

Natural Gas Governmental Aggregation Programs Frequently Asked Questions

(September 2010 Program Update – Barberton)

**Direct Energy Phone Numbers: Opt-out customer (866) 760-6040;
Choice customer opting-in (866) 803-4618.**

What are Governmental Natural Gas Aggregation Programs?

Governmental Aggregations allow an entire community, groups of communities, or a county to join together to form one large buying group. Once voters authorize an aggregation, elected officials are then permitted to shop for natural gas on behalf of their residents and small businesses.

What are the Benefits of Gas Aggregation?

As a large buying group, residents participating in an Aggregation have more buying power. The aggregation is in a better position to negotiate favorable pricing and supply terms than what could ordinarily be achieved by any one individual resident.

What are the different types of Aggregations?

In Ohio there are two types of Aggregations. A community may conduct an “Opt-Out” program or an “Opt-In” program. With Opt-Out programs, each eligible resident is automatically enrolled in the program unless they notify the supplier that they DO NOT wish to participate. With Opt-In programs, each resident must notify the supplier to actively enroll in the program. Opt-Out Aggregations are the most common types of aggregation programs, because they result in higher participation that usually results in lower rates.

What does a community need to do to become an Aggregator?

For starters, a community must obtain the approval of voters to form a natural gas aggregation program. Community leaders are then permitted to proceed through a series of steps to become certified by the Public Utilities Commission of Ohio as a Governmental Natural Gas Aggregator.

What are the key steps in an Opt-Out Aggregation?

With the assistance of a PUCO certified consultant, a community seeks bids from Certified Retail Natural Gas Service Providers. A qualified bidder is selected to supply the aggregation with its gas for a set period of time. An “Opt-out” notice is sent to each eligible community resident prior to the start of the aggregation. Each resident has 21 days from the postmarked date on the notice to contact the supplier to withdraw or “Opt-Out” of the program. After the 21-day period, any resident not opting out will be submitted to the utility company for enrollment in the program. The utility company will send notice of the pending enrollment to each participating resident. Each resident will then have 7 days to rescind their enrollment in the program by contacting the utility company. After the 7-day rescission period, all participating customers are officially enrolled in the program. The new supplier will appear on your natural gas bill within one to two billing cycles after enrollment is verified by the utility.

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

Dominion East Ohio (DEO) 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 DEO 1-877-542-2630 for emergency repairs or gas leaks. For non-emergencies such as billing questions, service turn on or turn off, call 1-800-362-7557.

Who is the natural gas supplier for the City’s program?

Direct Energy was selected to serve our community’s program. The current program will run through the November 2011 bill cycle. Direct Energy is certified by the Public Utilities Commission of Ohio, and currently supplies customers and governmental aggregation programs across Ohio.

What is my price for gas? The new 12-month fixed rate for our program begins with November 2010 gas flow (December bill cycle) and is \$6.288/Mcf. This rate compares very favorably to offers residents can find on their own and unlike many offers, our program has no penalty if you decide to leave early.

Will it cost me to join the program? No. Enrollment in the program is free and you need not take any action. You only need to be eligible participate. Please refer to the eligibility criteria shown below.

Is everyone eligible for the program?

No, by law there are certain limitations on eligibility. All of the current participants in our City's program will receive a notice of the new program rates, terms and conditions and continue to be eligible. Newly eligible residents or businesses must be located within the Barberton City limits. Furthermore, they must have received an opt-out notice from Direct Energy. Here are the criteria for new member eligibility:

1. You must reside in the Dominion East Ohio service territory;
2. you must reside inside the Barberton city limits;
3. you must not have already chosen a natural gas supplier on your own;
4. you must not be a PIPP (percentage of income payment program) customer;
5. you must not be in arrears on your bill payment; and
6. you must not be a mercantile customer (natural gas commercial accounts using over 500 Mcf/year).

Will I receive anything in the mail?

Yes. Direct Energy will mail several informational packets to the groups of customers described below. They will explain the program rate, terms and conditions and means of enrollment.

