INDEPENDENT
ENERGY CONSULTANTS

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

April 8, 2016

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

RE: Electric Governmental Aggregation Opt-Out Notice to Current and Newly Eligible Customers in the City of Loveland (Case Number 13-0581-GA-GAG).

Enclosed please find a copy of the opt-out notice being sent to current and newly eligible residential and small commercial customers in the community's electric aggregation program.

The opt-out notice is currently scheduled for mailing on April 18, 2016 and the opt-out period is scheduled to end on or after May 9, 2016.

Constellation Energy Services is the competitive retail electric supplier for the program and Duke Energy is the local utility company.

Independent Energy Consultants, Inc. is providing aggregation consulting services for the City of Loveland and is filing this application on their behalf.

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

Sincerely,

Mark R. Burns

Mark R. Burns
President

Enclosure

Constellation
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Welcome to the City of Loveland Electric Aggregation Program.

0001V1 *******AUTO**5-DIGIT 60514 T1 P1 *** ***

<First Name> <Last Name>
<Address Line 1>
<Address Line 2>
<City> <State> <Zip>

This notification is in regards to your electric service at:

<Service Address Line 1>
<Service Address Line 2>
<Service City>, <Service ST> <Zip>

Dear <First Name> <Last Name>,

The City of Loveland is pleased to announce that Constellation Energy Services, Inc. has been selected as the Supplier for its Municipal Electric Aggregation. This includes a 36-month program with a fixed supply rate of **5.058¢/kWh** for June 2016 through May 2019 meter reads.

You're Automatically Enrolled

As an eligible City of Loveland residential or small business customer, you are automatically enrolled unless you decide to opt-out. To learn more about the program, please see the enclosed Terms and Conditions and the FAQs.

How To Opt-Out

You don't need to do anything to get this new fixed rate. However, if you decide not to take part in the program, please respond in one of two ways by **May 9, 2016**.

1. **Mail:** Return the completed form below to:
   ATTN OHIO GOV AGG PRGM
   Constellation
   P.O. Box 4911
   Houston, TX 77210-9547
2. **Phone:** Call Constellation at 1-844-303-5974

We look forward to this collaboration.

Sincerely,

City of Loveland
Local Officials

Bruce Stewart,
Chief Marketing Officer
Constellation

Here's how you benefit.

You receive price protection with an electric supply rate of **5.058¢/kWh** for your June 2016 through May 2019 meter reads.

To learn more:

Call 1-844-303-5974
24 hours a day, 7 days a week

Visit us online at
constellation.com/oh-loveland

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<First Name> <Last Name>
<Address Line 1>
<Address Line 2>
<City> <State> <Zip>

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☐ I **do not** I want to participate in the City of Loveland Electricity Aggregation Program.

_____ ☐ Cell ☐ Work ☐ Home
Phone Number

<Code>
Opt-Out Code

Service Address:
<Service Address Line 1>
<Service Address Line 2>
<Service City>, <Service ST> <Zip>

_____
Duke Energy Account Number

_____ _____
Signature Date

What is Municipal Aggregation and how can I benefit?

Under municipal aggregation, local officials bring the community together for improved group purchasing power. The community benefits by receiving competitively-priced electricity from a Competitive Retail Electric Service Provider certified by the Public Utilities Commission of Ohio.

How is the City of Loveland able to choose a certified electricity supplier on the community's behalf and who is eligible?

Loveland residents voted to give the City of Loveland the ability to negotiate on behalf of the community for a contract for an electricity supplier.

All eligible participants in the program will receive notice of the new program rates, terms and conditions, and will have the option to opt-out from participation. In order to be eligible you must meet the following requirements:

1. You must not have already chosen an electricity supplier on your own.
2. You must not be in arrears on your bill payment.
3. Your service address must be located within the City of Loveland limits.
4. Your utility company must be Duke Energy Ohio.
5. You must be a small commercial/industrial customer using not more than 700,000 kilowatt hours per year or you must be a residential customer.

What does "opt-out" mean?

