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**McNees Wallace & Nurick LLC**  
attorneys at law

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**PUCO**

Lisa G. McAlister  
Direct Dial (614-719-5957  
Email: Lmcalister@mwncmh.com

August 26, 2008

Public Utilities Commission of Ohio  
Docketing Division  
180 E. Broad Street – 13<sup>th</sup> Floor  
Columbus, Ohio 43215

Re: Energy Cooperative of Ohio Renewal Certification Application  
PUCO Case No. 02-1891-GA-AGG

To Whom It May Concern:

Enclosed for filing please find an original and 10 copies of Energy Cooperative of Ohio's Application for Certification as a Competitive Retail Natural Gas Supplier, in the above referenced matter.

If you have questions or comments concerning the enclosed application please do not hesitate to contact me at 614-719-5957.

Very truly yours,

Lisa G. McAlister

LGM/rg  
Enclosure

21 EAST STATE STREET, 17<sup>TH</sup> FLOOR, COLUMBUS, OHIO 43215 • TEL: 614-469-8000 • FAX: 614-469-4653 •  
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Docs Received	Renewal Certification Number	ORIGINAL AGG Case Number
		02 - 1891 - GA-AGG

## RENEWAL CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS BROKERS/AGGREGATORS

Please type or print all required information. Identify all attachments with an exhibit label and title (*Example: Exhibit A-16 - Company History*). 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, 13<sup>th</sup> 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 AND SERVICES

#### A-1 Applicant intends to renew its certificate as: (check all that apply)

☒ Retail Natural Gas Aggregator ☐ Retail Natural Gas Broker

#### A-2 Applicant information:

Legal Name Energy Cooperative of Ohio  
Address 800 Cross Points Rd., Suite D, Gahanna, Ohio 43230  
Telephone No. 614-856-3599 Web site Address [www.ohioenergycoop.org](http://www.ohioenergycoop.org)  
Current PUCO Certificate No. 02-038(2) Effective Dates September 25, 2006 - September 25, 2008

#### A-3 Applicant information under which applicant will do business in Ohio:

Name Energy Cooperative of Ohio  
Address 800 Cross Pointe Rd., Suite D, Gahanna, Ohio 43230  
Web site Address [www.ohioenergycoop.org](http://www.ohioenergycoop.org) Telephone No. 614-856-3599

#### A-4 List all names under which the applicant does business in North America:

Energy Cooperative of Ohio

#### A-5 Contact person for regulatory or emergency matters:

Name Lisa G. McAllister Title Attorney  
Business Address 21 E. State Street, Suite 1700, Columbus, Ohio 43216  
Telephone No. 614-469-8000 Fax No. 614-469-4653 Email Address [lmcalister@mwncmh.com](mailto:lmcalister@mwncmh.com)

**A-6 Contact person for Commission Staff use in investigating customer complaints:**

Name Kevin Smith Title General Manager  
Business address 800 Cross Pointe Rd., Suite D, Gahanna, Ohio 43230  
Telephone No. 614-856-3599 Fax No. 614-856-3301 Email Address ksmith@ohioenergy.com

**A-7 Applicant's address and toll-free number for customer service and complaints**

Customer service address 800 Cross Pointe Rd., Suite D, Gahanna, Ohio 43230  
Toll-Free Telephone No. 888-541-4646 Fax No. 614-856-3301 Email Address ksmith@ohioenergy.com

**A-8 Provide "Proof of an Ohio Office and Employee," in accordance with Section 4929.22 of the Ohio Revised Code, by listing name, Ohio office address, telephone number, and Web site address of the designated Ohio Employee**

Name Kevin Smith Title General Manager  
Business address 800 Cross Pointe Rd., Suite D, Gahanna, Ohio 43230  
Telephone No. 614-856-3599 Fax No. 614-856-3301 Email Address ksmith@ohioenergy.com

**A-9 Applicant's federal employer identification number** 31-1608113

**A-10 Applicant's form of ownership: (Check one)**

- |  |  |
|--|--|
| <input type="checkbox"/> Sole Proprietorship                 | <input type="checkbox"/> Partnership                     |
| <input type="checkbox"/> Limited Liability Partnership (LLP) | <input type="checkbox"/> Limited Liability Company (LLC) |
| <input type="checkbox"/> Corporation                         | <input checked="" type="checkbox"/> Other Cooperative    |

**A-11 (Check all that apply) Identify each natural gas company service area in which the applicant is currently providing service or intends to provide service, including identification of each customer class that the applicant is currently serving or intends to serve, for example: *residential, small commercial, and/or large commercial/industrial (mercantile) customers*. (A mercantile customer, as defined in Section 4929.01(L)(1) of the Ohio Revised Code, means a customer that consumes, other than for residential use, more than 500,000 cubic feet of natural gas per year at a single location within the state or consumes natural gas, other than for residential use, as part of an undertaking having more than three locations within or outside of this state. In accordance with Section 4929.01(L)(2) of the Ohio Revised Code, "Mercantile customer" excludes a not-for-profit customer that consumes, other than for residential use, more than 500,000 cubic feet of natural gas per year at a single location within this state or consumes natural gas, other than for residential use, as part of an undertaking having more than three locations within or outside this state that has filed the necessary declaration with the Public Utilities Commission.)**

<input checked="" type="checkbox"/> Columbia Gas of Ohio	<input checked="" type="checkbox"/> Residential	<input checked="" type="checkbox"/> Small Commercial	<input checked="" type="checkbox"/> Large Commercial / Industrial
<input checked="" type="checkbox"/> Dominion East Ohio	<input checked="" type="checkbox"/> Residential	<input checked="" type="checkbox"/> Small Commercial	<input checked="" type="checkbox"/> Large Commercial / Industrial
<input checked="" type="checkbox"/> Duke Energy Ohio	<input checked="" type="checkbox"/> Residential	<input checked="" type="checkbox"/> Small Commercial	<input checked="" type="checkbox"/> Large Commercial / Industrial
<input checked="" type="checkbox"/> Vectren Energy Delivery of Ohio	<input type="checkbox"/> Residential	<input checked="" type="checkbox"/> Small Commercial	<input type="checkbox"/> Large Commercial / Industrial

**A-12 If applicant or an affiliated interest previously participated in any of Ohio's Natural Gas Choice Programs, for each service area and customer class, provide approximate start date(s) and/or end date(s) that the applicant began delivering and/or ended services.**

☒ **Columbia Gas of Ohio**

<input checked="" type="checkbox"/> Residential	Beginning Date of Service	1998	End Date
<input checked="" type="checkbox"/> Small Commercial	Beginning Date of Service	1998	End Date
<input checked="" type="checkbox"/> Large Commercial	Beginning Date of Service	1998	End Date
<input checked="" type="checkbox"/> Industrial	Beginning Date of Service	1998	End Date

☒ **Dominion East Ohio**

<input checked="" type="checkbox"/> Residential	Beginning Date of Service	2000	End Date
<input checked="" type="checkbox"/> Small Commercial	Beginning Date of Service	2000	End Date
<input checked="" type="checkbox"/> Large Commercial	Beginning Date of Service	2000	End Date
<input checked="" type="checkbox"/> Industrial	Beginning Date of Service	2000	End Date

☒ **Duke Energy Ohio**

<input checked="" type="checkbox"/> Residential	Beginning Date of Service	TBD	End Date
<input checked="" type="checkbox"/> Small Commercial	Beginning Date of Service	TBD	End Date
<input checked="" type="checkbox"/> Large Commercial	Beginning Date of Service	TBD	End Date
<input checked="" type="checkbox"/> Industrial	Beginning Date of Service	TBD	End Date

☒ **Vectren Energy Delivery of Ohio**

<input type="checkbox"/> Residential	Beginning Date of Service		End Date
<input checked="" type="checkbox"/> Small Commercial	Beginning Date of Service	TBD	End Date
<input type="checkbox"/> Large Commercial	Beginning Date of Service		End Date
<input type="checkbox"/> Industrial	Beginning Date of Service		End Date

**A-13 If not currently participating in any of Ohio's four Natural Gas Choice Programs, provide the approximate start date that the applicant proposes to begin delivering services:**

<input type="checkbox"/>	Columbia Gas of Ohio	Intended Start Date
<input type="checkbox"/>	Dominion East Ohio	Intended Start Date
<input type="checkbox"/>	Duke Energy Ohio	Intended Start Date
<input type="checkbox"/>	Vectren Energy Delivery of Ohio	Intended Start Date

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.

