



NORTHEAST OHIO PUBLIC ENERGY COUNCIL

Dear Member Communities

NOPEC GAS RATES LOCKED IN THROUGH JUNE 30, 2010

We are very pleased to announce that NOPEC has locked in gas rates through the end of June, 2010. These rates are lower than the prices we have seen in several years. The prices are as follows:

DOMINION EAST OHIO GAS AREA

November – December 2009	\$8.42 per MCF
January – March 2010	\$7.99 per MCF
April – June 2010	\$6.96 per MCF

COLUMBIA GAS AREA

November – December 2009	\$8.30 per MCF or \$0.83 per CCF
January – March 2010	\$7.98 per MCF or \$0.798 per CCF
April – June 2010	\$7.86 per MCF or \$0.786 per CCF

Residents should also be aware that NOPEC offers a variable rate that can be secured by calling the NOPEC gas call center at 888.848.7914. However, our experience shows that most people prefer to be on a fixed rate so they will know what their price is going to be each month.

Because natural prices have continued to go down, your residents will find that they can periodically find a lower fixed rate. Does NOPEC always have the lowest rate: NO. The beauty of NOPEC's gas program, however, is that we often beat the competition because we have 127 communities and a large load. NOPEC does have a rate that is very competitive and provides the vast majority of your citizens who want a fixed rate and don't want to shop, a reasonable alternative. Remember, NOPEC doesn't make a profit and consumers can leave at any time at no charge.

NOPEC periodically evaluates its prices against those available from the gas marketers. If you were comparing NOPEC prices a few weeks ago to the multiple gas marketer offers on the PUCO “Apples to Apples”, you would have found only two were offering pricing that were more than 10% below NOPEC’s pricing. Of the 30 fixed price offers only 10 were below NOPEC’s. Most appear to come with hooks and/or hefty early termination fees.

Being at the absolute lowest possible price in the market all, or nearly all the time, is incredibly difficult and, based upon information we have gathered, not necessary for NOPEC customers to be satisfied.

An example – when NOPEC locked in at \$8.30, some of our residents opted-out of NOPEC. Those that locked in for a year in another program at over \$8.00 will probably pay more than the NOPEC price because we are now down to \$6.96 for next spring.

As gas market prices have continued to decline, our communities have lost very few customers:

I believe that is because

1. The residents of our communities have faith that their communities and NOPEC will watch out for their best interests and not just today or tomorrow but at all times.
2. Most people don’t necessarily want the variable price, even though it is lower. (Look at June of 2008; the variable prices went to \$16). They would rather have a fixed price that they can rely upon.
3. We charge no one a fee if they want to leave the program.
4. The biggest problem people have is that they leave NOPEC and then want to come back in to the program.

If you become aware of a better rate, you may choose to inform your residents that they have choices and they may individually choose to leave the program. Please be aware, however, that at the end of their lock in period with the new supplier they will be at the mercy of that supplier unless they regularly watch their price compared to other prices. Too often we have heard horror stories about people that switch and then find sometime later they are paying much more than our program. I cannot tell you how frustrating it is for your residents to want to come back to NOPEC and find out it could take up to five or six months. This is where the majority of your residents get upset.

At NOPEC there is no mystery. We try to have at least a significant portion of our prices fixed six to nine months ahead and we regularly let you know of the prices.

We also put our prices on the NOPEC website. We, also, use a gas expert to advise us on our purchasing decisions.

If your residents want to take the time and effort to develop their own expertise so they are comfortable individually shopping the market and taking their own risks on when to purchase, they are free to do so. Most of your residents, however, would rather that you (NOPEC as your representative) do it for them. By being part of our aggregation, you spend no staff time or money on deciding when to lock in and you are not taking the risks that you would have to take if you were an individual community buying gas. It cannot be emphasized enough that NOPEC charges your community no fees and NOPEC is not for profit.