

RECORD OF PROCEEDINGS

Minutes of

COUNCIL OF THE CITY OF NORTH CANTON

PUBLIC HEARING

Meeting

DAYTON LEGAL BLANK, INC., FORM NO. 10148

Held Monday, January 3 6:30 p.m. 20 05

CALL TO ORDER:

The public hearing was called to order Monday, January 3, 2005 at 6:34 p.m. by President of Council Jon Snyder.

The following members of council were present for the public hearing: Foltz, Kiesling, Lane, Lindower, Peters, Sarbach and Snyder. Also present were: Mayor Rice, Director of Administration Miller, Director of Law Pusateri, City Engineer Benekos and Clerk of Council Kalpac.

Notice is hereby given that a public hearing will be held by the Council of the City of North Canton on Monday, January 3, 2005 at 6:30 p.m. in the Council Chamber at North Canton City Hall on the City of North Canton's Natural Gas Aggregation Program Plan of Operation and Governance.

Mr. Snyder: Pursuant to the vote on the second day of November, 2004, it passed and positive that the electorate decided the city should enter into a gas aggregation. As part of the requirement, the statute requires that we hold two public hearings. This is the first of two. The second one will be held next Monday evening at the same time, same location. The only thing I know is if there's anyone in the audience wishing for further explanation or the requirements of the aggregation we can address it. Normally there are proponents and opponents but in this case everyone is a proponent. The law does require that everybody will be placed into the aggregation and the only way would be to opt out by signing the form and returning it to the Administrator's office, who by either by his own wishes or the blessing of the Mayor has become the procedural officer for the gas aggregation. But if there are any questions that we may answer or be asked or any questions of the Council.

Mr. Miller: If I may Mr. President.

Mr. Snyder: Yes sir. Please.

Mr. Miller: We have a gentleman here from Buckeye Energy who we've hired as our consultant that can outline the plan and go through the process. Mr. Komara.

Mr. Snyder: I think that'd be good, Mr. Komara.

Mr. Komara: Hi, good evening. My name is Joe Komara and I'm an energy broker for Buckeye Energy Brokers. And that is correct, we've been hired by the City, Stark County, Alliance and Canal Fulton to administrate the natural gas aggregation program the voters approved on November 2nd. I have a short hand out, little ten minute meeting. Be happy to answer any questions. I'll go ahead and pass these out.

Inaudible

Mr. Komara: Does everybody have a copy? Inaudible. Once again, my name is Joe Komara I appreciate the opportunity to be here tonight and this little short hand out that everyone has is a description of the program that everyone voted for and the mechanics of how it works. Basically, we'll just review it and if there's any questions please feel free to stop and ask. Once again, the purpose of this program, Natural Gas Aggregation, is to combine the natural gas loads within the municipality to gain bargaining power and to lower rates. The process of aggregation, Ohio House Bill 9 gave municipalities the authority to create natural gas aggregation programs. The ballot was passed by a wide margin, I believe it was 6,600 to 2,200, uh four. We're here to hold the first of two public meetings on this plan of operation. Residents will be given a chance to opt out of the program. Anyone who doesn't want to be in it, I guess that's the, the difference between the program that's in effect right now. All residents who are in the program, in a program right now, it was their conscious choice to be in it. The difference between the program that the residents voted on it's an opt out program. All residents will be included unless they make a conscious choice not to be in it. Going over to Page 2. The Reliability of the Natural Gas Supply. The community is using natural, or using professional assistance, myself and Mr. Tom Bellas represent Buckeye Energy Brokers. We currently work with over thirty-five different cities throughout the state of Ohio for gas and electricity. The Public Utilities Commission has established minimum reliability standards. Dominion East Ohio has no incentive to provide a lesser service to those who switch. By law, they're mandated, Dominion East Ohio will be everyone's natural gas utility. Nothing will change the bill will still come from Dominion East Ohio and in fact, I'm sure that many residents in North Canton already belong, if not to the program that was just started in November, probably belong to a program by another supplier and that's what it's all about. The law does state that any resident has the opportunity to purchase their gas from another supplier. Dominion owns the pipes and everything else that delivers that gas to your house. Or you have opportunity to stay with Dominion. The main thoughts with aggregation are that residents can achieve a lower price which North Canton's price for this winter is \$8.34, the Dominion price for the month of December was \$9.32 and the Dominion price for January, this January starting tomorrow as a matter of fact, January 4th will be \$9.08. So anyone who's currently signed up to the program that was offered by the City has made a good choice. Their saving dollars and that's the whole purpose of the program. Buckeye Energy

