

February 20, 2019

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

**RE: Electric Governmental Aggregator Application for recertification for the City of Loveland (Case 13-581-EL-GAG).**

Attached please find the application for recertification as a Governmental Aggregator of Electricity for the City of Loveland. Please file under case number 13-581-EL-GAG.

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

If you have any additional needs or questions, please call me at 330-995-2675 or email me at [aburns@naturalgas-electric.com](mailto:aburns@naturalgas-electric.com)

Sincerely,



Andrew Burns  
Government Aggregation Manager

Attachments



## Public Utilities Commission

Original GAG Case Number	Version
13 - 581 -EL-GAG	August 2004

### RENEWAL APPLICATION FOR ELECTRIC GOVERNMENTAL AGGREGATORS

Please print or type all required information. Identify all attachments with an exhibit label and title (Example: Exhibit A-4 Opt-Out Form). All attachments should bear the legal name of the Applicant and should be included on the electronic copy provided. Applicants should file completed applications and all related correspondence with: Public Utilities Commission of Ohio, Docketing Division, 180 East Broad Street, Columbus, OH 43215-3793.

**This PDF form is designed so that you may input information directly onto the form.  
You may also download the form, by saving it to your local disk, for later use.**

#### A. RENEWAL INFORMATION

##### A-1 Applicant's legal name, address, telephone number, PUCO certificate number, and web site address

Legal Name City of Loveland

Address 120 Loveland Avenue, Loveland OH 45140

PUCO Certificate # and Date Certified 13-671E(3) Certified April 4, 2017

Telephone # (513) 683-0150 Web site address (if any) www.lovelandoh.gov

##### A-2 Exhibit A-2 "Authorizing Ordinance" provide a copy of the ordinance or resolution authorizing the formation of a governmental aggregation program adopted pursuant to Section 4928.20(A) of the Revised Code.

##### A-3 Exhibit A-3 "Operation and Governance Plan" provide a copy of the applicant's current plan for operation and governance of its aggregation program adopted pursuant to Section 4928.20(C) of the Revised Code. The Operation and Governance Plan explained in Exhibit A-3 should include:

- Terms and conditions of enrollment including:
  - Rates
  - Charges
  - Switching fees, if any
- Policies associated with customers moving into/out of aggregation area
- Billing procedures
- Procedures for handling complaints and disputes including the toll-free telephone number and address for customer contacts

A-4 **Exhibit A-4 Automatic Aggregation Disclosure-"Opt-out Form"** provide a copy of the disclosures/"opt-out" required by Section 4928.20(D) of the Revised Code, if its aggregation program provides for automatic aggregation in accordance with Section 4928.20(A) of the Revised Code. If the opt-out is in draft form, docket the final opt-out (including beginning and ending dates of the 21-day -out period and the selected CRES supplier) with the Commission within 10 days prior to providing or offering service. See #12 in the attached Affidavit .

A-5 **Contact person for regulatory or emergency matters**

Name Andrew Burns  
Title Gov. Agg Manager, Independent Energy Consultant  
Business address 215 W. Garfield Road, Suite 210, Aurora OH 44202  
Telephone # (330) 995-2675 Fax # (800) 574-4508  
E-mail address aburns@naturalgas-electric.com

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

Name Andrew Burns  
Title Gov. Agg Manager, Independent Energy Consultant  
Business address 215 W. Garfield Road, Suite 210, Aurora OH 44202  
Telephone # (330) 995-2675 Fax # (800) 574-4508  
E-mail address aburns@naturalgas-electric.com

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

Customer Service address 215 W. Garfield Road, Suite 210, Aurora OH 44202  
Toll-free Telephone # (888) 862-6060 Fax # (800) 574-4508  
E-mail address info@naturalgas-electric.com

  
Signature of Applicant & Title

Sworn and subscribed before me this 19 day of February, 2019  
Month Year

  
Signature of official administering oath

Misty Cheshire, clerk/Notary  
Print Name and Title

My commission expires on Aug. 31, 2020



OFFICIAL SEAL  
MISTY CHESHIRE  
NOTARY PUBLIC, STATE OF OHIO  
MY COMMISSION EXPIRES AUG. 31, 2020

# **AFFIDAVIT**

State of Ohio :

City of Loveland ss.  
(Town)

County of Hamilton, Clermont, Warren

David Kennedy, Affiant, being duly sworn/affirmed according to law, deposes and says that:

He/She is the City Manager (Office of Affiant) of City of Loveland (Name of Applicant);

