

First Reading: May 7, 2009
Second Reading: dispensed

RESOLUTION NO. 2009 - 49

**A RESOLUTION ADOPTING A PLAN OF OPERATION AND GOVERNANCE FOR A
NATURAL GAS AGGREGATION PROGRAM IN SYCAMORE TOWNSHIP,
DISPENSING WITH THE SECOND READING AND DECLARING AN EMERGENCY**

WHEREAS, on August 7, 2008, the Board of Township Trustees passed Resolution 2009-65 which authorized all necessary actions to create a governmental natural gas aggregation program in Sycamore Township and directing the Hamilton County Board of Elections to submit the question to the electors of Sycamore Township to authorize a natural gas aggregation program with opt-out provisions in Sycamore Township; and

WHEREAS, at the general election held on November 4, 2008, the electors of Sycamore Township approved the ballot question and authorized a natural gas aggregation program with opt-out provisions in Sycamore Township; and

WHEREAS, on January 8, 2009, the Board of Township Trustees passed Resolution 2009-01 approving a contract with a natural gas aggregation consultant; and

WHEREAS, the Board of Township Trustees of Sycamore Township developed a Natural Gas Aggregation Program Plan of Operation and Governance in accordance with the governmental aggregation provisions of Amended House Bill 9 as provided in Sections 4901 and 4929.26 of the Ohio Revised Code and Rules for Formation and Operation of natural gas aggregations; and

WHEREAS, public hearings were held on February 23, 2009 and February 24, 2009 to consider the Natural Gas Aggregation Program Plan and Operation of Governance in Sycamore Township; and

WHEREAS, Sycamore Township's natural gas aggregation program will aggregate the retail natural gas load of residents and businesses that are eligible to participate in the Duke Energy – Ohio Energy Choice program for the purpose of negotiating for competitive retail natural gas supply at favorable rates; and

WHEREAS, Sycamore Township now wishes to adopt the Natural Gas Aggregation Program Plan of Operation and Governance and intends to file for certification as a Governmental Aggregator upon its adoption;

NOW THEREFORE, BE IT RESOLVED, by the Board of Township Trustees of Sycamore Township, State of Ohio:

SECTION 1.

The Board hereby adopts the Natural Gas Aggregation Program Plan of Operation and Governance which is attached hereto as Exhibit A and incorporated fully by reference herein.

SECTION 2.

The Trustees of Sycamore Township upon a unanimous vote do hereby dispense with the requirement that this resolution be read on two separate days, and hereby authorize the adoption of this resolution upon its first reading.

SECTION 3.

This resolution shall take effect on the earliest date allowed by law.

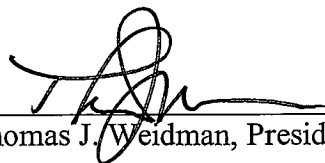
SECTION 4.

Upon the unanimous vote of the Sycamore Township Trustees, this Resolution is hereby declared to be an emergency measure necessary for immediate preservation of the public peace, health, safety and welfare of Sycamore Township. The reason for the emergency is to effect a timely filing of the Plan of Operation and Governance with the Public Utilities Commission of Ohio so that the natural gas aggregation program may be implemented as soon as possible in Sycamore Township.

VOTE RECORD:

Mr. Bishop Aye Mr. Kent Aye Mr. Weidman Aye

Passed at a meeting of the Board of Township Trustees of Sycamore Township this 7th day of May, 2009.



Thomas J. Weidman, President




Cliff W. Bishop, Vice President



Richard C. Kent, Trustee

AUTHENTICATION

This is to certify that this resolution was duly passed and filed with the Township Fiscal Officer of Sycamore Township this 7th day of May, 2009.



Robert C. Porter III, Fiscal Officer
Sycamore Township, Ohio

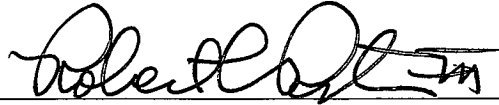
APPROVED AS TO FORM:



R. Douglas Miller, Law Director

PROOF OF PUBLICATION

I hereby certify that I have published this Resolution on _____ by posting in the five most public places as established by the Board of Township Trustees such places being the Township Hall, Bob Meyer Park, Bechtold Park, North Sycamore Recreational Facility, and the North Fire Station, Station 93.



Robert C. Porter, III, Fiscal Officer,
Sycamore Township

SYCAMORE TOWNSHIP, OHIO

NATURAL GAS AGGREGATION PROGRAM

PLAN OF OPERATION AND GOVERNANCE

For Additional Information Contact:

Mr. Rob Molloy

Township Administrator

Sycamore Township, Ohio

8540 Kenwood Road

Sycamore Township, OH 45236

513-791-8447

(Resolution _____ Adopted _____)

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INTRODUCTION

Sycamore Township, Ohio has developed this Natural Gas Aggregation Program Plan of Operation and Governance (“Plan of Operation”) in accordance with the governmental aggregation provisions of Amended House Bill 9 as provided in Sections 4901 and 4929.26 of the Ohio Revised Code and the Rules for Formation and Operation of Natural Gas Governmental Aggregations. The Amended Bill authorized governmental aggregation, the combining of multiple retail natural gas loads within and by a municipality, an unincorporated township or the unincorporated areas of the county by a board of county commissioners for the purpose of purchasing competitive retail natural gas service in Ohio’s competitive retail natural gas market. The legislation also provided the Public Utilities Commission of Ohio (“PUCO”) with authority to promulgate and adopt rules regarding governmental aggregation in Ohio. Sycamore Township’s Plan of Operation complies with the requirements of the governmental aggregation rules as issued by the PUCO. The Plan of Operation provides, in detail, the services provided under the aggregate, customer rights, terms and conditions of service, rate setting, and aggregate structure and formation.

