



City of Cleveland Heights Natural Gas Aggregation Program



October 28, 2009

Dear Resident,

Welcome to the eighth year of the City of Cleveland Heights Natural Gas Aggregation Program. Over 5800 residential and commercial customers are currently participating in the City's Program. IntegrYS Energy Services is pleased to continue as the supplier to the City's Natural Gas Aggregation Program.

In November of 2001, the City of Cleveland Heights' voters authorized the City's creation of a natural gas aggregation program. The City's Aggregation Program is an automatic aggregation whereby residential and commercial customers who are either eligible Dominion East Ohio Gas customers or who are currently Cleveland Heights Aggregation Program participants, ("Eligible Residents"*) will be automatically enrolled unless they opt-out. Cleveland Heights' Natural Gas Aggregation Program is supplied by IntegrYS Energy Services, Inc.

A resident who has an existing contract with another retail gas supplier is not considered an Eligible Resident, and will not be automatically enrolled in the program. However, if you are receiving this letter, our records indicate that you are an Eligible Resident and will be automatically enrolled in the program unless you opt-out.

The current Program Rate will expire with November, 2009 billing. With this letter, IntegrYS Energy Services is offering Eligible Residents a choice of a Yearly Rate of \$ 6.92 per Mcf or a Quarterly Variable Rate.

With either rate option you will receive our new Ecovations™ renewable gas product which is an innovative, eco-friendly alternative to our conventional natural gas offerings. This product is a blend of renewable gas and carbon emission offsets for a portion of the natural gas you use and is being made available to you **at no additional cost.**

The Cleveland Heights Natural Gas Aggregation Program is designed to allow Eligible Residents to choose a rate that fits their gas needs. All customers should review the details of these two options on the following Terms and Conditions pages to choose the rate that is best for them. Eligible Residents who do not contact IntegrYS Energy Services and do not opt-out will automatically be placed on the Yearly Rate.

In order to receive the Yearly Rate, you do not need to respond! You will automatically be enrolled in the Program effective with your November 2009 service (December 2009 billing) unless you decide to opt-out of the program. If you are currently a Program participant, your rate will automatically be adjusted effective with your November 2009 service (December 2009 billing). All Eligible Residents will be automatically enrolled in the Aggregation Program unless they opt-out during the 21 day Opt-out Period. The City's Program is an opt-out aggregation program. At the risk of being repetitious, we again emphasize that you are automatically in the Aggregation Program unless you choose to opt-out.

To take advantage of the Yearly Rate you need do nothing! If you choose to opt-out, within the 21 day Opt-out Period, there will be no charge.

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Residents who wish to opt-out of the City's Program must complete and return the enclosed Opt-out Post Card to Integrys Energy Services postmarked no later than November 18, 2009, or you may simply call Customer Service at 1-888-566-1117, 24 hours a day, 7 days a week, on or before November 18, 2009. Telephonic opt-outs will be recorded to comply with the Public Utilities Commission of Ohio's verification requirements.

It is our pleasure to serve you. For more information, please call 1-888-566-1117, 24 hours a day, and seven days a week. You may also visit our website at www.integrysenergy.com/clevehts.

Sincerely,

Integrys Energy Services, Inc.

Enclosure

*See Page 2 of enclosed Program Terms and Conditions for a further explanation of eligibility.



City of Cleveland Heights Natural Gas Aggregation Program



THE CITY OF CLEVELAND HEIGHTS NATURAL GAS AGGREGATION PROGRAM TERMS AND CONDITIONS

The City of Cleveland Heights and IntegrYS Energy Services, Inc. offer you a choice. You may choose either the Yearly Rate or the Quarterly Variable Rate.

All customers that remain in the Program will be placed on the Yearly Rate, unless they contact IntegrYS Energy Services by calling 1-888-566-1117 to opt-out of the Program or to request the Quarterly Variable Rate. Please carefully read the rate descriptions below to choose the rate that is best for you.

Either rate option listed above includes our new Ecovations™ renewable gas product at no additional cost to you! Our Ecovations™ renewable gas offering means the carbon dioxide emitted by burning eight percent (8%) of the natural gas you use each year will be offset through a blend of renewable gas and carbon offsets. In an effort to support renewable gas projects, a notable portion of this offering will be accomplished by sourcing gas from renewable sources (such as gas generated from municipal landfills, waste water treatment facilities, and animal waste lagoons), and the remainder by purchasing carbon offsets.

This opt-out notice is for participation in the City of Cleveland Heights' Natural Gas Aggregation Program. Current customers are being offered the opportunity to choose the new Yearly Rate with this notice. Newly eligible customers may also join or opt-out of the new Yearly Rate at this time.

