

ILLINOIS  
COMMERCE COMMISSION

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**[PUBLIC]**

**PART 1**



**E**NERGY  
SAVINGS  
GROUP



# Independent Contractor Sales Manual

Part 1 of 2  
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*For your energy. For your peace of mind.*

Energy Savings Group

# Growing with Energy Savings Group (ESG)

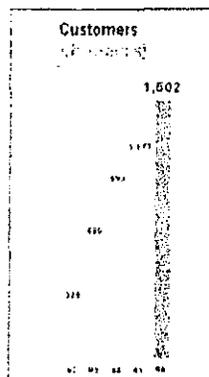
Energy Savings Group ("ESG") is a natural gas and electricity energy supplier committed to stabilizing consumers' energy costs.

ESG is one of the largest energy suppliers in North America. ESG provides residential and business customers with Natural Gas and Electricity Price Protection Programs that reduce or eliminate their exposure to fluctuating energy prices.

Energy Savings Group customers have collectively saved millions of dollars over the terms of their agreements.

Energy Savings Group's products are superior because they are financially secure and professionally managed. We guarantee customers a protected price for the entire term of their agreement.

Energy Savings Group has one of the industry's leading Customer Service Departments with over 250 professionally trained representatives.



Energy Savings Group has over one and a half million customer equivalents and growing!

## WHERE WE MARKET.

ESG markets in British Columbia, Alberta, Manitoba, Ontario, Illinois, Indiana and New York.

### Natural gas price protection programs

#### Residential

Alberta, Manitoba, Ontario, Illinois, Indiana and New York.

#### Commerical

British Columbia, Alberta, Manitoba, Ontario, Quebec, Illinois, Indiana, and New York.

### Electricity price protection programs

#### Residential

Alberta, Ontario, and New York.

#### Commerical

Alberta, Ontario and New York.

The opportunities available to Independent Contractors of Energy Savings Group are endless.

By helping customers take advantage of industry leading energy programs, it is possible to achieve financial freedom beyond your dreams!

**Remember:** you are an independent contractor, with total control over how much you make of this opportunity—you choose what you do, when you do it, and how to do it.

**Make the most of this chance.**

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# Company Bio

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ESG is made up of the operating subsidiaries of the publicly traded Energy Savings Income Fund, which is one of the leading growth funds on the TSX, with a market capitalization of close to \$2 billion.

## Energy Savings Group:

- Has over half a million customers and over 1,500,000 customer equivalents across North America.
- Is one of the largest energy suppliers in North America.
- Has built this successful business on a solid reputation, superior service and an outstanding marketing team.
- Has a strong reputation for providing our customers with fair and complete information regarding service or programs.
- **Offers our customers peace of mind. Customers face rising and volatile commodity prices — and ESG provides them with long term price stability.**
- Has superior products because it is financially secure and professionally managed.
- Has saved the average household \$505 for those who completed their 5 year natural gas agreements in 2005.
- Demonstrates strong customer focus by managing all customer questions/issues in an equitable and professional manner.
- **Provides its independent contractors with significant opportunities. Successful independent contractors are generously rewarded for their contribution and efforts.**

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# Deregulation

## PRIOR TO DEREGULATION



Prior to deregulation consumers had no choice. Households and businesses had to buy energy at set rates from their Utility (also called a local distribution company or "LDC").

The LDC or government set prices for the gas and electricity commodity and for the transportation of the energy to their customers. These prices were regulated and approved by government regulatory boards.

Before deregulation customers had to buy their energy from the utility. They couldn't fix their rates and the utility or government either set the prices that customers were going to pay or charged fluctuating market rates.

## POST DEREGULATION

Regulators in some regions allow customers the option to negotiate the price and term of their natural gas and electricity supply. Independent energy suppliers began offering supply agreements to commercial and residential customers. Utilities allowed customers to sign agreements with independent suppliers while still typically receiving one bill from their utility, which would continue to provide gas and electricity delivery.

**Energy Savings Group is one of these new independent energy suppliers.**



## WHY IS DEREGULATION A GOOD THING?

- It creates increased competition between suppliers, which can mean lower prices and innovative offerings.
- Customers can choose from a variety of suppliers each with different product offerings.
- Customers obtain the ability to hedge against the risk associated with spot market prices.
- Governments still regulate marketing activity to help ensure customer satisfaction.

