



## VILLAGE OF EVENDALE Natural Gas Aggregation Program

December 13, 2010

Dear Resident,

**WELCOME** to the Village of Evendale Natural Gas Aggregation Program!

In May 2010, the Village of Evendale voters authorized the Village to create a natural gas aggregation program that allows eligible residential and commercial Duke Energy-Ohio customers to aggregate their natural gas purchasing. The Village of Evendale Aggregation Program is an automatic aggregation which means you will be enrolled automatically in the program unless you opt-out. ENROLLMENT FOR THE FIRST YEAR OF THE PROGRAM BEGINS SOON. To enroll, DO NOTHING!!

The Village of Evendale selected IntegrYS Energy Services to serve its Aggregation Program and designed the program to allow participants to select a **Monthly Variable Rate** or a **Locked-In Price with Flex Down Opportunity<sup>SM</sup> Rate**. The Locked-In Price with Flex Down Opportunity<sup>SM</sup> Rate is a unique product that provides protection from rising natural gas prices by establishing a price cap at \$.0547 per CCF and the opportunity for lower prices in a falling market. Both the Monthly Variable Rate and the Locked-In Price with Flex Down Opportunity<sup>SM</sup> Rate will vary monthly. The actual monthly price will be available on the website, [www.integrYSenergy.com/evendale](http://www.integrYSenergy.com/evendale), and through IntegrYS Energy Services' customer service at 877-590-4138.

Please see Section 4 Price in the enclosed Opt-out Notice for more details on what will cause your price to vary monthly and how the Monthly Variable Rate and the Locked-In Price with Flex Down Opportunity<sup>SM</sup> rate is calculated.

**Service Begins.** The first year of the Program will begin on meter reads occurring in January 2011 (February 2011 Billing) and end with your December 2011 meter read date (January 2012 Billing). There is a seven business day rescission period during which you can rescind your enrollment without penalty, and you will have the opportunity to Opt-out without penalty at least every two years.

**Joining and Choosing Your Rate.** In order to receive the Locked-In Price with Flex Down Opportunity<sup>SM</sup> Rate, you do not need to respond! You will automatically be enrolled in the program effective with your January 2011 meter read (February 2011 Billing) unless you decide to opt-out of the program. To choose the Monthly Variable Rate, you must contact IntegrYS Energy Services. Our customer service call center is available 24 hours a day, 7 days a week, at 877-590-4138 or you may enroll online at [www.integrYSenergy.com/evendale](http://www.integrYSenergy.com/evendale) on or before January 3, 2011. Those who receive this letter and are eligible, but do not contact IntegrYS Energy Services or do not opt-out will automatically be placed on the Locked-In Price with Flex Down Opportunity<sup>SM</sup> Rate.

**Opt-out.** If you wish to Opt-out now, you must complete and return the enclosed Opt-out Postcard to IntegrYS Energy Services - Natural Gas, LLC postmarked no later than January 3, 2011. Or you may simply call Customer Service at 877-590-4138, 24 hours a day, 7 days a week, on or before January 3, 2011 to opt-out and decline the offer. Telephonic opt-outs will be recorded to comply with the Public Utilities Commission of Ohio's verification requirement. If you choose to opt-out within the 21 day Opt-out Period, there will be no charge. The Opt-out Period runs from December 13, 2010, through January 3, 2011.

It is our pleasure to serve you. For more information, please call 877-590-4138, 24 hours a day, and 7 days a week. You may also visit our website at [www.integrYSenergy.com/evendale](http://www.integrYSenergy.com/evendale).

Sincerely,

*IntegrYS Energy Services-Natural Gas, LLC*

Enclosure

\*See enclosed Opt-Out Notice – Terms and Conditions for more details, including price terms and eligibility.

## THE VILLAGE OF EVENDALE NATURAL GAS AGGREGATION PROGRAM – TERMS AND CONDITIONS

The Village of Evendale, pursuant to the aggregation authority conferred upon it by a ballot issue, which passed by a majority of the vote on May 4, 2010, and Resolution No. \_\_\_\_\_, selected Integrys Energy Services – Natural Gas, LLC (“Seller”) to supply the aggregation and to administer enrollments as described below. **IF YOU DO NOT WISH TO PARTICIPATE, YOU MUST OPT-OUT BY RETURNING THE POSTCARD POSTMARKED NO LATER THAN JANUARY 3, 2011, OR BY CALLING OUR TOLL FREE NUMBER (877-590-4138) BY JANUARY 3, 2011.** You, the account holder (also referred to as “Buyer”) for the account referenced on the letter accompanying this Opt Out Notice (the “Account”), and Seller agree to the following terms and conditions (the “Agreement”).

