

## AGENDA REPORT

TO: Mayor Pat Humphrey and the Clare City Commission  
FROM: Steven J. Kingsbury, MBA, CPFA, MiCPT  
Acting City Manager, Treasurer, Finance and Technology Director  
DATE: September 30, 2016  
RE: Natural Gas Purchasing through Volunteer Energy

For the Agenda of October 3, 2016

---

**Background:** For the past few years the City of Clare has purchased our natural gas through Volunteer Energy with delivery and billing being provided by DTE Energy. The relationship has for the most part been a beneficial one for the City of Clare saving the City considerable expense, particularly in the early years. There was a timeframe in early 2014 where consumption exceeded the contract and as a result we had to pay market rates which was quite expensive. In 2015 and 2016 the relationship has not been as beneficial for the City which historically has been the case with natural gas provider relationships when the price is falling as it has been over the past couple of years.

Enclosed for the Commission's reference is a historical comparison of the price that we have paid Volunteer Energy and the market rates of DTE Energy. The primary question is what will happen with natural gas consumption and pricing in the future which is impacted by the weather and other factors outside of everyone's control. Also enclosed is a ten-year history of natural gas prices.

The City's contractual agreement with Volunteer Energy for the purchase of natural gas is expiring today, September 30th. We have received two proposed contracts from Volunteer Energy to continue purchasing our natural gas from them. The first is based upon the New York Mercantile Exchange (NYMEX) index and the second is a variable month-to-month rate that is guaranteed to be 3% lower than the price from DTE Energy. Volunteer Energy has provided us a one-year historical proforma of the NYMEX rate compared to the DTE Energy rate for the period of September 2015 through September 2016 which reflects a fairly consistent and significant savings.

**Issues & Questions:** Should the City Commission approve entering into a new contract with Volunteer Energy for the purchase of our natural gas and if so which of the two available options would be most beneficial?

**Alternatives:**

1. Approve one of the two natural gas purchasing contracts.
2. Don't approve either of the contracts.
3. Set the decision aside to a subsequently scheduled public meeting.

**Financial Impact:** Entering into a contractual agreement with Volunteer Energy has the potential to save the City some expense as compared to the principal other natural gas provider for our area depending upon the option chosen and future market pricing.

**Recommendation:** Though there are potential benefits to either of the contracts offered to the city by Volunteer Energy at this time the one-year NYMEX Plus contract provides more potential for savings. Therefore the recommendation is to approve the NYMEX Plus contract for the purchase of natural gas from Volunteer Energy for the next year by adoption of resolution 2016-121.

**Attachments:**

1. Historical Comparison of Natural Gas Pricing from Volunteer Energy and DTE.
2. Natural Gas Ten Year Pricing History and Background.
3. Volunteer Energy One-Year NYMEX Plus Natural Gas Contract.
4. DTE Energy Rate Comparison to Volunteer Energy's NYMEX Rate
5. Volunteer Energy Month-to-Month Variable Rate Contract
6. Resolution 2016-121.