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# Products & Solutions

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## PRODUCTS & SOLUTIONS

ESG offers 4 and 5 year price protection agreements so customers don't have to worry about rising energy costs. We provide:

- The **peace of mind** of knowing that our customers' base supply price will never increase throughout the term of the agreement.
- The **ability to budget** energy costs more effectively through a protected supply price.
- The **potential for savings**. If utility rates go above the protected price, customers may save money.
- ESG purchases all of its energy in advance at bulk prices, which benefits our customers.
- Energy Savings Group customers remain with their utility for delivery/transportation and continue to receive only one bill as they currently do (with the exception of Alberta, where we bill directly).
- ESG focuses exclusively on providing quality price protection programs.
- ESG customer service is one of the best in the business with over 250 representatives ready to serve customers.

Protected prices are important for people on fixed incomes or small businesses, providing protection against the ups and downs of volatile energy prices.

Energy Savings Group customers have been protected from energy increases which have risen more than 250% in some regions.

## THE BENEFITS OF PRICE PROTECTION

### Peace of Mind

- Price protection means customers no longer have to worry about fluctuating energy prices.
- Price protection allows better budgeting.
- Energy Savings Group is one of the largest energy suppliers in North America and has hundreds of thousands of satisfied customers.
- Energy Savings Income Fund has a \$2.0 billion market cap (approx), and is one of the highest selling income trusts, with over 700% unit growth, leading the TSX in 2001 through 2004.

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# The Utilities

## The utilities



Natural gas and electricity utilities do not provide customers with a long term price protection program. As such, ESG is not competing with the utility when a customer is enrolled in a Price Protection Program. The utility continues to make a profit from the delivery of the commodity and service. By law, the utility cannot make money on the cost of natural gas or electricity supply. It is important for potential customers to know that supply reliability is not jeopardized by entering into an agreement with ESG. Customers are provided long term price stability which does not affect or alter the delivery of the commodity to the customer.

ESG works with the utilities but is NOT affiliated with them.

## Notes:

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# Becoming an Independent Contractor

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## Why sell energy?

- Energy is something that everyone uses. Every door that you approach is already a potential customer.
- Energy issues frequently receive media attention. As such, the volatility of energy costs is at the forefront of potential customers' minds.

## Why be an independent contractor?

- Your earning potential is unlimited. You make as much as you choose.
- Your attitude determines your altitude. This opportunity is whatever you make it!
- You can gain valuable experience as an entrepreneur.
- As the owner of your own small business, the business expenses that you incur may be tax deductible.

## Why be an independent contractor for Energy Savings Group?

- Each of Energy Savings Group's Regional Distributors is an experienced door-to-door salesperson. They are ready and willing to share their expertise with you to help you succeed.
- Our crew coordinators are seasoned contractors who are available to help you every step of the way by providing sales tips and motivation.
- Energy Savings Group's continued commitment to growth in new markets means that there is unlimited opportunity for talented, driven individuals to take on greater earnings potential as crew coordinators or regional distributors.

## Energy Savings Group's Founders

Energy Savings Group's Executive Chair, Rebecca MacDonald, and Chief Executive Officer, Brennan Mulcahy, began their energy industry careers as door-to-door marketers. Today, the company they started in 1997 with their own money is a publicly traded organization worth approximately \$2 billion.

Says Brennan of the independent contractor opportunity, "Sales is what I've known all my life. It's what this company is all about. Sales certainly open up doors. It creates opportunity. I don't know what other factor creates as much opportunity as sales does."

Energy Savings Group offers its contractors sales awards, including the opportunity to win three trips per year to exotic destinations. Past trips have included Bali, Spain, Costa Rica, Italy, Mexico and Greece.

Our contractors enjoy helping customers control costs and budget effectively with Energy Savings Group's long-term price protection programs, and customers appreciate that our contractors offer them at least four years of freedom from the uncertainty of energy prices!

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# Keys to Success

## ATTITUDE IS EVERYTHING!

### Non-Verbal Communication

Studies have shown that 60 to 75% of all communication is non-verbal. Elements of body language, such as hand gesturing, stance, and eye movements are key components in the communication process. Intonation and inflection of voice account for 17% of communication. The actual words used in the process are responsible for only 8% of communication.

Customers will "feel" more positive if you have a positive attitude.