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Brokers we will issue a Request for Proposal to several natural gas suppliers. In fact, we've already, we've already began to do this on behalf of North Canton, Stark County, Canal Fulton and Alliance. We're trying to seek multiple priced offers, fixed and variable. The program that's in effect now is fixed through the month of May. Throughout the summer it will be a variable price, that's the program in effect. I do believe the programs that we would try to achieve it's been the best, it's been the most successful for an overall savings. And ultimately, the main thrust of this program throughout Stark County would be to merge not only North Canton's program, but merge that with the city of Canton, city of Stow, city of Euclid, city of Green to create a buying body of over 100,000 people. And if the timing and everything works out right that's the ultimate goal and I believe we're well on the first step to trying to achieve that. Final negotiations after the, the suppliers will respond with bids and then final negotiations, of which the City will have a part, for the best rates, terms and conditions will be held with the winning bidder. The residents will then be notified of those rates, terms and conditions. The local utility, Dominion East Ohio will provide the selected supplier with a list of eligible customers and to be eligible for the opt out program which will be begin probably in October but may begin in fact in May. There are a few requirements. One of which is you cannot already be signed up for, for program, which several, several residents are. Second requirement is you have to be current on your, on your gas bill. Third requirement is you cannot be a percentage of income payment plan, a PIPP Program. You cannot be enrolled in that program. And once again, the resident must live within the community boundaries. Within the North Canton City limits. Customer Billing, I'm now on Page 3. There will be very little change. Local utility continues to read the meter and send the bills. The new supplier will have a portion of that bill where their name and phone number will be included on the bill. The resident would make the payment back to the local utility budgeting, budget billing will be maintained and requesting it is still an option. Automatic payment and internet options, anybody who can pay or does pay their bills through automatic withdrawal, nothing will change along those lines. Credit and collection will remain the responsibility of the local utility, the new supplier and the member. The City has no stake at all in late gas bills, late payments. It is not any municipalities, it does not get involved, no municipality gets involved in any collection function of any kind. Most of all your residents have to pay their gas bill just like they always have or they are subject to notices and ultimately may have their service cut off. The community has no additional requirements. It's not responsible for late payment or non payment. And if a resident is dropped, doesn't mean your gas service is ended. A resident would always go back to the default utility, or in this case Dominion East Ohio. You would then be back assigned to them if your dropped from the program for any reason. Going on to Page 4. Customer Service and Dispute Resolutions. There are several numbers there. Obviously the first one is Dominion East Ohio, it's an 800 number. Joining or leaving the program. Once a selected supplier is determined, that phone number will be made available to everyone. Aggregation Program questions can be addressed to Buckeye Energy Brokers. There's an 800 number that's available and any unresolved disputes you can always approach the Public Utilities Commission. That's every citizen's right to do so and to have them weigh in with their opinion. Moving Into or Within the Community. If you move into the community after the program starts, you are not automatically guaranteed. There'll be an initial sign up period depending it would be twenty-one days. If someone would move in after program starts the supplier may in fact let you into the program. Which I know Direct Energy over this winter after the effective sign up period ended, they did in fact allow people to still enter. However, that's always not guaranteed but usually they will let you enter. I can't guarantee that it will always be at the program price. If not, you'd have to wait till a variable month after a fixed period and you would then be allowed to enter the program. If you move within the community, your bill, your number, your account number moves with you. If you move from one section of town to another, build a new house, you can still remain in the program. Nothing else would change. And at that point you would have the same account number. Members would maintain the same rate at the new location. If the rate is higher, a member may opt out free of charge. The last slide on Page 4, Joining or Leaving the Program. This similar to new residents, you contact the supplier and it's, it's up to them. Their discretion whether or not to sign you up or force you to wait to a the opt, the next sign up period. If you leave a program, current program in place with North Canton very advantageous. Most suppliers do charge an early termination fee; however, the pro...Direct Energy was selected for North Canton, Stark County, Alliance and Canal Fulton. They do not charge an early termination fee. What that means for the residents, it's a safety net. If the market suddenly, if gas prices would go down and your stuck at a fixed price. At the \$8.34 price, if gas prices suddenly dropped to \$6.00 residents could then go back to Dominion at no cost or expense to them. So we feel it's a really good benefit, it's a worthwhile benefit and it protects the citizens while giving them the opportunity to try to save money over the course of the program. Right now, as I said before, North Canton's price is \$8.34 for those who signed up Dominion's price is going for \$9.08. So right now, over the, since the program started North Canton's residents have definitely saved some dollars. Moving on to Page 5. The plan will be available for viewing, I'll certainly leave a few copies here tonight. Each resident would notify, be notified if any material plan changes. You'll be notified of opportunities to opt out of the program. The community will be certified, North Canton will be certified with the Public Utilities Commission before a price can go out to all the residents. Buckeye, once again, will administrate and complete all the filings on behalf of the City and it would be done at no expense to the City. The local utility will cooperate with the City and the chosen supplier. Dominion's been real, really a good partner in this situation. They realize that at all times, it's hard to buy enough gas for a cold winter's day in North Canton. How much gas do you actually have to buy? They're not in the business to make money, in fact, state law the portion of your bill that utility