**Natural Gas Cost Comparison  
Volunteer Energy to DTE Energy  
June 2012 through August 2016**

	<u>Volunteer Per CCF</u>	<u>DTE Energy Per CCF</u>	<u>Per CCF Cost Savings</u>	<u>Per CCF Savings</u>
Jun - Jul 2012	0.3480	0.5180	0.1700	48.85%
Jul - Aug 2012	0.4690	0.5180	0.0490	10.45%
Aug - Sep 2012	0.3990	0.5180	0.1190	29.82%
Sep - Oct 2012	0.3990	0.5180	0.1190	29.82%
Oct - Nov 2012	0.4620	0.5180	0.0560	12.12%
Nov - Dec 2012	0.4620	0.5180	0.0560	12.12%
Dec 2012 - Jan 2013	0.4590	0.5180	0.0590	12.85%
	<u>0.4283</u>	<u>0.5180</u>	<b>0.0897</b>	<u>22.29%</u>
Jan - Feb 2013	0.4690	0.4720	0.0030	0.64%
Feb - Mar 2013	0.4690	0.4720	0.0030	0.64%
Mar - Apr 2013	0.4928	0.4740	-0.0188	-3.81%
Apr - May 2013	0.5290	0.4770	-0.0520	-9.83%
May - Jun 2013	0.4770	0.4770	0.0000	0.00%
Jun - Jul 2013	0.4670	0.4770	0.0100	2.14%
Jul - Aug 2013	0.4640	0.4740	0.0100	2.16%
Aug - Sep 2013	0.4590	0.4740	0.0150	3.27%
Sep - Oct 2013	0.4590	0.4740	0.0150	3.27%
Oct - Nov 2013	0.4590	0.4740	0.0150	3.27%
Nov - Dec 2013	0.4690	0.4740	0.0050	1.07%
Dec 2013 - Jan 2014	0.4610	0.4710	0.0100	2.17%
	<u>0.4729</u>	<u>0.4742</u>	<b>0.0013</b>	<u>0.41%</u>
Jan - Feb 2014	0.6490	0.4740	-0.1750	-26.96%
Feb - Mar 2014	1.3990	0.4800	-0.9190	-65.69%
Mar - Apr 2014	0.5990	0.4560	-0.1430	-23.87%
Apr - May 2014	0.5990	0.4210	-0.1780	-29.72%
May - Jun 2014	0.4240	0.4240	0.0000	0.00%
Jun - Jul 2014	0.5490	0.4240	-0.1250	-22.77%
Jul - Aug 2014	0.5030	0.5030	0.0000	0.00%
Aug - Sep 2014	0.4890	0.4970	0.0080	1.64%
Sep - Oct 2014	0.4770	0.4970	0.0200	4.19%
Oct - Nov 2014	0.4770	0.4970	0.0200	4.19%
Nov - Dec 2014	0.4770	0.4970	0.0200	4.19%
Dec 2014 - Jan 2015	0.4770	0.4970	0.0200	4.19%
	<u>0.5933</u>	<u>0.4723</u>	<b>-0.1210</b>	<u>-12.55%</u>

**Natural Gas Cost Comparison  
 Volunteer Energy to DTE Energy  
 June 2012 through August 2016**

	<u>Volunteer Per CCF</u>	<u>DTE Energy Per CCF</u>	<u>Per CCF Cost Savings</u>	<u>Per CCF Savings</u>
Jan - Feb 2015	0.4770	0.4400	-0.0370	-7.76%
Feb - Mar 2015	0.4770	0.4070	-0.0700	-14.68%
Mar - Apr 2015	0.4770	0.4070	-0.0700	-14.68%
Apr - May 2015	0.4770	0.4070	-0.0700	-14.68%
May - Jun 2015	0.4770	0.4070	-0.0700	-14.68%
Jun - Jul 2015	0.4770	0.4070	-0.0700	-14.68%
Jul - Aug 2015	0.4770	0.4070	-0.0700	-14.68%
Aug - Sep 2015	0.4770	0.4070	-0.0700	-14.68%
Sep - Oct 2015	0.4990	0.4070	-0.0920	-18.44%
Oct - Nov 2015	0.3990	0.4070	0.0080	2.01%
Nov - Dec 2015	0.3990	0.4070	0.0080	2.01%
Dec 2015 - Jan 2016	0.3990	0.4070	0.0080	2.01%
	<u>0.4593</u>	<u>0.4098</u>	<b>-0.0496</b>	-10.24%
Jan - Feb 2016	0.3990	0.3700	-0.0290	-7.27%
Feb - Mar 2016	0.3990	0.3700	-0.0290	-7.27%
Mar - Apr 2016	0.3990	0.3700	-0.0290	-7.27%
Apr - May 2016	0.3990	0.3440	-0.0550	-13.78%
May - Jun 2016	0.3990	0.3440	-0.0550	-13.78%
Jun - Jul 2016	0.3990	0.3440	-0.0550	-13.78%
Jul - Aug 2016	0.3990	0.3440	-0.0550	-13.78%
Aug - Sep 2016			0.0000	
Sep - Oct 2016			0.0000	
Oct - Nov 2016			0.0000	
Nov - Dec 2016			0.0000	
Dec 2016 - Jan 2017			0.0000	
	<u>0.3990</u>	<u>0.3551</u>	<b>-0.0439</b>	-10.99%

