

# ENERGY COOPERATIVE OF OHIO

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August 25, 2016

## VIA ELECTRONIC FILING

Public Utilities Commission of Ohio  
Docketing Division  
180 E. Broad Street  
Columbus, Ohio 43215

Re: In the matter of the Application of Energy  
Cooperative of Ohio for Renewal of  
Certification as a Competitive Retail Natural  
Gas Supplier  
Case No. 02-1891-GA-CRS

Dear Sirs:

Please find attached for filing in the above referenced docket the Renewal Certification Application Competitive Retail Natural Gas Supplier. If you any questions, please feel free to call.

Very truly yours,

ENERGY COOPERATIVE OF OHIO

*/s/ John L. Einstein, IV, Esq.*

John L. Einstein, IV, Esq.



# Public Utilities Commission

PUCO USE ONLY – Version 1.08 May 2016		
Date Received	Renewal Certification Number	ORIGINAL CRS Case Number
		02 - 1891 - GA-CRS

## RENEWAL CERTIFICATION APPLICATION COMPETITIVE RETAIL NATURAL GAS SUPPLIERS

Please **type or print** all required information. Identify all attachments with an exhibit label and title (*Example: Exhibit A-15 - 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, 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    ☐ Retail Natural Gas Marketer

#### A-2 Applicant information:

Legal Name                      Energy Cooperative of Ohio  
Address                         790B Windmill Drive, Pickerington, OH 43147  
  
Telephone No.                888-541-4646                      Web site Address                www.ohioenergycoop.org  
  
Current PUCO Certificate No.                02-038G(6)                      Effective Dates                October 20, 2014 through October 20, 2016

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

Name                              Energy Cooperative of Ohio  
Address                         790B Windmill Drive, Pickerington, OH 43147  
  
Web site Address                www.ohioenergycoop.org                      Telephone No.                888-541-4646

#### 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                John M. Zornes                      Title                President  
  
Business Address                      790B Windmill Drive, Pickerington, OH 43147  
  
Telephone No.                614-328-2957                      Fax No.                614-856-3301                      Email Address                jzornes@ohioenergycoop.org

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

Name John M. Zornes Title President  
Business address 790B Windmill Drive, Pickerington, OH 43147  
Telephone No. 614-328-2957 Fax No. 614-856-3301 Email Address jzornes@ohioenergycoop.org

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

Customer service address 790B Windmill Drive, Pickerington, OH 43147  
Toll-Free Telephone No. 888-541-4646 Fax No. 614-856-3301 Email Address info@ohioenergycoop.org

**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 John M. Zornes Title President  
Business address 790B Windmill Drive, Pickerington, OH 43147  
Telephone No. 614-328-2957 Fax No. 614-856-3301 Email Address jzornes@ohioenergycoop.org

**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 type="checkbox"/> Duke Energy Ohio	<input type="checkbox"/> Residential	<input type="checkbox"/> Small Commercial	<input type="checkbox"/> Large Commercial / Industrial
<input type="checkbox"/> Vectren Energy Delivery of Ohio	<input type="checkbox"/> Residential	<input 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 type="checkbox"/> Residential	Beginning Date of Service		End Date	
<input type="checkbox"/> Small Commercial	Beginning Date of Service		End Date	
<input type="checkbox"/> Large Commercial	Beginning Date of Service		End Date	
<input type="checkbox"/> Industrial	Beginning Date of Service		End Date	

☐ **Vectren Energy Delivery of Ohio**

<input type="checkbox"/> Residential	Beginning Date of Service		End Date	
<input type="checkbox"/> Small Commercial	Beginning Date of Service		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 "Company History,"** provide a concise description of the applicant's company history and principal business interests.
- A-16 Exhibit A-16 "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-17 Exhibit A-17 "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.  
(This is generally only applicable to publicly traded companies who publish annual reports.)
- 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. An applicant may submit a current link to the filings or provide them in paper form. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that 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. If the applicant does not have a balance sheet, income statement, and cash flow statement, the applicant may provide a copy of its two most recent years of tax returns (with social security numbers and account numbers redacted).
- 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.)

Renewal applicants can fulfill the requirements of Exhibit C-4 by providing a current statement from an Ohio local distribution utility (LDU) that shows that the applicant meets the LDU's collateral requirements.