**1. 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 RETURNING THE POSTCARD POSTMARKED NO LATER THAN JANUARY 3, 2011, OR BY CALLING OUR TOLL FREE NUMBER BY JANUARY 3, 2011.**

**Eligibility:** To be eligible for automatic aggregation, Buyer and the Accounts to be served (i) must be located within the jurisdictional boundaries of The Village of Evendale and the Utility (“Duke Energy-Ohio”) service territory, (ii) may, not be under contract with another competitive supplier, (iii) may not be a mercantile customer or a PIPP customer (Percentage of Income Payment Plan program customers), and (iv) must be in good credit standing with Duke Energy-Ohio.

**Rescission Period:** Upon Buyer’s successful enrollment, the Utility will send Buyer a letter confirming the transfer of service. Buyer may cancel its enrollment without penalty within seven (7) business days of the postmark date of that letter (“Rescission Period”) by contacting the Utility in writing or by telephone as noted in that letter.

**2. Delivery Period:** Service shall begin on your first meter read occurring after the close of the 21-day Enrollment Period that runs December 13, 2010, to January 3, 2011. Service shall continue at the Price noted herein until your December 2011 meter read (January 2012 Billing). Prior to the end of the initial Delivery Period, Seller shall provide Buyer notice of any changes to the terms and conditions of this Agreement that apply to service during the next Delivery Period. If renewal is indicated in the expiration notice, service will renew at the terms stated in the renewal notice unless Buyer affirmatively terminates the Agreement upon the expiration as provided in the notice. Buyer shall have the opportunity to opt-out of the Aggregation at least every two years without penalty.

**3. Supplier’s and Utility’s Role:** Seller agrees to sell to Buyer and deliver to the Utility, and Buyer agrees to purchase from Seller and receive from the Utility, Buyer’s full requirements of natural gas for the accounts listed on the Enrollment Notice (“Accounts”). The Utility will deliver the natural gas to the Accounts and shall invoice and collect Seller’s charges. Seller does not impose credit or deposit requirements. The Utility’s billing and payment procedures shall apply in accordance with the applicable tariff, including but not limited to, the Utility’s right to assess late payment fees and to disconnect gas service for past due charges. The Utility or Seller may terminate your service under this Agreement for non-payment with at least fourteen (14) days written notice. Seller may cause the Utility to correct previous invoices in the event of invoicing errors. Buyer should contact the Utility in the event of a natural gas emergency.

**4. Price: \$0.547/CCF** (inclusive of Delivery Adder), which is a Locked in Price with Flex Down Opportunity<sup>SM</sup> Rate, provided however, if you contact Integrys by calling our toll-free telephone number, 877-590-4138, you can request the Monthly Variable Rate. Both rates may change monthly based on current Market prices.

The Locked in Price with Flex Down Opportunity<sup>SM</sup> Rate is calculated based upon the sum of the weighted average “Market” prices when locked by the Village, plus the fixed Delivery Adder for the Delivery Period. This calculation will set a price cap for the Delivery Period. Each month, Seller will compare the cap to the then-current weighted average Market price for the remainder of the Delivery Period and may adjust the monthly price to account for a downward or upward pricing trend within the Delivery Period, however *the price with Locked-In Price with Flex Down Opportunity<sup>SM</sup> will never exceed the cap during the Delivery Period.*

The Monthly Variable Rate is calculated based upon the Market price for the delivery month, plus the fixed Delivery Adder. The Monthly Variable Rate has no cap.

The Delivery Adder for the initial Delivery Period is \$0.1345 per ccf. The “Market” price is a current price for the relevant month’s natural gas futures contract that is traded on the New York Mercantile Exchange (“NYMEX”) on the day the price is determined.

The Price includes all gas supply costs to the Utility and some pass-through charges from the Utility to the burnertip, including, but not limited to, btu factor and shrinkage. If the pass-through charges from the Utility increase, or if new charges are approved by a governmental agency with jurisdiction and passed through, or if existing tariff charges are administered differently and the pass-through charges from the Utility increase, the Price will increase accordingly. There are no recurring or nonrecurring supplier charges that are billed in addition to the Price. A switching fee may apply under the terms of the Utility’s tariff. **Seller shall not charge You separately for any switching fees.** The Price does not include Taxes (as defined below) or the Utility’s distribution charges.