- A-14 **Exhibit A-14 "Principal Officers, Directors & Partners,"** provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.
- A-15 **Exhibit A-15 "Corporate Structure,"** provide a description of the applicant's corporate structure, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale natural gas or electricity to customers in North America.
- A-16 **Exhibit A-16 "Company History,"** provide a concise description of the applicant's company history and principal business interests.
- A-17 **Exhibit A-17 "Articles of Incorporation and Bylaws,"** provide the articles of incorporation filed with the state or jurisdiction in which the applicant is incorporated and any amendments thereto, *only if the contents of the originally filed documents changed since the initial application.*
- A-18 **Exhibit A-18 "Secretary of State,"** provide evidence that the applicant is still currently registered with the Ohio Secretary of the State.

## **SECTION B - APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCE**

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED

- B-1 **Exhibit B-1 "Jurisdictions of Operation,"** provide a current list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail natural gas service, or retail/wholesale electric services.
- B-2 **Exhibit B-2 "Experience & Plans,"** provide a current description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4929.22 of the Revised Code and contained in Chapter 4901:1-29 of the Ohio Administrative Code.
- B-3 **Exhibit B-3 "Summary of Experience,"** provide a concise and current summary of the applicant's experience in providing the service(s) for which it is seeking renewed certification (e.g., number and types of customers served, utility service areas, volume of gas supplied, etc.).
- B-4 **Exhibit B-4 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocations of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational

status or ability to provide the services for which it is seeking renewed certification since applicant last filed for certification.

- B-5 Exhibit B-5 "Disclosure of Consumer Protection Violations,"** disclose whether the applicant, affiliate, predecessor of the applicant, or any principal officer of the applicant has been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws since applicant last filed for certification.

☒ No ☐ Yes

If Yes, provide a separate attachment labeled as Exhibit B-5 "Disclosure of Consumer Protection Violations," detailing such violation(s) and providing all relevant documents.

- B-6 Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation,"** disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail natural gas or retail/wholesale electric service denied, curtailed, suspended, or revoked, or whether the applicant or predecessor has been terminated from any of Ohio's Natural Gas Choice programs, or been in default for failure to deliver natural gas since applicant last filed for certification.

☒ No ☐ Yes

If Yes, provide a separate attachment, labeled as Exhibit B-6 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation," detailing such action(s) and providing all relevant documents.

## **SECTION C - APPLICANT FINANCIAL CAPABILITY AND EXPERIENCE**

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED

- C-1 Exhibit C-1 "Annual Reports,"** provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information, labeled as Exhibit C-1, or indicate that Exhibit C-1 is not applicable and why.
- C-2 Exhibit C-2 "SEC Filings,"** provide the most recent 10-K/8-K Filings with the SEC. If applicant does not have such filings, it may submit those of its parent company. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 whether the applicant is not required to file with the SEC and why.
- C-3 Exhibit C-3 "Financial Statements,"** provide copies of the applicant's two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer-certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer-certified financial statements covering the life of the business.
- C-4 Exhibit C-4 "Financial Arrangements,"** provide copies of the applicant's current financial arrangements to conduct competitive retail natural gas service (CRNGS) as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.)
- C-5 Exhibit C-5 "Forecasted Financial Statements,"** provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant's CRNGS operation, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer.

- C-6 **Exhibit C-6 "Credit Rating,"** provide a statement disclosing the applicant's current credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody's Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant's parent or affiliate organization that guarantees the obligations of the applicant.
- C-7 **Exhibit C-7 "Credit Report,"** provide a copy of the applicant's current credit report from Experian, Dun and Bradstreet, or a similar organization.
- C-8 **Exhibit C-8 "Bankruptcy Information,"** provide a list and description of any reorganizations, protection from creditors, or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or since applicant last filed for certification.
- C-9 **Exhibit C-9 "Merger Information,"** provide a statement describing any dissolution or merger or acquisition of the applicant since applicant last filed for certification.

#### **SECTION D - APPLICANT TECHNICAL CAPABILITY**

PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED.

- D-1 **Exhibit D-1 "Operations,"** provide a current written description of the operational nature of the applicant's business functions.
- D-2 **Exhibit D-2 "Operations Expertise,"** given the operational nature of the applicant's business, provide evidence of the applicant's current experience and technical expertise in performing such operations.
- D-3 **Exhibit D-3 "Key Technical Personnel,"** provide the names, titles, email addresses, telephone numbers, and background of key personnel involved in the operational aspects of the applicant's current business.

Applicant Signature and Title

*Richard A. Curmuth / Board President*

Sworn and subscribed before me this

25 day of August

Month

2008

Year

*John M. Zornes*

Signature of official administering oath

*John M. Zornes*

Print Name and Title

My commission expires on

10/11/09



JOHN M. ZORNES  
Notary Public  
In and for the State of Ohio  
My Commission Expires  
October 11, 2009



***The Public Utilities Commission of Ohio***

**Competitive Retail Natural Gas Service  
Affidavit Form  
(Version 1.07)**

**In the Matter of the Application of**

**for a Certificate or Renewal Certificate to Provide  
Competitive Retail Natural Gas Service in Ohio.**

Case No. -GA-AGG

**County of**  
**State of**

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

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

**Affiant Signature & Title**

Richard A. Curran / Board President

Sworn and subscribed before me this 25 day of August Month 2008 Year

**Signature of Official Administering Oath**

**Print Name and Title**

John M. Zornes



**JOHN M. ZORNES**  
Notary Public  
In and for the State of Ohio  
My Commission Expires  
October 11, 2009 90 East

**My commission expires on**

10/12/09

(CRNGS Broker/Aggregator Renewal) Page 7 of 7



## **EXHIBIT A-14**

### **"Principal Officers, Directors and Partners"**

#### **Board of Directors 2008**

#### **Energy Cooperative of Ohio**

**Richard A Curnutte, Sr. - President**  
Volunteer Energy Services, Inc  
790 A Windmill Dr.  
Pickerington, Oh 43147  
(614) 328-2934

**David C. Rinebolt**  
Executive Director  
Ohio Partners for Affordable Energy  
231 West Lima Street  
P.O. Box 1793  
Findlay OH 45839-1793  
(419) 425-8860

**John Zornes – Secretary/Treasurer**  
Chief Financial Officer  
Energy Cooperative of Ohio  
790 B Windmill Dr.  
Pickerington, Oh 43147  
(614) 328-2957

**Don May**  
Cooperative Member  
1645 Andover Road  
Columbus, OH 43212-2302  
614-486-0138

**Steven Ewing**  
Cooperative Member  
PHAACO  
2000 3<sup>rd</sup> St. NE  
Canton, OH 44704  
(330) 453-8102

**Jim Maholm**  
Cooperative Member  
2327 Sonnington Dr.  
Dublin, OH 43016  
866-628-3610

**Vacant**

## **EXHIBIT A-15**

### **Corporate Structure**

Energy Cooperative of Ohio is a not-for-profit corporation structured as an energy cooperative, and is comprised of a Board of Trustees, and a General Manager and Treasurer employed by the Board. The Board Chair acts as the chief executive officer of the cooperative under the Code of Regulations. The General Manager oversees day-to-day operations. The Treasurer oversees the finances of the cooperative. There are no affiliates or subsidiary companies that supply retail or wholesale natural gas or electricity to customers in North America.

## **EXHIBIT A-16**

### **Company History**

The Energy Cooperative of Ohio is a buying group organized to provide low cost services to member businesses. Cooperatives are unique because the consumers they serve own them. They are guided by principles that reflect the best interest of those consumers. According to the National Rural Electric Cooperative Association, more than 100 million Americans are members of 47,000 U.S. cooperatives providing a wide array of goods and services.