## Natural gas 1990-2016 | Data | Chart | Calendar | Forecast | News

Natural gas decreased 0.015 USD/MMBtu or 0.50% to 2.96 on Friday September 30 from 2.97 in the previous trading session. Natural gas changed -0.67% during the last week, +2.82% during the last month and +21.50% during the last year. Historically, Natural gas reached an all time high of 15.39 in December of 2005 and a record low of 1.02 in January of 1992.



Actual	Previous	Highest	Lowest	Dates	Unit	Frequency
2.96	2.97	15.39	1.02	1990 - 2016	USD/MMBtu	Daily

Natural gas accounts for almost a quarter of United States energy consumption, and the NYMEX Division natural gas futures contract is widely used as a national benchmark price. The futures contract trades in units of 10,000 million British thermal units (mmBtu). The price is based on delivery at the Henry Hub in Louisiana, the nexus of 16 intra- and interstate natural gas pipeline systems that draw supplies from the region's prolific gas deposits. The pipelines serve markets throughout the U.S. East Coast, the Gulf Coast, the Midwest, and up to the Canadian border. This page provides - Natural gas - actual values, historical data, forecast, chart, statistics, economic calendar and news. Natural gas - actual data, historical chart and calendar of releases - was last updated on September of 2016.



VolunteerEnergy  
**COMMERCIAL GAS CUSTOMER CHOICE CONTRACT**  
 NYMEX Plus (\$0.065 )  
 Acceptance Form

Execution of the Gas Customer Choice Contract signifies my desire to be a customer of Volunteer Energy Services, Inc. (VE). I agree to the ENERGY SUPPLY TERMS AND CONDITIONS that are incorporated herein by reference. I appoint VE as my agent and authorize VE to obtain usage history from my utility company.

- Small Commercial (500 Mcf or below):** I acknowledge that I am the account holder or Legally Authorized Person to execute a contract and legally bind the business in this contract. I understand that by signing this contract, I am switching the gas Supplier for this commercial account to VE. I understand that gas purchased for this commercial account by VE will be delivered through DTE Gas Company's delivery system. The legally authorized person to execute a contract and legally bind the business in this contract has 30-days after today to cancel this contract for any reason through written or verbal notification to VE.
- Large Commercial (Above 500 Mcf):** I acknowledge that I am the account holder or Legally Authorized Person to execute a contract and legally bind the business in this contract. I understand that by signing this contract, I am switching the gas Supplier for this commercial account to VE. I understand that gas purchased for this commercial account by VE will be delivered through DTE Gas Company's delivery system. The Legally Authorized Person to execute a contract and legally bind the business in this contract has 14-days after today to cancel this contract for any reason through written or verbal notification to VE. I may waive this right of cancellation by affirmatively agreeing to this waiver on the contract. If you terminated your contract today, and if the unconditional cancellation period did not apply, based on current gas prices and your historical usage, a good-faith estimate of your Termination Fee would be one hundred dollars (\$100.00). This Termination Fee is subject to change as your usage and the market price of gas fluctuate.

I affirmatively agree to waive my 14 day right of cancellation provided to me on the contract. I agree to waive the right to cancel and direct VE to enter my enrollment without delay. cust. initial \_\_\_\_\_ date \_\_\_\_\_

City of Clare \_\_\_\_\_

Customer Name as it appears on utility bill \_\_\_\_\_

Date \_\_\_\_\_

Account Holder/Legally Authorized Person Signature \_\_\_\_\_

Print Name (if legally authorized person, what is your relationship to the account holder) \_\_\_\_\_

Title \_\_\_\_\_

Service Address 307 Maple St \_\_\_\_\_

City Clare \_\_\_\_\_

State MI \_\_\_\_\_

Zip 48617 \_\_\_\_\_

Phone 989-386-7541 \_\_\_\_\_

Fax \_\_\_\_\_

E-Mail \_\_\_\_\_

***A Confirmation Letter will be sent via mail, fax, or email to you within 7 days from today.***

GAS UTILITY:

