

Natural gas rate offers

Some homeowners in the City of Sylvania have received "offers" to sign up with natural gas providers for a promised rate. The City has gotten calls about whether this rate is better or worse than the rate they currently receive under the natural gas group buying program that includes all City of Sylvania customers (unless they have opted out of the program).

Here is some information to help you decide if you should stay with the City program or sign up with another provider.

To increase its ability to negotiate the best deals possible the City joined the Northwest Ohio Aggregation Coalition (NOAC) which is currently comprised of many communities in the Northwest Ohio region. Opt-out governmental aggregation allows the City to group eligible residential and small business energy consumers to help save money on their utility supply costs. This type of aggregation process is allowed under Ohio law passed in 1999 for electricity and 2001 for natural gas provided the voters approve.

The "Opt-Out" programs mean the all customers are included in the agreement unless they "opt-out" (and, provided they have not signed up with another supplier and that their balance is current at the time of the periodic enrollment).

After performing an RFP, the NOAC communities selected IGS Energy (Interstate Gas Supply, Inc.) as the gas supplier for NOAC communities in northwest Ohio. This agreement runs through March 2014. This, Opt-Out program represents over 50,000 natural gas consumers.

Through mid-2013, the NOAC customers that have participated in the natural gas program have saved over \$13 million.

IGS Energy sent notices to all eligible gas customers in NOAC communities announcing an Opt-Out opportunity in August 2013. Those residential and small commercial accounts that did not Opt-Out are now being supplied gas by IGS Energy at a price that is 2.5¢ per CCF less than the Columbia Gas price. The actual cost of the gas during the term will be the NYMEX final settlement price plus no more than \$0.104 per CCF (hundred cubic feet).

The cost of the gas from IGS is included in the billing from Columbia Gas. IGS also markets contracts independent of the NOAC program offering fixed and variable rates at one or two year terms. The NOAC (and the City's) program is identified by the supplier name "IGS (NOAC)"