In 1998, an energy cooperative was formed in Ohio by a group of business people, to save money on natural gas costs. The Energy Cooperative of Ohio was organized under Chapter 1729.01 *et. seq.*, Ohio Rev. Code, and operates under the law of the state of Ohio to provide at-cost natural gas to its Members. The Co-op has met all of the requirements of the Public Utilities Commission of Ohio, East Ohio Gas/Dominion East Ohio, Columbia Gas of Ohio and Vectren Energy Delivery of Ohio to serve residential, commercial and industrial customers under the Choice and Firm Requirements programs.

The Co-op approach combines the gas accounts of all its members into one group, secures wholesale supplies and services and then passes those supplies and services to the members in a not-for-profit fashion. This allows the total group to appear as one large customer, and achieve the bargaining power that goes along with it. The Co-op also works to minimize total fuel costs. This includes the combination of the supplier costs, the total utility costs and the management costs.

Generally, a marketer or broker may buy gas at the lowest price it can obtain and resells the gas at the highest price the market will bear. They have a different incentive than a Co-op whose mission is to provide the lowest cost natural gas to its members.

The Energy Cooperative of Ohio is a non-for-profit corporation owned by the member businesses and individuals. Over its years of operation in Ohio it has invited any credit-worthy business that qualifies to apply for membership. There is no sign-up fee or deposit required.

## **Exhibit A-17**

### **Articles of Incorporation and By-Laws**

**No amendments have been made since initial application.**

**Exhibit A-18**

**Secretary of State**

**United States of America  
State of Ohio  
Office of the Secretary of State**

***I, Jennifer Brunner, do hereby certify that I am the duly elected, qualified and present acting Secretary of State for the State of Ohio, and as such have custody of the records of Ohio and Foreign business entities; that said records show ENERGY COOPERATIVE OF OHIO, an Ohio not for profit corporation, Charter No. 1013277, having its principal location in Westerville, County of Franklin, was incorporated on July 14, 1998 and is currently in GOOD STANDING upon the records of this office.***



*Witness my hand and the seal of the  
Secretary of State at Columbus, Ohio  
this 19th day of August, A.D. 2008*

A handwritten signature in cursive script, appearing to read "Jennifer Brunner".

**Ohio Secretary of State**

**Validation Number: V2008231A5625B**

## **Exhibit B-1**

### **Jurisdictions of Operation**

The Energy Cooperative of Ohio only provides service for gas customers in the State of Ohio.

## **Exhibit B-2**

### **Experience and Plans**

The Energy Cooperative of Ohio is a buying group organized to provide low cost services to member businesses. Cooperatives are unique because the consumers they serve own them. They are guided by principles that reflect the best interest of those consumers. According to the National Rural Electric Cooperative Association, more than 100 million Americans are members of 47,000 U.S. cooperatives in the United States providing a wide array of goods and services.

In 1998, an energy cooperative was formed in Ohio by a group of business people, to save money on natural gas costs. The Energy Cooperative of Ohio operates under the laws of the state of Ohio to provide at-cost natural gas to its members. The Co-op has met all of the requirements of the Ohio Consumers' Counsel, the Public Utilities Commission of Ohio, East Ohio Gas and Columbia Gas of Ohio to serve commercial and industrial customers under the Choice and Firm Requirements programs.

The Energy Cooperative of Ohio is modeled after the Energy Cooperative of New York, which has been operating successfully in New York for several years and currently has a sizeable number of customers. There is no financial relationship between Energy Cooperative of New York and Energy Cooperative of Ohio.

The Co-op's approach combines the gas accounts of all its members into one group, secures wholesale supplies and services and then passes those supplies and services to the members in a not-for-profit fashion. This allows the total group to appear as one large customer, and achieve the bargaining power that goes along with it. The Co-op also works to minimize total fuel costs. This includes the combination of the supplier costs, the local utility costs and the managerial costs.

#### **Energy Cooperative of Ohio benefits**

1. "Consumer first" philosophy
2. Energy management services
3. Lower costs through volume aggregation
4. Shared ownership and revenue reallocation
5. Group buying power
6. A focus on member service and satisfaction
7. Local production aggregation
8. Toll-free customer service number
9. Intrastate and interstate pipeline expertise
10. Financially secure cooperative
11. Simple enrollment
12. Variety of billing and pricing options



## **Exhibit B-2 (cont'd)**

### **Summary of Services**

**Physical Supply of natural gas and electricity** – Natural gas accounts in Ohio can be included in an existing aggregation group or if large enough, can become a direct customer of their utilities. Accounts located in utility territories in other areas of the United States are competitively bid to approved energy suppliers in those areas. The goals of the physical supply program are to improve upon the buying strategies of the utility and maximize savings off of their avoided retail rates.

**Risk Management** – A corporate hedging program is utilized by ECO for aggregate volumes of natural gas for facilities whose commodity supply pricing is based upon market pricing. For natural gas accounts anywhere in the United States, future contracts based upon the New York Mercantile Exchange (NYMEX) would be utilized to hedge aggregate monthly pricing. An allocation methodology is used to allocate gains or losses from the corporate program to individual cost centers. The net financial position from the hedging strategy is then blended in with actual physical supply costs on a monthly basis to provide a final hedged cost for each account. The goals of the risk management program are reduced price risk and greater price certainty.

**Utility Accounts/Utility Bill Payables Process** – Utility bills are received, processed and paid out of an escrow account. Funds are wire transferred to this account by the client on a monthly or by-weekly basis. Reporting can be provided manually, electronically or via a protected web site. The goals of the utility bill payables and processing program are to verify the integrity of charges, process invoices in the timely fashion, gather information and store that information in a convenient fashion.

The accounts receivables of cooperative members enrolled in Choice programs are purchased by the local distribution company ("LDC"). Revenues from sales are remitted to the cooperative on a monthly basis.

**Reporting** – Account reporting, including all components of our service, is provided monthly. Typical reports include Cost Allocation, Energy Usage, Budget Variance and Savings Reports. The goals of the reporting service are to provide the client with access to their raw utility data, access to standardized reports and allow for interactive generation of custom reports.

## **Exhibit B-3**

### **Summary of Experience**

The Energy Cooperative of Ohio ("ECO") has successfully operated as a gas supplier for its member customers in the Columbia Gas of Ohio ("COH") service territory for ten years, in the East Ohio Gas/Dominion East Ohio ("DEO") service territory for eight years, supplying approximately 1,411,910 Mcf to 5,284 customers. In offering its service, ECO has complied with all laws and regulations of the state of Ohio and the rules established by the COH and DEO.

Throughout its eight years of operation, ECO has provided its customers with the following services:

**Physical Supply of natural gas and electricity** – Natural gas accounts in Ohio has been included in an existing aggregation group or if large enough, can become a direct customer of their utilities. Accounts located in utility territories in other areas of the United States are competitively bid to approved energy suppliers in those areas. The goals of the physical supply program are to improve upon the buying strategies of the utility and maximize savings off of their avoided retail rates.

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**Utility Accounts/Utility Bill Payables Processing** – Utility bills are received, processed and paid out of an escrow account. Funds are wire transferred to this account by the client on a monthly or by-weekly basis. Reporting can be provided manually, electronically or via a protected web site. The goals of the utility bill payables and processing program are to verify the integrity of charges, process invoices in the timely fashion, gather information and store that information in a convenient fashion.

**Reporting** – Account reporting, including all components of our services, are provided monthly. Typical reports include Cost Allocation, Energy Usage, Budget Variance and Savings Reports. The goals of the reporting service are to provide the client with access to their raw utility data, access to standardized reports and allow for interactive generation of custom reports.