That he/she is authorized to and does make this affidavit for said Applicant,

1. The Applicant herein, attests under penalty of false statement that all statements made in the application for certification renewal are true and complete and that it will amend its application while the application is pending if any substantial changes occur regarding the information provided in the application.
2. The Applicant herein, attests it will timely file an annual report with the Public Utilities Commission of Ohio of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Division (A) of Section 4905.10, Division (A) of Section 4911.18, and Division (F) of Section 4928.06 of the Revised Code.
3. The Applicant herein, attests that it will timely pay any assessments made pursuant to Sections 4905.10, 4911.18, or Division F of Section 4928.06 of the Revised Code.
4. The Applicant herein, attests that it will comply with all Public Utilities Commission of Ohio rules or orders as adopted pursuant to Chapter 4928 of the Revised Code.
5. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, and its Staff on any utility matter including the investigation of any consumer complaint regarding any service offered or provided by the Applicant.
6. The Applicant herein, attests that it will fully comply with Section 4928.09 of the Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.
7. The Applicant herein, attests that it will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
8. The Applicant herein, attests that it will use its best efforts to verify that any entity with whom it has a contractual relationship to purchase power is in compliance with all applicable licensing requirements of the Federal Energy Regulatory Commission and the Public Utilities Commission of Ohio.
9. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, the electric distribution companies, the regional transmission entities, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of the electric service in accordance with the emergency plans and other procedures as may be determined appropriate by the Commission.
10. If applicable to the service(s) the Applicant will provide, the Applicant herein, attests that it will adhere to the reliability standards of (1) the North American Electric Reliability Council (NERC), (2) the appropriate regional reliability council(s), and (3) the Public Utilities Commission of Ohio. (Only applicable if pertains to the services the Applicant is offering)

11. The Applicant herein, attests that it will inform the Commission of any material change to the information supplied in the renewal application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating customer complaints.
12. The Applicant herein, attests that if the opt-out is in draft form, the Applicant will docket the final opt-out (including beginning and ending dates of the 21-day -out period and the selected CRES supplier) with the Commission within 10 days prior to providing or offering service.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.

  
Signature of Affiant & Title

Sworn and subscribed before me this 19 day of February, 2019  
Month Year

Misty Cheshire  
Signature of official administering oath

misty cheshire, clerk/  
Print Name and Title  
Notary

My commission expires on Aug. 31, 2020



OFFICIAL SEAL  
MISTY CHESHIRE  
NOTARY PUBLIC, STATE OF OHIO  
MY COMMISSION EXPIRES AUG. 31, 2020

EMERGENCY ORDINANCE 2013 - 12

Ordinance acknowledging the authorization and establishment of an electric Governmental Aggregation Program ("Aggregation Program") with opt-out provisions pursuant to Section 4928.20 of the Ohio Revised Code for the residents, businesses, and other electric consumers in the City of Loveland; authorizing the City Manager to execute a supply agreement with a P.U.C.O. certified supplier; and declaring an emergency

**WHEREAS**, on November 6, 2012, Loveland residents voted in favor of the City having the authority to aggregate the retail electric loads located in the City and to enter into service agreements to facilitate for those loads the sale and purchase of electricity pursuant to Section 4928.20 of the Ohio Revised Code; and

**WHEREAS**, after the passage of the ballot, the City Council held two public hearings as required by Ohio Revised Code 4928.20(c) to explain customer rights in an "opt-out" aggregation and to adopt a Plan of Operations and Governance for its electric governmental aggregation program.

**NOW, THEREFORE BE IT ORDAINED** by the Council of the City of Loveland, Hamilton, Clermont and Warren County, Ohio:

**Section 1.** That the City Council of Loveland acknowledges the affirmative vote of the electorate on November 6, 2012, thereby granting authority to the City of Loveland to establish an electric aggregation program.

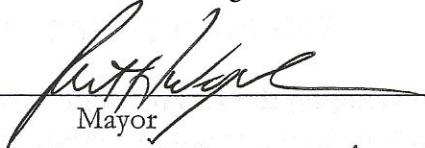
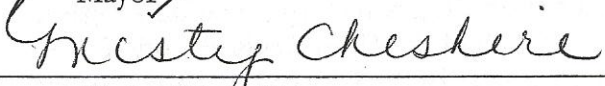
**Section 2.** That this Council hereby adopts the City of Loveland's Plan of Operations and Governance, attached hereto and incorporated herein by reference as Exhibit A, for the implementation and administration of the City's electric aggregation program in accordance with Ohio Revised Code 4928.20(c).