First time applicants or applicants whose certificate has expired as well as renewal applicants can meet the requirement by one of the following methods:

1. The applicant itself stating that it is investment grade rated by Moody's, Standard & Poor's or Fitch and provide evidence of rating from the rating agencies.
2. Have a parent company or third party that is investment grade rated by Moody's, Standard & Poor's or Fitch guarantee the financial obligations of the applicant to the LDU(s).
3. Have a parent company or third party that is not investment grade rated by Moody's, Standard & Poor's or Fitch but has substantial financial wherewithal in the opinion of the Staff reviewer to guarantee the financial obligations of the applicant to the LDU(s). The guarantor company's financials must be included in the application if the applicant is relying on this option.
4. Posting a Letter of Credit with the LDU(s) as the beneficiary.

If the applicant is not taking title to the electricity or natural gas, enter "N/A" in Exhibit C-4. An N/A response is only applicable for applicants seeking to be certified as an aggregator or broker.

**C-5 Exhibit C-5 "Forecasted Financial Statements,"** provide two years of forecasted income statements for the applicant's **NATURAL GAS related business activities in the state of Ohio Only**, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer. The forecasts should be in an annualized format for the two years succeeding the Application year.

**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, Fitch IBCA, Moody's Investors Service, Standard & Poor's, 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 an 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. If an applicant or its parent does not have such a credit rating, enter "N/A" in Exhibit C-6.

- 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. An applicant that provides an investment grade credit rating for Exhibit C-6 may enter "N/A" for Exhibit C-7.
- 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 within the two most recent years preceding the application.
- C-9 Exhibit C-9 "Merger Information,"** provide a statement describing any dissolution or merger or acquisition of the applicant within the two most recent years preceding the application.
- C-10 Exhibit C-10 "Corporate Structure,"** provide a description of the applicant's corporate structure, not an internal organizational chart, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America. If the applicant is a stand-alone entity, then no graphical depiction is required and applicant may respond by stating that they are a stand-alone entity with no affiliate within the two most recent years preceding the application.

## 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. Please include whether the applicant's operations will include the contracting of natural gas purchases for retail sales, the nomination and scheduling of retail natural gas for delivery, and the provision of retail ancillary services, as well as other services used to supply natural gas to the natural gas company city gate for retail customers.
- 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      John M. Zornes

*John M. Zornes, President*

Sworn and subscribed before me this 25th

day of August

Month 2016

Year

*Molly K. Lounsbury*

Signature of official administering oath

Molly K. Lounsbury, Paralegal

Print Name and Title



My commission expires on

04/14/2021

**MOLLY K. LOUNSBURY**  
Notary Public, State of Ohio

Commission expires

*4/14/2021*





# The Public Utilities Commission of Ohio

Competitive Retail Natural Gas Service  
Affidavit Form  
(Version 1.07)

In the Matter of the Application of )

Energy Cooperative of Ohio )

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

Case No. 02 - 1891 -GA-CRS

County of Fairfield  
State of Ohio

John M. Zornes

[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

*John M. Zornes, President*

Sworn and subscribed before me this

25th

day of

August

Month

2016

Year

Signature of Official Administering Oath

Molly K. Lounsbury, Paralegal

Print Name and Title



MOLLY K. LOUNSBURY  
Notary Public, State of Ohio

Commission expires

4/14/2021

My commission expires on 04/14/2021

(CRNGS Supplier Renewal) - Version 1.08

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## EXHIBIT A-14

### "Principal Officers, Directors and Partners"

#### Board of Directors 2016 Energy Cooperative of Ohio

John Zornes – Board President  
Treasurer  
Energy Cooperative of Ohio  
790 B Windmill Dr.  
Pickerington. Oh 43147  
(614) 328-2957

David C. Rinebolt  
Executive Director  
Ohio Partners for Affordable Energy  
231 West Lima Street  
P.O. 60x1793  
Findlay OH 45839-1793  
(419)425-8860

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

Steven Ewing – Secretary / Treasurer  
Cooperative Member  
PHAACO  
2000 3rd St. NE  
Canton. OH 44704  
(330)453-8102

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

Marc Runck, Sr.  
Vice President  
Volunteer Energy Services, Inc  
6775 Stemen Road  
Pickerington. OH 43147  
614-348-8539

## 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

No amendments have been made since initial application.