## **Exhibit B-4**

### **Disclosure of Liabilities and Investigations**

**None**

## **Exhibit B-5**

### **Disclosure of Consumer Protection Violation**

**None**

**Exhibit B-6**

**Disclosure of Certification Denial, Curtailment,  
Suspension or Revocation**

**None**

## **Exhibit C-1**

### **Annual Reports**

The Energy Cooperative of Ohio does not prepare or file Annual Reports. The financial documents on Energy Cooperative of Ohio are included as part of Exhibit C-3.

## **Exhibit C-2**

### **SEC Filings**

Energy Cooperative of Ohio is not required to file before the Securities and Exchange Commission because it is a non-profit corporation that is not publicly traded on any stock exchange.

**Exhibit C-3**

**Financial Statements**



**Energy Cooperative of Ohio**



**Financial Statements**

**For the Year Ended December 31, 2006**

## **Energy Cooperative of Ohio**

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# **Nipps, Brown, Leppert & Collins, Inc.**

Certified Public Accountants

648 Taylor Road - Gahanna, Ohio 43230

Telephone (614) 577-1101

Fax (614) 577-1313

E-Mail [NBLC@BRROHIO.COM](mailto:NBLC@BRROHIO.COM)

## **Independent Auditors' Report**

To the Board of Directors and Members  
Energy Cooperative of Ohio  
Gahanna, Ohio

We have audited the accompanying balance sheet of Energy Cooperative of Ohio (a nonprofit corporation) as of December 31, 2006, and the related statement of operations and patronage capital, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Energy Cooperative of Ohio as of December 31, 2006, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Nipps, Brown, Leppert & Collins Inc.***

May 21, 2007

**ENERGY COOPERATIVE OF OHIO  
BALANCE SHEET  
DECEMBER 31, 2006**

**ASSETS**

Property and Equipment	
Computer Equipment	\$ 15,010
Furniture and Fixtures	4,724
	<u>19,734</u>
Less Accumulated Depreciation	13,738
Net Property and Equipment	<u>5,996</u>
Current Assets	
Cash and Cash Equivalents	27,650
Accounts Receivable	4,819,696
Inventory	1,628,854
Total Current Assets	<u>6,476,200</u>
Other Assets	
Security Deposits	<u>814</u>
Total Assets	<u>\$ 6,483,010</u>

**EQUITIES AND LIABILITIES**

Equities	
Patronage Capital	\$ 344,646
Current Liabilities	
Accounts Payable	5,981,506
Accrued Expenses and Accrued Payroll	156,858
Total Current Liabilities	<u>6,138,364</u>
Total Equities and Liabilities	<u>\$ 6,483,010</u>

See notes to financial statements

**ENERGY COOPERATIVE OF OHIO**  
**STATEMENT OF OPERATIONS AND PATRONAGE CAPITAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

Natural Gas Sales	\$ 20,448,792
Operating Expenses	
Purchased Natural Gas	20,600,072
Sales	148,499
Payroll, Benefits, and Related Taxes	96,606
Administrative and General	116,675
Depreciation	4,495
Total Operating Expenses	<u>20,966,347</u>
Operating Margins	(517,555)
Non Operating Margins (Loss)	
Interest Expense	<u>(323,412)</u>
Net Margins	(840,967)
Patronage Capital, Beginning of Year	<u>1,185,613</u>
Patronage Capital, End of Year	<u>\$ 344,646</u>

See notes to financial statements

**ENERGY COOPERATIVE OF OHIO  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Cash Flows From Operating Activities	
Net Margins	\$ (840,967)
Adjustments to Reconcile Net Margins to Net Cash Provided by Operating Activities	
Depreciation	4,495
(Increase) Decrease in Operating Assets	
Accounts Receivable	2,698,152
Inventory	499,043
Increase (Decrease) in Operating Liabilities	
Accounts Payable	(2,724,138)
Accrued Expenses	(69,293)
Net Cash Provided by Operating Activities	(432,708)
Cash Flows from Investing Activities	
Purchase of Property and Equipment	(2,932)
Net Increase in Cash and Cash Equivalents	(435,640)
Cash and Cash Equivalents, Beginning of Year	463,290
Cash and Cash Equivalents, End of Year	\$ 27,650
Supplemental Disclosure of Cash Flow Information	
Cash Paid for Interest	\$ 323,412

See notes to financial statements

ENERGY COOPERATIVE OF OHIO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

1. **Organization and Purpose**

Energy Cooperative of Ohio (the Company) was incorporated in the State of Ohio on July 14, 1998. The Company was formed as a cooperative for the purpose of purchasing, storing, transporting, and selling natural gas to its members located in Central Ohio. Natural gas is transmitted to members of the Company via the local utilities' pipelines.

2. **Significant Accounting Policies**

The following is a summary of certain significant accounting policies followed in the preparation of the financial statements. The policies conform to generally accepted accounting principles.

**Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**Cash Equivalents** - For purposes of the statements of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents. The Company maintains its cash in one account with one financial institution.

**Accounts Receivable** - Accounts receivable are from the Company's members for the purchase of natural gas and are recorded when gas is shipped and are presented in the balance sheet net of any allowance for doubtful accounts. Accounts receivable are written off when they are determined to be uncollectible. Any allowance for doubtful accounts is estimated based on the Company's historical losses, the existing economic conditions in the industry, and financial stability of the members. The Company considers all receivables to be fully collectible at December 31, 2006; accordingly no allowance is deemed necessary. Approximately 76% of the Company's accounts receivable at December 31, 2006 is owed by Columbia Choice and Dominion Choice and therefore guaranteed by the utility.

**Inventory** - Inventory consists of natural gas and is priced at the lower of cost (first-in, first-out) or market.

**Property and Equipment** - The Company carries property and equipment at cost. Asset cost in excess of \$200 is capitalized. Depreciation is provided using the straight-line method for financial reporting purposes at rates based on estimated useful lives ranging from three to five years.

**Revenue Recognition** - Revenue is recorded based on the actual volume of natural gas shipped to members using contractual rates. Interest is charged on all past due accounts. Accounts are considered past due 20 days from billing.

ENERGY COOPERATIVE OF OHIO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2006

**2. Significant Accounting Policies continued:**

**Income Taxes-** The Company is exempt from federal income taxes under Section 501(c)(12) of the Internal Revenue Code.

**3. Patronage Capital**

The Company's member equity plan provides for distributions of excess capital to members on a monthly basis by altering monthly gas supply prices. Cash dividends can also be declared by the Board of Directors.

**4. Leases**

In April 2004, the Company signed a sublease agreement with Volunteer Energy Services, Inc. (VESI) for office space located in Gahanna, Ohio. The lease, which expires in July 2007, requires monthly payments of \$847. Total expense under this agreement for 2006 was \$10,049.

Year Ending December 31

2007	<u>5,929</u>
------	--------------

**5. Related Party Transactions**

An entity owned by a Board Member of the Company has a contract with the Company whereby the entity provides gas management services to the company for a fee. Total management fees paid to the entity in 2006 were \$141,111. The amount due at December 31, 2006 is \$30,928.

An individual related to the CFO of the Company performs administrative services for the Company and was paid \$29,250 for these services in 2006. There was a prepaid of \$1,583 at December 31, 2006 to the individual.

**6. Concentration**

Purchases from VESI represented almost 100% of total natural gas purchases for 2006. This supplier also accounts for approximately 99% of the accounts payable balance at December 31, 2006.

The Company maintains cash deposits at a financial institution that at times exceeds the \$100,000 federally insured limit. Statement of Financial Accounting Standards No. 105 identifies such items as a concentration of credit risk requiring disclosure, regardless of the degree of risk.



**Energy Cooperative of Ohio**



**Financial Statements**

**For the Years Ended December 31, 2007 and 2006**

**Energy Cooperative of Ohio**

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# McLAIN, HILL, RUGG & ASSOCIATES, INC.