### Body Language

Body language is very important to the sales process. Adopting good body language includes the following:

- Have a positive outlook;
- Stand straight; never slouch - be confident;
- Keep your arms uncrossed;
- Maintain eye contact; and, most importantly,
- Smile!

### Attitude

The most important consideration in the sales process is projecting a positive attitude. A positive attitude will generate a positive atmosphere, creating a satisfying outcome. Customers will sense a negative attitude immediately and will respond accordingly. Energy Savings Group offers tremendous benefits to our customers, and we can feel confident and comfortable in knowing that we help give peace of mind to North American residences and businesses for years to come!

### Appearance

Appearance is critical when dealing with the general public. Presenting a professional image to your customers is vital to your success. Feeling good about the way you look increases your confidence and enhances your positive attitude. While representing ESG, you should:

- Display your identification badge;
- Present yourself in a neat, clean and professional manner; and
- Dress appropriately (including wearing proper footwear and avoiding ripped clothing).

ESG provides a number of items available for purchase. These items include golf shirts, spring and winter jackets, hats, and fleece sweaters. Investing in professional clothing enhances your appearance, while putting customers at ease. This has been proven to increase the marketing success of our contractors. Items are available for purchase from Head Office. Please ask your Regional Distributor for more information.

*Dress for success!*

**60 to 75% of all communication is non-verbal!**

ESG is a leading energy supplier in North America that helps hundreds of thousands of customers secure their energy prices! If you believe in the program, it will show in your body language, and customers will believe in it as well!

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# Handling Customer Questions

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Many sales people fear questions and objections, while good sales people expect them and use them to gain customer agreement and win the business.

**FACT: Customers with objections are 20% more likely to purchase. This shows a customer's willingness to address and resolve concerns.**

## More information

A customer may say "No", because they may not "Know" enough about the program or feel comfortable to make the final decision. Often customers simply need more information. To help prevent objections, give a strong, thorough presentation, and be prepared each day: pre-call planning is key!

## Believe

To overcome objections, the customer must be truly convinced. Overcoming objections can be easy if you understand and truly believe in the program and customer benefits. There is a three step process to objection handling:

1. Agree
2. Resell
3. Close

### 1. Agree

It is important to agree and empathize with customers' objections. This will help show you care, build rapport, and avoid conflict: "I understand how you feel" or "I know what you mean".

### 2. Resell

**Benefits...Benefits...Benefits...customers buy benefits!**

Each customer will react to information differently, so customize your response to that customer. The best way to answer an objection is to stack your "pile" of benefits higher than the customer's objections. The customer must feel the benefits of registering with the program.

For example:

"Mr. Customer, price is a very important concern, and the Energy Savings program provides peace of mind so you don't have to worry about volatile energy prices, which many experts agree are on the rise. Price is very important and that is a key reason why people join our program."

### What's in it for me?

By telling customers the benefits of the program as they apply to their lives, customers will be more willing to make a buying decision as they will feel as though the product is catering to their needs.

### 3. Close – Ask for the Registration.

Customers can get nervous making decisions. Help the customer to feel as though the decision he or she is making is right. Once you have shown understanding, clarified the objection, and responded with benefits, then you can ask for the registration.

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# Frequently Asked Customer Questions

## **Who is Energy Savings Group?**

ESG is a group comprised related corporations and partnerships that are licensed to provide natural gas/electricity as independent suppliers. ESG currently provides energy to over 500,000 businesses and residences.

## **Is ESG licensed to market natural gas/electricity?**

Each entity that is part of ESG is licensed or certified by the applicable regulatory body to market natural gas/electricity in B.C., Alberta, Manitoba, Ontario, Manitoba, Illinois, Indiana and New York. ESG also markets in Quebec, as permitted by the local utility.

## **How does the Price Protection Program work?**

ESG purchases large quantities of natural gas and electricity under long term agreements with suppliers and then arranges to supply this energy at a protected rate throughout the term of our customers' agreements.

## **What are the benefits of joining ESG's Price Protection Program?**

Customers choose ESG's programs to protect themselves from variable commodity rates. By choosing an ESG Price Protection Program, customers receive:

- The peace of mind of knowing that their base commodity price will never increase throughout the term of their agreement.
- The ability to budget their energy costs more effectively through a protected base commodity price.
- The potential for savings. If utility rates go above the protected price, customers may save money.