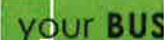
**EXHIBIT A-18**  
Secretary of State

(See Attached)

# Jon Husted Ohio Secretary

[Jon Husted & the Office](#) | [Elections & Voting](#) | [Campaign Finance](#) | [Legislation & Ballot Issues](#) | [Businesses](#) | [Records](#) | [Media Center](#) | [Publications](#)

## Business Filing Portal



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### Corporation Details

Corporation Details		
Entity Number	1013277	
Business Name	ENERGY COOPERATIVE OF OHIO	
Filing Type	CORPORATION FOR NON-PROFIT	
Status	Active	
Original Filing Date	07/14/1998	
Expiry Date	03/05/2020	
Location: WESTERVILLE	County: FRANKLIN	State:
Agent / Registrant Information		
LISA G. MCALISTER 21 E STATE ST 17TH FL COLUMBUS, OH 43215 Effective Date: 01/31/2005 Contact Status: Active		
Incorporator Information		
JEFFREY L. CALVERT L. ORIN LINDQUIST DENNIS M. FRANK, SR.		
Filings		
Filing Type	Date of Filing	Document Number/Image
DOMESTIC ARTICLES/NON-PROFIT	07/14/1998	199819600181
DOMESTIC AGENT SUBSEQUENT APPOINTMENT	08/18/1998	199823400188
DOMESTIC AGENT SUBSEQUENT APPOINTMENT	03/08/2002	200207000660
DOMESTIC AGENT SUBSEQUENT APPOINTMENT	01/31/2005	200504002762
LETTER/RENEWAL NOTICE MAILED	10/01/2009	200927461274
CERTIFICATE OF CONTINUED EXISTENCE	10/14/2009	200928702248
LETTER/RENEWAL NOTICE MAILED	06/13/2014	201416400088
CANCELED/FAILURE TO FILE/STATEMENT CONT. EXISTENCE	10/21/2014	201429400375
DOMESTIC/REINSTATEMENT	03/05/2015	201506901314

**EXHIBIT B-1**  
**Jurisdiction of Operation**

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



**EXHIBIT B-2**  
Experience & Plans

(See Attached)

## **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

## **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 purchase 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

(See Attached)

## 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 fourteen years, in the East Ohio Gas/Dominion East Ohio ("DEO") service territory for twelve years, currently supplying approximately 1,059,223 mcf to 5,138 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 fourteen 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.

**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 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

(See Attached)

**ENERGY COOPERATIVE OF OHIO**



**Financial Statements**

**For the Years Ended December 31, 2015 and 2014**

## ENERGY COOPERATIVE OF OHIO

### Table of Contents

Page 1	Independent Accountants' Review Report.
Page 2	Balance Sheets as of December 31, 2015 and 2014.
Page 3	Statements of Operations and Patronage Capital for the years ended December 31, 2015 and 2014.
Page 4	Statements of Cash Flows for the years ended December 31, 2015 and 2014.
Page 5	Notes to Financial Statements (3 pages).



## INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying financial statements of Energy Cooperative of Ohio (a nonprofit corporation), which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of operations and patronage capital and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

### Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

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

McLain, Hill, Rugg & Associates, Inc.  
Zanesville, Ohio

May 11, 2016

Page 1

NEW LEXINGTON, OHIO 43764  
395 Lincoln Park Drive  
Post Office Box 190  
Phone 740-342-3512  
Toll Free 1-800-322-7600  
Fax 740-342-3034

LOGAN, OHIO 43138  
1389 West Hunter Street  
Post Office Box 856  
Phone 740-385-6888  
Toll Free 1-800-767-5581  
Fax 740-385-1649

ZANESVILLE, OHIO 43702-0069  
601 Underwood Street  
Post Office Box 69  
Phone 740-453-0371  
Toll Free 1-800-624-9026  
Fax 740-453-3009

LANCASTER, OHIO 43130  
137 South Broad Street  
Post Office Box 1005  
Phone 740-687-6313  
Toll Free 1-800-872-5066  
Fax 740-687-1005

