

NATURAL GAS AGGREGATION PROGRAM WEBSITE INFORMATION

Opt-out Natural Gas Aggregation Program

The City of Moraine has joined with six other communities south of Dayton to implement a Natural Gas Aggregation program that reduces the cost of natural gas for residents and small businesses. The program brings consumers together as a buying group that can use its purchasing power to negotiate lower natural gas rates.

Who's Involved

The cities of Oakwood, Kettering, Miamisburg, West Carrollton, Moraine, Centerville and Germantown make up the group, which represents 42,000 natural gas customers. The program – the only one of its kind in the Dayton area – is coordinated for the seven-city group by the Miami Valley Communications Council (MVCC), a council of governments certified by the Public Utilities Commission of Ohio as a Governmental Aggregator.

Savings

Starting with the billing of September or October 2009 (depending on when the meter is read), through March 2010, all residential customers and businesses that use less than 5,000 ccf of natural gas per year, pay 4.6 cents per ccf (100 cubic feet) less than the standard price charged by Vectren. The average residential customer will save an estimated \$45 - \$55 annually, and a commercial establishment, \$200 - \$250.

A new price will be negotiated for the period from April 2010 through July 2011. If the new price is not acceptable, the program will be cancelled.

Opting Out

Participation in the program is not required. By early August, eligible customers will have received a letter in early August offering them 21 days to opt out of the program if they don't want to participate. After that, Vectren will send a letter offering another opportunity to opt out within seven days. Customers may also leave the program at any time at no additional cost and return to the natural gas supplied by Vectren.

Customers are **not** eligible if they use an alternate gas supplier, are not current on Vectren bills, or are enrolled in the Percentage of Income Payment Plan (PIPP).

Billing

Vectren provides its distribution network and consolidated billing for gas services to the customer. Consumers will receive only one bill.

Program Partners

Natural Gas Aggregation programs were made possible when the Ohio legislature passed a law in 2001 giving local governments the opportunity to aggregate customers for group purchasing of natural gas.

To implement the Natural Gas Aggregation program, MVCC entered into an agreement with Interstate Gas Supply (IGS) to supply the natural gas. IGS administers the program, provides consumer information, and responds to customers' questions and phone calls. The program is managed for the seven MVCC cities by AMP-Ohio, a Columbus-based, non-profit, municipal-power corporation with 127 member communities in Ohio, Pennsylvania, Michigan, Virginia, West Virginia and Kentucky.

Contacts

Residents may learn more by contacting the following:

- Interstate Gas Supply Customer Service at 1-800-280-4474, or www.igsenergy.com; or
- Public Utilities Commission of Ohio at 1-800-686-7826, or www.puco.ohio.gov; or
- Ohio Consumers' Counsel at 1-877-742-5622, or www.pickocc.org/gas.

Program Background

Ohio deregulated natural gas in 2000, giving consumers a choice of natural gas suppliers. In 2001, Ohio passed a law giving local governments the opportunity to aggregate customers for group purchasing of natural gas. The state's deregulation law mandates voter approval of municipal aggregation programs. Thus, the Natural Gas Aggregation program in each of the seven cities has been approved by voters. Each city has adopted legislation that authorizes both opt-in and opt-out provisions for the program and names the MVCC as program coordinator and administrator.

Natural Gas Aggregation Program

FREQUENTLY ASKED QUESTIONS

How does the Natural Gas Aggregation program work?

Natural Gas Aggregation programs were made possible when the Ohio legislature passed a law in 2001 giving local governments the opportunity to aggregate customers for group purchasing of natural gas. The program allows groups of consumers to use their combined purchasing power to negotiate lower natural gas rates.

The City of Moraine is a member of a seven-city natural gas aggregation group brought together through the Miami Valley Communications Council (MVCC), a council of governments certified by the Public Utilities Commission of Ohio as a Governmental Aggregator.

By working as a group, the seven cities were able to negotiate a natural gas rate that is 4.6 cents per ccf (100 cubic feet) less than the standard price charged by Vectren.

Who is eligible for the program?

To be eligible...

- You must be a resident or small business located within one of the seven participating cities.
- You must have received in early August 2009 a letter providing an opt-out notice from IGS.
- You must **not** have already chosen a natural gas supplier on your own.
- You must **not** be a PIPP (percentage of income payment program) customer.
- You must be current on your bill payment.
- You must use less than 5,000 ccf of natural gas per year.