## **Can anybody join a Price Protection Program?**

Most residents and businesses residing in areas serviced by utilities with whom Energy Savings has an agreement may be eligible to register on our program.

## **Will I be switching utility companies?**

Your utility continues to deliver energy to you. By choosing ESG, you are selecting a supplier that can offer you a long term secured rate. The quality of service and

delivery from your utility company remain the same. Your utility will also continue to bill you (other than in Alberta).

## **Am I going to have two bills?**

No, all of your billing needs are taken care of by your utility, except in Alberta where we bill directly.

## **When will my Agreement take effect?**

After submitting your Agreement, it will take approximately the following length of time for the Agreement to take effect: Ontario: 45-150 days for gas; 10 - 120 days for electricity; Manitoba: 30-120 days; Quebec: 65-155 days; Alberta: 60-120 days; B.C.: 90-180 days; Illinois: 15-90 days; New York: 15-120 days; and Indiana 15-90 days.

## **How can I tell if the program has started?**

Once the program begins, ESG's name and protected rate will appear on your bill as your natural gas/electricity supplier along with our toll-free customer service telephone number. In Alberta, you will begin to receive a bill with our name on it.

## **Is the program transferable if I move?**

If you are moving, you must contact our customer service department at least 60 days prior to your moving date and we will attempt to transfer your account, provided that you are moving within an area that ESG services.

## **Can I cancel at any time?**

After signing for the Price Protection Program, you the following number of days to cancel your registration: Ontario, Manitoba, Alberta, British Columbia: within 10 days of entering into and receiving a signed copy of the agreement; Quebec: within 15 days of the mailing date of the written confirmation notice from Gaz M tro; New York and Illinois: within 3 business days of entering into and receiving a signed copy of the agreement; Indiana: within 15 days of signing the agreement for residential customers and with 5 days of signing the agreement for commercial customers.

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# Pearson MacDonald's Iron Clad Rules

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The late Pearson MacDonald was one of the original people who influenced Energy Savings Group's leaders and the way that door-to-door sales are conducted at ESG. He spent much of his life in direct sales, and helped build the values which are still upheld within Energy Savings today. Much of his success can be attributed to his positive, winning attitude. Below are his twelve Iron Clad Rules for Success.

## Below are his 12 Iron Clad Rules for Success

"A quitter never wins and a winner never quits." Anything worth having is worth fighting for, so FIGHT FOR IT.

"Work your plan and plan your work." Know what day, what time, and where you are going to work. You are your own boss and therefore you must manage yourself and/or family responsibly.

"Action makes you positive; inaction makes you negative." Doing nothing makes you feel guilty; however, as soon as you start walking and talking, you feel excellent.

"Practice, practice, practice." One thing you always hear about the top sales performers is that they always practice more and try harder.

"Momentum is everything!" Once you start work, don't stop for coffee, food, etc. until your day is complete. Once the ball is rolling, don't stop it.

"Treat a business like a business." Once at a presentation, do your presentation and leave, and go to your next presentation. Do not socialize during your business hours. Your time is too valuable.

"You always get exactly what you deserve." If you provide a lot of service, you will receive a lot of reward. If you provide little service, you will receive little reward.

"Set your goal, write it down, and repeat it twenty times a day." If you have no destination, you will never arrive. Goal setting is a must for success.

"Visualize." What a human mind can conceive and believe, the human mind can achieve.

"Be an eternal optimist!" People are always telling you what you can't do; use this as fuel to prove them wrong.

"Do it!" Procrastination is your worst enemy. Just go!

"Do it right!" Learn from the pros. Choose a role model to achieve top skills and strategies.

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# Code of Conduct

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When representing Energy Savings Group, all independent contractors must adhere to the local Code of Conduct, a copy of which you should review prior to marketing. Some key points are:

- Immediately and truthfully identify yourself to the customer: state your name, company and show your ID badge. Make sure it is clear that you are NOT with the utility.
- Clearly indicate that you represent Energy Savings, an independent energy supplier, and ensure that the customer understands that the offer is not being made by the utility or government.
- Give sufficient time for the consumer to read, review and comment on all documentation provided.
- Do not make any false statements or representations regarding the product, price or term.
- Provide only timely, accurate, verifiable and truthful comparisons.
- Dress neatly and appropriately. Remember that you are representing both yourself as an independent contractor and Energy Savings Group so conduct yourself in a professional manner.
- Always act ethically and in full compliance with the law. Never commit fraud or forgery, or misrepresent yourself or Energy Savings Group.
- Do not make any verbal representations regarding the agreements, rights or obligations, other than those that are written in the offer.
- Ensure that at all times you are wearing an ESG ID badge that contains necessary information.
- Do not exert undue pressure on the consumer.