NEWARK, OHIO 43055  
33 West Main St., Suite 202  
Post Office Box 4368  
Newark, OH 43055  
Phone 740-349-0771  
Fax 740-349-0776

**ENERGY COOPERATIVE OF OHIO  
BALANCE SHEETS  
AS OF DECEMBER 31, 2015 AND 2014**

<b>ASSETS</b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Property and equipment		
Computer equipment	\$ 6,391	\$ 9,155
Furniture and fixtures	8,836	8,836
	<u>15,227</u>	<u>17,991</u>
Less: accumulated depreciation	(13,985)	(16,972)
Net property and equipment	<u>1,242</u>	<u>1,019</u>
Current assets		
Cash and cash equivalents	41,509	16,764
Accounts receivable	1,056,780	2,305,593
Inventory	441,656	676,151
Total current assets	<u>1,539,945</u>	<u>2,998,508</u>
Other assets		
Security deposits	<u>1,500</u>	<u>1,500</u>
Total assets	<u>\$ 1,542,687</u>	<u>\$ 3,001,027</u>
 <b>EQUITIES AND LIABILITIES</b>		
Equities		
Patronage capital	<u>\$ 814,409</u>	<u>\$ 1,151,618</u>
Current liabilities		
Accounts payable	9,443	7,545
Accounts payable - related party	673,819	1,733,445
Accrued expenses and accrued payroll	45,016	108,419
Total current liabilities	<u>728,278</u>	<u>1,849,409</u>
Total equities and liabilities	<u>\$ 1,542,687</u>	<u>\$ 3,001,027</u>

See independent accountants' review report and notes to the financial statements.

ENERGY COOPERATIVE OF OHIO  
STATEMENTS OF OPERATIONS AND PATRONAGE CAPITAL  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Operating revenues	\$ 4,724,440	\$ 7,093,983
Operating expenses		
Purchased gas and other costs	4,696,637	6,152,424
Payroll, benefits, and related taxes	275,550	250,937
Sales, promotion and commissions	20,214	25,996
Administrative and general	64,384	63,931
Depreciation	<u>1,032</u>	<u>1,219</u>
Total operating expenses	<u>5,057,817</u>	<u>6,494,507</u>
Operating margins	(333,377)	599,476
Non operating margins		
Interest expense	<u>(3,832)</u>	<u>(8,618)</u>
Net margins	(337,209)	590,858
Patronage capital, beginning of year	<u>1,151,618</u>	<u>560,760</u>
Patronage capital, end of year	<u><u>\$ 814,409</u></u>	<u><u>\$ 1,151,618</u></u>

See independent accountants' review report and notes to the financial statements.



ENERGY COOPERATIVE OF OHIO  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Net margins	\$ (337,209)	\$ 590,858
Adjustments to reconcile net margins to net cash provided by (used in) operating activities		
Depreciation	1,032	1,219
(Increase) decrease in operating assets		
Accounts receivable	1,248,813	(451,996)
Inventory	234,495	(270,303)
Increase (decrease) in operating liabilities		
Accounts payable	1,898	3,552
Accounts payable - related party	(1,059,626)	99,442
Accrued expenses and accrued payroll	(63,403)	34,162
Net cash provided by operating activities	26,000	6,934
Cash flows from investing activities		
Purchase of property and equipment, net of disposal	(1,255)	(534)
Net cash (used in) investing activities	(1,255)	(534)
Net increase in cash and cash equivalents	24,745	6,400
Cash and cash equivalents, beginning of year	16,764	10,364
Cash and cash equivalents, end of year	<u>\$ 41,509</u>	<u>\$ 16,764</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 3,832</u>	<u>\$ 8,618</u>

See independent accountants' review report and notes to the financial statements.

ENERGY COOPERATIVE OF OHIO  
NOTES TO FINANCIAL STATEMENTS

**Note A – Organization and Purpose**

Energy Cooperative of Ohio (the Organization) was incorporated in the State of Ohio on July 14, 1998. The Organization 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 Organization via the local utilities' pipelines.

**Note B – Significant Accounting Policies**

The following is a summary of certain significant accounting policies which is presented as an integral part of the financial statements. The policies conform to generally accepted accounting principles.

