Constellation
An Exelon Company

Selected Natural Gas Supplier

City of Sidney

Welcome to the City of Sidney Natural Gas Governmental Aggregation Program.

<First Name> <Last Name>
<Address Line 1>
<Address Line 2>
<City> <State> <Zip>

This notification is in regards to your natural gas service at:

<Service Address Line 1>
<Service Address Line 2>
<Service City>, <Service ST> <Zip>

Dear <First Name> <Last Name>,

The City of Sidney has selected Constellation Energy Services – Natural Gas, LLC ("Constellation") as the preferred supplier for its Natural Gas Governmental Aggregation Program in 2016. The program is a two-year program that offers a fixed rate of **$0.3898 per Ccf** beginning with your May meter read.

You're Automatically Enrolled

As an eligible City of Sidney residential or small business customer, you are automatically enrolled unless you decide to opt-out. To learn more about the program, please see the enclosed General Terms and Conditions and the FAQs.

How To Opt-Out

You don't need to do anything to get this low rate. However, if you decide not to take part in the program, we must receive your response in one of two ways by **April 6, 2016** as described below.

1. **Mail:** Return the completed form below to:

   ATTN Ohio Natural Gas Program
   Constellation
   P.O. Box 4911
   Houston, TX 77210-4911

2. **Phone:** Call Constellation at 1-844-275-0797

Here's how you benefit.

- You receive a natural gas rate of **$0.3898/Ccf.**
- You still receive one bill from Vectren Energy Delivery of Ohio (VEDO). It now includes Constellation's natural gas charge.
- You will continue to contact VEDO for emergency or maintenance issues.
- Budget billing and automatic payment options are still available from VEDO.

To learn more:

Call 1-844-275-0797

Sincerely,

Michael Barhorst, Mayor
City of Sidney

Bruce Stewart, Chief Marketing Officer
Constellation

The rate provided will NOT include taxes or local utility charges. If you are already enrolled with another natural gas supplier, a cancellation fee may apply to end your agreement with that supplier. The General Terms and Conditions govern your participation in the Program. **Please do not contact the city. If you have additional questions about this offer, contact Constellation.** Ohio Supplier License #02-021G(6)

<First Name> <Last Name>
<Address Line 1>
<Address Line 2>
<City> <State> <Zip>

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☐ I **do not** want to participate in the City of Sidney Natural Gas Governmental Aggregation Program.

Phone Number
☐ Cell ☐ Work ☐ Home

Service Address:
<Service Address Line 1>
<Service Address Line 2>
<Service City>, <Service ST> <Zip>

<Code>
Opt-Out Code

VEDO Account Number

Signature

Date

What is Governmental Aggregation and how can I benefit?

Under governmental aggregation, local officials bring the community together for improved group purchasing power. The community benefits by receiving competitively-priced natural gas from a retail natural gas supplier certified by the Public Utilities Commission of Ohio.

How is the City of Sidney able to choose a certified natural gas supplier on the community's behalf and who is eligible?

Sidney residents voted to give the City of Sidney the ability to negotiate on behalf of the community for a contract for a natural gas supplier.

Eligible residents or businesses must have received an opt-out notice from Constellation and meet the following requirements:

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.
4. Your service address must be located within the City of Sidney limits.
5. Your utility company must be Vectren Energy Delivery of Ohio (VEDO).
6. You must not be a mercantile, customer (natural gas commercial accounts using over 500 Mcf/year).

What does "opt-out" mean?

"Opt-out" means that you can decide not to participate in the City of Sidney Natural Gas Governmental Aggregation Program. You can opt-out by returning the opt-out form included in your mailer, or through the call center using the phone number provided. If you opt-out, you will not be enrolled as a natural gas customer with Constellation. You will also not receive the City of Sidney competitive natural gas rate.

What happens if I do not send in the opt-out form?

If you do not return the opt-out form by the deadline, you will be included in the City of Sidney governmental aggregation program and receive competitively priced natural gas from Constellation.

I am currently under the budget billing option as provided by VEDO. Can I retain this service?

There will be no changes in your bill as they relate to budget billing and the methodology utilized by VEDO to calculate the same.

Who is Constellation?

Constellation's affiliates are leading suppliers of energy products and services to electric and natural gas customers in 47 states as well as Washington, D.C. We've been helping customers navigate competitive energy markets for as long as customers have had a choice of their energy supplier and have provided affordable energy to businesses nationwide for years.

