordinance is hereby declared to be an emergency measure immediately necessary for the preservation of the public peace, health and safety of the inhabitants of the City of Cleveland Heights, such emergency being the need to file a certified copy of this Ordinance and the proposed form of ballot question with the Board of Elections of Cuyahoga County not later than seventy-five days prior to the November 6, 2001 election as provided herein. Wherefore, provided it receives the affirmative vote of five or more of the members elected or appointed to this Council, this Resolution shall take effect and be in force immediately upon its passage; otherwise, it shall take effect and be in force from and after the earliest time allowed by law.

EDWARD J. KELLEY, Mayor

President of the Council

THOMAS K. MALONE

Clerk of Council

Passed: August 20, 2001

## EXHIBIT B-2 CITY OF CLEVELAND HEIGHTS

# OPERATION AND GOVERNANCE PLAN

Plan of Operation and Governance - Pages 1-19

# Exhibit B-2 "Operation and Governance Plan"

# CITY OF CLEVELAND HEIGHTS, OHIO

# NATURAL GAS AGGREGATION **PROGRAM**



# PLAN OF OPERATION AND GOVERNANCE

For Additional Information Contact: Sharon E. McGuire, C.P.A. Assistant Director of Finance City of Cleveland Heights 40 Severance Circle Cleveland Heights, OH 44118

Phone: (216) 291-3919

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## INTRODUCTION

The City of Cleveland Heights, Ohio developed this Natural Gas Aggregation Program Plan of Operation and Governance ("Plan of Operation") in accordance with the governmental aggregation provisions of Amended House Bill 9 as provided in Section 4929.26 of the Ohio Revised Code and the Rules for Formation and Operation of Natural Gas Governmental Aggregations. The Amended Bill authorized governmental aggregation, the combining of multiple retail natural gas loads within and by a municipality, an unincorporated township or the unincorporated areas of the county by a board of county commissioners for the purpose of purchasing competitive retail natural gas service in Ohio's competitive retail natural gas market. The legislation also provided the Public Utilities Commission of Ohio ("PUCO") with authority to promulgate and adopt rules regarding governmental aggregation in Ohio. The City of Cleveland Heights' Plan of Operation complies with the requirements of the governmental aggregation rules as issued by the PUCO to be enacted on July 26, 2002. The Plan of Operation provides, in detail, the services provided under the aggregate, customer rights, terms and conditions of service, rate setting, and aggregate structure and formation.

The City of Cleveland Heights ("the City") Natural Gas Aggregation Program ("Program") will aggregate the retail natural gas load of residents and businesses that are eligible to participate in the Dominion East Ohio Gas ("DEOG") Energy Choice Program for the purpose of negotiating for competitive retail natural gas supply at favorable rates. It has the potential to combine almost 27,000 residential, commercial and industrial customers into a buying pool that will be attractive to third party retail natural gas suppliers ("Suppliers"). Participation in the Program is voluntary. Any individual customer ("Member") has the opportunity to decline participation.

The City will not buy or resell the natural gas for the participants of the program. Instead, Cleveland Heights will serve as the purchasing agent for the program and will negotiate a contract with a competitive retail natural gas supplier to provide firm, all-requirements service to the members of its aggregation program. The contract will offer Eligible Customers their choice of a fixed or variable rate. Customer rights and terms of service are discussed in detail in this Plan of Operation and Governance.

A majority of Cleveland Heights' residents approved ballot issue #34 in November of 2001 authorizing the City to form an aggregation whereby retail natural gas consumers would be automatically included in a large buying group unless, subject to prior notice, they followed a stated procedure to opt-out. Any eligible retail natural gas consumer in Cleveland Heights has the ability to decline service, opt-out of the aggregate, and choose the incumbent supplier or any other alternative competitive retail natural gas supplier. The State of Ohio allows the Director of the Ohio Department of Development to aggregate retail natural gas consumers that participate in the Percentage of Income Payment Plan ("PIPP") throughout Ohio. Accordingly, customers on PIPP at the time of the Opt-out will not participate in Cleveland Heights' Natural Gas Aggregation Program.

#### I. GOVERNMENTAL AGGREGATION FORMATION PROCESS

### 1.1 Statutory Requirements

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Cleveland Heights shall develop and institute an opt-out aggregation. The process of governmental aggregation is set out in Ohio Revised Code Section 4929. The section defines automatic aggregation or opt-out aggregation for retail natural gas customers. Under the opt-out aggregation provisions, all eligible retail natural gas customers within the municipality or township may be automatically included in the governmental aggregation program. See definition 1.8 on page 17 of this Plan of Operation and Governance for description of Eligible Customers according to rule 4901:1-28-01 of the PUCO Natural Gas Governmental Aggregation Rules.

Opt-out aggregation may only occur after the majority of voters within a municipality, an unincorporated township, or other unincorporated areas of the county authorize the formation of the governmental aggregation. The governmental entity must adopt an ordinance or a resolution placing the issue on the ballot and voters must decide the issue in a general or special election. After obtaining majority voter approval, but prior to inclusion in the aggregate, affected customers must be given notice entitling them to affirmatively elect not to be part of the governmental aggregation program. These customers can opt-out during a 21-day period.

Cleveland Heights obtained the support of the majority of its voters and shall automatically include all eligible retail natural gas consumers receiving the City's offer within the City's corporate limits in its aggregate, unless such consumers follow a prescribed procedure for opting out. Cleveland Heights' opt-out notice, procedure and period are discussed in Section VIII below.

