



Welcome to the City of Reading Natural Gas Aggregation Program

DO NOT DISCARD:

Important Natural Gas Aggregation
Information Enclosed.

||C 0 iE |||||
<<OEL(1)>>

<<2DBARCODE(1)>> (Box Tag)

```
<<BUSNAME(1)>>  
<<MAILLINE1(1)>>  
<<MAILLINE2(1)>>  
<<MAILCITY(1)>>, <<MAILSTATE(1)>> <<MAILZIP(1)>>
```

**This notification is in regards
to your gas service at:**

```
<<PREPKGTRY(1)>> <<PKGTRY(1)>>  
    <<SERVLINE2(1)>>  
    <<SERVICECITY(1)>>, <<SERVICESTATE(1)>>  
    <<SERVICEZIP(1)>>
```

July 24, 2018

Dear <<BUSNAME(1)>>,

In November 2008, City of Reading voters authorized the creation of a natural gas aggregation program. Your community has again selected Constellation NewEnergy-Gas Division, LLC ("Constellation") as the preferred supplier for service beginning with your **September 2018** meter read cycle through your **August 2019** meter read cycle.

You have the following rate options which can be cancelled at any time:

Option 1: Locked-In Price with Flex Down OpportunitySM Rate (Current Default Rate): With this option your rate has been capped at **\$0.476/Ccf** beginning with your September 2018 meter read (or first available meter read thereafter) through your November 2018 meter read. During this period, your rate will not exceed **\$0.476/Ccf**. If market prices dictate, your monthly price could also decrease.

Option 2: Monthly Variable Rate: This rate option may change on a monthly basis based on supply costs including commodity, transportation and balancing risk components, plus a margin. If you wish to participate in this option and for your monthly supply rate to remain variable, you must contact Constellation at the number listed below.

For either option, please see the enclosed FAQs and Terms and Conditions for full details regarding the rate options and other terms of the program. If at any time the City changes the Current Default Rate to a different pricing option, an opt-out notification will be sent to all program participants.

You Are Automatically Enrolled in Option 1:

There is no cost to enroll. Enrollment in Option 1 is automatic for those who are eligible, unless you opt out of the program or call and request Option 2.

How To Opt-Out

If you do not want to be automatically enrolled in the aggregation program, please respond with one of the options below by August 14, 2018:

1. **Mail:** Return the form below in the pre-addressed stamped envelope
2. **Phone:** Call Constellation at at 866-997-9447
3. **Web:** Visit www.constellation.com/oh-reading

We look forward to providing this program.

Sincerely,

Robert Bemmes
Mayor
City of Reading

Kevin Klages
SVP, Mass Markets
Constellation

To learn more:

Visit us online at
constellation.com/
oh-reading

Call 866-997-9447
24 hours a day, 365 days a year

The rate provided will NOT include taxes, Duke distribution or other Duke fees, charges or credits. If you are already enrolled with another natural gas supplier, a cancellation fee may apply to end your agreement with that supplier. The General Terms and Conditions govern your participation in the Program. Please do not contact the community. If you have additional questions about this offer, contact Constellation. Ohio Supplier License #10-186G(4).

```
<<BUSNAME(1)>>  
<<MAILLINE1(1)>>  
<<MAILLINE2(1)>>  
<<MAILCITY(1)>>, <<MAILSTATE(1)>> <<MAILZIP(1)>>
```

<<CODE2(1)>>



Constellation®
An Exelon Company

I do not want to participate in the City of Reading Natural Gas Program.

Phone Number

☐ Cell ☐ Work ☐ Home

<<CODE(1)>>

Opt-Out Code

Service Address:

```
<<SERVLINE1(1)>>  
<<SERVLINE2(1)>>  
<<SERVICECITY(1)>>, <<SERVICESTATE(1)>> <<SERVICEZIP(1)>>
```

Duke Account Number

Signature _____

Date _____

GENERAL TERMS AND CONDITIONS

Generally the words "you" and "your" refer to the Customer and the words "we" and "us" refer to Constellation, unless the context clearly requires otherwise.

