

March 31, 2022

To: Jennifer French, Chair  
M. Beth Trombold, Commissioner  
Daniel R. Conway, Commissioner  
Dennis P. Deters, Commissioner  
Lawrence K. Friedeman, Commissioner  
Katherine Fleck, Chief of Staff  
Tamara Turkenton, Director, Rates and Analysis  
Robert Fadley, Director, Service Monitoring and Enforcement  
Angela Hawkins, Director, Legal Department  
John Jones, Chief, Public Utilities Section, Ohio Attorney General's Office  
Rick Curnutte, Sr., President, Volunteer Energy Services, Inc.  
John L. Einstein, IV, General Counsel, Volunteer Energy Services, Inc.

VIA ELECTRONIC MAIL

Re: Case No. 02-1786-GA-CRS, Volunteer Energy Services, Inc., Notification of Default and Request for Authorization to Terminate Participation

To Whom It May Concern:

In accordance with the Ohio Admin. Code 4901:1-27-13, Vectren Energy Delivery of Ohio d/b/a CenterPoint Energy Ohio's ("CEOH") Tariff for Gas Service ("Tariff"), and the various choice provider agreements between CEOH and Volunteer Energy Services, Inc. ("VESI"), CEOH provides the following notice of material default by VESI and request for authority to transition VESI's customers and terminate VESI's participation in CEOH's Residential and General Standard Choice Offer Service and SCO Supplier Service, Choice Supplier Pooling Service, and Large Gas Transportation Service (collectively, "Programs"). This notice is being filed with the Public Utilities Commission of Ohio ("Commission") concurrent with its service upon Volunteer.

VESI is a retail gas supplier that participates in VEDO's Programs. On March 25, 2022, VESI failed to meet its directed delivery quantities ("DDQ") in violation of the Tariff and Pooling Agreements. CEOH considers this failure to meet directed DDQ's to be an event of material default. On March 28, 2022, CEOH received correspondence from Volunteer (Exhibit A), which stated the following:

VESI intends to seek an immediate transition of its customers to default utility service .... Accordingly, VESI no longer needs or wants the supply and

distribution services that you (“Distribution Company”) have historically provided, and as such, those services should immediately cease. To be clear, VESI will not have any resources to pay for such supply and distribution services that Distribution Company provides to VESI after the Petition Date. For these reasons, it is critical that the transfer of VESI’s customers occurs expeditiously, and we write to request your assistance with such efforts. To that end, VESI has sent or will shortly be sending letters to its customers informing them that their service will be transferred to default utility service ... as soon as possible. Additionally, VESI has filed an emergency motion with the Court ... to set a deadline by which Distribution Company (and other LDCs) must complete the transition of VESI’s customers.

In other informal communications through counsel, VESI has indicated to CEOH that it will not provide gas supply service to customers beginning on April 1, 2022. In addition, VESI has voluntarily relinquished back to CEOH the pipeline capacity assigned to it to provide service to customers for the month of April. CEOH considers these statements and actions by VESI to be sufficient evidence that VESI is no longer fit or capable of providing gas supply service under its certificate and that VESI no longer intends to provide gas supply service under its certificate.

Given VESI’s failure to meet its DDQ obligations and VESI’s stated intention to cease fulfilling its supply or payment obligations, CEOH considers Volunteer to be, as of March 25, 2022, in material default of its Pooling Agreements pursuant to Ohio Adm. Code 4901:1-27-13(F)(1). Under that rule, CEOH is to propose a remedy to Volunteer in conjunction with its notice of material default. Given Volunteer’s intentions and actions, as discussed above, CEOH does not believe that Volunteer has any intention to remain in business as an SCO and Pooling programs supplier or to exercise any remedy that could be devised or available to remedy the defaults. If Volunteer disagrees, it should contact CEOH immediately to discuss potential remedies.

Given Volunteer’s stated intention not to fulfill its supply obligations, CEOH files this request with the Commission to seek immediate authority to begin transitioning Volunteer’s customers to alternate supply options as soon as CEOH deems it feasible. CEOH also requests authorization to terminate Volunteer’s Pooling Agreements and its participation in the SCO and Pooling programs, pursuant to Ohio Adm. Code 4901:1-27-13(F)(2), when appropriate in conjunction with and subject to the bankruptcy proceeding. CEOH believes these requests are necessary to protect the company and its customers, and are also to the benefit of Volunteer given its intentions as stated in the March 28 correspondence.