#### 1.2 PUCO Certification

In addition to requiring the support of the majority of voters within a municipality, an unincorporated township, or the other unincorporated areas of the county, Section 4929.20 of the Ohio Revised Code requires PUCO certification of governmental aggregation programs. In order to obtain PUCO certification, governmental entities are required to complete and file a certification application. To maintain their certified status, governmental aggregators must comply with the PUCO's Formation and Operation of Natural Gas Governmental Aggregations Rules. Cleveland Heights will file for certification as a Governmental Aggregator after adoption of its Plan of Operation and Governance as required by the Ohio Revised Code and the Governmental Aggregation Rules. The City developed this Plan of Operation and Governance in compliance with the PUCO's rules regarding governmental aggregation. With the assistance of its retail natural gas supplier Cleveland Heights shall comply with the PUCO's governmental aggregation rules.

#### II. RETAIL NATURAL GAS SUPPLIER

On November 6, 2001 the residents of Cleveland Heights passed an issue allowing the City to aggregate retail natural gas load centers within the City with the goal of achieving lower natural gas rates. To this end, the City negotiated with WPS Energy Services the City's Retail Natural Gas Supplier. The City will not assume title to natural gas; it will not buy and resell the natural gas to the participants of the program. Instead, the City has entered a contract with WPS Energy Services for the provision of competitive retail natural gas service to the members of the aggregation program. Similarly, the City will not handle billing or scheduling of natural gas. Those responsibilities rest with the selected supplier and DEOG.

Cleveland Heights shall serve as the purchasing agent for the City's aggregation program and has delegated to WPS Energy Services the responsibility of implementing the Cleveland Heights Aggregation Program. WPS Energy Services shall be certified as a Competitive Retail Natural Gas Supplier by the PUCO. WPS Energy Services is eligible to serve and participate on DEOG's retail natural gas program; has the corporate structure to sell both wholesale and competitive retail natural gas; has demonstrated that its Electronic Data Interchange ("EDI") computer network is fully functional and capable of handling the requirements of the retail natural gas customers in Cleveland Heights; has the marketing ability to reach the retail natural gas customers in the City and the ability to educate them on the City's aggregation program; has a fully staffed and trained call center capable of handling customer calls related to the City's program; has establish a toll-free number as required by the PUCO for customer service and complaints related to the City's aggregation program; and shall assist the City in fulfilling requirements imposed on the Cleveland Heights Aggregation Program by the PUCO.

#### III. AGGREGATION SERVICES

WPS Energy Services shall serve as Cleveland Heights' Retail Natural Gas Supplier and with the assistance of the City, WPS Energy Services shall perform the following functions regarding Cleveland Heights' aggregation program: assist the City in fulfilling PUCO requirements including the filing of certification application, required reports and the compliance of this Plan of Operation with PUCO rules; analyze customer information provided by DEOG to identify Eligible Customers within the City's corporate limits; develop the program's rates, terms and conditions of service and opt-out notices; distribute required notices to eligible retail natural gas consumers in Cleveland Heights; conduct the opt-out process; notify DEOG of the customers in the City's aggregate; notify customers of service start dates; undertake all EDI responsibilities and interact with DEOG regarding the same; provide customer service and support as discussed herein; develop consumer education materials; inform customers that move into the City after program start-up of the program and of their ability to opt-out or choose a variable rate; address all customer complaints as discussed herein; provide new program rates at the end of year one, and the end of year two; notify customers of the program's new rates, terms and conditions of service and of their ability to opt-out at no charge at the end of year two; and otherwise implement this Plan of Operation and Governance.

#### IV. NATURAL GAS SUPPLY AGREEMENT

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## 4.1 Retail Natural Gas Services

Cleveland Heights and WPS Energy Services entered into a Natural Gas Supply Agreement for the provision of natural gas aggregation services to participating Cleveland Heights retail natural gas consumers. Cleveland Heights Ordinance No. 128-2002 authorizes the City's entering such Agreement. The terms and conditions of the Agreement govern the implementation and administration of the City's aggregation program. A copy of the Agreement is attached hereto as Attachment A. A copy of Ordinance No. 128-2002 is attached hereto as Attachment B.

## 4.2 Reliability of Natural Gas Supply

The Program will only affect the actual cost of natural gas. DEOG will continue to deliver the natural gas through their transportation and delivery systems. Responsibility for maintaining system reliability continues to rest with the local utility. If Members have service, reliability, or delivery related problems they should contact DEOG. The PUCO has established "Minimum Reliability Standards" for all utilities operating distribution systems in Ohio. DEOG is expected to comply with those standards.

In addition to maintaining the "pipeline" delivery system, DEOG is required to be the "Provider of Last Resort." This means, should WPS Energy Services fail for any reason to deliver any or all of the natural gas needed to serve the Members' needs, DEOG will immediately provide for the shortfall. DEOG would then bill the supplier for the natural gas provided on their behalf.

## 4.3 WPS Energy Services Consulting Services

WPS Energy Services shall assist the City in performing the City's obligations provided herein and as otherwise required by the City to assist in the administration of the City's aggregation efforts.

WPS Energy Services in cooperation with the City and DEOG shall identify the eligible DEOG customers in Cleveland Heights.

## a) Maintenance and Reporting of the Aggregation Program

WPS Energy Services will assist the City in submitting the PUCO Annual monitoring and report information. WPS Energy Services will assist the City in completing and filing the PUCO required reports. WPS Energy Services will provide specific customer enrollment information to the City, for the PUCO Reports.

#### V. RATE SETTING

#### 5.1 Rate Determination Process

The prices to be charged to Members in the Program will be provided in the Natural Gas Supply Agreement executed by the City and WPS Energy Services. Pricing shall be based on NYMEX forward prices. Program rates will be determined when the City strikes the price as provided in paragraph 3.3 of the Natural Gas Supply Agreement. Members will be notified of the rates and terms of the Program as part of the opt-out process, through a direct mailing sent to each resident and business within the City limits.