1. **Purchase and Sale of Natural Gas.** If you do not "opt-out" by August 14, 2018 pursuant to these General Terms and Conditions (the "Agreement"), you will purchase from us on an exclusive basis, and we will take all reasonable action to supply or cause to be supplied, all of your natural gas requirements at the price and for your accounts ("Account(s)"). Pursuant to the Agreement, you authorize us to (i) enroll your Account(s) with your Utility so that we can supply the Account(s), (ii) aggregate your Account(s) with those of other customers of Constellation or its affiliates, (iii) request and receive usage and other information from your Utility with respect to the Account(s) and (iv) enter into agreements with your Utility as necessary under the Utility's tariff to facilitate supply of the Account(s). You agree to cooperate with Constellation to ensure enrollment of your Account(s) in a timely manner. You give us the authority to choose the source of your natural gas supply. Your Utility will continue to deliver your natural gas and provide billing and other services to you. You acknowledge that such transportation service is subject to regulations set forth in your Utility's tariff. Supply of natural gas under this Agreement is conditioned upon (1) our verification of the accuracy of all information that you provide to us, including information regarding your natural gas usage and the Account(s) and (2) acceptance of enrollment of your Account(s) by the Utility.

2. **Term.** This term of the Agreement is effective when enrollment occurs with the Utility with Constellation as your natural gas supplier, subject to your rescission right set forth under "Customer's Rescission Right" below. Subject to successful enrollment of your Account(s), we will supply the Account(s) with natural gas from the first regularly scheduled Utility meter read date after your Utility switches you to Constellation ("Start Date"), which we estimate will be in the month of September, 2018 (October, 2018 billing cycle). We will supply your Account(s) through the month of August, 2019 (September, 2019 billing cycle). If the City of Reading Natural Gas Aggregation Program continues beyond August, 2019 with Constellation as the supplier, Constellation will send you a notice of renewal including, but not limited to, notice of the new City of Reading Natural Gas Aggregation Program, notice of your right to opt-out of the City of Reading Natural Gas Aggregation Program, and any other changes. The opt-out mailing shall include a provision for return of a post card or similar notice to Constellation, to be returned no later than twenty-one (21) days from the post-marked date, and receipt of the opt-out mailing post-marked before the opt-out deadline has elapsed shall count as timely sent. You are entitled to opt-out of City of Reading Natural Gas Aggregation Program at least every two years from the Start Date of the City of Reading Natural Gas Aggregation Program, without a penalty. If for any reason you do not wish to continue, you may cancel this Agreement as provided in Section 4 below. If you do not cancel, this Agreement will renew, and any changes to the General Terms and Conditions will become effective for the term provided in the renewal notice.

3. **City of Reading Natural Gas Aggregation Program.** Through August, 2019 (September, 2019 billing cycle), you have the following rate options.

Option 1 – Locked in Price with Flex Down OpportunitySM Rate: This will be the default option unless you call Constellation at the toll free number listed below to indicate that you would like Option 2. Under this option, a cap of \$0.476 per Ccf has been put in place through November, 2018 (December, 2018 billing cycle). For any month that a cap is in place, your price will not exceed the price cap and, based on Constellation's assessment of natural gas market trends, the monthly price could decrease below the cap if market prices also decrease during the capped period. For the remainder of the term of this Agreement, the price will be the Monthly Variable Rate as described in Option 2 below unless the City of Reading implements a price cap during certain months. If the City of Reading implements a new price cap, a notification will be sent to you.

Option 2: Monthly Variable Rate: The Monthly Variable Rate may change for each calendar month. The Monthly Variable Rate will be set in Constellation's discretion and may vary from month to month based on Constellation's assessment of applicable market conditions, historic and projected supply and hedging costs, prior months pricing and balancing costs, projected average customer bill amounts and Utility pricing. The Monthly Variable Rate may include the following additional costs: balancing costs, transportation costs, line loss costs, storage costs, pooling charges, credit costs, broker fees, and a profit margin determined in Constellation's discretion that may vary from month to month. If the utility pro-rates between months, and if a billing cycle spans across multiple calendar months, the Utility will apply the applicable Monthly Variable Rates pro-rated based on the Utility's billing methodology. The Monthly Variable Rate may be higher or lower than the price offered in the initial or any prior month. If you wish to participate in this option, you must contact Constellation at the number listed in Section 8 Customer Service, below. **IN THIS PROGRAM, YOU HEREBY APPOINT THE CITY OF READING AS YOUR AGENT FOR NATURAL GAS SUPPLY PRICING DECISIONS AND AGREE THAT CITY OF READING HAS THE EXCLUSIVE RIGHT TO MAKE NATURAL GAS SUPPLY PRICING DECISIONS ON YOUR BEHALF WHILE THIS AGREEMENT REMAINS IN EFFECT.**

Note: The fixed or variable price includes (i) all related interstate pipeline charges required to deliver gas to the Delivery Point, plus (ii) administrative costs and fees. In addition to the fixed or variable price, you will also pay the Utility's service charges.