Yearly Rate

The City and IntegrYS Energy Services determine yearly rates by striking a price on the NYMEX gas market and adding the IntegrYS Energy Services adder plus any applicable utility charges.

IntegrYS Energy Services' Yearly Rate November 2009 service (December 2009 billing) through October 2010 service (November 2010 billing)	\$6.92 per Mcf
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It should be noted that the Dominion rate is variable and changes monthly.

IntegrYS Energy Services' rate excludes all applicable state and local taxes and Dominion East Ohio Gas' service and delivery charges. Rates include, a 1.034% BTU fee, a \$.035 pooling fee and a 3.1% fuel charge. Should any of these utility pass-through charges increase at any time during the term of this agreement, the increase will be passed through on our rates and notification will be sent to all customers explaining the specifics of the change.

Quarterly Variable Rate

Under the Quarterly Variable Rate option your cost for gas will vary quarterly depending upon the gas commodity market. The rate for each quarter will be calculated by the 15th day of the last month of the previous quarter and will be based on IntegrYS Energy Services' charges plus the NYMEX closing price on that date. The quarters will be November 2009 service, December 2009 through February 2010 service, March 2010 through May 2010 service, June 2010 through August 2010 service, and September 2010 through October 2010 service.

The rate for the current quarter (November 2009 service, December 2009 billing) under the Program is \$ 5.89/mcf. The rate for each future quarter may be obtained by contacting IntegrYS Energy Services' customer service at 1-888-566-1117 or by logging onto the Program's website at www.integrYSenergy.com/clevehts.

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To choose the Quarterly Variable Rate, customers must contact Integrys Energy Services. Our customer service call center is available 24 hours a day, 7 days a week, at 1-888-566-1117 or customers may request online at www.integrysenergy.com/clevehts on or before November 18, 2009. Customers who do not contact Integrys Energy Services will automatically be placed on the Yearly Rate. Customers choosing to switch between the Yearly Rate and the Quarterly Variable Rate outside of the 21 Day Opt-out Period may be charged a \$35 exit fee.

Terms and Conditions

Enrollment in the Aggregation Program is automatic. **If you want to remain in Cleveland Heights' Program, at the Yearly Rate, do nothing.** With this mailing, Cleveland Heights is offering a 21 day Opt-out Period. The Opt-out Period coincides with the Program's Enrollment Period. There will be no charge from Cleveland Heights or Integrys Energy Services for opting out during the 21 day Opt-out Period. **If you do not wish to be part of Cleveland Heights' Program, you must opt-out of the Program by completing and returning the enclosed Opt-out Postcard to Integrys Energy Services, Inc. postmarked no later than November 18, 2009, or by calling our toll-free number, 1-888-566-1117, on or before November 18, 2009.** Telephonic opt-outs will be recorded for verification purposes. The Public Utilities Commission of Ohio requires that all Aggregation Program Participants be given the opportunity to opt-out at least every two years, without paying an exit fee. After the Program begins, Cleveland Heights Yearly Rate customers may switch (out of the Program) at the end of the Yearly Rate, at no charge.

Service under the Aggregation Program is subject to the rules and regulations established by Ordinance #128-2002 (MS) of Cleveland Heights City Council and provided in the City of Cleveland Heights' Natural Gas Aggregation Plan of Operation and Governance.

Integrys Energy Services will begin serving all customers that do not opt-out of the Aggregation Program with November 2009 service (December 2009 billing). Customers that do not opt-out of the Program will be automatically enrolled and placed on the Yearly Rate option unless they contact Integrys Energy Services by calling 1-888-566-1117 to request the Quarterly Variable Rate option. Individuals seeking to join the Cleveland Heights Aggregation Program after the enrollment period will be allowed to do so at the above listed rates, or at a market-based price, subject to the written policies of Integrys Energy Services. Participants seeking to switch out of the Program after the enrollment period, but planning to continue natural gas service at the same address with a supplier other than Integrys Energy Services, or switching between the Yearly and Quarterly offers after the enrollment period ends may be subject to a \$35 exit fee assessed by Integrys Energy Services and may be subject to a switching fee from Dominion. Participants that move within or out of Cleveland Heights will not be assessed an exit fee. Integrys Energy Services will pay any switching fees imposed by Dominion relating to enrollment in the City's Program. To the extent applicable, participants of the program may terminate their participation without penalty under the following circumstances: (1) the customer relocates; (2) the contract allows Integrys Energy Services such a right for reasons other than non-payment. Participants in the program will be automatically terminated without penalty if (1) the participant's service location is no longer within the Dominion service territory; (2) the customer moves outside of the boundaries of Cleveland Heights; (3) if Integrys Energy Services returns the customer to Dominion under these terms and conditions or under provisions in the agreement between Integrys Energy Services and the City and/or the Plan of Operation and Governance.