Sycamore Township’s (“the Township”) Natural Gas Aggregation Program (“Program” or “Aggregation Program”) will aggregate the retail natural gas load of residents and businesses that are eligible to participate in the Duke Energy-Ohio (“Duke”) Energy Choice program for the purpose of negotiating for competitive retail natural gas supply at favorable rates. It has the potential to combine almost seventy-five hundred (7,500) residential, commercial and industrial customers into a buying pool that will be attractive to third party Retail Natural Gas Suppliers (“Suppliers”). Participation in the Program is voluntary. Any individual customer (“Member”) has the opportunity to decline participation.

The Township will not buy or resell the natural gas for the participants of the Program. Instead, Sycamore Township will serve as the purchasing agent for the Program and will negotiate a contract with a competitive Retail Natural Gas Supplier to provide firm, all-requirements service to the members of its Aggregation Program. The contract will offer Eligible Customers a retail natural gas rate option other than the local utility’s rate. Customer rights and terms of service are discussed in detail in this Plan of Operation and Governance.

A majority of Sycamore Township’s residents approved a ballot issue in November of 2008 authorizing the Township to form an aggregation whereby eligible retail natural gas customers would be automatically included in a large buying group unless, subject to prior notice, they followed a stated procedure to opt-out. Any eligible retail natural gas customer within the boundaries of Sycamore Township has the ability to decline service, opt-out of the aggregate, and choose the incumbent supplier or any other alternative competitive Retail Natural Gas Supplier. The State of Ohio allows the Director of the Ohio Department of Development to aggregate retail natural gas customers that participate in the Percentage of Income Payment Plan (“PIPP”) throughout Ohio. Accordingly, customers participating in the PIPP Program at the time of the Opt-out mailing will not be automatically included in Sycamore Township’s Natural Gas Aggregation Program.

I. GOVERNMENTAL AGGREGATION FORMATION PROCESS

1.1 Statutory Requirements

Sycamore Township shall develop and institute an opt-out aggregation. The process of governmental aggregation is set out in Ohio Revised Code Section 4929. The section defines automatic aggregation or opt-out aggregation for retail natural gas customers. Under the opt-out aggregation provisions, all eligible retail natural gas customers within the municipality or township may be automatically included in the Aggregation Program. See the Plan of Operations' Definitions Section, definition 1.8 of this Plan of Operation and Governance for description of Eligible Customers according to Rule 4901:1-28-01 of the PUCO Natural Gas Governmental Aggregation Rules.

Opt-out aggregation may only occur after the majority of voters within a municipality, an unincorporated township, or other unincorporated areas of the county authorize the formation of the governmental aggregation. The governmental entity must adopt an ordinance or a resolution placing the issue on the ballot and voters must decide the issue in a general or special election. After obtaining majority voter approval, but prior to inclusion in the aggregate, affected customers must be given notice entitling them to affirmatively elect not to be part of the Aggregation Program. These customers can opt-out during a 21-day period.

Sycamore Township obtained the support of the majority of its voters and shall automatically include all eligible retail natural gas customers receiving the Township's offer within the Township's corporate limits in its aggregate, unless such consumers follow a prescribed procedure for opting out. Sycamore Township's opt-out notice, procedure and period are discussed in Section VIII below.

1.2 PUCO Certification

In addition to requiring the support of the majority of voters within a municipality, an unincorporated township, or the other unincorporated areas of the county, Section 4929.20 of the Ohio Revised Code requires PUCO certification of Governmental Aggregators. In order to obtain PUCO certification, governmental entities are required to complete and file a certification application. To maintain their certified status, governmental aggregators must comply with the PUCO's Formation and Operation of Natural Gas Governmental Aggregations Rules. Sycamore Township will file for certification as a Governmental Aggregator after adoption of its Plan of Operation and Governance as required by the Ohio Revised Code and the Governmental Aggregation Rules. The Township developed this Plan of Operation and Governance in compliance with the PUCO's rules regarding governmental aggregation. With the assistance of its Retail Natural Gas Supplier, Sycamore Township shall comply with the PUCO's governmental aggregation rules.

II. RETAIL NATURAL GAS SUPPLIER

On November 4, 2008, the residents of Sycamore Township passed an issue allowing the Township to aggregate retail natural gas load centers within the Township with the goal of offering residents a choice in an energy supplier committed to competitive pricing that brings price certainty

and stability and program simplicity. To this end, the Township negotiated with Integrys Energy Services, the Township's intended Retail Natural Gas Supplier. The Township will not assume title to natural gas; it will not buy and resell the natural gas to the participants of the Aggregation Program. Instead, the Township intends to enter into a contract with Integrys Energy Services, Inc. for the provision of competitive retail natural gas service to the members of the Aggregation Program. Similarly, the Township will not handle billing or scheduling of natural gas. Those responsibilities rest with the selected supplier and Duke Energy-Ohio.

Sycamore Township shall serve as the purchasing agent for the Township's Aggregation Program and has delegated to Integrys Energy Services the responsibility of implementing the Sycamore Township Aggregation Program. Integrys Energy Services is a certified Competitive Retail Natural Gas Supplier by the PUCO. Integrys Energy Services is registered to serve and participate on Duke Energy-Ohio's retail natural gas program; has the corporate structure to sell both wholesale and competitive retail natural gas; has demonstrated that its Electronic Data Interchange ("EDI") computer network is fully functional and capable of handling the requirements of the retail natural gas customers in Sycamore Township; has the marketing ability to reach the retail natural gas customers in the Township and the ability to educate them on the Township's Aggregation Program; has a fully staffed and trained call center capable of handling customer calls related to the Township's Program; has establish a toll-free number as required by the PUCO for customer service and complaints related to the Township's Aggregation Program; and shall assist the Township in fulfilling requirements imposed on Sycamore Township's Aggregation Program by the PUCO.

