



Natural Gas Governmental Aggregation Program



September 19, 2011

Dear City of Washington Court House Natural Gas Customer:

Vectren Source is pleased to continue serving as the endorsed natural gas supplier for your City’s Municipal Aggregation Program. Vectren Source, in cooperation with the City of Washington Court House, is providing you the opportunity to join other Washington Court House residents and small business customers in the City’s natural gas *governmental aggregation* program. Vectren Source is not the utility. It is a non-regulated affiliate of Vectren Energy Delivery of Ohio (“VEDO”). City Council previously approved an ordinance authorizing the creation of a program that automatically aggregates natural gas consumers within your city limits in order to maximize the buying power of its citizens. In November 2008, the city voters authorized the Council to create this purchasing group. Since that time, the City has: (a) become certified by the Public Utilities Commission of Ohio as a Government Aggregator; and (b) approved a Plan of Operation and Governance.

The next phase of the aggregation program for the City of Washington Court House will begin with your November 2011 billing cycle and end with your October 2013 billing cycle. The City established the Municipal Aggregation Program in an effort to assist its residents in managing their energy costs and stabilizing the natural gas prices paid by its residents. Your community has selected a program that will offer you the flexibility of a month to month variable during warmer months when gas consumption is typically lower, and the price protection of a guaranteed fixed rate during the winter. Washington Court House has locked in a fixed price for natural gas at a stable rate of \$0.586 per Ccf from January 2012 through April 2012 billing cycles.

If you wish to be included in this program you must take one of the following actions prior to October 13, 2011.

1. **Call Vectren Source toll free at 1-800-770-5976; or**
2. **Return the attached enrollment card to Vectren Source; or**
3. **Enroll online at www.getnaturalgas.com/wch by using the “Special Offer ID” located on the enrollment card below.**

Again, the City has established a fixed price for natural gas at a stable rate of \$0.586 per Ccf through the April 2012 billing cycle. The rates for subsequent months will be calculated as shown in the “Rate” section of the accompanying Terms & Conditions. Subsequent rates may vary by month or may be fixed for another period of time as determined by your community. If you choose to become a member of the aggregation group, you will receive a confirmation letter from VEDO advising you of your transfer to Vectren Source and to contact VEDO if you do not wish to be included in the Program. If you would like to participate in the Aggregation Program, simply ignore that letter.

Keep in mind that VEDO remains your utility company and will deliver the natural gas to the attached service location, respond to any delivery service issues or emergencies, and send and process your bills. VEDO will continue to offer budget billing and automatic billing options.

If you have any questions, please call Vectren Source at 1-800-770-5976, 8:00 a.m. to 6:00 p.m. Eastern Time, Monday through Friday. 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).

We are pleased to have been chosen to serve the residents of the City of Washington Court House.

Sincerely,
Tami Wilson
Vectren Source President

Joseph Denen
City Manager

P.S. Remember to return the enrollment form or call Vectren Source to participate in the City of Washington Court House Natural Gas Aggregation Program.

If the home or small business for which you have received this letter is not located within the jurisdictional limits of the City of Washington Court House you have received this letter in error. Please contact Vectren Source at 1-800-770-5976 to be removed from this mailing list.



P.O. Box 3037 • Evansville, IN 47703-3037

Address Service Requested

Enrollment Form on Reverse Side
City of Washington Court House
Natural Gas
Governmental Aggregation Program

***** postal presort *****

JOHN A. SAMPLE
1234 MAIN STREET
ANYTOWN USA 12345-6789



Terms & Conditions

Parties: Vectren Retail, LLC ("VECTREN SOURCE") will supply the commodity portion of my ("Customer") natural gas as part of my community's Government Aggregation Program ("Program"). Vectren Energy Delivery of Ohio ("VEDO") will remain my Natural Gas Distribution Company ("NGDC").

Term: The term of this Agreement ("Agreement") will begin with initial gas deliveries enabled by the Program and will continue through the October 2013 billing cycle ("Current Term").

Enrollment: Customer's service with VECTREN SOURCE will commence upon the successful completion of the Program's opt-out period and enrollment process with VEDO, which is expected to commence within one or two billing cycles following completion of the opt-out period.

Rate: For November and December 2011 billing cycles, Customer price will be calculated using the applicable weighted (NYMEX Price x 1.016) plus a retail adder of \$0.130 per Ccf. For the period of January 2012 through April 2012 billing cycles, Customer will be enjoy a stable rate of \$0.586 per Ccf. From April 2012 through September 2012, Customer price will be calculated using the applicable weighted (NYMEX Price x 1.016) plus a retail adder of \$0.130 per Ccf. This price formula will be used to set each monthly price or, at the direction of the community to set a stable price for any period through October 2012 gas flow. If the NYMEX price is not otherwise triggered by the community, the NYMEX Settle for the month of gas flow will be used for the NYMEX value in the formula. For the billing period November 2012 through October 2013, the City and VECTREN SOURCE will set a retail adder and provide notice to Customer for the remaining period of the Program.

Regulatory Jurisdiction: The Municipal Aggregation Program as well as competitive retail access pursuant to which VECTREN SOURCE shall supply natural gas is subject to ongoing jurisdiction of the Public Utilities Commission of Ohio ("PUCO"). If the Program is terminated by the PUCO, then both Customer and VECTREN SOURCE have the right to terminate this Agreement without penalty to either party.