Integrys Energy Services does not disclose or use customer account numbers for matters other than operation and maintenance of the Program or collection matters without the customers' affirmative written consent or PUCO or court order. Integrys Energy Services will not disclose a customer's social security number without the customer's affirmative written consent or court order.

Billing/Credit Policy

Customers will continue to receive one bill from Dominion East Ohio Gas. The only change will be that Integrys Energy Services' charges will appear as a special line item. The charges will appear on your bill under Integrys Energy Services. Special billing options with Dominion East Ohio Gas, such as budget payment plan, Check-Free automatic bank account withdrawal, Heat-Share, HEAP Credits, etc., will remain available. In the past Dominion East Ohio Gas' policy for delinquent supplier charges was if a customer became 60 days delinquent on any of their natural gas bills they will be dropped from the Program and Dominion East Ohio Gas will become their supplier. A waiver of this policy was recently approved by the PUCO. The waiver authorizes Dominion East Ohio Gas to disconnect a customer's gas service 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. Participants in the Program may request from Integrys Energy Services up to 24 months of the participants' payment history for services rendered by Integrys Energy Services at no charge.

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Enrollment

To take advantage of the lower-priced natural gas, you do not need to do anything; enrollment is automatic. The Program was developed with the intent to save you money. If you opt-out you will miss this opportunity. Service will begin with your November 2009 service (December 2009 billing). You will not see any difference or change in the way you receive your natural gas.

Current Program participants will see no disruption of service. The rate will automatically be switched effective with November 2009 service (December 2009 billing).

After the opt-out period has ended new customers to the Program will receive a notice from Dominion offering an additional nine calendar day rescission period to cancel enrollment in the Program without penalty. Customers who wish to remain in the Program and receive the Program rate should do nothing in response to this letter.

Eligibility

Only residents within the City of Cleveland Heights' boundaries receiving residential natural gas from the utility Dominion East Ohio Gas or currently enrolled in the Cleveland Heights Aggregation Program are eligible for this Program. Residents not in good credit standing with Dominion East Ohio Gas or currently served by another supplier (outside of the Aggregation Program) will not be enrolled in the Program. Percentage of Income Payment Plan (PIPP) customers are not eligible to participate in the City's Program. Customers that are both a distribution service and mercantile customer are not eligible.

If you are not currently a Program Participant or are presently a Choice customer under contract with a supplier other than the utility Dominion East Ohio Gas and would like to join the Cleveland Heights Aggregation Program, you should contact your supplier and read your contract to make sure there are no applicable exit fees. If, after you have contacted your supplier, you want to join the Aggregation Program contact Integrys Energy Services at 1-888-566-1117 to accept the Program's rate.

Integrys Energy Services makes every effort to send notices to only eligible customers within the City of Cleveland Heights. Occasionally, an ineligible customer may receive this notice by mistake. If you receive this notice and are not eligible to participate, or are inadvertently switched and are not a Dominion East Ohio Gas customer residing in the City of Cleveland Heights, we urge you to please contact Integrys Energy Services immediately.

Service

To report any problems with your natural gas service, report a gas leak, billing problems, meter reading, estimated readings, and budget payment plan amounts; you should still call Dominion East Ohio Gas. However, if you have a question concerning the Integrys Energy Services rate you are being charged on your monthly Dominion East Ohio Gas bill you will need to contact Integrys Energy Services at 1-888-566-1117.

Sales Tax

Customer bills will include Cuyahoga County sales tax on all Integrys Energy Services charges. Tax-exempt customers wishing to participate are requested to please send their most recent tax-exempt certificate on or before November 18, 2009. **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.** Send certificates to: Integrys Energy Services, 300 West Wilson Bridge Rd, Suite 350, Worthington, OH 43085 or fax to 1-614-844-4306. Be sure to note the Cleveland Heights Aggregation Program on the fax.

Dispute Resolution Policy

Integrys Energy Services will attempt to resolve all customer complaints within 3 business days after receipt of the complaint. Residents may contact Integrys Energy Services by calling 1-888-566-1117, on our website at www.integrysenergy.com/clevehts, or via mail at 300 West Wilson Bridge Road, Suite 350, Worthington, OH 43085. If your complaint is not resolved after contacting Integrys Energy Services or for general 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. The Ohio Consumers' Counsel (OCC) represents residential utility customers in matters before the PUCO. The OCC can be contacted toll free at 1-877-742-5622 from 8:00 a.m. to 5:00 p.m. weekdays or visit www.pickocc.org.