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August 12, 2004

Ms. Renee Jenkins  
Secretary  
Public Utilities Commission of Ohio  
180 East Broad Street, 13th Floor  
Columbus, OH 43215

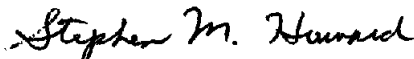
Re: Case No. 02-1829-GA-CRS  
Direct Energy Services, LLC

Dear Ms. Jenkins:

Pursuant to the Attorney Examiner's Entry of August 11, 2004, in the above matter, Direct Energy Services, LLC ("Direct Energy") respectfully submits an original and eight copies of a redacted Exhibit C-4 ("Financial Arrangements").

Thank you in advance for your cooperation. Please feel free to give me a call if you have questions.

Sincerely yours,



Stephen M. Howard  
Attorneys for Direct Energy Services, LLC

SMH/mlk  
cc: Enver Acevedo

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Direct Energy Services, LLC  
Case No. 02-1829-GA-CRS

**Exhibit C-4**  
**"Financial Arrangements"**

## Exhibit C-4

### "Financial Arrangements"

#### (Summary of Master Services Agreement)

\_\_\_\_\_ has entered into a Master Services Agreement with \_\_\_\_\_, whereby \_\_\_\_\_, as a wholesaler, will provide services to \_\_\_\_\_, a competitive retail natural gas supplier. This exhibit will summarize the provisions under the Master Services Agreement and is responsive to Section VII "Contractual Arrangements for Capability Standards" of the Renewal Certification Filing Instructions.

1. \_\_\_\_\_ will provide 100% of the natural gas required by \_\_\_\_\_ in order for \_\_\_\_\_ to perform its obligations under existing and future agreements to supply natural gas to its customers.
2. \_\_\_\_\_ will provide any other services related to the provision of natural gas service for \_\_\_\_\_ as \_\_\_\_\_ may reasonably request from time to time. \_\_\_\_\_ will pay \_\_\_\_\_ an amount equal to the cost paid by \_\_\_\_\_ to purchase the natural gas supplied to \_\_\_\_\_ in connection with this agreement.
3. \_\_\_\_\_ will reimburse \_\_\_\_\_ for reasonable fees and expenses incurred by \_\_\_\_\_ in connection with its purchase or provision of natural gas or related services to \_\_\_\_\_.
4. The term of this agreement will be for one year provided that it will extend automatically for subsequent one-year terms unless earlier terminated by \_\_\_\_\_ or by \_\_\_\_\_ upon 60 days' prior written notice to the other party.

5. [redacted] may assign certain rights and obligations related to natural gas pipeline transportation and similar assets and services to [redacted] in order to allow [redacted] to perform its obligations under this agreement. Such rights and obligations shall be considered assigned rights and [redacted] hereby covenants to comply with the provisions of this agreement in connection therewith.

6. [redacted] will also provide maintenance, administration, scheduling, and contracting services where and when [redacted] requires.

7. [redacted] will comply with any third party requests and will perform any special billing procedures as required by [redacted].

8. [redacted] shall have the right to terminate or reduce any of the services provided by [redacted] upon two days' prior written notice to [redacted].

9. If the agreement expires or is validly terminated, there will be no liability or obligation on the part of [redacted] or [redacted] (or any of their respective representatives), except that each party shall continue to be liable for any willful breach of this agreement by it occurring prior to termination and each party shall pay any amounts outstanding and payable by it hereunder as of the date of expiration or termination.

10. Upon the expiration or termination of this agreement for any reason, [redacted] will take all actions necessary to assign or otherwise allocate the assigned rights to [redacted] or its designee and to assist [redacted] to enter into alternate arrangements to receive services similar to the services with applicable counterparties.

11. [redacted] shall invoice [redacted] on a monthly basis for all fees.

12. [redacted] shall pay [redacted] for all fees within 30 days of the receipt of the invoice.

13. If [redacted] fails to pay any fees within the 30 day period, interest shall accrue on the unpaid portion from the date that the payment was due until the date of payment at the interest rate.

14. If during the term of the agreement any governmental authority imposes a tax on the services rendered to [redacted] by [redacted], [redacted] agrees to pay, or remit to [redacted] so that [redacted] may pay the amount of such tax imposed upon the services rendered.

15. [redacted] shall have no liability for and shall not be obligated to pay for any property taxes of any kind or type applicable to the property of [redacted] or any income taxes of any kind or type applicable to the income of [redacted].

16. [redacted] and [redacted] shall each be considered as independent contractors.

17. Neither [redacted] nor any of its representatives shall be liable for any default or delay in the performance of its obligations if such a default or delay is caused by a Force Majeure event. Upon the occurrence of a Force Majeure event, [redacted] will be excused from any further performance of any obligation for as long as the Force Majeure occurs and a reasonable period of time thereafter.

18. Neither [redacted] nor [redacted] will be liable for any loss of profits, loss of business, loss of use or of data, interruption of business, or for indirect, special, punitive, exemplary, incidental, consequential or indirect damages of any kind.

19. [redacted] will indemnify, defend and hold harmless [redacted] from and against any and all claims, losses, demands, costs or liabilities resulting from or in connection with claims arising from [redacted]'s performance of the services. However,

will not indemnify if such third party claims are based on  
's gross negligence or intentional misconduct.

20. If breaches its duties under this agreement, may demand either renewal of performance of the breached service at 's expense or a refund of the fees paid to by for the breached service. These are the sole and exclusive remedies of under this agreement.

21. Notices are to be in writing and can be given by personal delivery, mail, overnight courier, or by facsimile.

22. Neither nor intend to confer third-party beneficiary rights upon any other person.

23. The agreement between and may be amended, supplemented or modified only by a written instrument duly executed by each party.

24. Any waiver by any party to a term or condition of this agreement in any one or more instances shall not be deemed or construed as a future waiver.

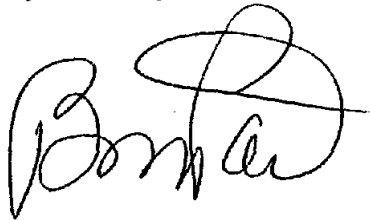
July 14, 2004

To: **Public Utility Commission of Ohio**

Dear Sirs/Mesdames:

I am writing in connection with proposed licensure in Ohio. More particularly, I am writing to certify, in my capacity as Legal Counsel to \_\_\_\_\_, and without personal liability, that (a) \_\_\_\_\_ is a wholly-owned direct subsidiary of \_\_\_\_\_, which in turn is a wholly-owned direct subsidiary of \_\_\_\_\_, and (b) \_\_\_\_\_ is an indirect wholly-owned subsidiary of \_\_\_\_\_. For information relating to \_\_\_\_\_'s business please visit [www.\\_\\_\\_\\_\\_.com](http://www._____.com).

Very Best Regards,



Brandon Parent  
Legal Counsel

July 14, 2004

Public Utility Commission of Ohio

Dear Sir or Madam:

This letter is to inform you that our customer, [REDACTED] has been a valued customer of Wachovia Bank, N.A. since March 2003 and, as of this writing, has conducted its accounts and operations with us in a satisfactory manner. [REDACTED] has an excellent relationship with Wachovia, maintains significant balances within the bank and always settles its liabilities promptly.

Please feel free to contact me if you need additional information. I can be reached at (704) 715-3919 or [mike.wiese@wachovia.com](mailto:mike.wiese@wachovia.com).

Sincerely,



Mike Wiese  
Vice President  
Wachovia Treasury Services