1. A renewal notice will be sent to existing customers announcing the new rate. These customers do not need to take any action to receive the low fixed-rate.
2. An opt-out notice will be sent to residents who have not selected a supplier on their own. By law these customers supplied through Dominion East Ohio's Standard Choice Offer (SCO) are eligible to be automatically aggregated and added to the program. Customers in this group would need to opt-out if they do not want to participate.
3. A marketing mailer will be sent to residents who are currently supplied by other marketers. If these customers would like to participate in the community's program they will need to contact Direct Energy to enroll.

Is there an initial enrollment period to receive our new rate?

Yes. Direct Energy will keep the enrollment period open as long as market conditions permit for those residents and small businesses who are supplied by other marketers. We do not have a firm cutoff date as of this time. There is a 21-day opt-out period for those who are being automatically aggregated. The 21 days is from the time of the postmark on the mailer sent by Direct Energy.

How long is the program?

The City's governmental aggregation program can go on indefinitely. This program with Direct Energy is for 2 years and will end with your December 2011 billing period.

What if I don't want to participate?

While most residents will remain in, and benefit from governmental aggregation programs, the choice is up to you. If you do not want to participate you will have 21 days in which to return a reply card to Direct Energy or call them toll free at 1-866-760-6040. If you fail to do that, Direct Energy will continue to serve you or enroll you as a new customer. DEO will acknowledge the enrollment and send you a confirmation letter reminding you of the pending switch. That letter will mention that you can cancel the switch by contacting DEO within 7 days.

Will I get two bills?

No. For your convenience, you will continue to receive only one bill from DEO. It will show DEO's delivery charges and the supply charge amount owed Direct Energy. DEO continues to read your meter, issue monthly bills and responds to all service calls.

Can I remain on budget billing? Yes. If you are on budget billing you will remain on budget billing. (Note: DEO calculates your monthly budget amount each month by summing your total delivered gas cost on a rolling 12-month basis and dividing that total by average monthly usage in the same 12-month period.)

Can I exit this program without penalty?

Yes. A very attractive feature of our program is your ability to leave free of charge at any time for any reason. There are several “formal” opportunities to take yourself out of the program. First, when an offer is presented you will have 21-days to opt-out by returning a card to Direct Energy or making a toll-free phone call. If you do not opt-out DEO will then send to new members a confirmation notice giving you 7 more days to cancel the switch. Furthermore, by law, you will be able to leave without penalty at least every two years. If you would like to leave the program at any time, simply notify Direct Energy at 1-866-760-6040.

My friend lives in a nearby community and has a different rate from Direct Energy than mine. Why?

Natural gas prices are highly volatile. Market rates change often and quickly. Price differences between communities will vary based primarily on the contract term and the dates on which pricing was secured for the community.

Can I enroll if I do not receive an Opt-Out notice?

Yes. During the initial enrollment, any eligible resident that does not receive an Opt-Out notice may contact Direct Energy directly at (866) 803-4618 to enroll in the program.

Can I enroll after the initial enrollment period?

Direct Energy will always try to accommodate residents should they wish to enroll after the initial enrollment period. However, Direct Energy reserves the right to decline late enrollments depending on market conditions.

Can I enroll even if I currently purchase my gas from another supplier?

Yes, however your supplier may charge an early termination fee. All residents should check the terms and conditions of their current contract for more information.

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

A resident moving within the same community can stay in the aggregation by providing Direct Energy with their new address. If a resident moves out of the community or does not provide Direct Energy their new address, their participation will end and no early termination fee will apply.

This sounds complex is our community qualified to handle such a program?

We have retained Independent Energy Consultants, Inc., a PUCO certified broker and aggregator of natural gas, without using any taxpayer money. They have designed, implemented, and administered similar successful gas and electric programs that impact over 100 communities across Ohio. We will have their assistance and that of Direct Energy throughout the program.

These FAQs help but I still have a question?

If you have additional questions please call Direct Energy at 1-866-760-6040, weekdays, from 8:00 a.m. to 8:00 p.m. EST. For general information on natural gas deregulation in Ohio, you can also visit the Web Sites of the Ohio Consumer's Counsel (www.pickocc.org), or the Public Utilities Commission of Ohio (www.PUCO.ohio.gov). **Please do not contact our offices. We are pleased to have made this program possible, but are not prepared to handle calls.**