

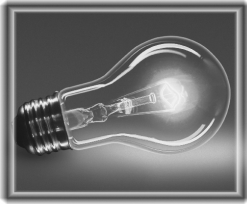


Governmental Aggregation: Where Do We Go From Here?

Special note: A local government that forms an aggregation program can purchase energy on behalf of its residents or it can contract with another company to supply the energy.

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Ohio's electric restructuring and natural gas laws allow local governments such as cities, townships and counties to pool residents and businesses together as a buying group for the purchase of energy. By buying in large blocks, aggregated groups may possess greater bargaining power than individual consumers.



The Office of the Ohio Consumers' Counsel (OCC) has produced this fact sheet for residents of communities that have decided to aggregate. This information will make you aware of important steps that will occur as your local government moves forward in the aggregation process.



▶ **STEP 1:** **Aggregation options**

Local governments may choose either an "opt-in" or "opt-out" form of aggregation. Opt-in aggregation requires that you sign up for the program if you wish to participate. Opt-out aggregation automatically includes all eligible consumers located in the community except consumers who choose not to participate. Certain low income customers and customers who have already chosen an alternative supplier are not eligible to participate in the aggregation program.

▶ **STEP 2:** **Government approval**

Both opt-in and opt-out efforts require the local government to adopt an ordinance or resolution that creates an aggregation program.

▶ **STEP 3:** **Ballot issues**

If a community decides to form an opt-out aggregation program, a ballot issue must be voted on by the citizens at a primary or general election. The ballot issue must be submitted to the county Board of Elections at least 75 days before the election. To continue the aggregation process, a majority of those voting on the ballot issue must approve the measure.

▶ **STEP 4:** **Plan adoption**

After the opt-out ballot issue passes, a plan must be developed to address how the aggregation program will work and how the local government will oversee the process. At least two public hearings must be held to give residents a chance to comment on the plan.

▶ **STEP 5:** **Certification**

For both opt-in and opt-out programs, the next step is for the local government to become certified by the Public Utilities Commission of Ohio (PUCO) to be authorized to contract with customers and/or electric or natural gas suppliers.

▶ **STEP 6:** **Shopping for the best rate**

Using the bargaining power of its aggregated residents and businesses, the local government shops for an attractive rate and negotiates other important terms and conditions.

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▶ **STEP 7: Notification**

After the local government decides to purchase the energy directly or chooses an electric or natural gas supplier, a notice containing supplier information (if applicable), rates, terms and conditions must be sent to you.

In opt-out communities, this notice must also specify how you can choose to opt-out or withdraw from the aggregation program. Typically, this involves you returning a postcard or letter. Customers with existing supplier agreements will not be switched automatically.

In opt-in communities, you should carefully review the information sent to you from your community and determine if you wish to sign up for the aggregation program. Instructions should be included that specify how to enroll in the program.

▶ **STEP 8: Enrollment processing**

If you have decided to participate in an aggregation program, your new supplier will notify your electric or natural gas utility. Once the utility receives the notification, it sends you a confirmation letter in the mail. This letter includes important details, including the date you are to be switched and the right to withdraw from the offer within a specified period of time.

Next, the enrollment will take place. Typically, the supplier will mail you information about the company and contact information. Be sure to read this information carefully and save it for future reference.

▶ **STEP 9: Switching suppliers**

If you participate in the aggregation program, you should be switched to the new supplier on your next billing date. If you are on a budget billing plan you should contact the new supplier for information about your options. The local electric or natural gas utility – not the new supplier – will still be responsible for maintaining the distribution system (poles, pipes and wires) and bringing energy into your home.

▶ **STEP 10: New billing information**

You will continue to be billed by your local utility company, but you will see the new supplier's charges separately identified on your electric or natural gas bill.

Who to call

If you have questions about electric or natural gas choice, aggregation or any issue involving a publicly owned electric, natural gas, telephone or water company, you may call the OCC toll free at **1-877-PICKOCC (1-877-742-5622)**.

If you have questions about the specific process or offer in your community, you may contact your local government or the supplier of the aggregation program.

If you have billing questions or need to report a power outage or gas leak, you should contact your local electric or natural gas utility.

The Office of the Ohio Consumers' Counsel (OCC), the residential utility consumer advocate, represents the interests of 4.5 million households in proceedings before state and federal regulators and in the courts. The state agency also educates consumers about electric, natural gas, telephone and water issues and resolves complaints from individuals. To receive utility information, brochures, schedule a presentation or file a utility complaint, residential consumers may call 1-877-PICKOCC (1-877-742-5622) toll free in Ohio or visit the OCC website at www.pickocc.org.

The Office of the Ohio Consumers' Counsel is an equal opportunity employer and provider of services.

For additional information from the Office of the Ohio Consumers' Counsel:

Call: 1-877-PICKOCC (1-877-742-5622) toll free or (614) 466-8574
Write: 10 West Broad Street, 18th Floor, Columbus, Ohio 43215-3485
E-mail: occ@occ.state.oh.us • Internet Address: www.pickocc.org