DTE (12 digits)

4	5	7	3	4	9	3	0	0	0	2	2
---	---	---	---	---	---	---	---	---	---	---	---

For Office Use Only

Agent: CSB - Joe Drolett \_\_\_\_\_

VE Rep: \_\_\_\_\_

Price Code: \_\_\_\_\_

NYMEX Plus \$ 0.065 until October 31, 2017 then goes to variable

Termination Fee of \$100.00

Rev 8/15



VolunteerEnergy  
COMMERCIAL GAS CUSTOMER CHOICE CONTRACT  
NYMEX Plus (\$0.065 )  
**Terms and Conditions**

These Terms & Conditions contain important information regarding your natural gas contract with Volunteer Energy Services, Inc. ("VE"). VE is an Ohio corporation licensed as an alternative gas supplier and operating under the guidelines set up by Michigan Public Service Commission and Michigan's various natural gas utilities. As a supply customer of VE, your signature on this contract binds you to the terms and conditions contained herein.

- 1. Natural Gas Service** – VE shall supply 100% of the customer's necessary natural gas supply needs. If the customer requires assistance with any matter regarding delivery of gas, meter reading, billing and other traditional utility functions, they will continue to contact their respective utility. In the event of an emergency or loss of service, the customer should contact their utility. The customer will continue to pay their bill to their gas utility.
- 2. Term** – The term of this contract shall commence from the later to occur of November 1, 2016 or acceptance of your enrollment by DTE Gas Company and shall continue through October 31, 2017 (the "Initial Period"). Upon expiration, service will then continue on a month-to-month variable rate basis cancelable at any time without penalty.
- 3. Pricing** – During the Initial Period, customer will be billed at NYMEX Settlement Plus \$ 0.065 per Ccf. The NYMEX Settlement Rate used for rate calculation will coincide with Utility billing rate submission deadline. After the Initial Period, all supplied natural gas to the customer will be billed at a **monthly variable rate**, exclusive of sales tax. The price will be based upon an approved Index or the NYMEX market plus an adder for basis, transportation, fuel shrinkage, storage, pooling and balancing fees plus any associated costs for redelivery to the customer's burner tip. e.g., VE buys gas at \$0.400 per Ccf plus a fluctuating adder (based on market conditions and costs), which can change monthly. An adder might be \$0.099, making your gas costs \$0.499, or, depending on market conditions, \$0.199 making your gas costs \$0.599. VE works hard to keep the adder as low as possible, but as in these examples, it does fluctuate monthly.
- 4. Cancellation/Termination** – Small Commercial customers have a 30-day unconditional right to cancel the contract without penalty following the date the customer signs this contract. **Large and Small Commercial Customers, if you terminate within the Initial Period there is an early Termination Fee of one hundred dollars (\$100.00).** A customer may change suppliers one time in any 12-month period at no cost to the customer; however, if you return to the utility you must remain for 12 months. A switching fee of \$10 will be required and charged by the utility for each additional change of supplier within the same 12-month period. The customer may cancel this contract by written or verbal notice at any time.
- 5. Billing & Payment** – The customer will receive a single bill from the utility, which must be paid according to the payment terms established by the utility. VE reserves the right to terminate this contract upon fourteen (14) days notice for failure to pay the bill or to meet any agreed upon payment arrangement.
- 6. Office Locations and Hours** – Volunteer Energy Services office is located at 790 Windmill Drive, Pickerington, Ohio 43147 and is open from 08:00 AM to 05:00 PM EST, Monday through Friday. VE can be reached toll free at 800-977-VESI or at fax 614-856-3301. Telephone service hours are the same as office hours. VE can be reached online at <http://www.volunteerenergy.com>. The Customer can contact the Michigan Public Service Commission at 1-800-292-9555 or [www.michigan.gov/mpsc](http://www.michigan.gov/mpsc).
- 7. Credit** – VE may verify the customer's credit history with a credit-reporting agency upon the customer's application for service with VE. Determination of credit worthiness will be made by generally accepted business practices.