### 5.2 WPS Energy Services Rate

Cleveland Heights and WPS Energy Services have negotiated a twenty-four (24) month Agreement. The rates are as provided in the Natural Gas Supply Agreement and include a Year One Fixed Rate, a Year Two Fixed Rate, or a Quarterly Variable Rate ("Variable Rate").

The City will strike the Year One Fixed Rate with WPS Energy Services as provided in the Natural Gas Supply Agreement. The Year One Fixed rate will be determined prior to starting the opt-out period. The Year Two Fixed Rate will be determined in the same manner prior to the end of year one. Fixed Rate customers in the Aggregation Program will be mailed a Year Two Fixed Rate Notice no later than 30 days prior to the start of service on the Year Two Fixed Rate. The Year Two Fixed Rate Notice will notify customers of the Year Two Fixed Rate Review Period. The Year Two Fixed Rate Review Period will be the twenty-one (21) days from the postmark of the notice mailed to customers on the Year One Fixed Rate prior to starting service under the Year Two Fixed Rate in which customers may review the new rate for year two and switch out of the Aggregation Program without being charged the \$35 exit fee. Customers that choose not to accept the Year Two Fixed Rate must contact WPS Energy Services on or before the 21st day as provided in the notice. Customers that contact WPS Energy Services to switch after the 21st day may be charged a \$35 exit fee. Customers that do not notify WPS Energy Services of their desire to switch out of the Program will automatically continue service in the City's Natural Gas Aggregation Program at the Year Two Fixed Rate.

The Quarterly Variable Rate Customers may choose the Quarterly Variable Rate during the 21 day Opt-out Period. They may request the Quarterly Variable Rate by calling the WPS Energy Services toll free telephone number or by signing up through the website. If a customer wishes to switch from the fixed rate to the variable rate or vice versa outside of this time they may be subject to a \$35 exit fee.

#### 5.3 Sales Tax

Customer bills will include Cuyahoga County sales tax. Tax exempt customers wishing to participate in the Program must provide WPS Energy Services a current certificate of exemption prior to start of service. WPS Energy Services will not charge sales tax starting with the date the certificate is received. WPS Energy Services is not liable for sales tax charged prior to receipt of the exemption certificate.

## 5.4 <u>Dominion East Ohio Gas Charges</u>

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DEOG will continue to bill for transportation and distribution services. All customers choosing service under a competitive retail natural gas program are charged by DEOG a Balancing Adjustment, Actual Adjustment, or Reconciliation Adjustment component of the GCR ("GCR Adjustments") for the initial 12 months of their service in the program. Customers on the DEOG GCR rate at the time of enrollment in the Aggregation Program that had not been served by a Retail Natural Gas Supplier at least 60 days prior to service under the Aggregation Program will be charged by DEOG a Balancing Adjustment, Actual Adjustment, or Reconciliation Adjustment component of the GCR for the initial 12 months of the Program. Customers on the DEOG GCR rate that were served by a Retail Natural Gas Supplier within the 60 days prior to service under the Aggregation Program will only be charged the GCR adjustments by DEOG for the remaining number of months left in their initial twelve-month period. Customers served by another supplier that switch to the Aggregation Program and not served on the DEOG GCR rate for 12 months prior to requesting service under the Aggregation Program will not be charged the GCR adjustments by DEOG.

#### 5.5 Switching Fees

WPS Energy Services will not be responsible for any switching fee imposed by DEOG. Customers currently served by a competitive retail natural gas supplier that choose to join the aggregation program are responsible for any exit fees or switching fees charged by that supplier.

### VI. CREDIT AND COLLECTION POLICY

#### 6.1 Billing

Customers will continue to receive a single, monthly bill from DEOG, which will include charges from WPS Energy Services for the retail natural gas portion of their bill. The bill will show the WPS Energy Services' rate times MCF used per month along with any applicable sales tax. Customers are billed according to their DEOG bill cycle. Customers are still eligible and able to participate in budget billing.

#### 6.2 Payment Terms

Customers are required to pay their entire DEOG bill by the bill due date to avoid late charges and to maintain good standing in the program. If a customer becomes sixty (60) days delinquent on any of their gas bills they will be dropped from the Program and DEOG will become their gas supplier until they have brought their account up-to-date and are again eligible for the Program.

#### 6.3 Collection Process

DEOG's credit and collection policy will apply to the Cleveland Heights Natural Gas Aggregation Program. For more information on the DEOG collection policy customers should contact DEOG customer service at 216-361-2345.

#### VII. PROGRAM ENROLLMENT

Cleveland Heights' natural gas aggregation is an "opt-out" aggregation program. Accordingly, Eligible Customers will be automatically included in the City's aggregation program unless they comply with the program's opt-out procedure discussed in Section VIII below. Customers who wish to participate and remain in the City's aggregate need not take any action. Participating customers will be automatically enrolled in Cleveland Heights' Program. Enrollment shall commence with the start of service and shall continue for a twenty-four (24) month service period. WPS Energy Services will notify customers when service under the program will begin which shall coincide with the switch from their current supplier.

Customers who meet the following criteria will automatically become members of the Aggregation Program:

- Remain in after the designated 21-day Opt-out Period;
- Residents of Cleveland Heights whose service address is within the boundaries of Cleveland Heights
- Is an Eligible Customer and not otherwise deemed ineligible to participate in the City's Program.