Along with this sales manual you will be provided with a copy of the Code of Conduct for Natural Gas/Electricity in your area. It is mandatory that you read, understand and follow that Code of Conduct. If you have any questions regarding that document, it is your responsibility to ask for clarification. Any failure to abide by that Code of Conduct may lead to termination of your Contractor Agreement.

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# Paperwork

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## ESSENTIAL PAPERWORK

When you register a customer, they must sign:

- The Agreement
- The Undertaking/Notice of Appointment (if applicable)

You must also leave the customer properly completed copies of:

- The Agreement
- The Customer Brochure
- The Customer Service Contact form/Business Card
- Natural Gas and Electricity in the News
- The Cancellation Form (IN, IL and NY)

## THE AGREEMENT

The Agreement consists of a two or three page carbon form. The customer must sign the top copy of the Agreement. When the Agreement has been completed in its entirety, separate the two/three forms and leave the bottom portion(s) with the customer. The top portion must be submitted to your Regional Office. You are responsible for correctly completing the Agreement and submitting it in the proper manner.

## THE CUSTOMER BROCHURE

This brochure must be handed to all customers who join our program. The brochure contains information pertaining to the industry and the benefits of joining the Price Protection Program. The brochure is one of the best tools to help customers understand that the decision they have made was a good one!

## CUSTOMER SERVICE CONTACT FORM

This sheet must be provided to ALL customers. It provides our customer service information as well as a contractor's name and identification number. If you speak with a customer, it is mandatory that you give them a Customer Service Contact Form (business card, Manitoba), *regardless of whether they sign up or not.*

## NATURAL GAS AND ELECTRICITY IN THE NEWS

This sheet must be handed to all customers who join our program to inform them about different news articles that have been published regarding energy. It provides customers with reassurance that they have made a wise decision.

## ADDITIONAL REGIONAL PAPERWORK

Due to government regulations, some regions require that independent contractors fill out and/or provide additional documents in order to register a customer on a price protection program. Your regional office can provide all of the necessary documents and instructions on how to use them.

## Get it Write!

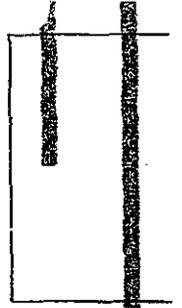
When Head Office receives Agreements, each one is counted and checked for accuracy and proper completion. If the Agreement is not filled out correctly or is very difficult to read, there is a chance that it will not be processed or that charges may be applied to you to cover the administrative costs of fixing the Agreement. Make sure to fill out the entire Agreement and write all information clearly and carefully.

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**PART 2**



# Illinois Sales Presentation

## Part 2 of 2

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- 1.2 Deregulation
- 1.3 History of Deregulation

## Section 2 Natural Gas Fixed Price Program

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# Company, Utility & Market Information

## Section 1

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# Summary of Energy Savings Group and its Businesses

Energy Savings Income Fund is a publicly traded entity with a market capitalization of more than \$1 billion CDN. Energy Savings Group is the operating arm of the Fund, comprised of various companies and partnerships. Together ESG is one of the largest energy suppliers in North America servicing over 1.5 million residential customer equivalents across nine markets. Energy Savings provides Natural Gas and Electricity Price Protection Programs to residential and commercial customers that reduce or eliminate their exposure to fluctuating energy prices.

Energy Savings does business in these markets as: Alberta Energy Savings L.P., Energy Savings B.C., Energy Savings (Manitoba) L.P., Ontario Energy Savings L.P., la Corporation d'économie d'énergie du Québec, and U.S. Energy Savings Corp.

Energy Savings has offices across Canada and the United States, and more than 600 Independent Contractors.

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# Deregulation

- The concept of “deregulation” is quite simple. The local utility continues to own and maintain the pipes that deliver the gas service to consumers’ homes or businesses, but consumers can choose the company that provides their gas.
- In today’s competitive market, independent suppliers (such as USESC) can offer a variety of prices, incentives, or services to gain business. Therefore, customers have the opportunity to shop for their preferred product, just like they do when they buy a car, home or their weekly groceries.