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actually makes money is not on the gas. Dominion is required by law to do the best job that they can to purchase gas on behalf of all their customers. And they sell it at, they sell it at no profit. And that's required by law. However, that is the portion of your gas bill that you are permitted to try to save some dollars. So for those who are still with Dominion at this point, and are use to paying a gas bill, well they'll still have that opportunity if in fact they want to. For those who want to try to save some dollars on their gas bill, then obviously this program would be a good choice and a good opportunity to join in this aggregation over 60,000 other accounts. The large volume of buying power, you bring that to one supplier, that cuts their marketing costs, it cuts a lot of costs out of the entire equation. So much so that, that's where the real cost savings can come in. A large buying group to one supplier represents a significant portion of business that they don't have to go out and send cards and do all the marketing and advertising that they would for an individual. So it makes sense that, once again speaking, if North Canton and Stark County can merge with all the other cities at the same time, that's the overall goal of this program, that would be a wonderful buying group with a real good opportunity to try to save dollars off the local utility, Dominion East Ohio's cost. And basically, this program designed to help, to help everyone but particularly a resident who doesn't have an opportunity to go out. Right now, I live in the city of Wooster. We don't have a program. There's been some talk about trying to get one so we are left with the apples to apples chart that the Public Utilities Commission and you're left with four choices there. None of which, I can tell you, are worthwhile. And I can tell you that with all sincerity and but over here in North Canton, Canal Fulton, Stark County, you'll have the opportunity to save some dollars over a period of time. It's all public and it's a well run and it's a well founded proven idea that residents should be happy to have the opportunity to be enrolled in and at this point I'll certainly take any questions.

Mr. Snyder: I have a couple questions, Joe, if I may ask. Number one, what happens to the gas recovery charge? That still goes to Dominion?

Mr. Komara: The gas cost recovery that is the charge that we will, the \$8.34...

Mr. Snyder: That's where that's located.

Mr. Komara: That takes, that takes the place of that.

Mr. Snyder: Then the person that is on a budget will continue to receive x dollars in budget?

Mr. Komara: Yes.