4. **Termination.** You may terminate this Agreement without penalty at any time for any reason by providing notice to Constellation. Please note that once enrolled, it may take one to two billing cycles beyond the current billing cycle for the cancellation to be effective, as the effective date of all cancellations are subject to your Utility's guidelines. Should you fail to pay any Utility invoice or fail to meet any agreed-upon payment arrangement, your service and this Agreement may be automatically terminated in accordance with the Utility's tariffs. In addition, this

Agreement will terminate if (i) the requested service location is not served by the Utility, (ii) you move outside the Utility's service area or to an area not served by Constellation, (iii) we return you to the Utility's sales service pursuant to any termination of this agreement by us, or (iv) you cancel your enrollment with us pursuant to your rescission right provided below. You may terminate this Agreement without penalty if you relocate outside the service territory of the Utility.

5. Customer's Rescission Right. Upon processing your enrollment, the Utility will send you a confirmation letter, which is notice of the transfer of your supply to Constellation. You have a seven (7) business day period from the postmark date of the Utility's confirmation letter during which time you may cancel your enrollment, without penalty, by calling the Utility's toll-free number provided in the confirmation letter or by providing written notice to the Utility, which will be effective as of the postmark date.

6. Your Invoice. You will be invoiced by the Utility monthly for all charges applicable to your natural gas usage, including the rates set forth herein, applicable Taxes (which are passed through to you) and all applicable Utility customer charges and franchise fees. You authorize us to act as your payment agent if deemed necessary by us to facilitate consolidated billing. You have the right to request up to twenty-four (24) months of your payment history for services rendered by Constellation without charge.

7. Switching. The Utility may charge a switching fee in accordance with its tariff when you change your natural gas supplier to Constellation. If the Utility charges a switching fee when you change your natural gas supplier to Constellation in accordance with this Agreement, Constellation agrees to refund you for any such switching fee. To receive a refund, you must call Constellation at (866) 997-9447. Constellation will not separately charge a switching fee. If you voluntarily return to the Utility after switching to a competitive supplier, you may be charged a price other than the Utility's regulated sales service rate.

8. Customer Service. For questions or complaints about our services, contact us at our Customer Care department by calling toll-free (866) 997-9447, 24 hours a day, seven days a week, by e-mail at VST@constellation.com, online at www.constellation.com, or in writing at Constellation NewEnergy – Gas Division, LLC, 1716 Lawrence Drive, De Pere WI, 54115. If your complaint is not resolved after you have called Constellation, or for general utility information, you may contact the Public Utilities Commission of Ohio ("PUCO") for assistance at (800) 686-7826 (toll free) or for TTY at (800) 686-1570 (toll free) from 8:00 a.m. to 5:00 p.m. weekdays, or at www.puco.ohio.gov. Residential customers may also contact the Ohio Consumers' Counsel for assistance with complaints and utility issues at (877) 742-5622 (toll free) from 8:00 a.m. to 5:00 p.m. weekdays, or at www.pickocc.org.

9. Definitions. "Delivery Point" means any existing and future points of interconnection between your Utility transmission and/or distribution system and those of a third party pipeline supplying natural gas to the Utility. "Taxes" means all taxes, duties, fees, levies, premiums or any other charges of any kind, whether direct or indirect, relating to the sale, purchase or delivery of natural gas, together with all interest, penalties or other additional amounts imposed, including but not limited to gross receipts, sales, consumption, use, value added, per Ccf, commercial activity or other privilege tax, and any other tax (whether in effect as of the effective date of this agreement or thereafter) imposed by any governmental entity. "Utility" means your local natural gas distribution utility owning and/or controlling and maintaining the distribution system required for delivery of natural gas to the Account(s). "Market Price" means the current price at which natural gas can be bought or sold by suppliers. "Market Trend" means the tendency of natural gas market prices to move in a particular direction over time.

10. Notices. All notices will be in writing and delivered by hand, first class mail, or by express carrier to our respective business addresses. Either of us can change our address by notice to the other pursuant to this paragraph.

11. Changes in law, market structure, and/or your natural gas needs or classifications. If a change in or implementation of law, rule, regulation, ordinance, statute, judicial decision, administrative order, Utility tariffs, or the like causes our costs under this Agreement to increase, we will have the right to pass such increased costs on to you. The changes described in this Section may change any or all the charges described in this Agreement.