Cust. Initial \_\_\_\_\_

NYMEX Plus \$ 0.065 until October 31, 2017 then goes to variable  
Termination Fee of \$100.00  
Rev 8/15



VolunteerEnergy  
COMMERCIAL GAS CUSTOMER CHOICE CONTRACT  
NYMEX Plus (\$0.065)  
**Terms and Conditions**  
**(cont'd)**

8. **Notices** – Communications that are required or allowed under the terms of this contract will be considered officially delivered when given in person, emailed, faxed, or received two (2) business days after being mailed through the United States Postal Service to one of the addresses provided by either party herein.
9. **Force Majeure** – For the purpose of this contract, Force Majeure shall include VE's right to cancel this contract if the State of Michigan, Michigan Public Service Commission or the applicable gas utility makes material changes to the gas choice programs.
10. **Miscellaneous** – The terms of this contract extend to any successors or assignees of either party. Customer may not assign this contract without written consent by VE. This contract represents the entire contract, and both the customer and VE must approve any changes or amendments. This contract supersedes any prior contract between the customer and VE.
11. **Limitation on Liability** - IN NO EVENT SHALL VE BE LIABLE TO THE CUSTOMER OR TO ANY THIRD PARTY FOR ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES ARISING OUT OF OR RELATING TO THIS CONTRACT. VE'S MAXIMUM AGGREGATE LIABILITY FOR ANY REASON OR CAUSE OF ACTION SHALL BE THE PRICE PAID BY THE CUSTOMER.

[remainder of page intentional left blank]

Cust. Initials \_\_\_\_\_

NYMEX Plus \$ 0.065 until October 31, 2017 then goes to variable  
Termination Fee of \$100.00 Rev 8/15

Volunteer Energy Nymex plus \$0.065 program

Month/Year	DTE	VE
<b>September-15</b>	\$0.4070	\$0.3495
<b>October-15</b>	\$0.4070	\$0.3219
<b>November-15</b>	\$0.4070	\$0.3504
<b>December-15</b>	\$0.4070	\$0.2926
<b>January-16</b>	\$0.3700	\$0.2561
<b>February-16</b>	\$0.3700	\$0.2808
<b>March-16</b>	\$0.3700	\$0.2428
<b>April-16</b>	\$0.3440	\$0.2456
<b>May-16</b>	\$0.3440	\$0.2713
<b>June-16</b>	\$0.3440	\$0.2637
<b>July-16</b>	\$0.3440	\$0.3348
<b>August-16</b>	\$0.3510	\$0.3397
<b>September-16</b>	\$0.3510	\$0.3411



VolunteerEnergy  
 Commercial Gas Customer Choice Contract  
 Variable Rate  
 Acceptance Form

Execution of the Gas Customer Choice Contract signifies my desire to be a customer of Volunteer Energy Services, Inc. (VE). I agree to the ENERGY SUPPLY TERMS AND CONDITIONS that are incorporated herein by reference. I appoint VE as my agent and authorize VE to obtain usage history from my utility company.

- Small Commercial (500 Mcf or below):** I acknowledge that I am the account holder or Legally Authorized Person to execute a contract and legally bind the business in this contract. I understand that by signing this contract, I am switching the gas Supplier for this commercial account to VE. I understand that gas purchased for this commercial account by VE will be delivered through DTE Gas Company's delivery system. The legally authorized person to execute a contract and legally bind the business in this contract has 30-days after today to cancel this contract for any reason through written or verbal notification to VE.
- Large Commercial (Above 500 Mcf):** I acknowledge that I am the account holder or Legally Authorized Person to execute a contract and legally bind the business in this contract. I understand that by signing this contract, I am switching the gas Supplier for this commercial account to VE. I understand that gas purchased for this commercial account by VE will be delivered through DTE Gas Company's delivery system. The Legally Authorized Person to execute a contract and legally bind the business in this contract has 14-days after today to cancel this contract for any reason through written or verbal notification to VE. I may waive this right of cancellation by affirmatively agreeing to this waiver on the contract.