Constellation's parent company, Exelon, is a FORTUNE 200 company with approximately $33 billion in annual revenues.

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Ohio Supplier License #02-021G(6)

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Governmental Aggregation Program FAQs

City of Sidney

What information do I need to opt-out?

Customers will need the 4-6 digit opt-out code provided in the original opt-out letter. If this is not available, the customer care team can pull up your information based on the mailing address.

Are there fees associated with the program?

Enrollment in the program is free and you need not take any action. You only need to be eligible to participate. Once enrolled in the program, you can cancel your agreement at any time and switch back to VEDO without any fee.

Will I be allowed to join the program after the initial enrollment period

The City of Sidney has secured the same natural gas supply rate, terms and conditions for eligible customers who wish to join its governmental aggregation program after the initial enrollment period. This would include customers who move into the City of Sidney, who were with another supplier and would like to join the aggregation program or customers who initially opted-out and want to join at a later date. These customers will have an individual agreement with Constellation for natural gas supply but will retain the same natural gas supply rate, terms and conditions of the aggregation program.

What is the rescission period?

The rescission period with VEDO is seven days for both residential and commercial customers after enrollment with the new natural gas supplier.

When will my Constellation natural gas supply begin and how do I know when my meter read occurs?

Supply will start on your first applicable meter read date, which we estimate to be in May. Refer to your bill to get the exact meter read date.

What if I am with another supplier and want to join the City of Sidney's program?

Based on the records provided by the utility, we assumed you are not with another supplier; otherwise we would not have sent you this notice. However, if you recently signed up with a new supplier or if you believe you are on an older contract, carefully review the terms and conditions of that agreement before proceeding as your ability to terminate early with that supplier may be restricted.

How can Constellation offer a lower rate than VEDO's current rate?

During select market opportunities, Constellation buys natural gas at a lower rate than VEDO, and then passes on those savings to its customers.

How did the City of Sidney develop this program?

The City of Sidney established a program in accordance with Section 4929.26 of the Ohio Revised Code (ORC), providing the city with the right to arrange for the provision of Supplier Service to its residential inhabitants and small commercial inhabitants that do not opt-out of the program (the "Aggregation Program").

Where can I learn more about natural gas deregulation and assistance programs?

The Public Utilities Commission of Ohio has approved a number of additional assistance programs to help customers with their energy bills. Eligibility and enrollment information about the Home Energy Assistance Program (HEAP), Winter Crisis Program (WCP) and others can be found on the PUCO's website at www.puco.ohio.gov.

What questions should be directed to my Utility?

Please contact VEDO at 1.800.227.1376 for questions on the following topics:

- Problems with your natural gas service
- Questions about the delivery charges on your bill
- Tax exemptions

What happens at the end of my Constellation natural gas contract term?

The City of Sidney will rebid the term and rate on behalf of residents. You will be notified of the outcome by the city and/or supplier for the new term.

Vectren Energy Delivery of Ohio's contact number is 1.800.227.1376

Please refer to the enclosed letter and General Terms and Conditions for program pricing and further information.

To find out more about Constellation visit www.constellation.com

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GENERAL TERMS AND CONDITIONS

Generally the words "you" and "your" refer to the Customer and the words "we" and "us" refer to Constellation, unless the context clearly requires otherwise.

1. Purchase and Sale of Natural Gas. If you do not "opt-out" by April 6, 2016 pursuant to these General Terms and Conditions (the "Agreement"), you will purchase from us on an exclusive basis, and we will take all reasonable action to supply or cause to be supplied, all of your natural gas requirements at the price and for your accounts ("Account(s)"). Pursuant to the Agreement, you authorize us to (i) enroll your Account(s) with your Utility so that we can supply the Account(s), (ii) aggregate your Account(s) with those of other customers of Constellation or its affiliates, (iii) request and receive usage and other information from your Utility with respect to the Account(s) and (iv) enter into agreements with your Utility as necessary under the Utility's tariff to facilitate supply of the Account(s). You agree to cooperate with Constellation to ensure enrollment of your Account(s) in a timely manner. You give us the authority to choose the source of your natural gas supply. Your Utility will continue to deliver your natural gas and provide billing and other services to you. You acknowledge that such transportation service is subject to regulations set forth in your Utility's tariff. **Supply of natural gas under this Agreement is conditioned upon (1) our verification of the accuracy of all information that you provide to us, including information regarding your natural gas usage and the Account(s) and (2) acceptance of enrollment of your Account(s) by the Utility.**