How much can I expect to save?

The average residential customer will save an estimated \$45 - \$55 annually, and a commercial establishment, \$200 - \$250.

When does the program begin?

Customer switching takes place when meters are read, so the reduced rate starts with the gas flowing after your meter is read in September or October 2009.

How long does the program continue?

For now, it will continue through March 2010. A new price will be negotiated for the period from April 2010 through July 2011. If the new price is not acceptable, the program will be cancelled. If the program is cancelled, all residential and small business customers in the aggregation program will return to Vectren and would again be billed at Vectren's standard service rate.

Who is the natural gas supplier for the MVCC program?

To implement the Natural Gas Aggregation program, MVCC entered into an agreement with Interstate Gas Supply (IGS) to supply the natural gas. A large, privately held company with headquarters in Dublin, Ohio, IGS is America's largest independent retail supplier of natural gas. The company is certified by the Public Utilities Commission of Ohio and serves many governmental aggregation programs across Ohio. In addition to supplying the natural gas, IGS administers the MVCC program, provides consumer information, and responds to customers' questions and phone calls.

MVCC has been assisted in implementing this program by AMPO Inc., a subsidiary of American Municipal Power. A Columbus-based, non-profit, municipal-power corporation, AMPO Inc. has assisted its 127 member communities in Ohio, Pennsylvania, Michigan, Virginia, West Virginia and Kentucky with similar aggregation programs.

Where do I call if I have a problem with my natural gas service?

Vectren will continue to deliver your natural gas and maintain the pipeline system that brings it to your home or business. You will continue to call Vectren at 1-800-227-1376 for emergency repairs, gas leaks, or service turn on or turn off.

Does it cost to join the program?

No. Enrollment in the program is free and you need not take any action. You only need to be eligible to participate. Eligibility criteria are outlined above.

What if I don't want to participate?

A letter recently sent to all eligible customers by IGS gives you the opportunity to opt out within 21 days. If you do not want to participate, you will have 21 days to respond to IGS by returning a reply card or calling IGS toll-free at 1-800-280-4474. Otherwise, IGS will enroll you as their customer. Vectren will acknowledge your enrollment with a confirmation letter reminding you of the pending switch. That letter will mention that you can cancel the switch by contacting Vectren within 7 days.

May I leave the program later?

Yes, you may leave free of charge anytime, even if it is after the initial 21-day opt-out period described above. There is also no penalty if you move during the program.

What happens if I'm part of the program and I move?

A resident moving within the same community can stay in the aggregation program by providing IGS with their new address. If a resident moves out of the community or does not provide IGS their new address, their participation will end.

Where will my bills come from?

For your convenience, you will continue to receive only one bill from Vectren. It will show Vectren's delivery charges and the supply charge amount owed to IGS.

May I remain on level billing?

Yes. If you are currently on level billing you will remain on level billing. Vectren reviews the prior 12 months' billing history on a rolling basis. Your new rate for supply will be factored into the calculation of your level billing monthly amount.

Are there risks involved in joining the program?

The savings of 4.6 cents per ccf is guaranteed through March 2010 regardless of fluctuations in natural gas prices throughout that period. New terms will be negotiated for the period from April 2010 through July 2011. If the result of that negotiation does not benefit our community's residents and businesses, the program will be cancelled.

Also, you may choose to leave the program without charge at anytime if you prefer not to participate.

Was this program approved by the voters of our city?

Yes. The state's deregulation law mandates voter approval of municipal aggregation programs, so it has been approved by voters in each of the seven participating cities. Each city has adopted legislation that authorizes both opt-in and opt-out provisions for the program and names the MVCC as program coordinator and administrator.

Where can I get more information?

For the most complete and accurate information about the Natural Gas Aggregation program in our community, it's best to call IGS Customer Service at 1-800-280-4474, weekdays, from 8 a.m. to 7p.m.

For problems such as emergency repairs, gas leaks, and service turn on or turn off, please call Vectren at 1-800-227-1376.

For general information on natural gas deregulation in Ohio, you may visit the Web sites of the Ohio Consumer's Counsel (www.pickocc.org) at 1-877-742-5622, or the Public Utilities Commission of Ohio (www.PUCO.ohio.gov) at 1-800-686-7826.