III. AGGREGATION SERVICES

Integrys Energy Services shall serve as Sycamore Township's Retail Natural Gas Supplier and, with the assistance of the Township, Integrys Energy Services shall perform the following functions regarding Sycamore Township's Aggregation Program: assist the Township in fulfilling PUCO requirements including the filing of certification application, required reports and the compliance of this Plan of Operation with PUCO rules; analyze customer information provided by Duke Energy-Ohio to identify Eligible Customers within the Township's corporate limits; develop the Program's rates, terms and conditions of service and opt-out notices; distribute required notices to eligible retail natural gas consumers in Sycamore Township; conduct the opt-out process; notify Duke Energy-Ohio of the participating customers in the Township's aggregate; notify customers of service start dates; undertake all EDI responsibilities and interact with Duke Energy-Ohio regarding the same; provide customer service and support as discussed herein; develop consumer education materials; inform customers that move into the Township after Program start-up of the Program and of their ability to opt-out; address all customer complaints as discussed herein; provide new Program rates at the end of the rate periods; notify participating and or eligible customers of the Program's new rates, terms and conditions of service and of their ability to opt-out at no charge at the end of each rate period; and otherwise implement this Plan of Operation and Governance.

IV. NATURAL GAS AGGREGATION SUPPLY AGREEMENT

4.1 Retail Natural Gas Services

Upon certification, Sycamore Township and Integrys Energy Services shall enter into a Natural Gas Aggregation Supply Agreement for the provision of natural gas aggregation

services to the Aggregation Group. Sycamore Township's Resolution No 2009-01 authorizes the Township's entering such Agreement. The terms and conditions of the Agreement govern the implementation and administration of the Township's Aggregation Program. A copy of the Agreement is attached hereto as Attachment A. A copy of Resolution No _____ is attached hereto as Attachment B.

4.2 Reliability of Natural Gas Supply

The Program will only affect the actual cost of the natural gas commodity portion of a customer's bill. Duke Energy-Ohio will continue to deliver the natural gas through their transportation and delivery systems. Responsibility for maintaining system reliability continues to rest with Duke Energy-Ohio. If Members have service, reliability, or delivery related problems they should contact Duke Energy-Ohio. The PUCO has established "Minimum Reliability Standards" for all utilities operating distribution systems in Ohio. Duke Energy-Ohio is expected to comply with those standards.

In addition to maintaining the "pipeline" delivery system, Duke Energy-Ohio is required to be the "Provider of Last Resort." This means, should Integrys Energy Services fail for any reason to deliver any or all of the natural gas needed to serve the Members' needs, Duke Energy-Ohio will immediately provide for the shortfall. Duke Energy-Ohio would then bill the supplier for the natural gas provided on their behalf. Customers will see no disruption to their natural gas service.

4.3 Integrys Energy Services Consulting Services

Integrys Energy Services shall assist the Township in performing the Township's obligations provided herein and as otherwise required by the Township to assist in the administration of the Township's aggregation efforts.

Integrys Energy Services, in cooperation with the Township and Duke Energy-Ohio, shall identify the eligible Duke Energy-Ohio customers in Sycamore Township.

Integrys Energy Services will assist the Township in submitting the PUCO Annual monitoring and report information. Integrys Energy Services will assist the Township in completing and filing the PUCO required reports. Integrys Energy Services will provide the required customer enrollment information to the Township, for the PUCO Reports.

V. **RATE SETTING**

5.1 Rate Determination Process

The prices to be charged to Members in the Program will be provided in the Natural Gas Aggregation Supply Agreement executed by the Township and Integrys Energy Services. Pricing shall be based on the New York Mercantile Exchange ("NYMEX") forward prices. Program rates will be determined when the Township agrees on the price as provided in Exhibit A of the Natural Gas Aggregation Supply Agreement (sometimes referred to as the "Agreement"). Members will be notified of the rates and terms of the Program as part of the opt-out process, through a direct mailing

sent to each resident and business within the Township limits that meets the eligibility criteria at the time the mailing list is created.

5.2 Integrys Energy Services Rate

The Township and Integrys Energy Services will negotiate a rate plan option for eligible customers. The rate plan option will be as described in the customer's opt-out notice and will not exceed a twenty-four (24) month period without offering the customer an opportunity to opt-out. The below listed products are the general products to be offered to participants in Sycamore Township Natural Gas Aggregation Program. The Township and Integrys Energy Services may negotiate a different product type including but not limited to variable and less than or more than yearly rates in the future depending on market conditions. Any new product offering will be detailed in a Natural Gas Supply Agreement signed by Sycamore Township and in the opt-out notice mailed to residents. Residents should refer to their most recent opt-out notice terms and conditions for the rate option specific to their account.

The Township and Integrys Energy Services may offer more than one of the below listed rate options to the customer during an opt-out period. Typically one option will be the automatic default and the secondary option will be a sign-up rate. If the Township offers more than one rate option and a customer wishes to switch from one rate option to another rate option outside of the twenty-one (21) day Opt-Out Period, they may be subject to a \$25 exit fee.

Fixed Rate Plan: This rate option provides a fixed rate for two separate twelve (12) month periods. Each twelve (12) month fixed rate will be determined based on an adder plus New York Mercantile Exchange (NYMEX) market pricing formula. The Township will fix the price of the Year One Fixed Rate with Integrys Energy Services as provided in the Natural Gas Aggregation Supply Agreement. The price of the Year One Fixed Rate will be determined prior to starting the Opt-Out Period. The Year Two Fixed Rate will be determined in the same manner prior to the end of year one. Newly eligible residents and residents currently enrolled in the Aggregation Program will be mailed a Year Two Fixed Rate Notice no later than thirty (30) days prior to the start of service on the Year Two Fixed Rate. Residents who opted out of the Year One Rate will not receive the Year Two Fixed Rate Notice. Those residents may contact Integrys Energy Services for enrollment information.