Customers rejected by DEOG upon enrollment will be mailed a letter from WPS Energy Services stating the reason for their rejection within three (3) days of WPS Energy Services receipt of the rejection file by DEOG.

#### VIII. OPT-OUT PROCEDURE AND TERMS

#### 8.1 Opt-out Process

The City will develop an Opt-out or automatic governmental aggregation pursuant to section 4929 of the Ohio Revised Code. As the supplier to the City's program, WPS Energy Services shall disclose to the person owning, occupying or using the natural gas load center that the person will be enrolled in the City's Program unless they affirmatively elect not to be enrolled. That person must opt-out by following the Aggregation Program's stated opt-out procedure.

Using the DEOG customer list, WPS Energy Services with the assistance of the City shall on a best efforts basis identify all Eligible Customers within the City limits. Per PUCO natural gas aggregation rules DEOG will remove PIPP customers and customers that do not meet the eligibility criteria outlined in section VII above from the list of Eligible Customers prior to giving the data to the City or WPS Energy Services.

WPS Energy Services will implement the opt-out process on behalf of the City of Cleveland Heights. Prior to commencement of service, WPS Energy Services will utilize customer information provided by DEOG to notify all eligible retail natural gas consumers in the City of their right to opt-out of Cleveland Heights' Natural Gas

Aggregation Program. Eligible Consumers shall be residential and/or commercial customers in the City that are not otherwise designated by DEOG or the PUCO as ineligible at the time of the Opt-out Period or are otherwise deemed ineligible to participate in the City's Aggregation Program. Eligible Customers will receive by mail a notice disclosing: the Program's rates; terms and conditions of service; and general information related to the Program. The notice shall clearly provide instructions on how to opt-out of the program, which shall be by returning a postcard to WPS Energy Services or calling a designated number at WPS Energy Services. The Opt-out Period shall be a twenty-one (21) day period. Eligible Consumers shall have twenty-one (21) days from the date of the postmark on the notice to indicate their intent to opt-out. Eligible Customers that do not follow the prescribed opt-out procedure shall be automatically enrolled in the program. The customer should immediately notify WPS Energy Services if they are inadvertently switched and are not a DEOG customer in the City of Cleveland Heights. WPS Energy Services shall notify DEOG of Cleveland Heights' Eligible Constomers to be switched to service under the Program.

## 8.2 No Fee Opt-out Privileges

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Cleveland Heights' DEOG customers may leave the City's Aggregation Program or switch between the fixed and variable rates at no charge under the following circumstances: a) during the initial opt-out period; b) during the Year Two Fixed Rate Review Period as discussed in Section 5.2 above; c) if they move out of Cleveland Heights. Customers that switch out of the program for any other reason may be charged a \$35 exit fee.

#### 8.3 Dominion East Ohio Gas Confirmation/Rescission Letter

A final means of leaving the program, and an added defense mechanism against "customer slamming", comes in the form of written notification from DEOG. This notice will inform the customer that they are about to be switched to WPS Energy Services and have 7 days if they wish to rescind the contract.

### 8.4 Process for Determining the Pool of Customers

WPS Energy Services will mail disclosure of Terms and Conditions Notices with instructions on how to opt-out to each eligible customer. WPS Energy Services and the City will work together as described in section 4.3 above to ensure that only residents of the City of Cleveland Heights are included in the mailing. A customer may opt-out by returning a postcard to WPS Energy Services or by calling WPS Energy Services customer service at a designated phone number. WPS Energy Services will remove customers who have returned opt-out forms, and any customers that are not eligible for the Program from the pool. Customers who have switched away from DEOG to another supplier and wish to join the Cleveland Heights' Aggregation Program and sign-up with WPS Energy Services would first have to terminate their existing contract and contact WPS Energy Services during the initial opt-out period to receive the group rate. Those customers would be responsible for any early termination fees assessed by their current supplier.

### 8.5 Return to DEOG Service

Customers that opt-out of Cleveland Heights' Aggregation Program after the initial 21-day opt-out period will default to DEOG's commodity service and pay the applicable GCR rate while taking such service, or if the consumer selects an alternate retail natural gas supplier that suppliers rate. Customers that voluntarily return to DEOG after service under the Aggregation Program may be charged a price other than DEOG's GCR rate.

#### 8.6 Switching to Other Suppliers

Aggregation Program participants that switch to a different retail natural gas supplier after the expiration of the enrollment period will be allowed to do so in correlation with the constomer's next scheduled meter read date. Switching to a different retail natural gas supplier on the next billing date. Customers choosing to switch, outside of the opt-out period or Year Two Fixed Rate review period, may be subject to a \$35 exit fee. Notification of intent to opt-out of the Aggregation Group may be made by contacting WPS Energy Services Customer Service by telephone or in writing.

#### IX. JOINING THE PROGRAM AFTER START-UP

## 9.1 New Cleveland Heights Residents

Eligible Customers that move into Cleveland Heights after the conclusion of the initial Opt-out Period shall have the opportunity to join the City's Aggregation Program at the rates provided in the Natural Gas Supply Agreement. These customers may call WPS Energy Services for information on joining the program. WPS Energy Services will conduct a quarterly Opt-out Period subject to receipt of new customer information from DEOG. WPS Energy Services will inform new residents of the City's automatic aggregation program and of their right to opt-out of the Program. The Opt-out Period shall be twenty-one (21) days. The eurollment term of new customers will conclude with that of the initial Cleveland Heights aggregation pool.