**Section 3.** That the City Manager is hereby authorized to enter into an electric supply service agreement with a P.U.C.O. Certified Retail Electric Service Supplier to facilitate the sale and purchase of electricity in the City's opt-out program.


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

**Section 5.** That this Ordinance is hereby declared to be an emergency measure necessary for the immediate preservation of the health, safety, welfare and morals of the City of Loveland, and is necessary in order to begin the process of P.U.C.O. certification at the earliest possible date.

City of Loveland Exhibit A-2 "Authorizing Ordinance"

  
\_\_\_\_\_  
Mayor  
  
\_\_\_\_\_  
Clerk of Council

Approved as to Form:

  
\_\_\_\_\_  
City Solicitor

First Reading: 2-12-13  
Second Reading: Emergency  
Passed: 2-12-13

# CITY OF LOVELAND ELECTRIC AGGREGATION PROGRAM

## Plan of Operations and Governance

For additional information contact:  
Andrew Burns, Government Aggregation Manager  
Independent Energy Consultants, Inc.  
Ph: (330) 995-2675



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## **1. Purpose of Electric Aggregation Program & Services**

This aggregation plan has been developed in compliance with Ohio Revised Code, Section 4928.20 regarding governmental aggregation of electric service. That section of the Code defines two different types of aggregation that may be enacted by a governmental entity; opt-in aggregation and opt-out aggregation. The City of Loveland ("the City") will administer an opt-out aggregation program that will automatically include all eligible electric accounts receiving a beneficial offer from a Competitive Retail Electric Service Supplier (CRES Supplier). Those customers will be given prior notice entitling them to affirmatively elect not to be part of the Program.

The City passed the necessary ordinance to place the issue of Opt-out Governmental Aggregation of electricity on the November 6, 2012 ballot. The ballot issue subsequently passed. The City will follow the Plan of Operation and Governance ("Plan") outlined below. This Plan was adopted after two public hearings were held in accordance with section 4928.20 (C) of the Ohio Revised Code.

The City's Aggregation Program ("Program") seeks to aggregate the retail electric loads of consumers located in the City to negotiate the best rates for the generation supply of electric power. With a City population of approximately 12,000 the Program has the potential to combine residential accounts and small commercial accounts into a buying group that will be attractive to a Competitive Retail Electric Service Supplier (CRES Supplier). Participation in the Program is voluntary. Any individual customer ("Member") has the opportunity to decline to be a Member of the aggregation Program and to return to the local utility (Duke Energy) standard offer of service or to enter into a power supply contract with any CRES Supplier.

Residential and small commercial electric customers often lack the ability to effectively negotiate electric supply services. The City's Program provides them an opportunity to benefit from professional representation and bargaining power achieved through an aggregation Program.

The aggregation Program is designed to reduce the amount Members pay for electric energy and to gain other favorable terms of service. The City will not buy and resell the power to the Program Members. Instead, the City will competitively bid and negotiate a contract with a CRES Supplier to provide firm, full-requirements generation service to the Members of the aggregation Program.

Due to the complexity of deregulation of the electric utility industry, the City has entered into contract with Independent Energy Consultants, Inc. (Independent Energy Consultants), a PUCO certified broker and aggregator of natural gas and electricity. Among other things, Independent Energy Consultants will provide professional assistance which includes these consulting services:

- Draft and assist in maintaining this Plan of Operation and Governance;
- Lead the required Public Hearings and attend Council meetings;
- Assist the City in the day-to-day administration of the Program (problem resolution, press releases, PUCO compliance, supplier liaison, contract review, etc.);

- Administer the Request for Proposal process, analyze supplier responses and provide recommendations for the supply agreement;
- Review customer data provided by Duke Energy that would serve as the basis for an Opt-Out Notice; and
- Write/prepare reports on a quarterly/annual basis to the City, PUCO, PUCO's Market Monitoring division, and the Ohio Consumers' Counsel.

## 2. Determination of Rates and Other Charges

### 2.1. Rates

Through the efforts of its consultant, Independent Energy Consultants, Inc., the City will seek proposals from CRES suppliers. The request for proposals shall require the suppliers to offer a generation charge for firm, full-requirements supply. CRES Providers will bid by Duke Energy customer rate classification or customer class. CRES Providers will be encouraged to bid on as many electric accounts as possible, but it is recognized that from a practical standpoint it is not likely that bids will be received for larger commercial and industrial accounts that require interval metering and individual price analysis. Furthermore, a CRES Provider may not be able to beat Duke Energy's tariff rates for all customer classes and/or rate schedules. The prices to be charged to Members in the Program will be set by the City Council, or their designee, after negotiations with the selected CRES Supplier. Members will be notified of the rates and terms of the Program through a direct mailing sent to each eligible resident and business within the City limits. Once offers are found a table similar to the one shown below will be populated to reflect the offer rates.