Locked-In Price with Flex Down OpportunitySM Rate Plan: This rate option provides a maximum price for two separate twelve (12) month periods with the ability of a monthly rate decrease in the event NYMEX prices decline. Each twelve (12) month maximum rate will be determined based on an adder plus New York Mercantile Exchange (NYMEX) market pricing formula. The Township will lock in the maximum price of the Yearly Flex Down Rate with Integrys Energy Services as provided in the Natural Gas Aggregation Supply Agreement. The price offered under this plan may change each month but will never exceed the maximum price initially locked-in for the twelve (12) month period. Participating customers may see their rates increase or decrease with the market each month but will never exceed the maximum rate determined by the Township and offered in the initial opt-out notice. The first twelve (12) month rate maximum or Year One Locked-In Price with Flex Down OpportunitySM Rate will be determined prior to starting the Opt-Out Period. The second twelve (12) month rate maximum or Year Two Locked-In Price with Flex Down OpportunitySM Rate will be determined in the same manner prior to the end of year one.

Customers who are participating in the Aggregation Program and newly eligible residents at the end of year one will be mailed a Year Two Locked-In Price with Flex Down OpportunitySM Rate Notice no later than thirty (30) days prior to the start of service on the Year Two Locked-In Price with Flex Down OpportunitySM Rate. The Year Two Locked-In Price with Flex Down OpportunitySM Rate Review Period will be the twenty-one (21) days from the postmark of the notice in which customers may review the new rate for Year Two and switch out of the Aggregation Program without being charged the \$25 exit fee. Customers that choose not to accept the Year Two Locked-In Price with Flex Down OpportunitySM Rate must contact Integrys Energy Services on or before the 21st day as provided in the notice. Customers that contact Integrys Energy Services to switch after the 21st day may be charged a \$25 exit fee. Customers that do not notify Integrys Energy Services of their desire to switch out of the Program will automatically continue service in the Township's Natural Gas Aggregation Program at the Year Two Locked-In Price with Flex Down OpportunitySM Rate. Residents who initially opted out of the Year One Locked-In Price with Flex Down OpportunitySM Rate will not be automatically included in the Year Two Locked-In Price with Flex Down OpportunitySM Rate. Those residents may contact Integrys Energy Services for enrollment information.

Changes to the Yearly Locked-In Price with Flex Down OpportunitySM Rate may not be mailed to participating customers outside of the opt-out periods. Rates will appear on the customer's bill and will be posted on the Integrys Energy Services website at www.integrysenergy.com or residents may call the toll-free telephone number.

Summer Variable/Winter Fixed Rate Plan: This pricing option will be for two separate twelve (12) month pricing periods. The rate plan offers a fixed rate during the winter service months of (Oct-March) and a monthly variable rate for the summer service months of (April – Sept). The Township will fix the Yearly Winter Fixed portion of this rate plan as provided in the Natural Gas Aggregation Supply Agreement. The Year One Winter Fixed rate will be determined based on an adder plus NYMEX pricing formula and will remain the same for the winter months. The Winter Fixed rate for Year Two will be determined in the same manner prior to the end of year one. The Summer Variable Rate will be determined each month based on an adder plus NYMEX pricing formula. The Summer Variable Rate will change each month on the customer's bill and may increase or decrease depending on the market.

All eligible residents will be mailed an opt-out notice prior to the start of the Year One Rate Plan. Prior to the Year Two Rate Plan only customers participating in the Aggregation Program and newly eligible residents will be mailed a Year Two Summer Variable/Winter Fixed Rate Notice. The Year Two Notice will be mailed no later than thirty (30) days prior to the start of service on the Year Two Summer Variable/Winter Fixed Rate. The Year Two Summer Variable/Winter Fixed Rate Review Period will be the twenty-one (21) days following the postmark of the notice mailed to customers in which customers may review the new rate for Year Two and switch out of the Aggregation Program without being charged the \$25 exit fee. Customers that choose not to accept the Year Two Summer Variable/Winter Fixed Rate must contact Integrys Energy Services on or before the 21st day as provided in the notice. Customers that contact Integrys Energy Services to switch after the 21st day may be charged a \$25 exit fee. Customers that do not notify Integrys Energy Services of their desire to switch out of the Program will automatically continue service in the Township's Natural Gas Aggregation Program at the Year Two Summer Variable/Winter Fixed rate.

Quarterly Fixed Rate Plan: This pricing option is for either a twelve (12) or a twenty-four (24) month period. The price will change on a quarterly basis. The Township will fix each Quarter's Fixed Price as provided in the Natural Gas Aggregation Supply Agreement. Each new Quarterly Fixed Rate will be determined the last month of the prior quarter based on an adder plus NYMEX pricing formula. The First Quarterly Fixed rate will be determined prior to starting the Opt-out Period based on an adder plus NYMEX pricing formula.

Eligible customers may choose the Quarterly Fixed Rate during the 21 day Opt-Out Period. Ineligible customers or newly eligible customers after the opt-out period may request the Quarterly Fixed Rate by calling the Integrys Energy Services toll-free telephone number or by signing up through the website.

Changes to the Quarterly Fixed Rate may not be mailed to participating customers outside of the opt-out periods. Rates will appear on the customer's bill and will be posted on the Integrys Energy Services website at www.integrysenergy.com or residents may call the toll-free telephone number.

Variable Rate Plan: This pricing option is for either a twelve (12) or a twenty-four (24) month period. The rate plan offers a monthly variable rate which will be determined each month based on an adder plus NYMEX pricing formula. The rate will change each month on the customer's bill and may increase or decrease depending on the market.