### 9.2 Customer Movement within Cleveland Heights or out of Cleveland Heights

Cleveland Heights' Aggregation Program participants that move from one location to another within the corporate limits of the City shall retain their participant status at the Natural Gas Supply Agreement price. These customers may be dropped from the Program by DEOG in which case they will not incur an exit fee and may re-enroll in the Program through the quarterly refresh process or by contacting WPS Energy Services. Customers enrolled in Cleveland Heights' program that move out of the city limits will no longer be eligible to participate in the program and will lose their offer but will not incur an early termination fee.

## 9.3 Previously Opted-Out or otherwise Not Enrolled Customers

DEOG customers in the City of Cleveland Heights may join the City's Aggregation Program after the expiration of the initial Opt-out Period by contacting WPS Energy Services. Enrollment and service activation shall be subject to the written policies of WPS Energy Services. Rates for such customers shall be at the Natural Gas Supply Agreement price, or at a market-based price, subject to the policies of WPS Energy Services.

#### X. RELIABILITY OF NATURAL GAS SERVICE

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For the protection of retail natural gas consumers in Ohio, the PUCO has adopted rules governing the minimum service, quality, safety, and reliability practices for local utilities like DEOG. The rules provide standards for inspection, maintenance, repair, and replacement of the transportation and distribution system of each local utility. The rules also impose standards on utilities such as DEOG for system operation, reliability, and safety during emergencies and disasters. DEOG will continue to maintain and service natural gas meters, and its transportation and distribution facilities in the City of Cleveland Heights. The only thing that changes for the DEOG consumers in Cleveland Heights that participate in the Aggregation Group is the retail natural gas supplier. This is the company that purchases the actual natural gas and supplies it to DEOG. For the members in the City's Natural Gas Aggregation Program, the retail natural gas supplier is WPS Energy Services, Inc.

If the retail natural gas supplier does not provide sufficient gas to supply its customers the gas supply will be supplemented by DEOG.

#### XI. CUSTOMER SERVICE

WPS Energy Services shall provide a fully staffed, 24 hour a day 7 day a week, customer service staff. The staff will address questions or concerns related to the Program. Cleveland Heights' customers may call toll free to: 1-888-566-1117. Customers may contact WPS Energy Services in writing at its Cleveland, Ohio office at: WPS Energy Services, Inc., Bank One Center, 600 Superior, Suite 1300, Cleveland, OH 44114.

#### XII. CONSUMER EDUCATION

WPS Energy Services will assist the City in developing a consumer education plan concerning natural gas deregulation. The City and WPS Energy Services will, where practicable, provide consumer education messages that are consistent with the messages of DEOG's campaign, and the statewide consumer education program.

#### XIII. DISPUTE RESOLUTION

Members will have multiple means of addressing complaints. As a general rule, concerns regarding service reliability and billing should be directed to DEOG. 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, and any unresolved disputes should be directed to the Public Utilities Commission of Ohio and/or the Ohio Consumers Council. Below is a list of toll-free numbers for members to call for assistance.

Nature of Complaint	Contact	Phone Number
Gas Odor/Leaks-Fire-Explosions	DEOG	1-877542-2630
Service turn on/off	DEOG	216-361-2345
Billing Disputes	DEOG	216-361-2345
Joining/Leaving Program	City of Cleveland Heights	CITY
	WPS Customer Service	1-888-566-1117
Program Regulatory Questions	WPS Customer Service	1-888-566-1117
Unresolved Disputes	Public Utilities Commission	1-800-686-7826
Unresolved Disputes	Ohio Consumers Council	1-877-742-5622

WPS Energy Services will attempt to resolve all customer complaints in a timely and good faith manner. WPS Energy Services shall investigate and provide a status report to the customer when the complaint is made directly to WPS Energy Services and/or the City within three (3) business days following receipt of the complaint. Or in the case of a Public Utilities Commission of Ohio ("PUCO") complaint WPS Energy Services shall investigate and provide a status report to the customer and PUCO staff within three (3) business days following receipt of the complaint. If an investigation into a complaint received from the customer or a complaint referred by the PUCO is not completed within ten (10) business days, then a status report will be given to the customer, and, if applicable, the PUCO. These status reports will be given every three (3) business days until the investigation is complete, unless the action that must be taken takes longer than three (3) business days and the customer has been notified. Final results of a Commission-referred complaint will be provided to the PUCO either orally (phone) or in writing (e-mail, written correspondence), no later than three (3) business days after the investigation is completed. The final results will be provided in writing to the customer no later than three (3) business days after the investigation is completed. Customers retain the right to contact the PUCO regarding complaints and disputes. All customers have the right to contact the PUCO by writing to ATTN: P.I.C. Public Utilities Commission of Ohio, 180 E. Broad St., Columbus, OH 43215-3793 by fax to (614) 752-8351 through their website at www.puc.state.oh.us or by calling toll free (800) 686-7826 (VOICE) or (800) 686-1570 (TDD). Records of customer complaints will be retained for two (2) years after the occurrence of the complaint. A copy of the complaint record will be provided to the PUCO within three (3) business days, if requested.

#### XIV. GENERAL PROVISIONS

#### 14.1 Governing Law

Service under the Aggregation Program shall be governed by the provisions of the City's Natural Gas Aggregation Program Plan of Operation and Governance, the City-WPS Natural Gas Aggregation Supply Agreement, the Codified Ordinances of the City of Cleveland Heights, Ohio, the Ohio Revised Code and the rules and regulations of the Public Utilities Commission of Ohio.

### 14.2 Taxes and Fees

Any taxes, duties, fees or charges levied against WPS Energy Services by any governmental or regulatory entity or passed through to WPS Energy Services by capacity or energy suppliers shall be passed through by WPS Energy Services and paid by the customer. WPS Energy Services shall provide the customer written notice and detailed description of such charges if such information has not been included in previous communications.