12. Events beyond either of our reasonable control. If something happens that is beyond either of our reasonable control that prevents either of us from performing our respective obligations under this Agreement, then whichever one of us cannot perform will be relieved from performance until the situation is resolved. Examples of such events include: acts of God, fire, flood, hurricane, war, terrorism; labor disputes; declaration of emergency by a governmental entity or the Utility; curtailment, disruption or interruption of natural gas transmission, distribution or supply; regulatory, administrative, or legislative action, or action or restraint by court order or other governmental entity; and actions taken by third parties not under your or our control, such as the Utility. However, such events shall not in any event excuse any failure to make payments due in a timely manner for natural gas supplied to you. The parties shall notify each other immediately of an operational flow or curtailment order from the applicable pipelines or Utility and shall take all required steps to comply with such orders.

13. Delivery Point and indemnification obligations. We will deliver natural gas to the Delivery Point. Title and risk of loss related to the natural gas transfer to you at the Delivery Point, and you are responsible for all transmission, distribution, and other costs (including Taxes and other fees) related to the final delivery to the facilities to which the Account(s) relate as well as your use of the natural gas. While we will arrange for the delivery of natural gas to you by your Utility, we will have no liability or responsibility for matters within the control of the Utility, which include maintenance of pipelines and systems, service interruptions, loss of service, quality of the natural gas, deterioration of services, or meter readings. EACH PARTY (THE "INDEMNIFYING PARTY") WILL DEFEND, INDEMNIFY AND HOLD THE OTHER PARTY HARMLESS FROM ANY AND ALL CLAIMS (INCLUDING CLAIMS FOR PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE), LOSSES, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES), DAMAGES, SUITS, CAUSES OF ACTION AND JUDGMENTS OF ANY KIND ARISING HEREUNDER WHILE TITLE AND RISK OF LOSS ARE VESTED IN THE INDEMNIFYING PARTY.

14. Limitation on Liability. IN NO EVENT WILL EITHER PARTY OR ITS AFFILIATES, OWNERS, OFFICERS OR DIRECTORS BE LIABLE FOR ANY CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST OPPORTUNITIES OR LOST PROFITS. Each party's total liability related to this Agreement, whether arising under breach of contract, tort, strict liability or otherwise, will be limited to direct, actual damages. Each party agrees to use commercially reasonable efforts to mitigate the damages it may incur. NO WARRANTY, DUTY, OR REMEDY, WHETHER EXPRESSED, IMPLIED OR STATUTORY, ON CONSTELLATION'S PART IS GIVEN OR INTENDED TO ARISE OUT OF THIS AGREEMENT, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A GENERAL OR SPECIFIC PURPOSE OR USE.

15. Governing Law/Venue. THIS AGREEMENT WILL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OHIO WITHOUT GIVING EFFECT TO ANY CONFLICTS OF LAW PROVISIONS. WE ALSO BOTH AGREE IRREVOCABLY AND UNCONDITIONALLY TO WAIVE ANY RIGHT TO A TRIAL BY JURY OR TO INITIATE OR BECOME A PARTY TO ANY CLASS ACTION CLAIMS WITH RESPECT TO ANY ACTION, SUIT OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

16. Relationship of Parties. We are an independent contractor, and nothing in this Agreement establishes a joint venture, fiduciary relationship, partnership or other joint undertaking. You will not rely, and have not relied, on us in evaluating the advantages or disadvantages of any specific product or service, predictions about future energy prices, or any other matter under this Agreement. Your decision to enter into this Agreement and any other decisions or actions you may take are and will be based solely upon your own analysis (or that of your advisors) and not on information or statements from us. There is no guarantee that the program you chose will guarantee any price advantage or savings.

17. Confidentiality. Consistent with applicable regulatory requirements, we will hold in confidence all information obtained by us from you related to the provision of services under this Agreement and which concern your energy characteristics and use patterns, except that we may disclose such information to our affiliates (excluding Baltimore Gas & Electric, a regulated utility) and such affiliates' employees, agents, advisors, and independent contractors. Other than for operation, maintenance, assignment and transfer of your Account(s), pursuant to a court or PUCO order or pursuant to a PUCO rule, we will not release your account number or, other than for credit checking and credit reporting, if applicable, your social security number, without your prior written consent.