Eligible customers may choose the Variable Rate Plan during the 21 day Opt-Out Period. Ineligible customers or newly eligible customers after the opt-out period may request the Variable Rate Plan by calling the Integrys Energy Services toll-free telephone number or by signing up through the website.

Rates will appear on the customer's bill and will be posted on the Integrys Energy Services website at www.integrysenergy.com or residents may call the toll-free telephone number.

5.3 Sales Tax

Customer bills will include Hamilton County sales tax. Tax exempt customers wishing to participate in the Program must provide Integrys Energy Services a current certificate of exemption prior to start of service. Integrys Energy Services will not charge sales tax starting with the date the certificate is received. Integrys Energy Services is not liable for sales tax charged prior to receipt of the exemption certificate.

5.4 Duke Energy-Ohio Charges

Duke Energy-Ohio will continue to bill for transportation and distribution services. All customers choosing service under a competitive retail natural gas program are charged by Duke Energy-Ohio a Balancing Adjustment, Actual Adjustment, or Reconciliation Adjustment component of the GCR ("GCR Adjustments") for the initial 12 months of their service in the Program. Customers on the Duke Energy-Ohio GCR rate at the time of enrollment in the Aggregation Program that had not been served by a Retail Natural Gas Supplier at least 60 days prior to service under the Aggregation Program will be charged by Duke Energy-Ohio a Balancing Adjustment,

Actual Adjustment, or Reconciliation Adjustment component of the GCR for the initial 12 months of the Program. Customers on the Duke Energy-Ohio GCR rate that were served by a Retail Natural Gas Supplier within the 60 days prior to service under the Aggregation Program will only be charged the GCR adjustments by Duke Energy-Ohio for the remaining number of months left in their initial twelve-month period. Customers served by another supplier that switch to the Aggregation Program and not served on the Duke Energy-Ohio GCR rate for 12 months prior to requesting service under the Aggregation Program will not be charged the GCR adjustments by Duke Energy-Ohio.

5.5 Switching Fees

Integrys Energy Services will be responsible for any switching fee imposed by Duke Energy-Ohio. Customers currently served by a competitive Retail Natural Gas Supplier that choose to join the Aggregation Program are responsible for any exit fees or switching fees charged by that supplier.

VI. CREDIT AND COLLECTION POLICY

6.1 Billing

Customers will receive Consolidating Billing, meaning the customers will continue to receive a single, monthly bill from Duke Energy-Ohio, which will include charges from Integrys Energy Services for the retail natural gas portion of their bill. The bill will show the Integrys Energy Services' rate, multiplied by the CCF used per month, plus any applicable sales tax. Customers are billed according to their Duke Energy-Ohio bill cycle. Customers are still eligible and able to participate in budget billing.

6.2 Payment Terms

Customers are required to pay their entire Duke Energy-Ohio bill by the bill due date to avoid late charges and to maintain good standing in the program. Duke Energy-Ohio is authorized to disconnect a customer's gas service in accordance with its tariffs for past due charges owed to an alternate supplier. Should Integrys Energy Services initiate contract termination for non-payment, customers will receive 14 days notice prior to end of service.

6.3 Collection Process

Duke Energy-Ohio's credit and collection policy will apply to the Aggregation Program. For more information on the Duke Energy-Ohio collection policy customers should contact Duke Energy-Ohio customer service at 1-800-362-7557.

VII. PROGRAM ENROLLMENT

Sycamore Township's natural gas aggregation is an "opt-out" Aggregation Program. Accordingly, Eligible Customers will be automatically included in the Township's Aggregation Program unless they comply with the Program's opt-out procedure discussed in Section VIII below. Eligible customers who wish to participate and remain in the Township's aggregate need not take any action. Participating customers will be automatically enrolled in Sycamore Township's Program. Enrollment shall commence with the start of service and shall continue for a twenty-four

(24) month service period. Eligible customers who choose to opt-out will not receive another automatic enrollment opportunity until the twenty-four (24) month service period has expired. Integrys Energy Services will notify customers when service under the Program will begin which shall coincide with the switch from their current supplier.

Customers who meet all of the following criteria will automatically become members of the Aggregation Program:

- Do not opt-out and therefore remain in the Program after the designated 21-day Opt-Out Period;
- Residents of Sycamore Township whose service address is within the boundaries of Sycamore Township; and
- Is an Eligible Customer and not otherwise deemed ineligible to participate in the Township's Program.

Customers rejected by Duke Energy-Ohio upon enrollment will be mailed a letter from Integrys Energy Services stating the reason for their rejection within three (3) days of Integrys Energy Services receipt of the rejection file by Duke Energy-Ohio.

VIII. OPT-OUT PROCEDURE AND TERMS

8.1 Opt-out Process

The Township will develop an Opt-out or automatic governmental aggregation pursuant to section 4929 of the Ohio Revised Code. As the Retail Natural Gas Supplier to the Township's Program, Integrys Energy Services shall disclose to the person owning, occupying or using the natural gas load center that the person will be enrolled in the Township's Program unless they affirmatively elect not to be enrolled. That person must opt-out by following the Aggregation Program's stated opt-out procedure. Integrys Energy Services shall draft and Township shall approve the opt-out notice and docket the same with the PUCO at least ten (10) days prior to mailing it to Eligible Customers.

Using the Duke Energy-Ohio customer list, Integrys Energy Services with the assistance of the Township shall on a best efforts basis identify all Eligible Customers within the Township limits. Per PUCO natural gas aggregation rules, Duke Energy-Ohio will remove PIPP customers and customers that do not meet the eligibility criteria outlined in section VII above from the list of Eligible Customers prior to giving the data to the Township or Integrys Energy Services.