**5. Taxes:** Buyer is responsible for all state and local sales, use, revenue, gross receipts, commercial activity, excise and/or ad valorem tax (collectively, “Taxes”) and shall reimburse Seller if Seller is required to remit such Taxes in connection with this Agreement. Tax exempt customers wishing to participate are requested to please send their most recent tax-exempt certificate on or before January 3, 2011, to: Integrys Energy Services-Natural Gas, LLC, 1716 Lawrence Drive, De Pere, WI 54115 or fax to 920-272-4244. Be sure to note the Village of Evendale Aggregation Program on the certificate. Seller will not charge sales tax starting with the date the certificate is received.

6. **Customer Information:** Seller will not request a deposit or investigate your credit history to establish service. Seller shall not disclose 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 Revised Code, or (iv) assigning this Agreement to another certified retail natural gas provider. Upon request of Buyer, Seller will provide up to 24 months of Buyer's payment history without charge.

7. **Termination; Remedies:** (a) This Agreement will automatically terminate or Buyer may terminate the Agreement without penalty if (i) the requested service location is not served by the Utility, (ii) Buyer, or the applicable Account being served, moves outside the Utility service area or to an area not served by Seller, (iii) if Buyer selects a different price or rate plan or requests to be returned to the Utility, or selects a different supplier after the Rescission Period but prior to the end of the Delivery Period.

(b) This Agreement will terminate upon written notice, but without penalty to Buyer if, (i) competitive retail natural gas service is no longer available due to a change in regulation, tariff, or law, or (ii) Seller defaults, which includes, an unexcused failure to deliver natural gas under the terms of this Agreement.

(c) An "Early Termination" shall occur if this Agreement is terminated (i) by Buyer to select a different Price after the Rescission Period but prior to the end of the Delivery Period, or for any other reason other than those listed in (a)-(b) above or (ii) by Seller due to Buyer's default, which includes a failure to pay or an unexcused failure to receive natural gas under the terms of this Agreement. **In the event of an Early Termination, Seller may charge and Buyer agrees to pay a termination fee of \$25.00.** Buyer agrees to pay Seller for Early Termination within ten (10) calendar days of the invoice date to the payment address noted on the invoice, or as otherwise agreed upon by Buyer and Seller. No termination fee is due if Buyer is on the Monthly Variable Rate, remains a customer of Seller, but selects a different Price. If Buyer returns to the Utility after the Rescission Period, Buyer may not be served on the same rates, terms and conditions that apply to the Utility's Standard Service Offer.

8. **Limitations:** ALL NATURAL GAS 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 INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES.

9. **Force Majeure:** Except for Buyer's obligation to pay Seller timely, neither Party shall be liable to the other for failure to perform an obligation if such failure was caused by any event beyond the reasonable control of the non-performing party, that could not be remedied by the exercise of due diligence and that was not reasonably foreseeable, including without limitation, acts of God, interruption of utility service, terrorist acts or wars, force majeure events of the Utility. Seller may return Buyer to the Utility's service upon notification of a Force Majeure event preventing performance.

10. **Questions, Complaints and Concerns:** Buyer may contact Seller (i) by calling 24 hours per day, 7 days per week at 877-590-4138, by visiting [www.integrysenergy.com/evendale](http://www.integrysenergy.com/evendale); or (ii) by writing us at 1716 Lawrence Drive, De Pere, WI 54115. 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, or for general utility information, residential and business customers may contact the PUCO for assistance at 800-686-7826 (toll-free), or for TYY toll free at 800-686-1570, from 8:00am to 5:00pm weekdays, or visit the PUCO website at [www.puco.ohio.gov](http://www.puco.ohio.gov) or as otherwise specified by PUCO. Residential customers may also contact the Ohio Consumers' Counsel ("OCC") for assistance with complaints and utility issues at 877-742-5622 from 8:00am to 5:00pm weekdays, or visit [www.pickocc.org](http://www.pickocc.org).

11. **Miscellaneous:** This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio. 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 consent. This Agreement constitutes the entire agreement between the Parties, superseding all verbal and written understandings.