

## **Natural Gas Governmental Aggregation Programs Frequently Asked Questions** (Colerain Township - Updated February 2010)

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

Duke Energy 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 Duke 800-634-4300 for emergency repairs, gas leaks, service turn on or turn off, etc.

### **Who is the natural gas supplier for the Township's program?**

Interstate Gas Supply (IGS) a large privately held company with headquarters in Dublin, Ohio was selected to serve the township for another 2-year period. The existing program will end for current participants on their March 2010 bill cycle. IGS won a competitive bid process and was chosen as our program's supplier through the March 2012 bill cycle. IGS is certified by the Public Utilities Commission of Ohio, currently supplies more customers than all the other marketers combined in the Cincinnati area, and has served many governmental aggregation programs across Ohio.

### **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 to participate. Please refer to the eligibility criteria shown below.

### **Who is eligible for the program?**

All of the current participants in the Township'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 township limits. Furthermore, they must have received an opt-out notice from IGS. Here are the criteria for new member eligibility:

1. you must not have already chosen a natural gas supplier on your own;
2. you must not be a PIPP (percentage of income payment program) customer;
3. you must not be in arrears on your bill payment; and
4. you must not be a mercantile customer (natural gas commercial accounts using over 5,000 CCF/year)

### **When does the next program start?**

Customer switching takes place when meters are read. Therefore, your start date will depend on when Duke reads your meter. Your service from IGS is expected to begin with gas flowing in late March 2010 or in April (April or May bill cycle).

### **How long is the program?**

The township's governmental aggregation program can go on indefinitely. This offer from IGS is for two years and will end with your March 2012 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 IGS or call them toll free at 800 280-4474. If you fail to do that, IGS will continue to serve you or enroll you as a new customer. For new customers, Duke 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 Duke within 7 days.

### **Will I get two bills?**

No. For your convenience, you will continue to receive only one bill from Duke. It will show Duke's delivery charges and the supply charge amount owed IGS.

### **What is my initial price for gas?**

Our program has been very successful using variable pricing where the rate changes from month-to-month. We will continue with that strategy until we think it may be better to lock in a fixed rate. The formula (NYMEX futures price x 1.045 + \$0.107/Ccf) for calculating our monthly price in the new program has been set, but the actual price has not. This is how we operated for much of the past four years and had success.

### **How have our rates compared in prior months?**

Our variable gas supply rates have fared better than the alternative Gas Cost Recovery (GCR) Rate from Duke Energy in 37 of 47 months. Our monthly rates for the shoppable gas cost portion of your bill were as low as \$0.426/Ccf. The current rate for February is \$0.688/Mcf. Our rates have also fared better than those available to individuals selecting a supplier outside of our aggregation program.

### **How will my price be set in future months?**

We continue to watch the natural gas markets closely and will instruct our supplier to buy gas when we believe conditions are favorable. That means your rate is likely to vary from month-to-month. If we see a nice downturn in the markets we have the ability to lock-in fixed-rates for any remaining period of time. The formula shown above will be used to determine your price regardless of it being variable or a fixed rate. While Duke's rates change monthly, the township's program has the option to fix rates if/when we feel that is in the best interest of our residents.

### **Can I remain on budget billing?**

Yes. If you are on budget billing you will remain on budget billing. Duke reviews the prior 12 months billing history on a rolling basis. Your new rate for supply would be factored in as the months go by.

### **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 IGS or making a toll-free phone call. If you do not opt-out, Duke 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. There is also no penalty if you move during the program, or decide to cancel at any time. Simply notify IGS.

### **What's the status of our electric program?**

Our consultant has brokered electric supplier offers and we are currently reviewing two at the present time. You will be notified if we decide to move forward with an electric supply offer. The gas and electric programs are similar but totally independent.

### **This sounds complex is the township qualified to handle such a program?**

The township has retained Independent Energy Consultants, Inc., a PUCO certified broker and aggregator of natural gas and electricity - without using any taxpayer money. Their founder has designed, implemented, and administered dozens of successful programs elsewhere in Ohio. We will have their assistance and that of IGS throughout the program.

### **Does the township benefit from the program?**

Yes. Our eligible township facilities will be included in the program, and our consultant has helped us assess how we might lower our natural gas and electric consumption.

### **These FAQs help but I still have a question?**

If you have additional questions please call IGS at 1-800-280-4474, weekdays, from 8:00 a.m. to 5:00 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.pickkoc.org](http://www.pickkoc.org)), or the Public Utilities Commission of Ohio ([www.PUCO.ohio.gov](http://www.PUCO.ohio.gov)). **Please do not contact the township offices. We are pleased to have made this program possible, but are not prepared to handle calls.**