Integrys Energy Services will implement the opt-out process on behalf of Sycamore Township. Prior to commencement of service, Integrys Energy Services will utilize customer information provided by Duke Energy-Ohio to notify all eligible retail natural gas customers in the Township of their right to opt-out of Sycamore Township's Natural Gas Aggregation Program. Residents must be an eligible customer as of the date the customer list was created by Duke Energy-Ohio to receive an opt-out notice. Eligible customers will be mailed an opt-out notice within thirty (30) days of Integrys Energy Services' receipt of the Duke Energy-Ohio list. Eligible customers for automatic enrollment shall be residential and/or commercial customers in the Township that are not

otherwise designated by Duke Energy-Ohio or the PUCO as ineligible at the time the mailing list is created or are otherwise deemed ineligible to participate in the Township's Aggregation Program. Eligible Customers will receive by mail a notice disclosing: the Program's rates; terms and conditions of service; and general information related to the Program. The notice shall clearly provide instructions on how to opt-out of the program, which shall be by returning a postcard to Integrys Energy Services or calling a designated number at Integrys Energy Services. The Opt-Out Period shall be a twenty-one (21) day period. Eligible Consumers shall have twenty-one (21) days from the date of the postmark on the notice to indicate their intent to opt-out. Eligible Customers that do not follow the prescribed opt-out procedure shall be automatically enrolled in the program. The customer should immediately notify Integrys Energy Services if they are inadvertently switched and are not an eligible Duke Energy-Ohio customer in Sycamore Township. Integrys Energy Services shall notify Duke Energy-Ohio of Sycamore Township's Eligible Customers to be switched to service under the Program.

8.2 No Fee Opt-out Privileges

Sycamore Township's Duke Energy-Ohio customers may only return to the utility or switch to another retail natural gas supplier during Township's Aggregation Program service period or switch between the available aggregation rate offers during a service period at no charge under the following circumstances: a) during the Opt-Out Period; b) during the Rate Review Period as discussed in Section 5.2 above; or c) if they move out of Sycamore Township. Customers that switch out of the program for any other reason may be charged a \$25 exit fee.

8.3 Duke Energy-Ohio Confirmation/Rescission Letter

A final means of leaving the Program, and an added defense mechanism against "customer slamming", comes in the form of written notification from Duke Energy-Ohio. This notice will inform the customer that they are about to be switched to Integrys Energy Services and have seven (7) days if they wish to rescind the contract. Customers must rescind by contacting Duke Energy-Ohio within the seven 7 day period.

8.4 Process for Determining the Pool of Customers

Integrys Energy Services will mail Opt-out Notices which include the Program terms and conditions along with instructions on how to opt-out to each eligible customer. Integrys Energy Services and the Township will work together as described in Section 4.3 above to ensure that only eligible residents of Sycamore Township are included in the mailing.

A customer may opt-out by returning a postcard to Integrys Energy Services or by calling Integrys Energy Services customer service at a designated phone number. Integrys Energy Services will remove customers who have returned opt-out forms, called to opt-out and any customers that are otherwise no longer eligible for the Program from the pool for enrollment.

Customers who have switched away from Duke Energy-Ohio to another supplier and wish to join Sycamore Township's Aggregation Program and sign-up with Integrys Energy Services would first have to terminate their existing contract and contact Integrys Energy Services during the initial Opt-Out Period to receive the group rate. Those customers would be responsible for any early termination fees assessed by their current supplier.

8.5 Return to Duke Energy-Ohio Service

Customers that opt-out of Sycamore Township's Aggregation Program after the initial 21-day Opt-Out Period will remain on Duke Energy-Ohio's commodity service and pay the applicable Standard Offer Service rate while taking such service, or if the consumer selects an alternate Retail Natural Gas Supplier that supplier's rate. Customers that voluntarily return to Duke Energy-Ohio during service under the Aggregation Program may be charged a price other than Duke Energy-Ohio's Standard Offer Service rate.

8.6 Switching to Other Suppliers

Aggregation Program participants that switch to a different Retail Natural Gas Supplier after the expiration of the Opt-out Period will be allowed to do so in correlation with the customer's next scheduled meter read date. Customers choosing to switch, outside of the Opt-Out Period or Year Two Rate Review Period, may be subject to a \$25 exit fee. Notification of intent to opt-out of the Aggregation Group may be made by contacting Integrys Energy Services Customer Service by telephone or in writing.

IX. JOINING THE PROGRAM AFTER START-UP

9.1 New Sycamore Township Residents

Eligible Customers that move into Sycamore Township after the conclusion of the initial Opt-Out Period shall have the opportunity to join the Township's Aggregation Program at the rates provided in the Natural Gas Aggregation Supply Agreement. These customers may call Integrys Energy Services for information on joining the Aggregation Program. Integrys Energy Services may conduct a periodic Opt-Out Period refresh for new residents subject to receipt of new customer information from Duke Energy-Ohio. In the refresh, or if directly contacted, Integrys Energy Services will inform new residents of the Township's automatic Aggregation Program and of their right to opt-out of the Program. The Opt-Out Period shall be twenty-one (21) days. The enrollment term of new customers will conclude with that of the initial pool. Rates offered to new residents may be that of the initial pool or a market based rate agreed to by the Township and Integrys Energy Services.

9.2 Customer Movement within the Township or out of the Township

The Aggregation Program participants that move from one location to another within the corporate limits of the Township shall retain their participant status at the Natural Gas Aggregation Supply Agreement price associated with that status. These customers may be dropped from the Program by Duke Energy-Ohio in which case they will not incur an exit fee and may re-enroll in the Program through the periodic refresh process or by contacting Integrys Energy Services. Customers enrolled in Sycamore Township's program that move out of the Township limits will no longer be eligible to participate in the program and will lose their offer but will not incur an early termination fee.