<b>Duke Energy Rate Schedule</b>	<b>CRES Supplier Offer</b>
RS – Residential Service	\$.05058/kWh thru June 2019
DM – Secondary Distribution Service	\$.05058/kWh thru June 2019
Other	

### 2.2 Charges

Neither the City nor the selected Supplier will impose any terms, conditions, fees, or charges on any Member served by the governmental aggregation unless the particular term, condition, fee, or charge is clearly disclosed to the Member at the time the Member chose not to opt-out of the aggregation.

Duke Energy will continue to bill for Late Payment, Delivery Charges and Monthly Service Fee, etc. These charges apply whether or not a Member switches to the Program's CRES supplier. Switching generation suppliers will not result in any new charges billed to the Member.

### 2.3 Switching Fees

Should Duke Energy assess a switching fee for Members voluntarily remaining in the aggregation Program; the Request for Proposal will be written to require the

selected supplier to pay the switching fee.

#### 2.4 Early Termination Fee

Members may terminate their agreement without penalty if they relocate outside of the City. Members that leave for other reasons may be assessed an early termination fee by CRES supplier. Early termination fees are standard in most electric contracts. The City will negotiate with the CRES supplier to ensure that any early termination fee assessed is reasonable and clearly stated in the opt-out disclosure notice.

### 3. Process for Providing Opt-Out Disclosure Notices

When a successful supply offer is found, the City shall order the eligible customer list from Duke Energy. Duke Energy shall turn over the list to the City or its consultant upon request. Once the list is obtained, it will be shared with the selected CRES supplier and they will have 30 days from the City's receipt of the data to mail the Opt-Out Notices to all eligible Members receiving an offer.

Prior to including a customer's electric account or accounts in an aggregation, the City in cooperation with the selected CRES supplier, will provide each eligible Member a written Opt-Out Notice conforming to the requirements of Ohio Administrative Code Section 4901:1-21-17.

The selected CRES supplier will be required to pay for printing and mailing of opt-out disclosure notices. The notices will be mailed to the owner or occupant residing at the electric account mailing address shown on Duke Energy's customer list. The notice will contain the City's name and logo to clearly indicate to the recipient that it is a notice from the City.

Prior to mailing Opt-Out Notices a thorough review will be performed to see that all eligible Members receiving an offer are sent the notice. The review process will include the efforts of numerous parties and utilize a number of resources as specified in section four of this Plan.

Following acceptance of an offer by the City, the CRES supplier will mail Opt-Out Notices to eligible Members. Members will have 21 days from the postmark date on the notice to postmark the return opt-out card if they do not wish to participate in the City's Program.

In the event that an eligible Member is inadvertently not sent an Opt-Out Notice and is omitted from the Program, the CRES supplier shall, upon request, enroll the eligible Member at the group rate for the remaining term.

### 4. Determination of Eligible Customer Pool

Under the opt-out aggregation provisions, all eligible electric consumers within the City will be automatically included in the Program. However, such customers will be given prior notice entitling them to affirmatively elect not to be part of the Program.

Prior to mailing Opt-Out Notices a thorough review will be performed to see that all ineligible customers are excluded. The review process will include the efforts of numerous parties and utilize a number of resources:

- Duke Energy will query their customer database using best efforts to capture all accounts within the City limits;
- The City's consultant working with the CRES supplier, available City resources and publicly available material shall screen out customers who are not located within the City limits. Those resources may include any or all of the following: Property records, water and/or sewer records, fire and/or police department address records, 911 address records, street listings City maps, internet maps, county parcel mapping databases, and geographical information systems (GIS);
- Ineligible accounts will be screened out based on codes provided in the Duke Energy data;
- The data shall be reviewed to see that all zip codes have been included, all streets included, all customer classes, all customer rate schedules, and finally that an expected total for a community of this population was turned over;
- Any suspected omissions will be reported to Duke Energy along with a request to furnish that data; and
- Eligibility may be limited by a supplier's offer. For example, a fixed rate might not be offered to an account if their Price-to-Compare indicates they would not save.

## **5. Opt-Out Process**

The City is using an Opt-Out form of Governmental Aggregation pursuant to section 4928.20 of the Ohio Revised Code. Any such person that opts-out of the aggregation Program pursuant to stated procedure will default to the standard service offer provided by Duke Energy until the person chooses an alternative supplier.