"Opt out" means that we are operating under the assumption that you want to participate in the City of Loveland Municipal Aggregation Electricity Program but you can decide not to participate. You can opt out by returning the opt-out form included in your mailer or through the call center using the phone number provided. If you opt out, you will not be enrolled as an electricity customer with Constellation and will continue to be served by your current supplier. You will also not receive the City of Loveland's competitive electricity supply rate. Regardless, all customers will continue to have their electricity distributed by Duke Energy Ohio.

What happens if I do not send in the opt-out form?

If you do not opt-out prior to expiration of the deadline, you will be included in the Loveland Municipal Aggregation Program and receive competitively priced electricity from Constellation. However, you have the option to terminate your participation in the program at any time without incurring an early termination penalty.

I am currently under the budget billing option as provided by Duke Energy Ohio. Can I retain this service?

If you have chosen budget billing, the utility will continue to manage your budget billing and determine your monthly payment for electricity. If you wish to initiate budget billing or have any questions regarding your budget, please contact your utility for more information.

Who is Constellation?

Constellation's affiliates are leading suppliers of energy products and services to electric and natural gas customers in 47 states as well as Washington, D.C. We've been helping customers navigate competitive energy markets for as long as customers have had a choice of their energy supplier and have provided affordable energy to businesses nationwide for years.

Constellation's parent company, Exelon, is a FORTUNE 200 company with approximately $33 billion in annual revenues.

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Ohio Certified Retail Electricity Supplier #: 00-013E(8).

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Municipal Aggregation Program FAQs

SWEETHEART OF OHIO · LOVELAND · 1879

What information do I need to opt-out?

Customers will need the 4-6 digit opt-out code provided in the original opt-out letter. If this is not available, the customer care team can pull up your information based on the mailing address.

Are there fees associated with the program?

Enrollment in the program is free and you need not take any action. You only need to be eligible to participate. Once enrolled in the program, you can cancel your agreement at any time and switch back to Duke Energy Ohio without any fee.

Will I be allowed to join the program after the initial enrollment period?

The City of Loveland has secured the same electric supply rate, terms and conditions for eligible customers who wish to join its municipal aggregation programs after the initial enrollment period. This would include customers who move into the City of Loveland, who were with another supplier and would like to join the aggregation program or customers who initially opted-out and want to join at a later date. These customers will have an individual agreement with Constellation for electricity supply but will retain the same electric supply rate, terms and conditions of the aggregation program.

What is the rescission period?

Duke Energy Ohio will provide you a notice confirming your enrollment with Constellation that provides you a period during which you may rescind such enrollment. Please follow the instructions on the enrollment notice if you would like to rescind.

When will my Constellation electricity supply begin and how do I know when my meter read occurs?

Supply will start on your first applicable meter read date, which we estimate to be in June. Refer to your bill to get the exact meter read date.

When will I see my new rate?

Customers can expect to see their new rate beginning as soon as their July 2016 bill, depending on the enrollment date. The supply price does not include taxes, delivery service charges or other utility fees.

What if I am with another supplier and want to join the Loveland program?

Based upon the records provided by the utility, we assumed you are not with another supplier; otherwise we would not have sent you this notice. If you recently signed up with a new supplier, you will not be automatically enrolled in the City of Loveland Municipal Aggregation Electricity Program; if you wish to join the program, you should check the terms of your agreement for restrictions and early termination fees then contact Constellation.

Where can I learn more about electricity competition and assistance programs?

The Public Utilities Commission of Ohio has approved a number of additional assistance programs to help customers with their energy bills. Eligibility and enrollment information about the Home Energy Assistance Program (HEAP), Winter Crisis Program (WCP) and others can be found on the PUCO's website at www.puco.ohio.gov.

What are questions that can be directed to my Utility?

Please contact Duke Energy Ohio at 800-544-6900 for questions on the following topics:

- Problems with your electricity service
- Questions about your bill
- Tax exemptions

What happens at the end of my Constellation electricity contract term?

The City of Loveland will rebid the term and price on behalf of eligible customers or return customers to Duke Energy Ohio. You will be notified of the outcome by the municipality and/or supplier for the new term.

Duke Energy Ohio's contact number is 800-544-6900

Please refer to the enclosed letter and Terms and Conditions for program pricing and further information.