9.3 Previously Opted-Out or Otherwise Not Enrolled Customers

Duke Energy-Ohio customers in Sycamore Township may join the Township's Aggregation Program after the expiration of the initial Opt-Out Period by contacting Integrys Energy Services. Enrollment and service activation shall be subject to the written policies of Integrys Energy Services. Rates for such customers shall be at the Agreement price, or at a market-based price, subject to the policies of Integrys Energy Services.

X. RELIABILITY OF NATURAL GAS SERVICE

For the protection of retail natural gas consumers in Ohio, the PUCO has adopted rules governing the minimum service, quality, safety, and reliability practices for local utilities like Duke Energy-Ohio. The rules provide standards for inspection, maintenance, repair, and replacement of the transportation and distribution system of each local utility. The rules also impose standards on utilities such as Duke Energy-Ohio for system operation, reliability, and safety during emergencies and disasters. Duke Energy-Ohio will continue to maintain and service natural gas meters, and its transportation and distribution facilities in Sycamore Township. The only thing that changes for the Duke Energy-Ohio customers in Sycamore Township that participate in the Aggregation Group is the Retail Natural Gas Supplier. This is the company that purchases the actual natural gas and supplies it to Duke Energy-Ohio. For the members in the Township's Natural Gas Aggregation Program, the Retail Natural Gas Supplier is Integrys Energy Services.

If the Retail Natural Gas Supplier does not provide sufficient gas to supply its customers the gas supply will be supplemented by Duke Energy-Ohio.

XI. CUSTOMER SERVICE

Integrys Energy Services shall provide a fully staffed, 24 hour a day 7 day a week, customer service staff. The staff will address questions or concerns related to the Program. Sycamore Township customers may call toll free to: 1-866-996-7922. Customers may contact Integrys Energy Services in writing at its Worthington, Ohio office at: Integrys Energy Services, Inc., 300 W. Wilson Bridge Rd., Suite 350, Worthington, Ohio 43085.

XII. CONSUMER EDUCATION

The Township and Integrys Energy Services will, where practicable, provide consumer education messages that are consistent with the messages of Duke Energy-Ohio's campaign, and the statewide consumer education program.

XIII. DISPUTE RESOLUTION

Members will have multiple means of addressing complaints. As a general rule, concerns regarding service reliability and billing should be directed to Duke Energy-Ohio. They continue to

read meters, handle billing, and generally have the most information about a customer's account. Questions regarding the Program administration should go to the Township, and any unresolved disputes should be directed to the Public Utilities Commission of Ohio and/or the Ohio Consumers Council. Below is a list of toll-free numbers for members to call for assistance.

<u>Nature of Complaint</u>	<u>Contact</u>	<u>Phone Number</u>
Gas Odor/Leaks-Fire-Explosions	Duke Energy-Ohio	1-800-634-4300
Service turn on/off	Duke Energy-Ohio	1-800-544-6900
Billing Disputes	Duke Energy-Ohio	1-800-544-6900
Joining/Leaving Program	Integrays Customer Service	1-866-996-7922
Program Regulatory Questions	Integrays Customer Service	1-866-996-7922
Unresolved Disputes	Public Utilities Commission	1-800-686-7826
Unresolved Disputes	Ohio Consumers Council	1-877-742-5622

Integrays Energy Services will attempt to resolve all customer complaints in a timely and good faith manner. Integrays Energy Services shall investigate and provide a status report to the customer when the complaint is made directly to Integrays Energy Services and/or the Township within three (3) business days following receipt of the complaint. Or in the case of a Public Utilities Commission of Ohio ("PUCO") complaint Integrays Energy Services shall investigate and provide a status report to the customer and PUCO staff within three (3) business days following receipt of the complaint. If an investigation into a complaint received from the customer or a complaint referred by the PUCO is not completed within ten (10) business days, then a status report will be given to the customer, and, if applicable, the PUCO. These status reports will be given every three (3) business days until the investigation is complete, unless the action that must be taken takes longer than three (3) business days and the customer has been notified. Final results of a Commission-referred complaint will be provided to the PUCO either orally (phone) or in writing (e-mail, written correspondence), no later than three (3) business days after the investigation is completed. The final results will be provided in writing to the customer no later than three (3) business days after the investigation is completed. Customers retain the right to contact the PUCO regarding complaints and disputes. All customers have the right to contact the PUCO by writing to Public Utilities Commission of Ohio, ATTN: IAD, 180 E. Broad St., Columbus, OH 43215-3793 by fax to (614) 752-8351 through their website at www.puc.state.oh.us or by calling toll free (800) 686-7826 (VOICE) or (800) 686-1570 (TTY-TDD). Records of customer complaints will be retained for two (2) years after the occurrence of the complaint. A copy of the complaint record will be provided to the PUCO within three (3) business days, if requested.

XIV. GENERAL PROVISIONS

14.1 Governing Law

Service under the Aggregation Program shall be governed by the provisions of the Township's Natural Gas Aggregation Program Plan of Operation and Governance, the Sycamore

Township-Integrys Natural Gas Aggregation Supply Agreement, the Codified Resolutions of Sycamore Township, Ohio, the Ohio Revised Code and the rules and regulations of the Public Utilities Commission of Ohio.

14.2 Taxes and Fees

Any taxes, duties, fees or charges levied against Integrys Energy Services by any governmental or regulatory entity or passed through to Integrys Energy Services by capacity or energy suppliers shall be passed through by Integrys Energy Services and paid by the customer. Integrys Energy Services shall provide the customer written notice and detailed description of such charges if such information has not been included in previous communications.