When a successful supply offer is found the City shall order the eligible customer list from Duke Energy. Duke Energy shall turn over the list to the City or its consultant upon request. Once the list is obtained, it will be shared with the selected CRES supplier and they will have 30 days from the City's receipt of the data to mail the Opt-Out Notices to all eligible Members receiving an offer.

The selected CRES supplier and the City will agree upon the format of the Opt-Out Notice and will docket a sample with the PUCO at least ten days prior to mailing it to eligible Members.

The selected CRES supplier will be required to pay for printing and mailing of opt-out disclosure notices. The notices will be mailed to the owner or occupant residing at the electric account mailing address shown on Duke Energy's customer list. A City official will sign the notice and it will contain the City's name and logo on the outside to clearly indicate to the recipient that it is a notice from the City.

Prior to mailing Opt-Out Notices, a thorough review will be performed to see that all eligible Members receiving an offer are sent the notice. The review process will include the efforts of numerous parties and utilize a number of resources as specified in section four of this Plan.

Following acceptance of an offer by the City, the CRES supplier will mail Opt-Out Notices to eligible Members receiving an offer. Members will have 21 days from the postmark date on the notice to postmark the return opt-out card if they do not wish to participate in the

City's Program. If available, Members may also call the CRES supplier's toll-free recorded phone number to opt-out. The selected CRES supplier will not enroll those accounts opting out from the Program.

In the event that an eligible Member is inadvertently not sent an Opt-Out Notice and is omitted from the Program, the CRES supplier shall, upon request, enroll the eligible Member at the group rate for the remaining term.

All members of the Program will also be given an opportunity to opt-out without penalty at least once every three years.

**Procedure Steps:**

1. The selected CRES supplier and the City will agree upon the format of the Opt-Out Notice and will docket a sample with the PUCO at least ten days prior to mailing it to eligible Members;
2. The selected supplier will distribute an Opt-Out Form to all eligible Members via first class U.S. Mail;
3. Recipients will have 21 days from the postmark on the notice to notify the selected CRES supplier if they do not want to be part of the Program;
4. Members will be able to opt out by returning an opt-out card via U.S. Mail to the selected CRES supplier. The supplier may offer additional means of opting out, such as, making a toll-free recorded phone call to the CRES supplier, email notification or fax;
5. Additionally, Members who do not opt-out per step 4 above will receive written notification from Duke Energy stating that they are about to be switched. That notice will inform them that they have 7 days to rescind the contract by contacting Duke Energy; and
6. The selected CRES supplier will not enroll those accounts opting out from the Program.

The Opt-Out Notice will clearly notify the Program Members of the rates to be charged for electricity and other terms of the contract with the selected supplier. The notice will also satisfy the requirements for disclosing the environmental impact of the generation sources used to supply the Program.

## **6. Customer Classes Included**

All eligible Members are included in the Program but the selected CRES supplier's offer will determine which groups receive an offer and Opt-Out Notice. It is envisioned that residential and small commercial customers supplied by Duke Energy within the City limits are the most likely to receive an offer. The specific rate schedules will be identified in Section 2 of this Plan of Operation. In addition to having a rate schedule listed in Section 2, the following eligibility requirements apply.

- Customers must be up to date with their bill payment;
- Customers must not have Opted-out of the Program;
- Customers must not be on the Do Not Aggregate list;
- Customers must not be supplied generation service from another CRES provider;
- Customers must not be on a special contract with Duke Energy;
- Customers must not be in the Percentage of Income Payment Program (PIPP);
- Commercial Customers must have a Peak Demand of  $\leq 100$  kW; and
- Commercial Customers must not have interval metering;
- Customers must not be classified as mercantile; and
- Eligibility may be further limited by a supplier's offer. For example, a fixed rate might not be offered to an account if their Price-to-Compare indicates they would not save.

## **7. Billing Procedures**

The City will utilize the coordinated billing services of Duke Energy and the selected CRES supplier. Most customers are expected to receive a single bill from Duke Energy that itemizes among other things, the cost of generation provided by the CRES supplier. In some instances, particularly for commercial accounts, the CRES supplier may request that dual billing be used. In this case the supplier would issue a bill for their supply service and Duke Energy would issue a bill for their delivery services.