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

**Accounts Receivable** - Accounts receivable are from the Organization'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 Organization's historical losses, the existing economic conditions in the industry, and financial stability of the members. The Organization considers all receivables to be fully collectible at December 31, 2015 and 2014, accordingly no allowance is deemed necessary.

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

**Property and Equipment** - The Organization carries property and equipment at cost. Contributed property and equipment is recorded at fair value. Asset costs in excess of \$200 are capitalized. Maintenance, repairs and renewals are expensed as incurred. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and gains or losses are included in the statement of operations.

**Depreciation** - Depreciation is computed 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, 2015 and 2014 was \$1,032 and \$1,219, respectively.

**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, 2015 and 2014 was \$9,707 and \$9,815, respectively.

**Financial Instruments** - Substantially all of the Organization's current assets and liabilities are considered financial instruments. These assets and liabilities are reflected at fair value, or at carrying amounts that approximate fair value because of the short maturity of the instrument.

**Functional Expenses** - The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of operations and patronage capital. Accordingly, certain costs have been allocated among the program and supporting services benefited. Purchased gas and other costs and payroll, benefits, and related taxes are program expenses; Sales, promotion and commissions are fundraising expenses; and administrative and general and depreciation are administrative and general expenses.

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

ENERGY COOPERATIVE OF OHIO  
NOTES TO FINANCIAL STATEMENTS

**Note B – Significant Accounting Policies (continued)**

Income Taxes - The Organization follows accounting rules that prescribe when to recognize and how to measure the financial effects, if any, of income tax positions taken or expected to be taken on its income tax returns, including the position that the Organization continues to qualify to be treated as non-for-profit organization exempt from income tax provisions. Management is required to evaluate the likelihood that, upon examination by relevant taxing jurisdictions, those income tax positions would be sustained.

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(12) of the Internal Revenue Code. Accordingly, no provision for federal income taxes has been made in the financial statements. The Organization's informational returns for tax years 2012 and beyond remain subject to examination by the Internal Revenue Service.

The Organization did not have unrecognized tax benefit as of December 31, 2015 and 2014 and does not expect this to change significantly over the next 12 months. The Organization will recognize interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. As of December 31, 2015 and 2014, the Organization has not accrued interest or penalties related to uncertain tax positions.

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.

Recent Accounting Pronouncements - In May 2014, the FASB issued Revenue from Contracts with Customers (Topic 606) (ASU 2014-09). The objective of the guidance in this Topic is to establish the principles that an entity shall apply to report useful information to users of the financial statements about the nature, amount, timing, and uncertainty of revenues and cash flows arising from a contract with a customer. The core principle is that the entity shall recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. For nonpublic entities, the amendments are effective for annual reporting periods beginning after December 15, 2017 and interim periods within annual periods beginning after December 15, 2018. Early adoption and retrospective application is permitted. The Organization has not adopted the pronouncement.

In July 2015, the FASB issued Inventory (Topic 330) Simplifying the Measurement of Inventory (ASU 2015-11). The amendments in this Update apply to inventory methods except last-in, first-out (LIFO) or retail inventory method. The amendments apply to all other inventory, which included inventory that is measured using first-in, first-out (FIFO) or average cost. Under the provisions, an entity should measure inventory within the scope of this Update at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. The amendments in this Update are effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The amendments in this Update should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The Organization has not adopted the pronouncement.

**Note C – Patronage Capital**

The Organization'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.

**Note D – Retirement Plan**

The Organization 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 Organization's matching contribution is 100% of the employee contribution up to the first 8% deducted from their compensation. The Organization's matching contribution expense was \$11,511 and \$5,442 for the years ended 2015 and 2014, respectively.

ENERGY COOPERATIVE OF OHIO  
NOTES TO FINANCIAL STATEMENTS

**Note E – Leases**

In September 2007, the Organization signed a sublease agreement with Volunteer Energy Services, Inc. (a related party) for office space located in Pickerington, Ohio. The lease agreement expired in September 2010 but continues on month-to-month basis requiring monthly payments of \$1,500. The total expense under these agreements was \$18,000 and \$18,000 for the years ended 2015 and 2014, respectively.