I affirmatively agree to waive my 14 day right of cancellation provided to me on the contract. I agree to waive the right to cancel and direct VE to enter my enrollment without delay. cust. initial X date 1

\* There is no termination fee for this contract.

City of Clare

Customer Name as it appears on utility bill

Date

Account Holder/Legally Authorized Person Signature

Print Name (if legally authorized person, what is your relationship to the account holder)

Title

Service Address 307 Maple St

City Clare State MI Zip 48617

Phone 989-386-7541 Fax 989-386-4508

E-Mail \_\_\_\_\_

*A Confirmation Letter will be sent via mail, fax, or email to you within 7 days from today.*

GAS UTILITY:

DTE (12 digits)

4	5	7	3	4	9	3	0	0	0	2	2
---	---	---	---	---	---	---	---	---	---	---	---

For Office Use Only

Agent: CSB - Joe Drolett

VE Rep: \_\_\_\_\_

3% Guaranteed Savings Program off the DTE GCR no cancellation penalty.

Rev 04/16



VolunteerEnergy  
**COMMERCIAL GAS CUSTOMER CHOICE CONTRACT**  
**Variable Rate**  
**Terms and Conditions**

These Terms & Conditions contain important information regarding your natural gas contract with Volunteer Energy Services, Inc. ("VE"). VE is an Ohio corporation licensed as an alternative gas supplier and operating under the guidelines set up by Michigan Public Service Commission and Michigan's various natural gas utilities. As a supply customer of VE, your signature on this contract binds you to the terms and conditions contained herein.

- 1. Natural Gas Service** – VE shall supply 100% of the customer's necessary natural gas supply needs. If the customer requires assistance with any matter regarding delivery of gas, meter reading, billing and other traditional utility functions, they will continue to contact their respective utility. In the event of an emergency or loss of service, the customer should contact their utility. The customer will continue to pay their bill to their gas utility.
- 2. Term** – The term of this contract shall commence when acceptance of your enrollment by DTE Gas Company and shall continue on a month-to-month variable rate basis cancelable at any time without penalty.
- 3. Pricing** – All natural gas supplied to the customer will be billed at a **monthly variable rate** that will vary from month to month. VE guarantees that Customer will save at least three percent (3%) over what Customer would have paid for natural gas to their local gas utility (the "Guaranteed Savings Program") for that month. In the event that VE is unable to provide the customer with the Guaranteed Savings Program, VE will provide to customer a thirty (30) days written notice of the discontinuance of the Guaranteed Savings Program before the pricing changes from the Guaranteed Savings Program. Customer will have the right to cancel through written or verbal notification to VE within the thirty (30) days written notice period provided by VE. Those who do not cancel within that thirty (30) day period, you will be billed at the standard **monthly variable rate**, exclusive of sales tax. It will be based upon the lowest market price VE can obtain for natural gas for the month. The price will be based upon an approved Index or the NYMEX market plus an adder for basis, transportation, fuel shrinkage, storage, pooling and balancing fees plus any associated costs for redelivery to the customers burner tip. e.g., VE buys gas at \$4.00 per mcf plus a fluctuating adder (based on market conditions and costs), which can change monthly. An adder might be \$0.99, making your gas costs \$4.99, or, depending on market conditions, \$1.99 making your gas costs \$5.99. VE works hard to keep the adder as low as possible, but as in these examples, it does fluctuate monthly
- 4. Billing & Payment** – The customer will receive a single bill from the utility, which must be paid according to the payment terms established by the utility. VE reserves the right to terminate this contract upon fourteen (14) days notice for failure to pay the bill or to meet any agreed upon payment arrangement.
- 5. Cancellation/Termination** – Small Commercial customers have a 30-day unconditional right to cancel the contract without penalty following the date the customer signs this contract. Additionally, Small and Large Commercial customers may choose to cancel this contract at any time without a termination fee. A customer may change suppliers one time in any 12-month period at no cost to the customer; however, if you return to the utility you must remain for 12 months. A fee of \$10 will be required for each additional change of Supplier within the same 12-month period. The customer may cancel this Contract by written or verbal notice at any time.
- 6. Office Locations and Hours** – Volunteer Energy Services, Inc.'s office is located at 790 Windmill Drive, Pickerington, Ohio 43147 and is open from 08:00 AM to 05:00 PM EST, Monday through Friday. VE can be reached toll free at 800-977-VESI or at fax 614-856-3301. Telephone service hours are the same as office hours. VE can be reached online at <http://www.volunteerenergy.com>. The Customer can contact the Michigan Public Service Commission at 1-800-292-9555 or [www.michigan.gov/mpsc](http://www.michigan.gov/mpsc).