2. Term. This term of the Agreement is effective when enrollment occurs with the Utility with Constellation as your natural gas supplier, subject to your rescission right set forth under "Customer's Rescission Right" below. Subject to successful enrollment of your Account(s), we will supply the Account(s) with natural gas from the first regularly scheduled Utility meter read date after your Utility switches you to Constellation ("Start Date"), which we estimate will be in the month of May 2016 (June 2016 billing cycle). We will supply your Account(s) through the month of April 2018 (May 2018 billing cycle). If the City of Sidney, OH Natural Gas Pricing Program continues beyond April 2018 with Constellation as the supplier, Constellation will send you a notice of renewal including, but not limited to, notice of the new City of Sidney, OH Natural Gas Pricing Program, notice of your right to opt-out of the City of Sidney, OH Natural Gas Pricing Program, and any other changes. The opt-out mailing shall include a provision for return of a post card or similar notice to Constellation, to be returned no earlier than twenty-one (21) days from the post-marked date, and receipt of the opt-out mailing post-marked before the opt-out deadline has elapsed shall count as timely sent. You are entitled to opt-out of City of Sidney, OH Natural Gas Pricing Program at least every two years from the Start Date of the City of Sidney, OH Natural Gas Pricing Program, without a penalty. If for any reason you do not wish to continue, you may cancel this Agreement as provided in Section 4 below. If you do not cancel, this Agreement will renew, and any changes to the General Terms and Conditions will become effective for the term provided in the renewal notice.

3. City of Sidney, OH Natural Gas Pricing Program. Through April 2018 (May 2018 billing cycle), your price will be a fixed rate of $0.3898 per Ccf. **IN THIS PROGRAM, YOU HEREBY APPOINT THE CITY OF SIDNEY, OH AS YOUR AGENT FOR NATURAL GAS SUPPLY PRICING DECISIONS AND AGREE THAT CITY OF SIDNEY, OH HAS THE EXCLUSIVE RIGHT TO MAKE NATURAL GAS SUPPLY PRICING DECISIONS ON YOUR BEHALF WHILE THIS AGREEMENT REMAINS IN EFFECT.**

Note: The fixed or variable price includes (i) all related interstate pipeline charges required to deliver gas to the Delivery Point, plus (ii) administrative costs and fees. In addition to the fixed or variable price, you will also pay the Utility's service charges.

4. Termination. You may terminate this Agreement without penalty at any time for any reason by providing notice to Constellation. Please note that once enrolled, it may take one to two billing cycles beyond the current billing cycle for the cancellation to be effective, as the effective date of all cancellations are subject to your Utility's guidelines. Should you fail to pay any Utility invoice or fail to meet any agreed-upon payment arrangement, your service and this Agreement may be automatically terminated in accordance with the Utility's tariffs. In addition, this Agreement will terminate if (i) the requested service location is not served by the Utility, (ii) you move outside the Utility's service area or to an area not served by Constellation, (iii) we return you to the Utility's sales service pursuant to any termination of this agreement by us, or (iv) you cancel your enrollment with us pursuant to your rescission right provided below. You may terminate this Agreement without penalty if you relocate outside the service territory of the Utility.

5. Customer's Rescission Right. Upon processing your enrollment, the Utility will send you a confirmation letter, which is notice of the transfer of your supply to Constellation. You have a seven (7) day period from the postmark date of the Utility's confirmation letter during which time you may cancel your enrollment, without penalty, by calling the Utility's toll-free number provided in the confirmation letter or by providing written notice to the Utility, which will be effective as of the postmark date.

6. Your Invoice. You will be invoiced by the Utility monthly for all charges applicable to your natural gas usage, including the rates set forth herein, applicable Taxes (which are passed through to you) and all applicable Utility customer charges and franchise fees. You authorize us to act as your payment agent if deemed necessary by us to facilitate consolidated billing. You have the right to request up to twenty-four (24) months of your payment history for services rendered by Constellation without charge.

7. Switching. The Utility may charge a switching fee in accordance with its tariff when you change your natural gas supplier to Constellation. If the Utility charges a switching fee when you change your natural gas supplier to Constellation in accordance with this Agreement, Constellation agrees to pay such switching fee. Constellation will not separately charge a switching fee. If you voluntarily return to the Utility after switching to a competitive supplier, you may be charged a price other than the Utility's regulated sales service rate.