Certified Public Accountants

Members:

American Institute Of  
Certified Public Accountants

Ohio Society Of  
Certified Public Accountants

## Independent Auditors' Report

To the Board of Directors and Members  
Energy Cooperative of Ohio  
Pickerington, Ohio

We have audited the accompanying balance sheet of Energy Cooperative of Ohio (a nonprofit corporation) as of December 31, 2007, and the related statement of operations and patronage capital, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Energy Cooperative of Ohio as of December 31, 2006, were audited by other auditors whose report dated May 21, 2007, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Energy Cooperative of Ohio as of December 31, 2007, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*McLain, Hill, Rugg & Associates, Inc.*

Zanesville, Ohio

May 15, 2008

1

NEW LEXINGTON, OHIO 43764  
395 Lincoln Park Drive  
Post Office Box 190  
Phone 740-342-3512  
Toll Free 1-800-322-7609  
Fax 740-342-3034

LOGAN, OHIO 43138  
1389 West Hunter Street  
Post Office Box 836  
Phone 740-385-6888  
Toll Free 1-800-767-5581  
Fax 740-385-1640

ZANESVILLE, OHIO 43702-0869  
601 Underwood Street  
Post Office Box 89  
Phone 740-451-0371  
Toll Free 1-800-624-5026  
Fax 740-453-8009

LANCASTER, OHIO 43130  
137 South Broad Street  
Post Office Box 1005  
Phone 740-687-6313  
Toll Free 1-800-672-6966  
Fax 740-687-1005

**ENERGY COOPERATIVE OF OHIO  
BALANCE SHEETS  
DECEMBER 31, 2007 AND 2006**

ASSETS	2007	2006
Property and equipment		
Computer equipment	\$ 12,080	\$ 15,010
Furniture and fixtures	4,724	4,724
	<u>16,804</u>	<u>19,734</u>
Less accumulated depreciation	(11,983)	(13,738)
Net property and equipment	<u>4,821</u>	<u>5,996</u>
Current assets		
Cash and cash equivalents	22,849	27,650
Accounts receivable	3,786,375	4,819,696
Inventory	1,253,564	1,628,854
Total current assets	<u>5,062,728</u>	<u>6,476,200</u>
Other assets		
Security deposits	<u>1,500</u>	<u>814</u>
Total assets	<u>\$ 5,069,049</u>	<u>\$ 6,483,010</u>
 EQUITIES AND LIABILITIES		
Equities		
Patronage capital	\$ 489,182	\$ 344,646
Current liabilities		
Accounts payable	4,460,797	5,981,506
Accrued expenses and accrued payroll	119,070	156,858
Total current liabilities	<u>4,579,867</u>	<u>6,138,364</u>
Total equities and liabilities	<u>\$ 5,069,049</u>	<u>\$ 6,483,010</u>

See accountants' report and notes to financial statements

**ENERGY COOPERATIVE OF OHIO**  
**STATEMENTS OF OPERATIONS AND PATRONAGE CAPITAL**  
**FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	2007	2006
Operating revenues	\$ 17,587,684	\$ 20,448,792
Operating expenses		
Purchased gas and other costs	16,751,163	20,600,072
Sales, promotion and commissions	180,398	148,499
Payroll, benefits, and related taxes	127,765	96,606
Administrative and general	115,693	116,675
Depreciation	2,953	4,495
Total operating expenses	<u>17,177,972</u>	<u>20,966,347</u>
Operating margins	409,712	(517,555)
Non operating margins		
Interest expense	<u>(265,176)</u>	<u>(323,412)</u>
Net margins	144,536	(840,967)
Patronage capital, beginning of year	<u>344,646</u>	<u>1,185,613</u>
Patronage capital, end of year	<u>\$ 489,182</u>	<u>\$ 344,646</u>

McLAIN, HILL, RUGG and ASSOCIATES, INC., CERTIFIED PUBLIC ACCOUNTANTS

See accountants' report and notes to financial statements

**ENERGY COOPERATIVE OF OHIO**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	2007	2006
Cash flows from operating activities		
Net margins	\$ 144,536	\$ (840,967)
Adjustments to reconcile net margins to net cash (used for) operating activities		
Depreciation	2,953	4,495
(Increase) decrease in operating assets		
Accounts receivable	1,033,321	2,698,152
Inventory	375,350	499,043
Security deposits	(686)	0
Increase (decrease) in operating liabilities		
Accounts payable	(1,520,709)	(2,724,138)
Accrued expenses	(37,788)	(69,293)
Net cash (used for) operating activities	(3,023)	(432,708)
Cash flows from investing activities		
Purchase of property and equipment	(1,778)	(2,932)
Net decrease in cash and cash equivalents	(4,801)	(435,640)
Cash and cash equivalents, beginning of year	27,650	463,290
Cash and cash equivalents, end of year	<u>\$ 22,849</u>	<u>\$ 27,650</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 265,176</u>	<u>\$ 323,412</u>

See accountants' report and notes to financial statements

ENERGY COOPERATIVE OF OHIO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006

1. **Organization and Purpose**

Energy Cooperative of Ohio (the Company) was incorporated in the State of Ohio on July 14, 1998. The Company was formed as a cooperative for the purpose of purchasing, storing, transporting and selling natural gas to its members located in Central Ohio. Natural gas is transmitted to members of the Company via the local utilities' pipelines.

2. **Significant Accounting Policies**

The following is a summary of certain significant accounting policies followed in the preparation of the financial statements. The policies conform to generally accepted accounting principles.

**Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

**Cash Equivalents** - For purposes of the statements of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents. The Company maintains its cash in one account with one financial institution.

**Accounts Receivable** - Accounts receivable are from the Company's members for the purchase of natural gas and are recorded when gas is shipped and are presented in the balance sheet net of any allowance for doubtful accounts. Accounts receivable are written off when they are determined to be uncollectible. Any allowance for doubtful accounts is estimated based on the Company's historical losses, the existing economic conditions in the industry, and financial stability of the members. The Company considers all receivables to be fully collectible at December 31, 2007 and 2006; accordingly no allowance is deemed necessary. Approximately 80% and 76% of the Company's accounts receivable at December 31, 2007 and 2006, respectively, are owed by Columbia Choice and Dominion Choice and therefore guaranteed by the utility.

**Inventory** - Inventory consists of natural gas and is priced at the lower of cost (first-in, first-out) or market.

**Property and Equipment** - The Company carries property and equipment at cost. Asset costs in excess of \$200 are capitalized. Maintenance, repairs and renewals are expensed as incurred.

**Depreciation** - Depreciation is provided using the straight-line method for financial reporting purposes at rates based on estimated useful lives ranging from three to five years. Depreciation expense for the years ended December 31, 2007 and 2006 was \$2,953 and \$4,495, respectively.

ENERGY COOPERATIVE OF OHIO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006

2. **Significant Accounting Policies continued:**

**Revenue Recognition** - Revenue is recorded based on the actual volume of natural gas shipped to members using contractual rates. Interest is charged on all past due accounts. Accounts are considered past due 20 days from billing.

**Advertising Costs** - Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2007 and 2006 was \$22,533 and \$1,612, respectively.

**Income Taxes** - The Company is exempt from federal income taxes under Section 501(c)(12) of the Internal Revenue Code.

**Presentation of Sales Tax** - The State of Ohio and counties within the State impose a sales tax on all of the Company's sales to non-exempt customers. The Company collects that sales tax from customers and remits the entire amount to the State. The Company's accounting policy is to exclude the tax collected and remitted to the State from revenue and cost of sales.

3. **Patronage Capital**

The Company's member equity plan provides for distributions of excess capital to members on a monthly basis by altering monthly gas supply prices. Cash dividends can also be declared by the Board of Directors.

4. **Retirement Plan**

The Company has a 403(b) plan covering its employees which was authorized by the Board Members in December 2006 and effective beginning in January 2007. The Company's matching contribution is 100% of the employee contribution up to the first 3% deducted from their compensation. The Company's matching contribution expense for the year ended December 31, 2007 was \$2,352.

5. **Leases**

In September 2007, the Company signed a sublease agreement with Volunteer Energy Services, Inc. (VESI) for office space located in Pickerington, Ohio. The lease, which expires in September 2010, requires monthly payments of \$1,500. A lease agreement with VESI for office space located in Gahanna, Ohio expired in July 2007. The total expense under these agreements was \$11,046 and \$10,164 for 2007 and 2006, respectively.