# History of Deregulation

## Before Deregulation

- Consumers had no choice but to buy from their utility (e.g. Nicor Gas, Peoples Gas and North Shore Gas).
- The utility's gas commodity price was regulated and approved by the Illinois Commerce Commission ("ICC").

## Early Stages of Deregulation

- In the late 1990s, Illinois small and mid-sized businesses were able to sign up with an independent supplier. Local utilities provided pilot programs for these groups.
- The utilities introduced 'consumer choice programs' where customers were given the option to choose whether they wanted to remain on system gas or to sign with an independent supplier.

## July 2001

- Nicor Gas' pilot program became permanent and open to all customers.

## May 2002

- Peoples Gas and North Shore Gas extended their consumer choice programs to all customers who consume less than 50,000 therms per year.

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# Natural Gas Fixed Price Program

## Section 2

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# Natural Gas Fixed Price Program

USESC provides four and five year fixed price programs.

The programs provide customers with:

- The **peace of mind** of knowing that their base commodity rates will never increase for the term of their agreement.
- The **ability to budget** their energy costs more efficiently through protected prices.
- The **potential** for savings if the market price exceeds the price of the program. (NB: Never promise savings to any customer)
- And with GEO the **ability to lessen** environmental footprints

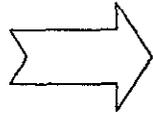
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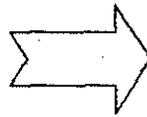
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# Natural Gas Flow Chart

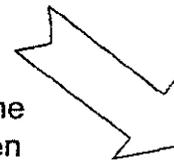
## Traditional Service



Pipelines transport the commodity to the Utility.



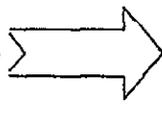
Utility will receive the commodity and then transport to customer.



End User



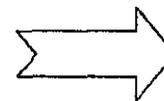
## Or... Customer Select



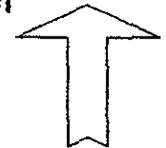
ESG buys natural gas for the contract term to guarantee the rate.



Pipelines transport the commodity to the Utility.



Utility will receive the commodity and then transport to customer.



End User



# Benefits of a Natural Gas Fixed Price Program with USESC

- Fixed Price Program means customers no longer have to worry about fluctuating energy prices.
- Fixed Price programs allow for better budgeting.
- We are one of the largest energy suppliers in North America and have hundreds of thousands of satisfied customers.
- Over \$1 billion market capitalization (company's stock market value) - one of the highest selling income trusts, with close to 800% unit growth in its early years where it led the Toronto Stock Exchange (TSX) for several consecutive years (2001 through 2004). Even after 10 years, the company continues to grow at approximately 15-20% per year, making it unique amongst most other established income trusts.
- Our financial strength ensures customers are protected for the entire term of their agreements.
- We purchase all of our energy in advance at bulk prices, which benefits our customers.
- Customers may have the ability to transfer their programs when they move within their utility's service area.
- Our customers remain with their utility for delivery/transportation and continue to receive only one bill.
- We focus exclusively on providing quality fixed price programs, and increasingly, Green Energy Options.
- Our customers have access to our call centre 5 days a week.
- Our customer service is one of the best in the business with over 200 representatives ready to serve our customers.

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# The Utilities

## Section 3

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USE 000041





# The Utilities

Natural gas utilities do not provide customers with a long term price for their commodity. **As such, USESC is not competing with the utility when a customer is enrolled in a retail program.**

## Utility service areas in which USESC markets in Illinois:

- Nicor Gas, Peoples Gas, and NorthShore Gas.
- Note: Contractors may only register customers who consume less than 50,000 therms per year and are eligible for the “Choices for You” (NorthShore Gas & Peoples Gas) or “Customers Select” (Nicor Gas) Programs.

## Make certain you please avoid:

- Customers on the “Do Not Contact” and “Do Not Solicit” lists from Nicor Gas, Peoples Gas and NorthShore Gas.
- Peoples Gas and NorthShore Gas customers who consume more than 50,000 therms annually. These customers are not eligible for the “Choices for You” program. However, if you are not sure whether or not these customers are eligible, proceed as usual. Head Office will receive notification from the utility if the customer is ineligible for the program.