Cust. Initial           

3% Guaranteed Savings Program off the DTE GCR no cancellation penalty.

Rev 04/16



VolunteerEnergy  
COMMERCIAL GAS CUSTOMER CHOICE CONTRACT  
Variable Rate  
**Terms and Conditions**  
**(cont'd)**

7. **Credit** – VE may verify the customer's credit history with a credit-reporting agency upon the customer's application for service with VE. Determination of credit worthiness will be made by generally accepted business practices.
8. **Notices** – Communications that are required or allowed under the terms of this contract will be considered officially delivered when given in person, emailed, faxed, or received two (2) business days after being mailed through the United States Postal Service to one of the addresses provided by either party herein.
9. **Force Majeure** – For the purpose of this contract, Force Majeure shall include VE's right to cancel this contract if the State of Michigan, Michigan Public Service Commission or the applicable gas utility makes material changes to the gas choice programs.
10. **Miscellaneous** – The terms of this contract extend to any successors or assignees of either party. Customer may not assign this contract without written consent by VE. This contract represents the entire contract, and both the customer and VE must approve any changes or amendments. This contract supersedes any prior contract between the customer and VE.
11. **Limitation on Liability** - IN NO EVENT SHALL VE BE LIABLE TO THE CUSTOMER OR TO ANY THIRD PARTY FOR ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES ARISING OUT OF OR RELATING TO THIS CONTRACT. VE'S MAXIMUM AGGREGATE LIABILITY FOR ANY REASON OR CAUSE OF ACTION SHALL BE THE PRICE PAID BY THE CUSTOMER.

[remainder of page intentional left blank]

Cust. Initials   X  

3% Guaranteed Savings Program off the DTE GCR no cancellation penalty.

Rev 04/16

**RESOLUTION 2016-121**

**A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING A ONE-YEAR CONTRACT WITH VOLUNTEER ENERGY FOR THE PURCHASE OF THE CITY'S NATURAL GAS.**

**WHEREAS**, the City of Clare has maintained a contractual relationship with Volunteer Energy for the purchase of our natural gas needs for the past few years; and

**WHEREAS**, the price savings from Volunteer Energy has for most time periods been beneficial for the City; and

**WHEREAS**, the City's current contract with Volunteer Energy is expiring and they have offered a new contract for the purchase of natural gas; and

**WHEREAS**, after careful historical review of natural gas pricing, the savings experienced, analysis of future market conditions and the two options offered to the City entering into a new one-year contract with Volunteer Energy based upon the NYMEX is deemed to be a prudent decision that will yield continued savings.

**NOW THEREFORE BE IT RESOLVED THAT**, the Clare City Commission hereby approves entering into a one-year contract with Volunteer Energy for the purchase of natural gas using the NYMEX Plus contract pricing.

**BE IT FURTHER RESOLVED THAT** the City Commission hereby further approves and directs that either the City Manager or the Finance Director complete and sign the required contractual documents for this purchasing agreement.

**ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.**

The Resolution was introduced by Commissioner \_\_\_\_\_ and supported by Commissioner \_\_\_\_\_. The Resolution declared adopted by the following roll call vote:

**YEAS:**

**NAYS:**

**ABSENT:**

Resolution approved for adoption on this 3<sup>rd</sup> day of October 2016.

---

Diane Lyon, Clare City Clerk