14.3 Additional Equipment

If additional metering or monitoring equipment is required by Duke Energy-Ohio, such metering or monitoring equipment shall be installed at customer's expense. If Integrys Energy Services requires additional metering or monitoring equipment, Integrys Energy Services shall be responsible for all related expenses.

14.4 Customer Information

Participating customers will be protected from unwanted solicitations by a prohibition that Integrys Energy Services and/or the Township may not sell/exchange or otherwise release an Aggregation Program participant's social security number, account number, name, address or other identifying information to third parties for purposes of solicitation without the Aggregation Program participant's written consent. Integrys Energy Services shall not release information on customers that have opted out of the Aggregation Program without the prior written consent of the customer.

14.5 Payment History

Aggregation Program customers shall have the right to request, without charge, from Integrys Energy Services the customer's payment history for a period of up to twenty-four (24) months.

XV. ADOPTION OF PLAN OF OPERATION AND GOVERNANCE

This Plan of Operation and Governance shall be subject to the adoption of Sycamore Township Board of Trustees. A copy of the Township's Resolution No. adopting this Plan of Operation is attached hereto as Attachment C.

Further modifications to the Plan of Operation and Governance after adoption will require approval of Sycamore Township Board of Trustees, and, if any modifications materially affect

Members, the Township shall first provide notice to all affected Members and provide the same the opportunity to opt out of the Program.

PLAN OF OPERATIONS DEFINITIONS

1.1 **“Aggregation”** means combining the retail natural gas loads of multiple customers for the purpose of supplying or arranging for the supply of competitive retail natural gas service to those customers.

1.2 **“Aggregation Group”** means those eligible retail natural gas customers of Duke Energy-Ohio within the corporate limits of Sycamore Township, excluding PIPP customers, defined as Eligible Customers in 1.8 and who do not “opt-out” of the Township’s Aggregation Program.

1.3 **“Aggregation Program”** or **“Program”** means the provision of competitive retail natural gas aggregation services to the Aggregation Group of Sycamore Township and pursuant to the Township’s Plan of Operation and Governance.

1.4 **“Aggregation Services”** means services provided to the Aggregation Group pursuant to the Natural Gas Supply Agreement executed by the Township and Integrys Energy Services.

1.5 **“Competitive Retail Natural Gas Service”** means retail natural gas service that is deemed competitive pursuant to Section 4929.01(J) of the Ohio Revised Code which states J) “Competitive retail natural gas service” means any retail natural gas service that may be competitively offered to consumers in this state as a result of revised schedules approved under division © of section 4929.29 of the Revised Code, a rule or order adopted or issued by the public utilities commission under Chapter 4905 of the Revised Code, or an exemption granted by the commission under sections 4929.04 to 4929.08 of the Revised Code.

1.6 **“Consolidated Billing”** means combining the incumbent natural gas company’s charges and the Retail Natural Gas Supplier’s charges on one billing statement.

1.7 **“Electronic Data Interchange” (“EDI”)** means the computer system used by Integrys Energy Services and Duke Energy-Ohio to transmit enrollment, supply and billing information.

1.8 **“Eligible Customer”** includes customers of Duke Energy-Ohio who are not: a person that is both a distribution service customer and a mercantile customer on the date of commencement of service to the governmental aggregation, or the person becomes a distribution service customer after the service commencement date and is also a mercantile customer; a person that is supplied with commodity sales service pursuant to a contract with a Retail Natural Gas Supplier that is in effect on the effective date of the ordinance or resolution authorizing the aggregation; a person that is supplied with commodity sales service as part of the percentage of income payment plan program or similar or successor program adopted by the commission under chapters 4905 or 4929. of the revised code; or, a customer that has failed to discharge, or enter into a plan to discharge, all existing arrearages owed to or being billed by a natural gas company from which the person is receiving service.

1.9 **“Governmental Aggregator”** means a county, municipality or township that provides aggregation services.

1.10 **“Natural Gas Aggregation Supply Agreement” or “Agreement”** means the contract agreed to between Sycamore Township and its Retail Natural Gas Supplier for the provision of competitive retail natural gas service to the Township’s Aggregation Program.

1.11 **“Opt-Out Period”** means the twenty-one day (21) day period in which eligible Duke Energy-Ohio customers in Sycamore Township must opt-out of Sycamore Township’s Aggregation Program or they will be automatically enrolled in the Program.

1.12 **“PIPP”** means Percentage of Income Payment Plan Program as prescribed in PUCO Rules 4901:1-18-02(B)-(G) and 4901:1-18-04(B) of the *Ohio Administrative Code*.

1.13 **“Plan of Operation and Governance”** means the Sycamore Township’s Plan of Operation and Governance which details the services provided under the Aggregation Program. The Plan of Operation and Governance shall become effective upon passage of Township Ordinance or at a time otherwise provided in said legislation.

1.14 **“PUCO”** means the Public Utilities Commission of Ohio.

1.15 **“Purchasing Agent”** means Sycamore Township as a municipality or township that provides Competitive Retail Natural Gas Service by contracting with a Retail Natural Gas Supplier.

1.16 **“Retail Natural Gas Service”** means commodity sales service, ancillary service, natural gas aggregation service, natural gas marketing service, or natural gas brokerage service. Pursuant to 4929.01 (M) of the Ohio Revised Code

1.17 **“Retail Natural Gas Supplier”** means a Retail Natural Gas Supplier that has been certified by the PUCO to provide competitive retail natural gas service to consumers in Ohio that are not mercantile customers including marketers, brokers, or aggregators, but excludes a natural gas company, a governmental aggregator, a billing or collection agent, and a producer or gatherer of gas that is not a natural gas company.

1.18 **“Seller”** means Integrys Energy Services, Inc., the Retail Natural Gas Supplier for the Sycamore Township Aggregation.