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# Nicor Gas

## Nicor Gas – Facts and Figures:

- Serves more than two million customers in 641 communities.
- 96 percent of homes in the Nicor Service area use natural gas.
- Transports and stores gas for 129,000 commercial and industrial customers.
- The largest natural gas distributor in Northern Illinois.
- Has 29,000 miles of gas mains and service pipes.

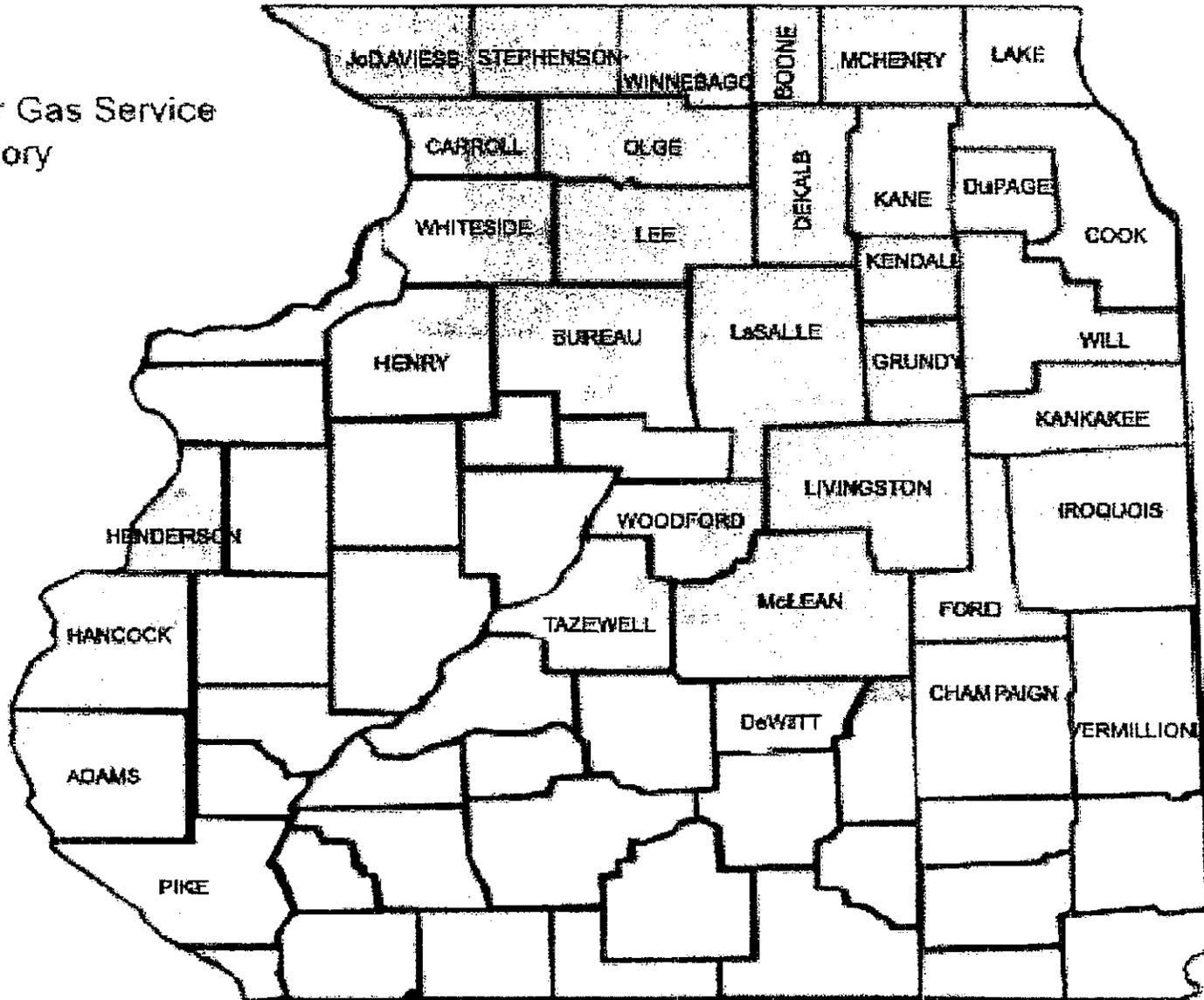
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# Nicor Gas Service Area

 Nicor Gas Service Territory



USE 000044

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# Peoples Gas and NorthShore Gas

- Peoples Gas core business is the distribution of natural gas to residential and business customers through two utilities - Peoples Gas and NorthShore Gas.
- Combined, they serve the energy needs of more than one million customers in Chicago and 54 communities in northeastern Illinois.