Future Lease Payments:	Year Ending December 31
	2008
	2009
	2010
	<u>\$48,000</u>



ENERGY COOPERATIVE OF OHIO  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2007 AND 2006

6. Related Party Transactions

An entity owned by a Board Member of the Company has a contract with the Company whereby the entity provides gas management services to the company for a fee. Total management fees paid to the entity in 2007 and 2006 were \$135,108 and \$141,111, respectively. The amount due at December 31, 2007 and 2006 was \$23,174 and \$30,928.

An individual related to the CFO of the Company performs administrative services for the Company and was paid \$19,345 and \$29,250 for those services in 2007 and 2006, respectively. There was a prepaid amount of \$1,583 at December 31, 2006 to the individual.

7. Concentration

Purchases from VESI represented almost 100% of total natural gas purchases for 2007 and 2006. This supplier also accounts for approximately 99% and 99% of the accounts payable balance at December 31, 2007 and 2006.

The Company maintains cash deposits at a financial institution that at times exceeds the \$100,000 federally insured limit. Statement of Financial Accounting Standards No. 105 identifies such items as a concentration of credit risk requiring disclosure, regardless of the degree of risk.

## **Exhibit C-4**

### **Financial Arrangements**

### CONTINUATION CERTIFICATE

In consideration of a continuation premium, THE CINCINNATI INSURANCE COMPANY  
Surety upon a certain Bond No. B80-846213 dated the 7<sup>th</sup> day of May, 2003, covering  
ENERGY COOPERATIVE OF OHIO, INC., and in favor of the COLUMBIA GAS OF OHIO,  
does hereby continue said bond in force for the further period beginning with the 7<sup>th</sup> day of  
May, 2004, and ending with the 7<sup>th</sup> day of May, 2005.

PROVIDED:

1. That the liability of the said The Cincinnati Insurance Company under said bond and all continuations thereof shall not exceed the penal sum thereof for losses sustained in any one year and shall not be cumulative in amounts from year to year.
2. That said bond, as continued hereby, shall be subject to all its agreements, conditions and limitations.

Signed, sealed and dated this 16<sup>th</sup> day of August, 2004.

THE CINCINNATI INSURANCE COMPANY

By: 

J. Dumpert, Attorney-in-fact

THE CINCINNATI INSURANCE COMPANY

Fairfield, Ohio

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That THE CINCINNATI INSURANCE COMPANY, a corporation organized under the laws of the State of Ohio, and having its principal office in the City of Fairfield, Ohio, does hereby create and appoint

Michael R. Bonetto; Cynthia N. Barra;  
J. Dumpert and/or Lawrence DiGiulio

of Buffalo, New York as its true and lawful Attorney(s)-in-Fact to sign, execute, seal and deliver on its behalf as Surety, and as its act and deed, any and all bonds, policies, undertakings, or other like instruments, as follows:  
Any such obligations in the United States, up to  
Twenty Million and No/100 Dollars (\$20,000,000.00).

This appointment is made under and by authority of the following resolution passed by the Board of Directors of said Company at a meeting held in the principal office of the Company, a quorum being present and voting, on the 6th day of December, 1998, which resolution is still in effect:

"RESOLVED, that the President or any Vice President be hereby authorized, and empowered to appoint Attorneys-in-Fact of the Company to execute any and all bonds, policies, undertakings, or other like instruments on behalf of the Corporation, and may authorize any officer or any such Attorney-in-Fact to affix the corporate seal; and may with or without cause modify or revoke any such appointment or authority. Any such writings so executed by such Attorneys-in-Fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 7th day of December, 1971.

"RESOLVED, that the signature of the President or a Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Secretary or Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power of certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

IN WITNESS WHEREOF, THE CINCINNATI INSURANCE COMPANY has caused these presents to be sealed with its corporate seal, duly attested by its Senior Vice President this 28th day of April, 1999.



STATE OF OHIO ) ss:  
COUNTY OF BUTLER )

THE CINCINNATI INSURANCE COMPANY

*David L. McArthur*  
Senior Vice President

On this 28th day of April, 1999, before me came the above-named Senior Vice President of THE CINCINNATI INSURANCE COMPANY, to me personally known to be the officer described herein, and acknowledged that the seal affixed to the preceding instrument is the corporate seal of said Company and the corporate seal and the signature of the officer were duly affixed and subscribed to said instrument by the authority and direction of said corporation.



*Mark J. Holler*  
MARK J. HOLLER, Attorney at Law  
NOTARY PUBLIC - STATE OF OHIO  
My commission has no expiration  
date. Section 147.02 O.R.C.

I, the undersigned Secretary or Assistant Secretary of THE CINCINNATI INSURANCE COMPANY, hereby certify that the above is a true and correct copy of the Original Power of Attorney issued by said Company, and do hereby further certify that the said Power of Attorney is still in full force and effect.

GIVEN under my hand and seal of said Company at Fairfield, Ohio,  
this 14th day of August 2004



BN-1005 (4/99)

*Carl B. Bader*  
Assistant Secretary

**The Cincinnati Insurance Company**  
Cincinnati, Ohio

Bond # B80-8878337

KNOW ALL MEN BY THESE PRESENTS, That we, ENERGY COOPERATIVE OF OHIO, INC., located at 800 Cross Pointe Road, Suite D, Gahanna, OH 43230, as Principal and THE CINCINNATI INSURANCE COMPANY, a corporation duly organized under the laws of the State of Ohio, as Surety, are jointly and severally bound unto THE EAST OHIO GAS COMPANY DBA DOMINION EAST OHIO, as Oblige, in the amount of \*\*Seventy Five Thousand and no/100\*\* Dollars (\$75,000.00) aggregate limit of liability during the terms of this bond, for the payment of which the Principal and the Surety hereby bind themselves, their heirs, executors, administrators, successors, assigns, or other legal representatives.

WHEREAS, the said Principal has entered into a written contract with said Oblige, dated December 8, 2003 for Energy Choice Pooling Service associated with The East Ohio Gas Company DBA Dominion East Ohio in accordance with the terms and conditions of said Contract, which is hereby referred to and made a part hereof as if fully set forth.

NOW, THEREFORE, the condition of the obligation is such that if the said Principal shall faithfully perform such contract or shall indemnify and save harmless the Oblige from all cost and damage by reason of Principal's failure so to do, then this obligation shall be null and void; otherwise to remain in full force and effect.

PROVIDED, HOWEVER, this Bond is subject to the following conditions and provisions:

- 1) The term of this bond shall be continuous commencing November 1, 2003, and shall continue for the duration of the Agreement, unless sooner terminated as set forth below.
- 2) The Surety shall have the right to terminate its liability hereunder at any time by giving notice in writing to the Oblige and stating therein the effective date of such termination which date shall not be less than thirty (30) days after the receipt of said notice by the Oblige. Such notice shall not limit or terminate this agreement in respect to any indebtedness, which arises prior to the effective date of such termination by the Surety. Written notice must be via certified letter, return receipt requested, and mailed to: The East Ohio Gas Company DBA Dominion East Ohio, 1717 East Ninth Street, PO Box 5759, Cleveland, Ohio 44101-0759
- 3) That no proceeding in law or in equity may be brought under this bond unless the same shall be commenced and process served prior to the expiration of six (6) months from the date of cancellation of this bond.
- 4) Neither non-renewal by the Surety, nor failure, nor inability of the principal to file a replacement bond shall constitute loss to the Oblige recoverable under this bond.
- 5) The rights and obligations of the parties pursuant to this bond shall be governed by the laws of the State of Ohio, without regard to choice of law rules.

IN WITNESS WHEREOF, the Principal and Surety have executed and delivered this bond this 1st day of November, 2005.

ENERGY COOPERATIVE OF OHIO, INC.