8. Customer Service. For questions or complaints about our services, contact us at our Customer Care department by calling toll-free (844) 275-0797, 24 hours a day, seven days a week, by e-mail at VST@constellation.com, online at www.constellation.com, or in writing at Constellation Energy Services – Natural Gas, LLC, 1716 Lawrence Drive, De Pere WI, 54115. If your complaint is not resolved after you have called Constellation, or for general utility information, you may contact the Public Utilities Commission of Ohio ("PUCO") for assistance at (800) 686-7826 (toll free) or for TTY at (800) 686-1570 (toll free) from 8:00 a.m. to 5:00 p.m. weekdays, or at www.puco.ohio.gov. Residential customers may also contact the Ohio Consumers' Counsel for assistance with complaints and utility issues at (877) 742-5622 (toll free) from 8:00 a.m. to 5:00 p.m. weekdays, or at www.pickocc.org.

9. Definitions. "Delivery Point" means any existing and future points of interconnection between your Utility transmission and/or distribution system and those of a third party pipeline supplying natural gas to the Utility. **"Taxes"** means all taxes, duties, fees, levies, premiums or any other charges of any kind, whether direct or indirect, relating to the sale, purchase or delivery of natural gas, together with all interest, penalties or other additional amounts imposed, including but not limited to gross receipts, sales, consumption, use, value added, per Mcf, commercial activity or other privilege tax, and any other tax (whether in effect as of the effective date of this agreement or thereafter) imposed by any governmental entity. "**Utility**" means your local natural gas distribution utility owning and/or controlling and maintaining the distribution system required for delivery of natural gas to the Account(s).

10. Notices. All notices will be in writing and delivered by hand, first class mail, or by express carrier to our respective business addresses. Either of us can change our address by notice to the other pursuant to this paragraph.

11. Changes in law, market structure, and/or your natural gas needs or classifications. If a change in or implementation of law, rule, regulation, ordinance, statute, judicial decision, administrative order, Utility tariffs, or the like causes our costs under this Agreement to increase, we will have the right to pass such increased costs on to you. The changes described in this Section may change any or all the charges described in this Agreement.

12. Events beyond either of our reasonable control. If something happens that is beyond either of our reasonable control that prevents either of us from performing our respective obligations under this Agreement, then whichever one of us cannot perform will be relieved from performance until the situation is resolved. Examples of such events include: acts of God, fire, flood, hurricane, war, terrorism; labor disputes; declaration of emergency by a governmental entity or the Utility; curtailment, disruption or interruption of natural gas transmission, distribution or supply; regulatory, administrative, or legislative action, or action or restraint by court order or other governmental entity; and actions taken by third parties not under your or our control, such as the Utility. However, such events shall not in any event excuse any failure to make payments due in a timely manner for natural gas supplied to you. The parties shall notify each other immediately of an operational flow or curtailment order from the applicable pipelines or Utility and shall take all required steps to comply with such orders.

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13. Delivery Point and indemnification obligations. We will deliver natural gas to the Delivery Point. Title and risk of loss related to the natural gas transfer to you at the Delivery Point, and you are responsible for all transmission, distribution, and other costs (including Taxes and other fees) related to the final delivery to the facilities to which the Account(s) relate as well as your use of the natural gas. While we will arrange for the delivery of natural gas to you by your Utility, we will have no liability or responsibility for matters within the control of the Utility, which include maintenance of pipelines and systems, service interruptions, loss of service, quality of the natural gas, deterioration of services, or meter readings. EACH PARTY (THE "INDEMNIFYING PARTY") WILL DEFEND, INDEMNIFY AND HOLD THE OTHER PARTY HARMLESS FROM ANY AND ALL CLAIMS (INCLUDING CLAIMS FOR PERSONAL INJURY, DEATH, OR PROPERTY DAMAGE), LOSSES, EXPENSES (INCLUDING REASONABLE ATTORNEYS' FEES), DAMAGES, SUITS, CAUSES OF ACTION AND JUDGMENTS OF ANY KIND ARISING HEREUNDER WHILE TITLE AND RISK OF LOSS ARE VESTED IN THE INDEMNIFYING PARTY.