Billing: VECTREN SOURCE will place its charges for the natural gas delivered on Customer's VEDO bill. VECTREN SOURCE's commodity charge will be separately identified among those charges Customer regularly receives from VEDO. Customer agrees to pay VECTREN SOURCE's commodity charges in accordance with the payment procedures implemented by VEDO.

Customer Service: Should Customer have any questions or comments concerning VECTREN SOURCE's services, Customer can contact VECTREN SOURCE toll free at 1-866-306-8136 during the hours of 8:00 a.m. to 6:00 p.m. Eastern, Monday through Friday, by mail at P.O. Box 3037, Evansville, IN 47730-3037 or by e-mail at customer@vectrensource.com. Should a dispute arise between Customer and VECTREN SOURCE that cannot be resolved by a VECTREN SOURCE Customer Service Representative, then that dispute will be referred to a VECTREN SOURCE Customer Service Manager for consideration. A determination regarding the dispute will be communicated to Customer either by telephone, regular mail or electronically. If Customer's complaint is not resolved after Customer has called VECTREN SOURCE, or for general utility information, residential and business customers may call the Public Utilities Commission of Ohio (PUCO) toll free at 1-800-686-7826 or for TDD/TTY toll free at 1-800-686-1570, from 8:00 a.m. to 5:00 p.m. weekdays or visit www.puco.ohio.gov. Residential customers may call the Ohio Consumers' Counsel ("OCC") toll free at 1-877-742-5622 from 8:00 a.m. to 5:00 p.m. weekdays, or visit the OCC website at www.pickocc.org or as otherwise specified by the OCC.

Rescission and Cancellation of Contract: VEDO will send Customer a letter confirming Customer's enrollment with VECTREN SOURCE. Customer has seven (7) business days from the postmark date of that letter ("rescission period") to change his/her mind and to rescind Customer's enrollment by contacting VEDO at 1-800-362-7557. If Customer voluntarily returns to VEDO after having selected VECTREN SOURCE as Customer's supplier, Customer may be charged a price other than the VEDO Standard Service Offer rate. Also, should Customer decide to switch from one supplier to another, VEDO may impose a switching fee if provided for by the VEDO tariff. If Customer wishes to cancel participation, customer may contact VECTREN SOURCE at 1-866-306-8136 and VECTREN SOURCE will process Customer's request. This request to cancel will become effective on Customer's next regularly scheduled meter reading date.

Contract Termination: This Agreement shall terminate automatically if: a) the requested service location is not served by VEDO; b) Customer relocates; or c) VECTREN SOURCE returns Customer to utility service if such termination is permitted by this Agreement. Customer has the right to terminate this Agreement if: a) Customer relocates; or b) for the same reasons that VECTREN SOURCE has a right to terminate this Agreement.

Payment Information: Customer has the right to request, without charge, up to twenty-four months of payment history for services performed by VECTREN SOURCE.

Non-disclosure of Information: VECTREN SOURCE will not release Customer's account number or Customer's social security number (if Customer provided it) without Customer's affirmative written consent.

Assignment: This contract is assignable by VECTREN SOURCE without Customer's consent subject only to any regulatory approvals.

Eligibility: This Agreement is for residential and small commercial customers who satisfy PUCO and VEDO tariff eligibility criteria. Also, VECTREN SOURCE reserves the right at any time to terminate service to Customer locations that consume more than 500 Mcf per year and return Customer to VEDO with no penalty to either party. Further, participation in the Program is subject, in part, to the rules implemented by VEDO and, as a result, customers are sometimes terminated from the competitive retail access program. Regardless of the reason for termination, in no case will the Term be extended for months that Customer was unable to participate nor will VECTREN SOURCE have any liability for any early termination or for any months that Customer was unable to participate in the Program.

Limitation of Liability: VECTREN SOURCE assumes no liability or responsibility for losses or consequential damages arising from items associated with VEDO, including, but not limited to: operations and maintenance of their system; any interruption of service; termination of service; or deterioration of service, nor does VECTREN SOURCE assume responsibility or liability for damages arising from any in-home or building damages and in addition shall not be responsible for any indirect, consequential, special or punitive damages whether arising under contract, tort (including negligence or strict liability) or any other legal theory.

Excuse of Performance: If an event of Force Majeure occurs, the prevention of which is beyond the control of VECTREN SOURCE (including, but not limited to, an Act of God, an extraordinary weather problem, a failure of the utility's distribution system, a civil disturbance or a national emergency), that prevents VECTREN SOURCE from performing VECTREN SOURCE's obligations under these terms and conditions of Agreement, VECTREN SOURCE's performance obligations shall be considered excused.

Opt-In Form Washington Court House Natural Gas Governmental Aggregation

By returning this signed form, you will be automatically enrolled in the City of Washington Court House Natural Gas Governmental Aggregation Program.

⊕ Vectren Energy Delivery of Ohio account holder name (please print clearly): _____ Account Holder's Signature: _____ ⊕
Phone Number _____ Date: _____
Price Guarantee Number: 530000136 _____

To be included in the program you must include your 16 digit VDO Account number exactly as it appears on your bill.



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⊕ Washington



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