By: Kerry [Signature]

Kerry [Signature] - General Manager

THE CINCINNATI INSURANCE COMPANY

By: [Signature]

Andrew J. Tokarz - Attorney-in-Fact

INDIVIDUAL ACKNOWLEDGMENT

State of New York  
County of

On the \_\_\_\_ day of \_\_\_\_\_, 2005, before me personally came \_\_\_\_\_ to me known and known to me to be the individuals described in and executed the foregoing instrument, and they acknowledged to me that they executed the same.

\_\_\_\_\_  
Notary Public

PARTNERSHIP ACKNOWLEDGMENT

State of New York  
County of

On the \_\_\_\_ day of \_\_\_\_\_, 2005, before me personally came \_\_\_\_\_, to me known and known to me to be one of the members of the firm of \_\_\_\_\_ described in and who executed the foregoing instrument, and he acknowledged to me that he executed the same as and for the act and deed of said firm.

\_\_\_\_\_  
Notary Public

CORPORATE ACKNOWLEDGMENT

State of  
County of

On the \_\_\_\_ day of \_\_\_\_\_, 2005, before me personally came \_\_\_\_\_, to me known who being by me duly sworn, did depose and say; that he is \_\_\_\_\_ of Energy Cooperative of Ohio, Inc., the Corporation described in and which executed the above instrument; that he knows the seal of such said corporation; that the seal affixed to the instrument is such corporate seal that it was so affixed by order of the Board of Directors of the said corporation, and he signed his name thereto by like order.

\_\_\_\_\_  
Notary Public

SURETY ACKNOWLEDGMENT

State of New York  
County of Erie

On the 1<sup>st</sup> day of November, 2005, before me a Notary Public in and for the said County and State, residing therein, duly commissioned and sworn, personally appeared Andrew J. Tokarz, known to me to be the Attorney-In-Fact of the The Chesham Insurance Company, the corporation described in and that executed the within and foregoing instrument and known to me to be the person who executed the said instrument in behalf of the said corporation, and he duly acknowledged to me that such corporation executed the same.

IN WITNESS THEREOF, I have hereunto set my hand and affixed my official seal, the day and year stated in this certificate above.

  
Notary Public

CYNTHIA M. SERRA  
Notary Public, State of New York  
Qualified in Erie County  
My Commission Expires 06/02/07

THE CINCINNATI INSURANCE COMPANY

Fairfield, Ohio

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That THE CINCINNATI INSURANCE COMPANY, a corporation organized under the laws of the State of Ohio, and having its principal office in the City of Fairfield, Ohio, does hereby constitute and appoint

Michael R. Bonetto; Cynthia N. Serre; J. Dumpart;  
Lawrence DiGiulio and/or Andrew J. Tokasz

of Buffalo, New York

its true and lawful Attorney(s)-in-Fact to sign, execute, seal and deliver on its behalf as Surety, and as its act and deed, any and all bonds, policies, undertakings, or other like instruments, as follows:

Any such obligations in the United States, up to

Twenty Million and No/100 Dollars (\$20,000,000.00).

This appointment is made under and by authority of the following resolution passed by the Board of Directors of said Company at a meeting held in the principal office of the Company, a quorum being present and voting, on the 6th day of December, 1998, which resolution is still in effect:

"RESOLVED, that the President or any Vice President be hereby authorized, and empowered to appoint Attorneys-in-Fact of the Company to execute any and all bonds, policies, undertakings, or other like instruments on behalf of the Corporation, and may authorize any officer or any such Attorney-in-Fact to affix the corporate seal; and may with or without cause modify or revoke any such appointment or authority. Any such writings so executed by such Attorneys-in-Fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 7th day of December, 1973.

"RESOLVED, that the signature of the President or a Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Secretary or Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power of certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

IN WITNESS WHEREOF, THE CINCINNATI INSURANCE COMPANY has caused these presents to be sealed with its corporate seal, duly attested by its Senior Vice President this 1st day of August, 2004.



STATE OF OHIO )  
COUNTY OF BUTLER )

THE CINCINNATI INSURANCE COMPANY

*David L. McCarley*  
Senior Vice President

On this 1st day of August, 2004, before me came the above-named Senior Vice President of THE CINCINNATI INSURANCE COMPANY, to me personally known to be the officer described herein, and acknowledged that the seal affixed to the preceding instrument is the corporate seal of said Company and the corporate seal and the signature of the officer were duly affixed and subscribed to said instrument by the authority and direction of said corporation.



*Mark J. Muller*  
MARK J. MULLER, Attorney at Law  
NOTARY PUBLIC - STATE OF OHIO  
My commission has no expiration  
date. Section 147.03 O.R.C.

I, the undersigned Secretary or Assistant Secretary of THE CINCINNATI INSURANCE COMPANY, hereby certify that the above is a true and correct copy of the Original Power of Attorney issued by said Company, and do hereby further certify that the said Power of Attorney is still in full force and effect.

GIVEN under my hand and seal of said Company at Fairfield, Ohio,  
this 15th day of November 2005



BN-1005 (8/04)

*Beggy J. Schuman*  
Secretary



THE  
**CINCINNATI INSURANCE COMPANIES**

THE CINCINNATI INSURANCE COMPANY  
THE CINCINNATI CASUALTY COMPANY

THE CINCINNATI INDEMNITY COMPANY  
THE CINCINNATI LIFE INSURANCE COMPANY

Mailing Address: P.O. BOX 145496  
CINCINNATI, OHIO 45250-5496  
(513) 870-2000

THE CINCINNATI INSURANCE COMPANY  
FINANCIAL STATEMENT  
DECEMBER 31, 2004

**ASSETS**

Cash	\$ 236,328,802
Bonds	3,198,348,081
Stocks	5,124,101,994
Agents Balance Receivable	1,122,754,081
All Other Admitted Assets	138,590,423
<b>TOTAL ADMITTED ASSETS</b>	<b>\$9,820,123,386</b>

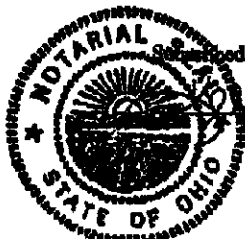
**LIABILITIES**

Reserve for Losses and Loss Expense	\$2,977,246,486
Reserve for Unearned Premiums	1,521,658,184
All Other Liabilities	1,130,059,768
Capital	\$ 3,586,355
Surplus	4,187,572,593
	<b>4,181,158,948</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$9,820,123,386</b>

State of Ohio  
County of Butler

Eric N. Mathews, Treasurer of The Cincinnati Insurance Company, being duly sworn for himself, deposes and says that he is the above described officer of the said company and that the above Financial Statement as of December 31, 2004 is true and correct to the best of his knowledge and belief.

  
Eric N. Mathews  
Treasurer



Subscribed and sworn before me this 21st day of February, 2005.

  
**KELLY CHASTEEN**  
Notary Public, State of Ohio  
My Commission Expires Feb. 2, 2008



6300 S. Glumore Road, Fairfield, Ohio 46014-5141



CHANGE RIDER

To be attached to and form a part of Bond No. B80-8878537

Executed by Energy Cooperative of Ohio, Inc.

as Principal and by THE CINCINNATI INSURANCE COMPANY, as Surety,

in favor of The East Ohio Gas Company dba Dominion East Ohio

and effective as of May 7, 2003

In consideration of the mutual agreements herein contained the Principal and the Surety  
hereby consent to changing Bond Penalty Amount

From: One Hundred Fifty Six Thousand and 00/100 (\$156,000)

To: Two Hundred Seven Thousand and 00/100 (\$207,000)

Nothing herein contained shall vary, alter or extend any provision or condition of this  
bond except as herein expressly stated. This rider is effective on the 4<sup>th</sup> day of  
April, 2008

Kern Smith  
Principal  
ENERGY COOPERATIVE OF OHIO, INC.