Members currently on budget billing will continue to be budget billed. Duke Energy's process will remain the same. Members wishing to start budget billing should contact Duke Energy. The process will take place in accordance with Duke Energy's policy and is not unique to the City's Program. Duke Energy's policies will dictate what portions of a Member's bill are budgeted and how the budget amount is calculated.

Members are required to remit and comply with the payment terms of Duke Energy and/or their supplier if dual billing is used. This Program will not be responsible for late or no payment on the part of any of its members. Furthermore, slow or no payment on the part of some Members will not adversely impact the rates charged to other Members. The selected Supplier shall not charge more than 1 ½ percent per month for overdue balances owed to the selected Supplier.

## **8. Credit/Deposit Requirements**

Collection and credit procedures remain the responsibility of Duke Energy, the selected Supplier and the individual Member. Members are required to remit and comply with the payment terms of Duke Energy. This Program will not be responsible for late or no payment on the part of any of its Members. The City will have no separate credit or deposit policy.

## **9. Procedures for Handling Customer Complaints and Dispute Resolution**

Members have multiple means of addressing complaints. As a general rule, concerns

regarding service reliability should be directed to Duke Energy, questions regarding the Program administration should go to the City, billing questions should be directed to Duke Energy or the selected supplier and any unresolved disputes should be directed to the Public Utilities Commission of Ohio and/or The Ohio Consumers’ Counsel. Listed below is a table of toll-free numbers for members to call for assistance.

<b>Nature of Complaint</b>	<b>Contact</b>	<b>Phone Number</b>
Service interruptions or emergencies	Duke Energy	1-800-543-5599
Service turn on/off	Duke Energy	1-800-544-6900
Billing disputes – Delivery charges	Duke Energy	1-800-544-6900
Billing disputes – Supplier charges	Constellation Energy Services	1-844-303-5974
Joining/Leaving Program	Constellation Energy Services	1-844-303-5974
Aggregation Program questions	City of Loveland Independent Energy Consultants	513-683-0150 888-862-6060
Unresolved disputes	Public Utilities Comm. (voice)	1-800-686-7826
Unresolved disputes	Public Utilities Comm. TDD/TTY	1-800-686-1570
General information – residential	Ohio Consumers’ Counsel	1-877-742-5622

## **10. Moving Into/Within the City**

Utility rules require that people moving into a different residence, new construction or otherwise, be assigned a new account number and be served for at least one month by the local utility before they can switch to a new supplier. The above-mentioned are examples of utility rules approved by the PUCO that will impact the operation of Loveland’s aggregation Program.

Residents and businesses that move into the City will not be automatically included in the City’s Program. The City cannot guarantee the rates, terms and conditions to Members enrolling after the 21-day opt-out period of the initial enrollees. Members wishing to opt-in to the Program may contact the City or the CRES supplier to obtain enrollment information. There is, however, no guarantee that customers opting-in at a later date will receive the same price, terms and conditions as did the initial participants. The selected CRES supplier’s decision whether or not to extend an offer will be based, in part, on the market prices at the time of request.

Members who move within the City limits and are assigned a new account number by Duke Energy will be treated in the same manner as a new resident. They will not be automatically enrolled, but may contact the CRES supplier concerning re-enrollment. Once again, there is no guarantee that the CRES Supplier will extend an offer, or an offer that is the same as that of the initial enrollees.

## **11. Moving Within the City and Maintaining the Same Account Number**

The selected CRES Supplier shall continue service at the same rate and under the same

terms and conditions for any Member who relocates within the City prior to the expiration of the contract term, providing that the Member notifies the CRES Supplier of their desire to do so with thirty (30) days written notice. Moving within the City may cause the Member to be served for a brief period of time by the local utility. The CRES supplier shall have the

right to bill the participant for any associated switching fee imposed by Duke Energy. Members may also opt-out without penalty under these circumstances.

## **12. Joining the Aggregation Group after Opting-Out**

Members who have left the aggregation group and wish to rejoin at a later date are treated in the same manner as new residents moving into Loveland. These customers may contact the City or the CRES supplier at any time to obtain enrollment information. There is however, no guarantee that customers opting-in at a later date will receive the same price, terms and conditions as did the initial participants.

## **13. Reliability of Power Supply**

The Program will only affect the generation source of power. Duke Energy will continue to deliver power through their transmission and distribution systems. Responsibility for maintaining system reliability continues to rest with Duke Energy. If Members have service reliability problems they should contact Duke Energy for repairs. The PUCO has established "Minimum Reliability Standards" for all utilities operating distribution systems in Ohio. Customer outages, duration of outages, interruptions, etc., are monitored to ensure reliability remains at satisfactory levels.