**Note F – Concentrations of Credit Risk**

The Organization maintains cash deposits at a financial institution that at times exceeds the federally insured limit of \$250,000. The Organization has not experienced any losses in the account. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

Approximately 99% and 98% of the Organization's accounts receivable at December 31, 2015 and 2014, respectively, are owed by Columbia Choice and Dominion Choice and is guaranteed by the utility.

**Note G – Related Party Transactions**

The Organization conducts various transactions with Volunteer Energy Services, Inc (VESI) including purchasing natural gas, providing services, renting office space, etc. The following are expenses paid to VESI during the years ending December 31, 2015 and 2014:

	2015	2014
Natural gas purchases	\$ 4,141,733	\$ 5,828,979
Gas management fee	114,202	68,735
Interest	3,832	8,618
Reimbursement of health & disability	44,980	44,393
Rent & building expense	21,747	21,853

The amount due to VESI for the purchase of natural gas at December 31, 2015 and 2014 was \$673,819 and \$1,733,445, respectively. The Organization pays interest to VESI in the amount of .00167 for accounts payable greater than 30 days.

The Organization is offering members electricity services through VESI and is paid a commission by VESI in the amount of \$3,440 and \$9,920 during the years ended December 31, 2015 and 2014.

Two individuals related to the CFO of the Organization perform administrative services for the Organization and were paid a total salary of \$175,935 and \$152,708 during 2015 and 2014, respectively.

Board Members receive a stipend of \$300 per meeting attended as well as mileage reimbursement, as applicable, which totaled \$17,571 and \$19,292 for the years ended December 31, 2015 and 2014, respectively. The CFO of the Organization is also the President of the Board of Directors and Members and received a board member stipend of \$3,000 and \$3,000 during 2015 and 2014, respectively. One employee of Volunteer Energy Services, Inc (VESI) was a Board Member of the Organization and was paid a stipend of \$2,400 during the year ended December 31, 2015 and \$3,000 during the year ended December 31, 2014. Various Board Members and/or related businesses of Board Members were paid commissions in the amount of \$7,159 and \$10,537 during the years ended December 31, 2015 and 2014, respectively. All Board Members are members of the Organization who receive natural gas either individually or through their business from the Organization.

**Note H – Subsequent Events**

Management has evaluated subsequent events through May 11, 2016 the date on which the financial statements were available to be issued.

**EXHIBIT C-4**  
Financial Arrangements

(See Attached)





Energy Cooperative of Ohio  
Budget 2016  
Income Statement

<b>Income</b>	
COH Choice	1,460,732
COH Traditional	97,308
DEO Choice	3,743,715
DEO Full Requirements	34,899
Pooling Fee	1,082
<b>Total Income</b>	<u>5,337,736</u>
<b>Cost of Goods Sold</b>	
Commissions	16,190
DEO - Pooling Fee	20,466
Gas Mmnt. Fee - VESI, Inc.	79,532
Gas Supply - VESI, Inc.	4,807,543
Inventory Adjustment	-129,900
<b>Total COGS</b>	<u>4,793,831</u>
<b>Gross Profit</b>	<u>543,905</u>
<b>Expense</b>	
Accounting Services	6,500
Bank Service Charge	3,594
Board Member Stipends	19,800
Depreciation Expense	1,500
Health / Life Insurance	44,976
Interest	15,088
Internet Access	3,780
Maintenance / Repair	1,060
Miscellaneous	5,400
Office Supplies	606
Payroll Expense	41,302
Promotion	10,000
Rent / Utilities	18,000
Surety Bonds	2,500
Telephone	3,184
Travel & Entertainment	1,590
Wages - Staff	165,025
<b>Total Expense</b>	<u>343,905</u>
<b>Net Income</b>	<u>200,000</u>





Now part of The Huntington National Bank

	<b>ENERGY COOPERATIVE OF OHIO</b> 790B WINDMILLER DRIVE PICKERINGTON, OH 43147-7770 (614) 856-3599		<b>FIRSTMERIT</b> 56-65/412	<b>6318</b>
PAY TO THE ORDER OF <u>First Niagara Risk Management, Inc</u>			11/6/2015	
Five Hundred and 00/100*****			\$ **500.00	
			DOLLARS	
First Niagara Risk Management, Inc P. O. Box 91002 Rochester, NY 14692-9102				
MEMO				
TRUE WATERMARK PAPER. HOLD TO LIGHT TO VIEW. HEAT SENSITIVE RED IMAGE DISAPPEARS WITH HEAT.				
⑈006318⑈ ⑆041200555⑆ ⑆5031003125⑈				