Mr. Snyder: So that wouldn't change the recipient's budget?

Mr. Komara: No. No, local utility bases a budget upon....

Mr. Snyder: Use. Prior.

Mr. Komara: ...the volumes of the use throughout the year.

Mr. Snyder: Then the third question I have and then, if the City, when we have everyone will go in within the corporate limits, business, government, everyone but in the particular case where we're in the SCOG for the City for our gas. So we drop out of that or do we stay right in there?

Mr. Miller: At this point in time, the idea would be to stay in that because that's a....

Mr. Snyder: It's cheaper.

Mr. Miller: ...different type of program than what we're talking about here. This program for opt in, opt out only goes up to a certain level of cubic feet per month. The SCOG, the larger buildings, if we have a larger building, the Water Treatment Plant, that type of thing. That's where SCOG is still going to need to be effective in order to be able to negotiate those prices.

Mr. Komara: That's exactly correct. This is limited to 500 MCF. The amount of about, a house uses about 100, 125. So a single account can use up to 500 MCF. We're up to 1,000.

Mr. Snyder: So they, say the case of the Hoover Company, their not permitted to get into the program.

Mr. Komara: That's correct. The Hoover Company by a large....

Mr. Snyder: Their excluded. Well they would buy direct anyway.

Mr. Komara: They would buy direct and I'm sure they have someone on staff to do that for them.

Mr. Snyder: Same with power. They buy bundled power and so forth.

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Mr. Komara: That's correct. And you have American Electric Power here?

Mr. Snyder: Yes.

Mr. Miller: Yes.

Mr. Komara: You have the best. Not Ohio Edison. But for all those smaller businesses any storefront business through town they would have that opportunity also.

Mr. Snyder: So then other words, anyone for 500 cubic feet or less can buy...inaudible. Thank you.

Mr. Komara: That's correct. They'll have the opportunity.

Mr. Lane: Hypothetical, you talked about people being able to, if the gas prices fell, they'd be able to drop out. Would it be in the best interest of whoever our direct energy would be would they re-price their product at some point in time during that contract to compete then with Dominion? Is that a possibility that, or would they be stuck with no customers and an \$8.00 rate if everybody else is paying \$6.00 and they all went back to Dominion?

Mr. Komara: Well you're entirely correct. The supplier in this instance, these suppliers that are going to bid on North Canton's business, they bare all the risks. They bare all the risks. They, because they have to buy the gas today, at today's prices to deliver at some point in the future. Where, we don't know what prices are. Today prices are, prices market today is as low as it's been in any time in the previous thirteen months. So the gas that was purchased, eventually, that's why this program is structured to protect the citizen over the winter months. From November to May, October to April any house uses 80-85% of the gas volume you're going to use all year long you use in those months. It makes good sense to try to fix those months and establish a price. In the summertime then it goes to a variable rate that is based on a New York Mercantile Exchange closing. They provide a wholesale price, the supplier provides their retail adder, add the two together and that's your price. That may or may not beat the local utility, beat Dominion, but in essence in the summertime most homes only have hot water and maybe a grill or something like that. So the volume, even though it may be a little bit higher, the actual dollars that are paid out over the course of twelve months the program still saves money.

Mr. Lane: So under this, when this goes into effect, we still would have that option as we do now.

Mr. Komara: That's correct. The rates, the terms and conditions will be announced to everyone. The program as it is right now direct, the program that's in the opt in program, that's in, Direct Energy has essentially frozen their component, their retail portion of that for a period of two years. The City struck a price in September and will have that opportunity to do so next August and September theoretically when prices are low; however, for this opt out program, actually the residents that are in the Direct Energy Program now have a good opportunity to compare, compare prices. There's no early termination fee, there are no penalties to get out of one into another and ultimately the goal is to make them both seamless as to all residents are in one program. I hope that answered some of it.

Mr. Lane: Thank you.

Mrs. Kiesling: I have, go ahead.