In addition to maintaining the "wires" system, Duke Energy is required to be the "Provider of Last Resort." This means, should the selected CRES supplier fail for any reason to deliver any or all of the electricity needed to serve the Members needs, Duke Energy will immediately provide for the shortfall. Duke Energy would then bill the supplier for the power provided on their behalf. The Members would incur no additional cost.

## **14. Supplier Qualification Selection Criteria**

Only Suppliers meeting strict criteria will be considered.

- Suppliers will need to be certified by the Public Utilities Commission of Ohio;
- Registered with Duke Energy to do business in their service territory. Both the certification and registration ensure that Suppliers possess the managerial, technical, and financial competence to perform the services they offer;
- Successfully completed Electronic Data Interchange (EDI) computer system testing with Duke Energy to support Governmental Aggregation Program transactions;
- Agree to hold harmless the City from any financial obligations arising from the Program;
- The selected CRES supplier will need to agree to notify the City and negotiate with the City at least 60 days in advance of attempting to terminate the agreement for any reasons other than (i) the scheduled end date or (ii) Force Majeure; and
- The selected CRES supplier shall demonstrate its creditworthiness by possessing

an investment grade long-term bond rating from at least two major rating agencies:

Should the CRES supplier be unable to demonstrate its creditworthiness at the time a contract is entered, the supplier will be required to provide:

- a Letter of Credit; or
- a Parental Guaranty from a company that is deemed creditworthy; or
- a Surety Bond.

Details of the credit type and amount will be subject to negotiation.

## **15. Miscellaneous**

The City will maintain a copy of this Plan of Operation and Governance on file at its Administrative office. This Plan will be kept available for public inspection. It will, upon request, be copied for any existing or potential Members of the aggregation in accordance with the City rules for copying public documents.

The City will not alter its Operation and Governance Plan in any way that would materially affect the customers of the aggregation without first providing notice to all affected Members and providing these Members the opportunity to opt-out of the aggregation according to the procedures established for the initial opt-out disclosure notice set forth in rule 4901:1-21-17 of the Administrative Code. In the event of a material change, the City will provide a notice explaining the changes to the Plan, and informing the Members of their right to opt-out of the aggregation without penalty, and identifying the method and time frame for the customer to opt-out.

The City or the selected CRES supplier will not issue an Opt-Out Notice before the City has obtained its certification as a Governmental Aggregator of electricity from the Public Utilities Commission of Ohio.

The success of the City's Aggregation Program relies in part to the cooperation it receives from Duke Energy. In addition to other tasks, Duke Energy must turn over accurate customer data and perform the customer switching process in a timely manner. The City will comply with PUCO rules, and will hold Duke Energy to its obligations under the same.

The Electric Aggregation Program may be terminated upon the termination or expiration of the supply contract without any extension, renewal or subsequent supply contract being negotiated. Each individual Member receiving electric supply service under the Program will receive notification 45-90 days prior to termination of the Program. In the event of termination, Members in the City's aggregation Program would either return to Duke Energy supply service or choose a CRES supplier on their own.

If the City is unable to find a satisfactory offer at the end of an existing supply agreement, they have the option of maintaining their status as a Governmental Aggregator while they continue to seek offers for their Members.



Welcome to the  
City of Loveland Electric  
Aggregation Program.

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



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

This notification is in regards  
to your electric service at:

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

Dear <First Name> <Last Name>,

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

### You're Automatically Enrolled

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

### How To Opt-Out

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

1. **Mail:** Return the completed form below to:

ATTN OHIO GOV AGG PRGM  
Constellation  
P.O. Box 4911  
Houston, TX 77210-9547

2. **Phone:** Call Constellation at 1-844-303-5974

We look forward to this collaboration.