Given that Volunteer failed to meet its DDQ requirement on March 25, 2022, and has indicated it intends to cease fulfilling service and payment obligations as of April 1, 2022, and during a period in which the agreements remain in effect, CEOH considers the material default to be “due to underdelivery or nondelivery.” OAC 4901:1-27-13(F)(4). Therefore, “if the commission, or an attorney examiner, does not act within five business days after receipt of the request, [CEOH’s] request to terminate or suspend shall be deemed authorized on the sixth business day.” *Id.* This date will fall on April 8, 2022, given today’s filing. To enable prompt action for the benefit of Volunteer and to reduce the impact of Volunteer’s default on other

suppliers and customers, CEOH requests that the Commission issue an order before the automatic-approval date.

Notwithstanding anything to the contrary contained in this notice, CEOH reserves the right to exercise any and all rights and remedies that it possesses, including under its Tariff and the Pooling Agreements, to the extent permissible under the law.

Respectfully submitted,

/s/ Christopher T. Kennedy

*Counsel for Vectren Energy Delivery of Ohio, Inc.  
d/b/a CenterPoint Energy Ohio*

# EXHIBIT A



mwe.com

Darren Azman  
Attorney at Law  
dazman@mwe.com  
+1 212 547 5615

March 28, 2022

**BY ELECTRONIC MAIL**

To whom it may concern:

This firm is bankruptcy counsel to Volunteer Energy Services, Inc. (“VESI”). On March 25, 2022 (the “Petition Date”), VESI commenced a bankruptcy case (the “Chapter 11 Case”) in the United States Bankruptcy Court for the Southern District of Ohio (the “Court”) by filing a voluntary petition for chapter 11 relief under title 11 of the United States Code (the “Bankruptcy Code”).

Under the Court’s supervision, VESI intends to seek an immediate transition of its customers to default utility service or as otherwise authorized by the Court. Accordingly, VESI no longer needs or wants the supply and distribution services that you (“Distribution Company”) have historically provided, and as such, those services should immediately cease. To be clear, VESI will not have any resources to pay for such supply and distribution services that Distribution Company provides to VESI after the Petition Date. For these reasons, it is critical that the transfer of VESI’s customers occurs expeditiously, and we write to request your assistance with such efforts. To that end, VESI has sent or will shortly be sending letters to its customers informing them that their service will be transferred to default utility service (or as otherwise authorized by the Court) as soon as possible. Additionally, VESI has filed an emergency motion with the Court (a copy of which is enclosed herein) to set a deadline by which Distribution Company (and other LDCs) must complete the transition of VESI’s customers. VESI has asked that the Court schedule an expedited hearing on this motion for April 1, 2022.

We also write to provide you with certain information in connection with the Chapter 11 Case.

As a result of filing the Chapter 11 Case, VESI is now protected by the “automatic stay.” Bankruptcy Code section 362(a) provides for a stay of any collection and enforcement actions against the debtor or the debtor’s property, including, without limitation, ***the setoff of any debt owing to the debtor that arose before the commencement of the case.*** See 11 U.S.C. § 362(a)(7) (emphasis added).

As you know, VESI is party to a purchase of receivables agreement with Distribution Company, pursuant to which Distribution Company is obligated to pay VESI on a net basis all amounts billed by VESI on behalf of Distribution Company. Distribution Company is not permitted to setoff any amounts owed by VESI to Distribution Company against any amounts that Distribution Company owes to VESI under the purchase of receivables agreement that accrued prior to the Petition Date. We expect that Distribution Company will continue to pay VESI all such amounts in the ordinary course of business, and we are hopeful to avoid the need to seek Bankruptcy Court intervention to enforce the automatic stay. We note that any willful violation of the automatic stay entitles the debtor to recover “actual

March 28, 2022

Page 2

damages, including costs and attorneys' fees, and, in appropriate circumstances . . . punitive damages." 11 U.S.C. § 362(k).

VESI reserves all rights and waives none in connection with the matters raised herein. Please do not hesitate to reach out to me if you have any questions or require clarification.

Respectfully,

Darren Azman

**This foregoing document was electronically filed with the Public Utilities  
Commission of Ohio Docketing Information System on**

**3/31/2022 4:36:08 PM**

**in**

**Case No(s). 02-1786-GA-CRS**

Summary: Notice Notice of Material Default and Request for Authorization to  
Terminate or Suspend electronically filed by Christopher T. Kennedy on behalf of  
Vectren Energy Delivery of Ohio, Inc. d/b/a CenterPoint Energy Ohio