FN Risk Management  
>7000007406<  
FOR DEPOSIT ONLY

DO NOT WRITE STAMP OR SIGN BELOW THIS LINE



1995684	05/07/2016	Renew policy	Policy #B80846213 05/07/2016-05/07/2017 Cincinnati Insurance Company License & Permit Bond - \$100,000 Columbia Gas  \$100,000 Columbia Gas Bond Renewal	2,000.00
<div>PAID</div> <div>MD5/16/16</div> <div>ENTERED</div> <div>MD5/3/16</div>				<div>Total</div> <div>2,000.00</div>

Thank You

\*\*\*\*\*AS A REMINDER PAYMENT OF INVOICES IS DUE UPON RECEIPT. WE NEED TO REMIT PAYMENT TO YOUR INSURANCE CARRIER IN ORDER TO AVOID POLICY CANCELLATIONS. THANK YOU FOR YOUR ATTENTION. IF YOU HAVE ANY QUESTIONS REGARDING YOUR INVOICE PLEASE CONTACT YOUR SERVICE TEAM.\*\*\*\*\*

First Niagara Risk Management, Inc  
 726 Exchange Street Suite 900  
 Buffalo, NY 14210





(716)819-5500

Date

04/28/2016

**FIRSTMERIT.**  
Bank

New part of the description is used here.

		<b>ENERGY COOPERATIVE OF OHIO</b> 7908 WINDMILLER DRIVE PICKERINGTON, OH 43147-7770 (614) 856-3589				<b>FIRSTMERIT</b>		6436	
				56-55/412		5/16/2016			
<b>PAY TO THE ORDER OF</b>		First Niagara Risk Management, Inc				\$ **2,000.00			
		Two Thousand and 00/100*****						DOLLARS	
		First Niagara Risk Management, Inc P. O. Box 91002 Rochester, NY 14692-9102							
<b>MEMO</b>									
<small>TAPE WATERMARK PAPER - HOLD TO LIGHT TO VIEW PAPER CONTAINS TONER ADHESION PROPERTIES YEAR BLENDED RED IMAGE DISAPPEARS WITH HEAT</small>									
⑈006436⑈ ⑆041200555⑆ ⑈5031003125⑈									

FN Risk Management  
>7000007405<  
FOR DEPOSIT ONLY

Security Features:

The security features listed below, as well as those not listed, exceed industry standards.

NOT WRITE, STAMP OR SIGN BELOW THIS LINE  
RESERVED FOR FINANCIAL INSTITUTION USE

## John Zornes

---

From: cschindler@nisource.com  
Sent: Monday, April 16, 2012 9:43 AM  
To: John Zornes  
Cc: dvair@nisource.com  
Subject: Re: FW: Financial Guarantee Bond for ECO

Hi John-

I received the response below from our Credit Department:

Your request to have NiSource re-evaluate Columbia's credit exposure for Energy Cooperative has been conducted. As a result of the most recent credit review, Energy Cooperative's exposure will need to be covered by collateral. We have agreed to lower the amount of the collateral from \$650,000.00 to \$100,000.00. As you know, the market is quite volatile, and should your level of exposure increase, we will need to seek a higher level of collateral. We ask that Energy Cooperative remain flexible and willing to adjust by an amendment of the Surety Bond if and when the market situation changes.

We value our good working relationship with Energy Cooperative. Please let me know if you have any additional questions or concerns.

Carrie Schindler  
Choice Analyst, Gas Transportation  
614-460-5555 (Phone)  
614-460-4291 (Fax)

From: "John Zornes" <jzornes@ohioenergycoop.org>  
To: <cschindler@nisource.com>  
Date: 04/10/2012 02:14 PM  
Subject: FW: Financial Guarantee Bond for ECO

Carrie,

A couple months ago, I sent you an email requesting information on our credit requirements with Columbia Gas. Our payment for this bond is coming up and I was trying to see if we could reduce the amount of the bond that we carry. Currently the amount is \$650,000. Can you find out how much this will be going forward?

My original email is attached (below).