### 14.3 Additional Equipment

If additional metering or monitoring equipment is required by DEOG, such metering or monitoring equipment shall be installed at customer's expense. If WPS Energy Services requires additional metering or monitoring equipment, WPS Energy Services shall be responsible for all related expenses.

#### 14.4 Customer Information

Neither the City nor WPS Energy Services shall release an Aggregation Program participant's social security number or account number without the program participant's written consent. WPS Energy Services shall not release information on customers that have opted out of the program without the prior written consent of the customer.

#### 14.5 Payment History

Aggregation Program customers shall have the right to request, without charge, from WPS Energy Services the customer's payment history for a period of up to twenty-four (24) months.

# XV. ADOPTION OF PLAN OF OPERATION AND GOVERNANCE

This Plan of Operation and Governance shall be subject to the adoption of Cleveland Heights City Council. A copy of the City's Ordinance No. adopting this Plan of Operation is attached hereto as Attachment C.

Further modifications to the Plan of Operation and Governance after adoption will require approval of Cleveland Heights City Council.

### **DEFINITIONS**

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- 1.1 "Aggregation" means combining the retail natural gas loads of multiple customers for the purposes of supplying or arranging for the supply of competitive retail natural gas service to those customers.
- 1.2 "Aggregation Group" means those eligible retail natural gas customers of DEOG within the corporate limits of the City of Cleveland Heights, excluding PIPP customers, defined as Eligible Customers in 1.8 and who do not "opt-out" of the City's Aggregation Program.
- 1.3 "Aggregation Program" means the provision of competitive retail natural gas aggregation services to the Aggregation Group of the City of Cleveland Heights and pursuant to the City's Plan of Operation and Governance.
- 1.4 "Aggregation Services" means services provided to the Aggregation Group pursuant to the Natural Gas Supply Agreement executed by the City and WPS Energy Services.
- 1.5 "Competitive Retail Natural Gas Service" means retail natural gas service that is deemed competitive pursuant to Section 4929.01(I) of the Ohio Revised Code which states I) "Competitive retail natural gas service" means any retail natural gas service that may be competitively offered to consumers in this state as a result of revised schedules approved under division (C) of section 4929.29 of the Revised Code, a rule or order adopted or issued by the public utilities commission under Chapter 4905. of the Revised Code, or an exemption granted by the commission under sections 4929.04 to 4929.08 of the Revised Code.
- 1.6 "Consolidated Billing" means combining the incumbent natural gas company's charges and the Retail Natural Gas Supplier's charges on one billing statement.
- 1.7 "Electronic Data Interchange" ("EDI") means the computer system used by WPS Energy Services and DEOG to transmit enrollment, supply, and billing information.
- 1.8 "Eligible Customer" includes customers of DEOG who are not: a person that is a both a distribution service customer and a mercantile customer on the date of commencement of service to the governmental aggregation, or the person becomes a distribution service customer after the service commencement date and is also a mercantile customer; a person that is supplied with commodity sales service pursuant to a contract with a retail natural gas supplier that is in effect on the effective date of the ordinance or resolution authorizing the aggregation; a person that is supplied with commodity sales service as part of the percentage of income payment plan program or similar or successor program adopted by the commission under chapters 4905. Or 4929. Of the revised code; or, a customer that has failed to discharge, or enter into a plan to discharge, all existing arrearages owed to or being billed by a natural gas company from which the person is receiving service.

1.9 "Enrollment Period" means the twenty-one (21) day period that coincides with the twenty-one (21) day Opt-out Period.

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- 1.10 "Governmental Aggregator" means a county, municipality or township that provides aggregation services.
- 1.11 "Natural Gas Supply Agreement" means this contract agreed to between the City of Cleveland Heights and its Retail Natural Gas Supplier for the provision of competitive retail natural gas service to the City's Aggregation Program.
- 1.12 "Opt-out Period" means the twenty-one day (21) day period in which eligible DEOG customers in Cleveland Heights must opt-out of the City of Cleveland Heights' Aggregation Program or they will be automatically enrolled in the Program. This period coincides with the City of Cleveland Heights' Aggregation Program's Enrollment Period.
- 1.13 "PIPP" means Percentage of Income Payment Plan Program as prescribed in PUCO Rules 4901:1-18-02(B)-(G) and 4901:1-18-04(B) of the Ohio Administrative Code.
- 1.14 "Plan of Operation and Governance" means the City of Cleveland Heights'
  Plan of Operation and Governance which details the services provided under the
  aggregation program. The Plan of Operation and Governance shall be become
  effective upon passage of City Ordinance or at a time otherwise provided in said
  legislation.
- 1.15 "PUCO" means the Public Utilities Commission of Ohio.
- 1.16 "Purchasing Agent" means the City of Cleveland Heights as a municipality or township that provides Competitive Retail Natural Gas Service by contracting with a Retail Natural Gas Supplier.
- 1.17 "Retail natural gas service" means commodity sales service, ancillary service, natural gas aggregation service, natural gas marketing service, or natural gas brokerage service. Pursuant to 4929.01 (M) of the Ohio Revised Code
- 1.18 "Retail Natural Gas Supplier" means a retail natural gas supplier that has been certified by the PUCO to provide competitive retail natural gas service to consumers in Ohio that are not mercantile customers including marketers, brokers, or aggregators, but excludes a natural gas company, a governmental aggregator, a billing or collection agent, and a producer or gatherer of gas that is not a natural gas company.
- 1.19 "Seller" means WPS Energy Services, Inc., the Retail Natural Gas Supplier for the Cleveland Heights Aggregation.
- 1.20 "Year One Fixed Rate" means the rate determined by the City and WPS Energy Services for the initial 12 months of the program as provided in the Natural Gas Supply Agreement.