14. Limitation on Liability. IN NO EVENT WILL EITHER PARTY OR ITS AFFILIATES, OWNERS, OFFICERS OR DIRECTORS BE LIABLE FOR ANY CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST OPPORTUNITIES OR LOST PROFITS. Each party's total liability related to this Agreement, whether arising under breach of contract, tort, strict liability or otherwise, will be limited to direct, actual damages. Each party agrees to use commercially reasonable efforts to mitigate the damages it may incur. NO WARRANTY, DUTY, OR REMEDY, WHETHER EXPRESSED, IMPLIED OR STATUTORY, ON CONSTELLATION'S PART IS GIVEN OR INTENDED TO ARISE OUT OF THIS AGREEMENT, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A GENERAL OR SPECIFIC PURPOSE OR USE.

15. Governing Law/Venue. THIS AGREEMENT WILL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF OHIO WITHOUT GIVING EFFECT TO ANY CONFLICTS OF LAW PROVISIONS. WE ALSO BOTH AGREE IRREVOCABLY AND UNCONDITIONALLY TO WAIVE ANY RIGHT TO A TRIAL BY JURY OR TO INITIATE OR BECOME A PARTY TO ANY CLASS ACTION CLAIMS WITH RESPECT TO ANY ACTION, SUIT OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

16. Relationship of Parties. We are an independent contractor, and nothing in this Agreement establishes a joint venture, fiduciary relationship, partnership or other joint undertaking. You will **not rely, and have not relied,** on us in evaluating the advantages or disadvantages of any specific product or service, predictions about future energy prices, or any other matter under this Agreement. Your decision to enter into this Agreement and any other decisions or actions you may take are and will be based solely upon your own analysis (or that of your advisors) and not on information or statements from us. There is no guarantee that the program you chose will guarantee any price advantage or savings.

17. Confidentiality. Consistent with applicable regulatory requirements, we will hold in confidence all information obtained by us from you related to the provision of services under this Agreement and which concern your energy characteristics and use patterns, except that we may disclose such information to our affiliates (excluding Baltimore Gas & Electric, a regulated utility) and such affiliates' employees, agents, advisors, and independent contractors. Other than for operation, maintenance, assignment and transfer of your Account(s), pursuant to a court or PUCO order or pursuant to a PUCO rule, we will not release your account number or, other than for credit checking and credit reporting, if applicable, your social security number, without your prior written consent.

18. Miscellaneous Provisions. If in any circumstance we do not provide notice of, or object to, any default on your part, such situation will not constitute a waiver of such default or any future default of any kind. If any of this Agreement is held legally invalid, the remainder will not be affected and will be valid and enforced to the fullest extent permitted by law and equity, and there will be deemed substituted for the invalid provisions such provisions as will most nearly carry out our mutual intent as expressed in this agreement. You may not assign or otherwise transfer any of your rights or obligations under this Agreement without our prior written consent and any such attempted transfer will be void. We may assign our rights and obligations under this Agreement to a qualified natural gas supplier and will provide you with prior written notice of any such assignment. This Agreement contains the entire agreement between both of us, supersedes any other agreements, discussions or understandings (whether oral or written) regarding the subject matter of this agreement, and may not be contradicted by any prior or contemporaneous oral or written agreement. A facsimile copy with your signature will be considered an original for all purposes. No amendment to this Agreement will be valid or given any effect unless signed by both of us. Applicable provisions of this Agreement will continue in effect after termination or expiration of this Agreement to the extent necessary, including those for billing adjustments and payments, indemnification, limitations of liability, and dispute resolution. Constellation shall have the right to set-off and net any amounts owed to Customer against any amounts owed to it by Customer under this Agreement or any other agreement. This Agreement is a "forward contract" and Constellation is a "forward contract merchant" under the U.S. Bankruptcy Code, as amended. Further, we are not providing advice regarding "commodity interests", including futures contracts and commodity options or any other matter, which would cause us to be a commodity trading advisor under the U.S. Commodity Exchange Act, as amended ("CEA"). Customer's purpose in entering into this Agreement is not speculation, but rather price volatility control and/or budget management for procurement of natural gas for one or more of its facilities. Customer represents that it qualifies as an "eligible contract participant" as the same is defined under the CEA. The terms of any purchase order (PO) you send to us or any alterations, additions, or modifications you make to the preprinted terms of this Agreement shall be void and without any effect unless and only to the extent we agree in writing to such alterations, additions, or modifications.

IN THE EVENT OF AN EMERGENCY OR SERVICE INTERRUPTION, CONTACT YOUR UTILITY AT:

Utility Name	Utility Abbreviation	Contact Number
Vectren Energy Delivery of Ohio	VEDO	(800) 227-1376

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Important information regarding the City of Sidney Natural Gas Aggregation Program.

City of Sidney

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