18. Miscellaneous Provisions. If in any circumstance we do not provide notice of, or object to, any default on your part, such situation will not constitute a waiver of such default or any future default of any kind. If any of this Agreement is held legally invalid, the remainder will not be affected and will be valid and enforced to the fullest extent permitted by law and equity, and there will be deemed substituted for the invalid provisions such provisions as will most nearly carry out our mutual intent as expressed in this agreement. You may not assign or otherwise transfer any of your rights or obligations under this Agreement without our prior written consent and any such attempted transfer will be void. We may assign our rights and obligations under this Agreement to a qualified natural gas supplier and will provide you with prior written notice of any such assignment. This Agreement contains the entire agreement between both of us, supersedes any other agreements, discussions or understandings (whether oral or written) regarding the subject matter of this agreement, and may not be contradicted by any prior or contemporaneous oral or written agreement. A facsimile copy with your signature will be considered an original for all purposes. No amendment to this Agreement will be valid or given any effect unless signed by both of us. Applicable provisions of this Agreement will continue in effect after termination or expiration of this Agreement to the extent necessary, including those for billing adjustments and payments, indemnification, limitations of liability, and dispute resolution. Constellation shall have the right to set-off and net any amounts owed to Customer against any amounts owed to it by Customer under this Agreement or any other agreement. This Agreement is a "forward contract" and Constellation is a "forward contract merchant" under the U.S. Bankruptcy Code, as amended. Further, we are not providing advice regarding "commodity interests", including futures contracts and commodity options or any other matter, which would cause us to be a commodity trading advisor under the U.S. Commodity Exchange Act, as amended ("CEA"). Customer's purpose in entering into this Agreement is not speculation, but rather price volatility control and/or budget management for procurement of natural gas for one or more of its facilities. Customer represents that it qualifies as an "eligible contract participant" as the same is defined under the CEA. The terms of any purchase order (PO) you send to us or any alterations, additions, or modifications you make to the preprinted terms of this Agreement shall be void and without any effect unless and only to the extent we agree in writing to such alterations, additions, or modifications.

IN THE EVENT OF AN EMERGENCY OR SERVICE INTERRUPTION, CONTACT YOUR UTILITY AT:

Utility Name	Utility Abbreviation	Contact Number
Duke Energy Ohio	DUKE	(800) 634-4300



Natural Gas Aggregation Opt-Out Frequently Asked Questions

Q: What is aggregation?

A: Under governmental aggregation, local officials bring the community together for group purchasing power. The community benefits by receiving competitively-priced natural gas from a retail natural gas supplier certified by the Public Utilities Commission of Ohio.

Q: How is my community able to choose a certified natural gas supplier on my behalf?

A: Residents voted to allow the community to negotiate a contract with a natural gas supplier on their behalf.

Q: How do I enroll?

A: Eligible residential or small business customers will be automatically enrolled.

Q: Who is eligible for the aggregation program?

A: Most residential and small business customers residing within the community receiving natural gas from the local utility are eligible (local utilities include: Dominion East Ohio Gas, Columbia Gas of Ohio, Vectren Energy Delivery of Ohio, and Duke Energy Ohio).

Q: Who is not eligible?

A: Residential and business customers who are not eligible for automatic enrollment in the program include:

- A customer that is not located within community boundaries.
- Percentage of Income Payment Program (PIPP) customers.
- A customer who is under contract with another natural gas provider.
- A customer who has a special contract with the natural gas utility company.
- Customers who are behind on their payments to the utility.
- A mercantile customer that has not provided consent to join the program. "Mercantile customer" means a commercial or industrial customer if the natural gas consumed is for non-residential use and the customer consumes more than 500 Mcf per year or is part of a national account involving multiple facilities in one or more states.

Q: Does it cost to enroll?

A: No. Constellation does not charge any enrollment or switching fees.

Q: When will I see my new rate?

A: You can expect to see the new rate one to two billing cycles following your enrollment in the program. Please note: supply rates do not include taxes, delivery service charges or other utility fees.

Q: Who will bill me for natural gas?

A: You will continue to receive one monthly bill from your local utility.

Q: Can I still have my payment automatically deducted from my checking account as I do now?

A: Yes, how you pay your natural gas bill will not change.

Q: Who is responsible for delivery of natural gas to my home or business?

A: Your local utility company will continue to deliver natural gas to your home or business.

Q: Who do I call if I have a problem with my natural gas service?

A: To report service problems, a gas leak and for billing questions, contact your local utility company.

Q: What if I have already selected another supplier?

A: Based on the records provided by the utility, we assumed you are not with another supplier. However, if you recently signed up with a new supplier, carefully review the terms and conditions of that agreement before proceeding as your ability to terminate early with that supplier may be restricted.

Q: Is there an early termination fee for leaving the program outside of the 21 day opt-out period?

A: No, there is no early termination fee.

Q: Who do I contact if I have additional questions about this offer?

A: If you have additional questions about the program, please contact Constellation.

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

7/9/2018 12:40:52 PM

in

Case No(s). 09-0388-GA-GAG

Summary: Opt-Out Notice electronically filed by Ms. Amy Garrett on behalf of City of Reading