To find out more about Constellation visit www.constellation.com

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Electricity Purchase and Sale Terms and Conditions – Opt-Out Aggregation

The City of Loveland, Ohio ("Municipality"), pursuant to the aggregation authority conferred upon it by electorate vote, which passed by a majority vote and ordinance establishing the program, selected Constellation Energy Services, Inc. ("Seller") to supply the aggregation and to administer enrollments as described below. You, the account holder (also referred to as "Buyer") for the eligible account associated with the service address referenced on the letter accompanying these Electricity Purchase and Sale Terms and Conditions (the "Account"), and Seller agree to the following terms and conditions. Seller and Buyer (individually referred to as "Party" and collectively as "Parties") agree to the following Electricity Purchase and Sale Terms and Conditions ("Agreement"), as of May 10, 2016 (the "Effective Date"):

1. Opt-Out 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 (1) DETACHING AND RETURNING THE OPT OUT CARD ATTACHED TO THE ENROLLMENT NOTICE POSTMARKED NO LATER THAN May 9, 2016, (2) BY CALLING 844-303-5974 BY May 9, 2016 OR (3) BY OPTING-OUT ON SELLER'S WEBSITE AT constellation.com/oh-loveland. If you choose to opt-out, you will be served by the standard service offer of Duke Energy Ohio (the "Utility") or until you choose an alternative supplier of electric service.

2. Eligibility: To be eligible for opt-out aggregation, the Accounts to be served (i) must be located within the Municipality's jurisdictional boundaries, (ii) must be served by the Utility, (iii) may not be under contract with another competitive supplier, (iv) may not be on the Public Utilities Commission of Ohio ("PUCO") "do not aggregate" list, (v) must be in good standing with the Utility (including payment history), and (vi) may not be under a Utility special arrangement or percentage of income payment plan (PIPP).

3. Term and Renewal: This Agreement shall become binding on the Effective Date, provided however, the obligation of Seller to sell and schedule electricity for delivery to Buyer and the obligation of Buyer to purchase, take and pay for electricity is contingent upon: (a) eligibility of Buyer and the Accounts, (b) successful enrollment by the Utility, and (c) passage of the Rescission Period without effective cancellation by Buyer. Successful enrollment by the Utility is dependent upon (i) the eligibility of the Accounts, as set forth above and as determined by the Utility, to take from a retail electric supplier and (ii) the accuracy and completeness of any information submitted by Buyer. Service will commence on meter read dates in June 2016 and shall remain in effect through the May 2019 meter read ("Initial Term"), unless terminated pursuant to the terms of this Agreement. In the event ineligibility is not ascertained until after service commences, Seller shall provide notice of the same to Buyer and return Buyer to the Utility. Buyer shall have the opportunity to opt-out of the Aggregation at least every three years without penalty.

4. Rescission Period: The Utility will send Buyer a letter confirming transfer of service upon processing of Buyer's enrollment and Buyer will have 7 days from the postmark date of that letter to cancel its enrollment, without penalty, ("Rescission Period") by calling the Utility on the toll-free number provided in the letter or by providing written notice to the Utility.

5. Price: For each billing cycle of Initial Term, Buyer shall pay a Fixed Rate of $0.05058 per kWh, multiplied by the billing cycle usage for the Accounts. The Parties acknowledge that current PUCO rules require disclosure of certain third party intermediary fees (herein identified as the "Broker Fee"). A third party intermediary is involved in this transaction and the Broker Fee of $0.0005 per kWh has been included in the Fixed Rate (subject to the terms of any agreement between Seller and the third party intermediary). Buyer will also incur delivery and other additional service charges from the Utility. Switching fees may apply when service is established with Seller, but Buyer will not be charged separately by Seller for a switching fee.

6. Billing and Payment: Buyer will be invoiced by the Utility for both Seller's charges and the Utility's delivery charges. Such billing and payment (including fees associated with late payments) shall be subject to the applicable Utility rules regarding billing and payment procedures. Seller may cause the Utility to correct previous invoices in the event of invoicing errors. Seller's charges or credits not invoiced through the Utility shall be invoiced or credited, respectively, directly by Seller. Any such charges shall be due within 21 days following the invoice date and payments not received by the due date will be deemed past due and shall accrue interest on the unpaid balance from the due date until payment is received at a rate of 1.5% per month of the unpaid balance, provided that such percentage does not exceed the maximum amount allowable by law. Seller does not offer budget billing for generation charges in Duke territory, but Buyer may contact the Utility for information on whether the Utility offers budget billing for Seller's charges.