- 1.21 "Year Two Fixed Rate" means the rate determined by the City and WPS Energy Services for the final 12 months of the program as provided in the Natural Gas Supply Agreement.
- 1.22 "Year Two Fixed Rate Review Period" means the 21 days from the postmark of the notice mailed to customers on the Year One Fixed Rate prior to starting service under the Year Two Fixed Rate in which customer may review the new rate for year two and switch out of the Aggregation Program without being charged an exit fee.

## EXHIBIT B-3 CITY OF CLEVELAND HEIGHTS

# AUTOMATIC AGGREGATION DISCLOSURE NOTIFICATION

4 Pages

#### CITY OF CLEVELAND HEIGHTS NATURAL GAS AGGREGATION PROGRAM

Date

Full Name Address Line 1 Address Line 2 City State Zipcode

Dear Resident,

Welcome to the xxx 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, 2012 billing. With this letter, Integrys Energy Services is offering Eligible Residents a choice of a Yearly Rate of \$ X.XX per Mcf, a Locked-In Price with Flex Down Opportunity Rate of \$ X.XX per Mcf, or a Reduced Quarterly Variable Rate.

With each rate option you will receive our new Ecovations<sup>™</sup> renewable gas product which is an innovative, ecofriendly 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 2012 billing unless you decide to opt-out of the program. To choose either the Locked-In Price with Flex Down Opportunity<sup>SM</sup> 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 888-566-1117 or you may enroll online at <a href="https://www.Integrysenergy.com/clevehts">www.Integrysenergy.com/clevehts</a> on or before XXXX, 2012. 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 2012 billing (or the next billing month after your Utility accepts your enrollment) at the Yearly Rate unless you contact Integrys Energy Services to choose either the Locked-In Price with Flex Down Opportunity<sup>SM</sup> 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.

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 XXXX, 2012, or you may simply call Customer Service at 888-566-1117, 24 hours a day, 7 days a week, on or before XXXX, 2012. 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 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 XXXX, 2012 OR BY CALLING OUR TOLL FREE NUMBER (888-566-1117) BY XXXX, 2012. 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 XXXX, 2012 OR BY CALLING OUR TOLL FREE NUMBER (888-566-1117) BY XXXX, 2012.

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 as soon as the Utility accepts your enrollment after the close of the 21-day Enrollment Period that will conclude by XXXX, 2012 and continue through November, 2013 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 \$ X.XX per MCF, provided however, if Buyer indicates its preference for a Locked-In Price with Flex Down Opportunity SM 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 Opportunity<sup>SM</sup> Rate is "capped" at \$ X.XX per MCF through your November 2013 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 2013 Billing cycle). Your rate with the Locked-In Price with Flex Down Opportunity<sup>SM</sup> 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 XXXX, 2012, 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 888-566-1117, by visiting <a href="www.integrysenergy.com/clevehts">www.integrysenergy.com/clevehts</a>; 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 800-686-7826 (toll-free), or for TYY toll free at 800-686-1570, from 8am to 5pm weekdays, or visit the PUCO website at <a href="www.puco.ohio.gov">www.puco.ohio.gov</a> or as otherwise specified by PUCO. Residential customers may also contact the Ohio Consumers' Counsel ("OCC") for assistance with complaints and utility issues at 877-742-5622 from 8am to 5pm weekdays, or visit <a href="www.pickocc.org">www.pickocc.org</a>.
- 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.

## EXHIBIT B-4 CITY OF CLEVELAND HEIGHTS

# **OPT-OUT NOTICE**

4 Pages

#### CITY OF CLEVELAND HEIGHTS NATURAL GAS AGGREGATION PROGRAM

#### Date

Full Name Address Line 1 Address Line 2 City State Zipcode

#### Dear Resident.

Welcome to the xxx 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, 2012 billing. With this letter, Integrys Energy Services is offering Eligible Residents a choice of a Yearly Rate of \$ X.XX per Mcf, a Locked-In Price with Flex Down Opportunity Rate of \$ X.XX per Mcf, or a Reduced Quarterly Variable Rate.

With each rate option you will receive our new Ecovations<sup>™</sup> renewable gas product which is an innovative, ecofriendly 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 2012 billing unless you decide to opt-out of the program. To choose either the Locked-In Price with Flex Down Opportunity<sup>SM</sup> 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 888-566-1117 or you may enroll online at <a href="https://www.Integrysenergy.com/clevehts">www.Integrysenergy.com/clevehts</a> on or before XXXX, 2012. 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 2012 billing (or the next billing month after your Utility accepts your enrollment) at the Yearly Rate unless you contact Integrys Energy Services to choose either the Locked-In Price with Flex Down Opportunity<sup>SM</sup> 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.

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 XXXX, 2012, or you may simply call Customer Service at 888-566-1117, 24 hours a day, 7 days a week, on or before XXXX, 2012. 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 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 XXXX, 2012 OR BY CALLING OUR TOLL FREE NUMBER (888-566-1117) BY XXXX, 2012. 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 XXXX, 2012 OR BY CALLING OUR TOLL FREE NUMBER (888-566-1117) BY XXXX, 2012.

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 as soon as the Utility accepts your enrollment after the close of the 21-day Enrollment Period that will conclude by XXXX, 2012 and continue through November, 2013 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 \$ X.XX per MCF**, provided however, if Buyer indicates its preference for a Locked-In Price with Flex Down Opportunity<sup>SM</sup> 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 Opportunity<sup>SM</sup> Rate is "capped" at \$ X.XX per MCF through your November 2013 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 2013 Billing cycle). Your rate with the Locked-In Price with Flex Down Opportunity<sup>SM</sup> 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 XXXX, 2012, 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 888-566-117, by visiting <a href="www.integrysenergy.com/clevehts">www.integrysenergy.com/clevehts</a>; 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 800-686-7826 (toll-free), or for TYY toll free at 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 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.