Mr. Peters: I have a quick question. As far as the current city residents their under contract of a third party supplier, if, say their contract ends in March are they automatically enrolled into the program or would they be allowed to opt in at that point? And at what price?

Mr. Komara: Typically what happens when a contract, my contract just expired New Year's Eve, December 31st, forty-five days before, it's a Public Utility Commission law, state law, you have to be notified that your current contract is going to expire. Well everyone needs to make some type of individual decision and at the same point our number's available that supplier's number's available if they want to wait for the City's program when it starts, when it starts then you know say they expire in April, then they need to chose whether or not, well gee for the summer I'll go back to Dominion, I won't get hurt. You might not, you know, bare any consequence of that and then go ahead and join the City's program; however, if the, you know, new offer comes out market conditions present themselves that, that individual might want to stay with Shell Energy or might want to stay with IGS or WPS. You know that's an individual decision that everyone does need to make because there will be a sign up period and if your contract ends before that then you need to determine, gee is it worth my while to wait till the new program starts or should I try to, you know, lock up something. What's out there right now that, on the apples to apples chart, most suppliers are advertising one and two year fixed rates to me are very, very high. I see no good real reason to lock into a high rate, lock into a rate when the market, typically in the summer, starts to dip. So and you're, and you're fixed up here. What the program, what the City's program tries to provide is an insurance policy for the winter months, fixed in winter and then let it float in the summer. But yes, every resident would have

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a chance to, and you could leave the program you're in. If you're currently enrolled in a program but I would caution everyone to check with that supplier to see if they have any, early, early termination fees. Most suppliers don't if you've been there more than a year most suppliers don't charge you. Can't guarantee it but my supplier didn't.

Mr. Peters: So if their contract expires after the program starts and after we struck our price they can opt in after that at this price originally.

Mr. Komara: Um, they might be able to. There's no guarantee. If the market rates, if the market goes up and prices are substantially higher, there's then everybody would want to get in. There's no real guarantee. They may, Direct Energy, has been a good supplier in effect that they did let people get into the program after the initial enrollment period. But I think they would, all residents would have a chance to get in, can't guarantee it would be at that price.

Mr. Peters: Alright.

Mr. Komara: Depending what time of year it would be.

Mr. Snyder: Initially every resident will have the opportunity to participate and will be commanded to participate unless they fall into the program of some type of supplemental pay or their in another program, is that, am I correct in that?

Mr. Komara: That's correct. Those who are signed up with another supplier...

Mr. Snyder: Have no opportunity unless they leave that supplier.

Mr. Komara: Yes, or they call the number and make an effort. The ones, the residents that will receive cards are those who are just with Dominion East Ohio.

Mr. Snyder: Oh, if a resident at the present is with the another...

Mr. Komara: Alternate supplier.

Mr. Snyder: ...yes, they will not get a card from...

Mr. Komara: They will not get a card. No.

Mr. Snyder: Oh, well we must let them know that. Because possibly I would think that are price would be less because of the amount of people and we need to let those people know that they could probably try to get out of their program.

Mr. Komara: And we will. Typically suppliers do press releases about the time that goes out, cards go out. We, Buckeye, could help you all put something here. Post something on your website. There's lots, lots of different avenues to cover that to make...

Mr. Snyder: Our utility bill or something.

Mr. Komara: ...to make it, to make it worthwhile that the City's price is going to be this please check your individual supplier and get the word out.

Mrs. Kiesling: Question. But as of next fall, we will all be in unless we opt out, correct?

Mr. Komara: That's correct. That's the...

Mrs. Kiesling: So we will all get some kind of notification and we have to decide whether, if we want to opt out we'll probably have to sign it and send it back?

Mr. Komara: And send it back.

Mrs. Kiesling: So we will get notification?

Mr. Snyder: Unless you're in a program somewhere else.

Mr. Komara: Unless you're already with an alternate supplier.

Mrs. Kiesling: I'm with an alternate supplier.

Mr. Komara: Then you won't get a card.

Mrs. Kiesling: I won't get a card.