7. Taxes: Any tax levied against Seller by any governmental entity, exclusive of Seller's income tax or taxes levied on Seller's real or personal property, that must be paid by Seller shall be passed through to and borne and reimbursed by Buyer. Buyer must provide Seller with any applicable exemption certificates. Buyer shall pay any such taxes unless Seller is required by law to collect and remit such taxes, in which case Buyer shall reimburse Seller for all amounts so paid.

8. Limitations: ALL ELECTRICITY 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 INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES AND, FURTHER, IN NO CASE SHALL SELLER'S LIABILITY EXCEED THE AMOUNT OF BUYER'S SINGLE LARGEST MONTHLY INVOICE DURING THE PRECEDING 12 MONTHS.

9. Environmental Disclosure: Seller's environmental disclosure label, which will be updated from time to time, is available on Seller's website.

10. Termination; Remedies: Seller may terminate Buyer's service under this Agreement for non-payment with at least 14 days written notice. Failure to pay Utility invoices may result in Buyer being disconnected in accordance with the Utility tariff. Buyer may terminate at any time without an early termination fees, including if Buyer moves outside of Seller's service area or into an area where the Seller charges a different price. If Buyer switches back to the Utility, Buyer may not be served under the same rates, terms, and conditions that apply to other customers served by the Utility. The Choice program is under the ongoing jurisdiction of the PUCO.

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11. Force Majeure: Neither Party shall be liable to the other for failure to perform an obligation if the non-performing Party was prevented from performing due to an event beyond the reasonable control, that could not be remedied by the exercise of due diligence and that was not reasonably foreseeable, including without limitation, acts of God, a condition resulting in the curtailment of electricity supply or interruption or curtailment of transmission on the electric transmission and/or distribution system, interruption of Utility service, terrorist acts or wars, and force majeure events of the Utility or RTO/ISO.

12. Questions, Complaints and Concerns: Buyer may contact Seller 24 hours per day, 7 days per week at 844-303-5974. Seller's mailing address is 1716 Lawrence Drive, DePere, WI 54115, and its website is www.constellation.com. 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 and/or the Utility, or for general utility information, residential and business customers may contact the PUCO for assistance at 1-800-686-7826 (toll-free) from 8a.m. to 5p.m. weekdays, or at www.PUCO.ohio.gov. Hearing or speech impaired customers may contact the PUCO via 7-1-1 (Ohio relay service). Residential customers may also contact the Ohio Consumers' Counsel for assistance with complaints and utility issues at 1-877-742-5622 (toll free) from 8 a.m. to 5 p.m. weekdays, or at www.pickocc.org.

13. Miscellaneous: Buyer hereby authorizes the Utility to release data to Seller regarding Buyer's historical or current billing and usage data. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio and any applicable Utility tariffs. Buyer appoints Seller as its agent for the purposes of effectuating delivery, including for receipt of billing and usage data from the Utility. Title, possession, control of the electricity, and risk of loss will pass from Seller to Buyer at the interconnect between the applicable ISO's transmission system and the Utility's distribution system. 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 prior written consent. This Agreement constitutes the entire agreement between the Parties, superseding all verbal and written understandings. This Agreement shall only be amended in a writing signed by both Parties or pursuant to Section 4 hereof. By agreeing to the terms and conditions herein, Buyer warrants that he or she is authorized to enter into this Agreement on behalf of the Party and Accounts for which it was made. Buyer should contact the Utility in the event of an electricity emergency. Seller is prohibited from disclosing 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 Ohio Revised Code, or (iv) assigning this Agreement to another certified retail electric provider. Buyer may request from Seller, twice within a 12-month period, up to 24 months of Buyer's payment history without charge.

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P.O. Box 4911
Houston, TX 77210-4911

Important information regarding the City of Loveland Electric Aggregation Program.

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This foregoing document was electronically filed with the Public Utilities

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4/8/2016 9:51:48 AM

in

Case No(s). 13-0581-EL-GAG

Summary: Opt-Out Notice to be sent to eligible customers in the City's electric aggregation program electronically filed by MARK R BURNS on behalf of City of Loveland