Sincerely,

City of Loveland  
Local Officials

Bruce Stewart,  
Chief Marketing Officer  
Constellation

## Here's how you benefit.

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

### To learn more:



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



**Visit us online at**  
**constellation.com/oh-loveland**

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



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

Phone Number

☐ Cell ☐ Work ☐ Home

<Code>

Opt-Out Code

#### Service Address:

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

Duke Energy Account Number

Signature

Date

**What is Municipal Aggregation and how can I benefit?**

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

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

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

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

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

**What does "opt-out" mean?**

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

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

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

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

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

**Who is Constellation?**

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

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



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



**Municipal Aggregation Program FAQs**



**What information do I need to opt-out?**

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

**Are there fees associated with the program?**

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

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

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

**What is the rescission period?**

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

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

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

**When will I see my new rate?**

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

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

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

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

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

**What are questions that can be directed to my Utility?**

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

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

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

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

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

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

**To find out more about Constellation visit [www.constellation.com](http://www.constellation.com)**



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

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

**1. Opt-Out Enrollment:** Enrollment is automatic for those who are eligible, but participation is voluntary. **IF YOU DO NOT WISH TO PARTICIPATE, YOU MUST OPT-OUT BY (1) DETACHING AND RETURNING THE OPT OUT CARD ATTACHED TO THE ENROLLMENT NOTICE POSTMARKED NO LATER THAN May 9, 2016, (2) BY CALLING 844-303-5974 BY May 9, 2016 OR (3) BY OPTING-OUT ON SELLER'S WEBSITE AT [constellation.com/oh-loveland](http://constellation.com/oh-loveland).** If you choose to opt-out, you will be served by the standard service offer of Duke Energy Ohio (the "Utility") or until you choose an alternative supplier of electric service.

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

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

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

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

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

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

**8. Limitations:** ALL ELECTRICITY SOLD HEREUNDER IS PROVIDED "AS IS", AND SELLER EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE. IN NO EVENT WILL EITHER PARTY BE LIABLE UNDER THIS AGREEMENT, WHETHER IN AGREEMENT, IN TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), OR OTHERWISE, FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES AND, FURTHER, IN NO CASE SHALL SELLER'S LIABILITY EXCEED THE AMOUNT OF BUYER'S SINGLE LARGEST MONTHLY INVOICE DURING THE PRECEDING 12 MONTHS.

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

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

## City of Loveland Exhibit A-4 Automatic Aggregation Disclosure -“Opt-out Form”

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

**12. Questions, Complaints and Concerns:** Buyer may contact Seller 24 hours per day, 7 days per week at 844-303-5974. Seller's mailing address is 1716 Lawrence Drive, DePere, WI 54115, and its website is [www.constellation.com](http://www.constellation.com). Seller will attempt to resolve all customer complaints in a timely manner and will respond to all complaints within 3 business days of receipt. If Buyer's complaint is not resolved after Buyer has called Seller and/or the Utility, or for general utility information, residential and business customers may contact the PUCO for assistance at 1-800-686-7826 (toll-free) from 8a.m. to 5p.m. weekdays, or at [www.PUCO.ohio.gov](http://www.PUCO.ohio.gov). Hearing or speech impaired customers may contact the PUCO via 7-1-1 (Ohio relay service). Residential customers may also contact the Ohio Consumers' Counsel for assistance with complaints and utility issues at 1-877-742-5622 (toll free) from 8 a.m. to 5 p.m. weekdays, or at [www.pickocc.org](http://www.pickocc.org).

**13. Miscellaneous:** Buyer hereby authorizes the Utility to release data to Seller regarding Buyer's historical or current billing and usage data. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio and any applicable Utility tariffs. Buyer appoints Seller as its agent for the purposes of effectuating delivery, including for receipt of billing and usage data from the Utility. Title, possession, control of the electricity, and risk of loss will pass from Seller to Buyer at the interconnect between the applicable ISO's transmission system and the Utility's distribution system. Subject to regulatory approvals and notice from Seller, Seller may assign this Agreement without Buyer's consent. Buyer may assign this Agreement only with Seller's prior written consent. This Agreement constitutes the entire agreement between the Parties, superseding all verbal and written understandings. This Agreement shall only be amended in a writing signed by both Parties or pursuant to Section 4 hereof. By agreeing to the terms and conditions herein, Buyer warrants that he or she is authorized to enter into this Agreement on behalf of the Party and Accounts for which it was made. Buyer should contact the Utility in the event of an electricity emergency. Seller is prohibited from disclosing Buyer's social security number and/or account number(s) without Buyer's affirmative written consent, except for the purpose of (i) Seller's collections and credit reporting, (ii) participation in programs funded by the universal service fund, (iii) pursuant to section 4928.54 of the Ohio Revised Code, or (iv) assigning this Agreement to another certified retail electric provider. Buyer may request from Seller, twice within a 12-month period, up to 24 months of Buyer's payment history without charge.

## City of Loveland Exhibit A-4 Automatic Aggregation Disclosure -“Opt-out Form”



**Constellation®**

An Exelon Company

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

**Important information regarding the  
City of Loveland Electric Aggregation Program.**



**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

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**in**

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

Summary: Application for certification renewal as a Governmental Aggregator of Electricity.  
electronically filed by Andrew M Burns on behalf of City of Loveland