

**RESOLUTION NO. 2013-52-S&S**

**A RESOLUTION AUTHORIZING ALL ACTIONS NECESSARY TO SUPPORT THE CONTINUATION OF A GOVERNMENTAL NATURAL GAS AGGREGATION PROGRAM WITH OPT-OUT PROVISIONS PURSUANT TO SECTION 4929.26, OHIO REVISED CODE, DIRECTING THE MUNICIPAL MANAGER TO EXECUTE A SUPPLY AGREEMENT WITH INTERSTATE GAS SUPPLY, INC. TO CONTINUE A NATURAL GAS AGGREGATION PROGRAM BEYOND MARCH 31, 2014 WHEN THE CURRENT SUPPLY AGREEMENT ENDS**

**WHEREAS**, the Ohio Legislature has enacted natural gas deregulation legislation ("H.B. No. 9") which authorizes the legislative authorities of Villages to aggregate the retail natural gas loads located in the respective jurisdictions and to enter into service agreements to facilitate for those loads the purchase and sale of natural gas; and

**WHEREAS**, governmental aggregation provides an opportunity for residential and small business customers collectively to participate in the potential benefits of natural gas deregulation through lower natural gas rates which they would not otherwise be able to have individually; and

**WHEREAS**, this Council finds and determines that it is in the best interest of the Village, its residents, businesses and other Natural Gas consumers located within the limits of the Village to continue its Natural Gas Opt-Out Aggregation Program subject to the conditions of a Natural Gas Supply Agreement that will take effect on or about April 1, 2014; and

**NOW, THEREFORE**, Be It Resolved by the Council of the Village of Greenhills, Hamilton, County, Ohio.

**SECTION 1.**

The Municipal Manager is hereby authorized to enter into a Master Services Agreement ("MSA") with Interstate Gas Supply, Inc., (attached hereto and incorporated herein by reference as Exhibit A) to facilitate the sale and purchase of Natural Gas to consumers in the Village's opt-out program.

**SECTION 2.**

That it is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

**SECTION 3.**

That this resolution shall be in full force and effect from and after the earliest date allowed by law.

Passed this 3rd day of December, 2013.

Fred Murrell, MAYOR /s/

Kathryn L. Lives, CLERK OF COUNCIL /s/

## SECOND AMENDMENT TO MASTER AGREEMENT

**Aggregator:** Village of Greenhills

**Supplier:** Interstate Gas Supply, Inc.

**Master Agreement:** Master Agreement to Provide Certified Natural Gas Services to a Governmental Aggregator, dated January 31, 2011

**Date:** November \_\_\_\_, 2013

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In consideration of the mutual promises below, Aggregator and Supplier agree to modify their Master Agreement, but only to the extent set forth in this Amendment.

1. This Amendment constitutes the "mutual written agreement of both Aggregator and Supplier" (as contemplated in Section 3.1 of the Master Agreement) to extend the duration of the Master Agreement, with all modifications under this Amendment, to an additional term beginning with Duke's April 2014 billing period and terminating at the end of Duke's March 2016 billing period.

2. Section 5.1 is deleted and replaced with the following new Sections 5.1.1 and 5.1.2:

Section 5.1.1: Supplier's monthly charges shall be determined by 104% of the NYMEX price of gas plus \$0.074 per Ccf. The Consultant, acting on behalf of the Municipality, has the right to determine the NYMEX price by directing IGS to purchase ("Trigger") actively trading NYMEX futures contracts at any time with the exception of the prompt NYMEX trading month, which Municipality acknowledges will be Triggered before or at the NYMEX close on the 15th day of the then-current month (If the 15th day of the month falls on a holiday or a weekend, then it would be the next business day). For example, unless Triggered otherwise, the price to appear on the Customer invoice from the Utility for April would be 104% of the closing Nymex price of gas on March 15th plus \$0.074 per Ccf. Any and all Supplier charges for BTU conversion, shrinkage, etc., are included in the calculation of the NYMEX price. In order to Trigger actively trading Nymex future contracts, Consultant must contact IGS in writing (which can be via e-mail or fax) and direct IGS to execute a NYMEX futures purchase. Upon receiving such directive, IGS shall act upon such directive in what would be considered timely according to industry standards. All Parties acknowledge that the execution of a NYMEX futures purchase becomes a final purchase only upon IGS sending to Consultant an e-mail or fax confirmation of such Trigger directive having been completed. The e-mail or fax confirmation may be in a form of a spreadsheet, which includes all purchases (current and historical), as of the time of the confirmation.

Section 5.1.2: The Parties to this Agreement acknowledge that IGS will, from time to time, provide suggestions or opinions regarding market conditions, NYMEX pricing and related information. Further, the Parties agree that the natural gas market is volatile, and price opportunities and advantages that exist at one point may not exist at another point. The information being provided by IGS is for informational purposes only, and any and all decisions regarding the timing, pricing and programs are ultimately and exclusively the decisions of the Municipality. IGS has no liability for information or opinions provided. The Parties will, from time to time, hedge gas when it is believed that such hedges may result in a desired outcome. However, the strategies or policies are guidelines only and can be amended, suspended or disregarded from time to time at the discretion of the Parties and the Parties agree that even if implemented, they may not achieve the desired results. Therefore, the pricing for Customers will vary from time to time, and may be either fixed or variable, or a combination of fixed and variable pricing, and may contain summer and winter pricing, when such pricing is determined to be advantageous. Further, IGS shall have the right to offer a Customer an Aggregator-endorsed fixed price at any time. Any fixed price offer that is made by Supplier shall be made only upon mutual consent between Supplier and Aggregator. All other terms and conditions stated in the original Master Agreement continue in full force and effect.

Village of Greenhills  
Resolution No. 2013-52-S&S

**AGREED:**

**Aggregator:**  
VILLAGE OF GREENHILLS

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Name:  
Title:

**Supplier:**  
INTERSTATE GAS SUPPLY, INC.

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Name:  
Title