Accepted: and

THE CINCINNATI INSURANCE COMPANY

[Signature]  
Obligee

By [Signature]  
Attorney-in-fact  
Cynthia N. Serra

By Director  
Title

## **Exhibit C-5**

### **Forecasted Financial Statements**

Energy Cooperative of Ohio, Inc.  
**Forecast**  
January through December 2008

	<u>Forecast 2008</u>
<b>Income</b>	
COH Choice	7,703,800.00
COH Traditional	3,009,989.00
DEO Choice	8,537,051.00
DEO Full Requirements	1,766,325.00
Late fee	1,388.00
Management Fee	63,049.00
Pooling Fee	11,010.00
<b>Total Income</b>	<u>21,092,612.00</u>
<b>Cost of Goods Sold</b>	
Columbia Gas Balancing Fee	254,364.00
Commissions	98,263.00
DEO - Pooling Fee	26,000.00
Gas Mmnt. Fee - LepCorp of Ohio	123,665.00
Gas Supply - VESI, Inc.	20,591,100.00
Inventory Adjustment	-668,500.00
<b>Total COGS</b>	<u>20,426,912.00</u>
<b>Gross Profit</b>	<b>665,700.00</b>
<b>Expense</b>	
Accounting Services	19,500.00
Bank Service Charge	5,000.00
Board Member Stipends	20,400.00
Contracted Services - Admin.	0.00
Dues & Subscriptions	0.00
Government Assessments	2,900.00
Health Insurance	23,000.00
Insurance	1,500.00
Interest	190,000.00
Internet Access	3,700.00
Legal Service	1,000.00
Maintenance	1,000.00
Miscellaneous	6,000.00
Office Supplies	1,000.00
Payroll Expense	14,000.00
Postage	500.00
Promotion	100.00
Rent	17,000.00
Surety Bonds	18,000.00
Telephone	1,100.00
Travel & Entertainment	4,300.00
Utilities	0.00
Wages - Staff	117,000.00
<b>Total Expense</b>	<u>447,000.00</u>
<b>Net Income</b>	<u><u>218,700.00</u></u>

Energy Cooperative of Ohio, Inc.

Forecast

January through December 2009

	Forecast 2009
<b>Income</b>	
COH Choice	7,800,000.00
COH Traditional	4,200,000.00
DEO Choice	5,400,000.00
DEO Full Requirements	3,700,000.00
Late fee	3,440.00
Management Fee	138,500.00
Pooling Fee	23,500.00
<b>Total Income</b>	<b>21,263,440.00</b>
<b>Cost of Goods Sold</b>	
Columbia Gas Balancing Fee	280,000.00
Commissions	125,500.00
DEO - Pooling Fee	30,000.00
Gas Mmnt. Fee - LepCorp of Ohio	140,880.00
Gas Supply - VESI, Inc.	19,600,000.00
Inventory Adjustment	248,110.00
<b>Total COGS</b>	<b>20,424,490.00</b>
<b>Gross Profit</b>	<b>838,950.00</b>
<b>Expense</b>	
Accounting Services	13,000.00
Bank Service Charge	5,000.00
Board Member Stipends	15,000.00
Contracted Services - Admin.	0.00
Dues & Subscriptions	500.00
Government Assessments	6,000.00
Health Insurance	25,000.00
Insurance	3,000.00
Interest	250,000.00
Internet Access	3,800.00
Legal Service	3,500.00
Maintenance	1,000.00
Miscellaneous	5,000.00
Office Supplies	1,000.00
Payroll Expense	15,000.00
Postage	1,500.00
Promotion	10,000.00
Rent	18,000.00
Surety Bonds	10,000.00
Telephone	1,200.00
Travel & Entertainment	1,000.00
Utilities	2,500.00
Wages - Staff	155,000.00
<b>Total Expense</b>	<b>545,800.00</b>
<b>Net Income</b>	<b>293,150.00</b>

**Energy Cooperative of Ohio**  
**Assumptions Page for 2008 & 2009 Forecasts**

1. Assumed a 5% increase in Sales from 2007, for the 2008 Forecast.
2. Assumed a 5% increase from 2008 to 2009, for the 2009 Forecast.
3. Assumed Interest rate to remain flat for the 2008 and 2009 Forecast years.

## **Exhibit C-6**

### **Credit Rating**

The Energy Cooperative of Ohio does not have a credit rating.

## **Exhibit C-7**

### **Credit Report**

The Energy Cooperative of Ohio does not have a credit report.

## **Exhibit C-8**

### **Bankruptcy Information**

The Energy Cooperative of Ohio has never filed for bankruptcy protection, therefore, this Exhibit is not applicable to Energy Cooperative of Ohio.



## **Exhibit C-9**

### **Merger Information**

The Energy Cooperative of Ohio has never been involved in a merger, acquisition or dissolution, therefore, this section is not applicable.

## **Exhibit D-1**

### **Operations**

The operations group for Energy Cooperative of Ohio ("ECO") is responsible for the following functions:

- Negotiate and procure natural gas supplies from various supply sources.
- Negotiate and procure transportation and storage agreements applicable interstate pipelines.
- Project and forecast, using appropriate methods, the demand for ECO end-user groups.
- Manage the daily nomination and scheduling process for transportation and storage deliveries on applicable interstate pipelines.
- Manage the daily nomination and scheduling process on appropriate local distribution companies.
- Perform Risk Management functions.
- Manage the monthly settlement of transactions as well as balancing supply and end-user pools.
- Perform imbalance trading activity as required.
- Update and maintain cost components for marketing price desk.
- Provide month end volume reports for accounting/billing group.

## **Exhibit D-2**

### **Operations Expertise**

Various members of the operations group for Energy Cooperative of Ohio have been involved in the natural gas business since 1987. Over that period, the industry has witnessed many regulatory changes and adaptations that have had direct operational impact on the natural gas business.

The current operational staff has been involved with the local utilities in many market areas on a national basis, including California, Illinois, Ohio and New York. The customer class that has been managed ranges from residential households (choice programs) to large auto and steel manufacturers.

This operations group has also been involved with the various interstate and Canadian, pipelines that feed the market areas. The interstate responsibilities include storage and balancing activity as well as the transmission scheduling.

## **Exhibit D-3**

### **Key Technical Personnel**

Key operational personnel for Energy Cooperative of Ohio are:

#### **Kevin Smith**

General Manager, [ksmith@ohioenergycoop.org](mailto:ksmith@ohioenergycoop.org), (614) 856-3599. Kevin joined Energy Cooperative of Ohio (ECO) in June 2002. As General Manager, he oversees the enrollment processes for both Columbia Gas of Ohio and Dominion East Ohio, day to day monitoring of ECO accounts, reporting data to customers and agents, and the general operations of the cooperative. Prior to working at ECO he was an account manager at Volunteer Energy Services, Inc (1998-1999), First Energy Services (1999-2001) and again at Volunteer Energy Services, Inc. (2001-2002).

#### **Jeffrey M. Horsley**

Transportation Manager, [jhorsley@lepcorpohio.com](mailto:jhorsley@lepcorpohio.com), (614) 856-3224 x 225. Mr. Horsley's prior experience includes being the Director of Energy Supply and Operations for The Energy Cooperative (TEC). Mr. Horsley also served as Director of Gas Operations for Volunteer Energy Corporation as well as holding operational management positions with Broad Street Oil and Gas and Enron (Access Energy/Yankee Gas Company).

#### **Tina M. Perkins**

Operations Analyst, [tperkins@lepcorpohio.com](mailto:tperkins@lepcorpohio.com), (614) 856-3224 x 230. Mrs. Perkins prior experience includes various operational positions with The Energy Cooperative (TEC), Volunteer Energy Corporation, and Broad Street Oil & Gas/Utilicorp, Energy One.

#### **Brenda G. Hammons**

Operations Analyst, [Bhammons@lepcorpohio.com](mailto:Bhammons@lepcorpohio.com), (614) 856-3224 x 229. Mrs. Hammons prior experience includes various operational positions with The Energy Cooperative (TEC), Volunteer Energy Corporation and NGO Development.

#### **John Zornes**

Treasurer, [jzornes@ohioenergycoop.org](mailto:jzornes@ohioenergycoop.org), (614) 856-3128 x 228. Mr. Zornes is a certified public accountant and previously served in the finance office of Capitol Manufacturing Company, a subsidiary of Harsco.