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Mr. Komara: You won't get a card.

Mrs. Kiesling: That doesn't make any sense.

Mr. Komara: Well....

Mrs. Kiesling: Because this is an opt out program that we voted on.

Mr. Komara: Dominion, Dominion East Ohio supplies the customer list.

Mrs. Kiesling: Ok.

Mr. Komara: In their eyes the only eligible customers, right now Dominion has 1.5 million customers over 60% have moved away from Dominion. Dominion's talking about not even selling, going to be the utility anymore. Everyone will have to make a choice but to get back to your question, you will not get a card because Dominion provides the list of their customers that are not enrolled with another supplier. Everyone else is enrolled therefore they wouldn't get a card. Differently from the opt in program where the supplier bears the costs, they have to send one to everybody in the community.

Mrs. Kiesling: Right.

Mr. Komara: So it's kind of a little...

Mrs. Kiesling: Yea.

Mr. Komara: ...little, little backward. But that's the only real way the, Dominion, because utility is required to supply the list. They only supply those who are not signed up with an alternate supplier.

Mrs. Kiesling: Interesting. Trying to keep you.

Mr. Lane: Yea, so anybody in the City program now will not get a card? They'll get one from Direct Energy possibly.

Mr. Komara: Uh, possibly.

Mr. Lane: But we wouldn't get one from...

Mr. Komara: If Direct Energy is the chosen supplier. Right now we have sent out the requests for a proposal on behalf of everyone. We're just waiting to get the offers back to see.

Mr. Lane: So if on average, then we're probably talking 40-50% percent of the people in North Canton might be on the alternate plan now.

Mr. Komara: Ah, yes. Typically.

Mr. Lane: Ok. So only half are going to get cards to tell them that their in.

Mr. Komara: Typically that's going to be about it.

Mr. Lane: Ok.

Mrs. Kiesling: So we'll have to keep track of when we negotiate and bid.

Mr. Komara: And that's what I say, getting back to, yea, getting back to a little notice, a little ad in the paper. Something like that and we'll certainly help you with that. It's everybody's interest...

Mrs. Kiesling: Definitely.

Mr. Komara: ...to make sure the program's successful.

Mrs. Kiesling: Right, I needed to state by fall, next fall early, late summer early fall that we're going to have the option.

Mr. Komara: Unless market conditions change such that it's advantageous to get an extended price. As I said before the rates the wholesale market is at it's lowest point right now than it has been in the last fifteen months.

Mrs. Kiesling: Well I locked in at 6.99 for two years last October.

Mr. Komara: When does it, oh you have a good...

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Mrs. Kiesling: Next October, so.

Mr. Komara: Oh, you have a good deal. You have a great price.

Mrs. Kiesling: Right. So I want to keep track of it closely.

Mr. Komara: You have a great price.

Mr. Snyder: Maybe we should hook on to your service.

Mrs. Kiesling: I know, I was impressed.

Mr. Snyder: Is there any other request from Mr. Komara? Uh, Mr. Komara I wonder if we may sir impose on your good nature and possibly ask next Monday we have the second hearing if you would return...

Mr. Komara: I certainly will.

Mr. Snyder: ...for the simple fact that if possibly for our friends in the news media the fact that we may have some more people from the community with some questions that may need some technical answers. If we could impose on you sir that would be greatly appreciated.

Mr. Komara: I can certainly do that myself or Tom Bellas and Tom Bellas would be more than happy to be here. I can...

Mr. Snyder: We do, on behalf of my associates in the Council we do appreciate your courtesy.

Mr. Komara: Thank you very much.

Mr. Snyder: And being here tonight. Mr. Miller thank you for providing that for us.

Mr. Komara: Thank you.

Mr. Snyder: Any other questions, if not we'll adjourn this public hearing. We'll reconvene a new public hearing next Monday, 6:30 p.m. and if people have any questions we'll address them at that time.

Mr. Lane: Anybody in the audience has any...inaudible.