# EXHIBIT B-5 CITY OF CLEVELAND HEIGHTS

# **EXPERIENCE**

2 Pages

## EXHIBIT B-5 EXPERIENCE

Integrys Energy Services-Natural Gas, LLC's ("Integrys Energy") ability to successfully serve as a CRNGS Provider is amply demonstrated through our past and current performance as both a retail electric and natural gas provider. We have been successful to date in the Ohio retail electric and gas markets. Our efforts comply with the requirements of Commission rules adopted pursuant to the Ohio Revised Code. This includes such activities as telephone solicitation of customers, customer enrollment methods, customer service activities and response to customer concerns.

Integrys Energy, through our office in Worthington, OH has participated in Ohio Choice Programs since 1986 as Fuel Services Group, since 1994 under WPS Energy Services, Inc., since February 2007 as Integrys Energy Services, Inc and since April 2010 as Integrys Energy Services-Natural Gas, LLC. Integrys Energy currently serves over 113,000 Ohio Choice customers and delivers approximately 18 BCF/year for these Choice accounts. Integrys Energy Services is currently the supplier to: (1) the City of Cleveland Heights Natural Gas Aggregation Program, serving approximately 6,750 residential and small commercial customers; (2) the City of Cheviot Natural Gas Aggregation Program, serving approximately 1,941 residential and small commercial customers; (3) Colerain Township Natural Gas Aggregation Program, serving approximately 9,850 residential and small commercial customers; (4) Green Township Natural Gas Aggregation Program, serving approximately 11,125 residential and small commercial customers; (5) Champion Township Natural Gas Aggregation Program, serving approximately 1,625 residential and small commercial customers; (6) the Village of Indian Hill Natural Gas Aggregation Program, serving approximately 1,275 residential and small commercial customers; (7) Miami Township Natural Gas Aggregation Program, serving approximately 5,400 residential and small commercial customers; (8) The City of Norwood Natural Gas Aggregation Program, serving approximately 3,550 residential and small commercial customers; (9) The City of Reading Natural Gas Aggregation Program, serving approximately 2,000 residential and small commercial customers; (10) Sycamore Township Natural Gas Aggregation Program, serving approximately 4,200 residential and small commercial customers; (11) City of Lockland Natural Gas Aggregation Program, serving approximately 485 residential and small commercial customers; (12) City of Wyoming Natural Gas Aggregation Program, serving approximately 2,150 residential and small commercial customers; (13) City of Fairfield Natural Gas Aggregation Program, serving approximately 250 residential and small commercial customers; (14) Village of Lordstown, serving approximately 350 residential and small commercial customers; (15) Village of Evendale, serving approximately 825 residential and small commercial customers; (16) Symmes Township, serving approximately 2,625 residential and small commercial customers; and (17) approximately 59,000 residential, 11,000 small commercial and a couple dozen larger commercial accounts as the supplier to the City of Cleveland Electric Aggregation Program through December 2005. Typical load served for these customers was around 100 MW with summer peaks in the 150 to 200 MW range. We were also the CRES provider for the Northwest Ohio Aggregation Coalition ("NOAC") Electric Aggregation

program from 2001-2003, serving over 24,000 residential accounts in six NOAC communities. Integrys Energy Services supplied the City of Euclid Electric Aggregation Program from 2002 through 2005. This program served approximately 16,000 residential customers. In addition, we were the supplier to over 3,700 residential and small commercial direct sign-up customers in the Toledo Edison area through December 2005.

A key element of our success in Ohio has been following our "regional office business model". This model involves establishing a local office and hiring local talent to coordinate the gas or electric supply, delivery and customer service functions. Billing is accomplished with a combination of billing through the local distribution utility and billing using our own proprietary billing system. Utilizing our aggregation experience through our electric programs, along with our experience in Ohio Choice Programs, Integrys Energy is able to effectively serve Natural Gas Aggregation Programs throughout Ohio.

Our operations in Ohio follow the regional office business approach. For our local presence in the retail gas area we have built upon our existing Worthington office and staff. We have added customer service support provided through local and/or toll free phone access. Integrys Energy Services has established a fully staffed and trained 24/7 call center to handle all customer questions and needs. Customer complaints are handled first through normal customer service channels, but appropriately raised for management attention when circumstances dictate. An established internet site provides customer education content, program information and customer service access. This site contains links to specific information regarding the various communities we serve. Secure internet and telephone based enrollment options are available. Additional internet-based services include online access to consumption data, energy consulting and accounting services, and energy efficiency product sales. We plan, over time, to provide a variety of billing services and options such as budget billing, summary billing and specialized billing services.

Integrys Energy's performance in the natural gas market, including our significant Ohio operations, shows our dedication to reliable service, our commitment to customer satisfaction, and our overall quality of energy supply service.

Integrys Energy Services is the nonregulated subsidiary of Integrys Energy Group, Inc. (NYSE: TEG), a Fortune  $1000^{\circ}$  company, which currently manages assets of over \$11 billion in the energy industry and has a heritage that dates back to 1855. In addition to the nonregulated subsidiary, Integrys Energy Group operates several regulated natural gas and electric utilities throughout Minnesota, Wisconsin, Illinois, and Michigan. In 2010, 2009, 2007 and 2006, Fortune has named our family of companies among the top five "Most Admired Energy Companies in America."