Thanks for your help,

John M. Zornes  
Energy Cooperative of Ohio  
790B Windmill Drive  
Pickerington, OH 43147

**John Zornes**

---

**From:** Clifford E Andrews [clifford.e.andrews@dom.com]  
**Sent:** Wednesday, March 14, 2012 11:47 AM  
**To:** John Zornes  
**Subject:** RE: Credit requirements for Energy Cooperative of Ohio

John,

Nice to talk to you. Sorry about the confusion of who was to get back to who.

Per our discuss, I am comfortable with a reduction in the Energy Cooperative of Ohio's collateral requirement to \$25,000. This amount is a 60 day exposure based on the past two winter periods.

Please let me know if you have any questions.

Thanks,  
Cliff Andrews

**Cliff Andrews**

Manager, Key Accounts & Marketer Services  
Dominion East Ohio  
Phone: (216) 736-6586  
Mobile: (216) 906-8896  
Email: [clifford.e.andrews@dom.com](mailto:clifford.e.andrews@dom.com)

**From:** John Zornes [<mailto:jzornes@ohioenergycoop.org>]  
**Sent:** Wednesday, March 14, 2012 11:19 AM  
**To:** Clifford E Andrews (Energy - 5)  
**Cc:** Anthony M. Sanabria (Energy - 5)  
**Subject:** RE: Credit requirements for Energy Cooperative of Ohio

Mr. Andrews,

What did you find out about our Credit requirement for Energy Cooperative of Ohio per my letter to Tony Sanabria on February 8, 2012?

I wasn't sure if I had gotten an email, so I thought I would follow up. Please update me on anything you find out.

Thanks,

John Zornes

**From:** Clifford E Andrews [<mailto:clifford.e.andrews@dom.com>]  
**Sent:** Wednesday, February 08, 2012 3:43 PM  
**To:** John Zornes

**EXHIBIT C-5**  
Forecasted Financial Statements

(See Attached)

**Energy Cooperative of Ohio****Forecast 2017****Income Statement**

	<b>2017</b>
<b>Income</b>	
COH Choice	1,533,769
COH Traditional	99,254
DEO Choice	3,930,901
DEO Full Requirements	35,597
Pooling Fee	1,100
<b>Total Income</b>	<b>5,600,620</b>
<b>Cost of Goods Sold</b>	
Commissions	17,500
DEO - Pooling Fee	21,000
Gas Mmnt. Fee - VESI, Inc.	82,000
Gas Supply - VESI, Inc.	4,850,000
Inventory Adjustment	20,270
<b>Total COGS</b>	<b>4,990,770</b>
<b>Gross Profit</b>	<b>609,850</b>
<b>Expense</b>	
Accounting Services	6,800
Bank Service Charge	3,450
Board Member Stipends	18,600
Depreciation Expense	1,500
Health / Life Insurance	45,000
Interest	15,000
Internet Access	3,800
Maintenance	1,000
Miscellaneous	5,500
Office Supplies	1,000
Payroll Expense	43,000
Promotion	10,000
Rent / Utilities	18,000
Surety Bonds	2,500
Telephone	3,500
Travel & Entertainment	1,200
Wages - Staff	180,000
<b>Total Expense</b>	<b>359,850</b>
<b>Net Income</b>	<b>250,000</b>

**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

(See Attached)

## 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

(See Attached)

## 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

(See Attached)

## Key Technical Personnel

Key operational personnel for Energy Cooperative of Ohio are:

### **Marissa Dotson**

General Manager, [mdotson@ohioenergycoop.org](mailto:mdotson@ohioenergycoop.org). (614) 729-2321. Mrs. Dotson joined Energy Cooperative of Ohio ("ECO") in 2011. As General Manager, she 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. Mrs. Dotson previously worked as Office Manager and Account Administrator for CPA Advisory Group Inc.

### **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, [tperkinds@lepcorpohio.com](mailto:tperkinds@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) 328-2957. Mr. Zornes is an Accountant and previously served in the accounting department of Capitol Manufacturing Company, a subsidiary of Harsco.



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Summary: Application for Renewal of Certification as a Competitive Retail Natural Gas Supplier electronically filed by Mr. John L Einstein IV, Esq. on behalf of Energy Cooperative of Ohio