Mr. Snyder: Yes is there any, yes sir.

All citizens speaking from the audience seats.

Mr. Osborne (Identified by Clerk): I have one quick question. Do you have to opt out for two years? You can't just opt out for a year?

Mr. Komara: Uh, if you send your card back and say you don't want in the program you're not in.

Mr. Osborne: For two years.

Mr. Komara: For, unless you decide to get in it. They'll be throughout the year a supplier has to make available, twice a year, has to make two extra sign up periods. So if you send the initial card back in, say October, and you don't want to be in it. You'll have another opportunity to get it probably in March or April of next year. Ok, so even though you send the card back if you change your mind later and want to get in it, you'll have that opportunity at no cost.

Mr. Osborne: Ok, because your handout says or implies you're opting out for two years and you don't have a choice to come back for two years.

Mr. Komara: Well, you, once again if market conditions change, it's at the discretion of the supplier to see what price in fact that is. Because once it's finalized and they sign up the initial pool of people they have to go out and purchase the gas for that two year period. So if you come in later, the price goes down I'm sure they'd let you in. If the wholesale price goes up and they've already purchased the gas, they have enough, they might let you in. I'm sure they, I would think that they would let you in but you might not get the same price that the community...inaudible.

Mr. Osborne: Well if you don't get in at the striking price I don't see the value of trying to opt in.

Mr. Komara: The price might not be struck, the current price is only struck for six months. So the price will be struck for another year, another winter period. So you'll have opportunity to get in, if you don't get in for winter of 2005, 2006 ...inaudible.

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Mr. Osborne: So you have as good as an option of getting the next year's strike price as the rest of the group.

Mr. Komara: Correct. You'll have that opportunity.

Mr. Snyder: Sir.

Unidentified: Currently, I'm with Shell Energy. My contract expires in April of 2005. If I don't renew in April what do I do? Go back to Dominion?

Mr. Komara: Yes.

Unidentified: And then I'm automatically in this program in October when it starts?

Mr. Komara: In October, that is correct. You would receive a card and you'd have the opportunity to get in the program.

Unidentified: Now you say your rates going to be \$8.34?

Mr. Komara: No, I can't guarantee that. That's what the current rate for those who opted in for this winter, right now.

Unidentified: Right now I'm with Shell and I'm at \$7.79.

Mr. Komara: You have a great rate. You have a great rate. Because Dominion is at \$9.32, so you have a great rate. It's the best offer at that particular moment. That's, that's, it's not, the goal of the program is to save money but it's not a guaranteed savings some, like electricity, electricity you can fix it, for those in the First Energy territory however for gas changes throughout the year. Not to drag this out, the summertime more power companies, American Electric Power, Ohio Edison they make their electricity with natural gas. So in essence when the gas companies put gas in the ground save it up for next winter now it's being used. It's a year round fuel. So the markets have changed to reflect that.

Mrs. Garcia (Identified by Clerk): Just as a matter of information, how do we pay you for your services? Does the City pay you or do you get a percentage of what you sell? Or does the gas company...

Mr. Komara: ...the supplier, the selected supplier will pay us on a ...inaudible.

Mrs. Garcia: Inaudible.

Mr. Komara: Inaudible...the prices negotiated are fee is in it.

Mrs. Garcia: Ok.

Mr. Komara: But it costs the City no upfront dollars.

Mr. Osborne: I thought there was a \$5,000 fee we paid is that not correct Mr. Miller?

Mr. Miller: No, we we're going to pay a fee and we managed to negotiate a zero for the initial process and the initial price was going to be 5¢ per thousand cubic feet and ended going down to 4¢ per thousand cubic feet.

Mr. Osborne: That's good.

Mr. Snyder: Thank you sir. Thank you folks. Okay, let it show, that the meeting did, public hearing did adjourn at 7:10 p.m.

The public hearing adjourned at 7:10 p.m.

PRESIDENT OF COUNCIL

ATTEST:

CLERK OF COUNCIL

01/05/05-ALG