## Choices For You

### Number of Customers - 2004

#### PEOPLES GAS

<u>Gas Sales</u>	
Residential	753,734
Commercial	36,617
Industrial	1,974
Total Gas Sales	<u>792,325</u>

<u>Transportation</u>	
Residential	9,872
Commercial	8,976
Industrial	1,296
Total Transportation	<u>20,144</u>

<u>Total</u>	
Residential	763,606
Commercial	46,593
Industrial	3,270
Total	<u>812,469</u>

#### NORTH SHORE GAS

<u>Gas Sales</u>	
Residential	139,112
Commercial	9,018
Industrial	919
Total Gas Sales	<u>149,049</u>

<u>Transportation</u>	
Residential	2,587
Commercial	1,484
Industrial	196
Total Transportation	<u>4,266</u>

<u>Total</u>	
Residential	141,699
Commercial	10,502
Industrial	1,114
Total	<u>153,315</u>

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 USE 000045



# Peoples Gas/NorthShore Gas Service Area

## Northeastern Suburbs Communities

Antioch	Forrestal Village	Round Lake Beach
Lincolnshire	Northbrook	Half Day
Aptakisic	Fort Sheridan	Russell
Lindenhurst Bannockburn	Old Mill Creek	Halsey Village
Long Grove	Gages Lake	Third Lake
Beach Park Mettawa	Park City	Hawthorn Woods
Buffalo	Glencoe	Venetian Village
Grove	Prairie View	Highland Park
Millburn	Grayslake	Vernon Hills
Deerfield	Riverwoods	Highwood
Mundelein	Great Lakes	Wadsworth
Diamond Lake	Rondout	Indian Creek
Nimitz Village	Green Oaks	Waukegan
Druce Lake	Rosecrans	Knollwood
North Chicago	Gurnee	Wheeling
Lake Bluff	Lake Forest	Villa Winthrop Harbor
Wildwood	Winnetka-Lake	Libertyville
		Zion

USE 000046

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# The Marketing Presentation

## Section 4

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# Presentation Checklist

## INTRODUCTION TO POTENTIAL CUSTOMER:

- Immediately truthfully and fully identify yourself (provide proof of licensing).
- Indicate the purpose of your approaching the Customer.
- Identify USESC, with whom you are associated, and provide your CS contact sheet.

## MAKING THE PRESENTATION:

- Be clear and honest – do not imply something or be ambiguous, or exaggerate so as to mislead customers with regard to the terms of the Agreement.
- Never write additional rates on the agreement or create additional paperwork for the customer.
- To the best of your knowledge and ability, give complete, accurate and clear answers to customers' questions concerning the Agreement or any other matter.
- Give sufficient time for customers to read the entire Agreement thoroughly and without interruption or harassment.
- Do not make any verbal representations regarding agreements, rights or obligation unless those representations are factually accurate and contained in the Agreement.
- YOU MUST ENSURE THAT THE SIGNATORY IS THE ACCOUNT HOLDER OR HAS AUTHORIZATION to sign on behalf of the account holder.
- Provide customer with copies of all required paperwork. *(See Sections 7.3 and 10.1-10.3)*
- You must understand and comply with USESC's Code of Conduct at all times.

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# The Marketing Presentation – Script

## Part 1: Introduction & Opportunity – Asking for the bill

- Hi, I'm (name) with U.S. Energy Savings Corp. (*point to your badge*), an independent natural gas supplier.  
(*Hand over the Customer Service Contact Sheet with your name and contractor number written on it*).
- I am checking to see if you are registered for our natural gas fixed price program, like the Smiths/Smith's Pizza and the Jones/Jones' Drycleaning next door]. (*Use only testimonials that are accurate and of customers who have agreed to the use of their name*).
- If you are already registered for a fixed price program it will appear on your utility bill and you may not be eligible for our program. (*pointing to the USESC approved sample bill provided by Head Office*).
- So, if you could get a copy of your most recent natural gas bill, I can check to see whether or not you qualify. I'll just wait here... (*break eye contact to ensure that the customer does not feel pressured in any way*).

## Part 2: Explaining the Program – Peace of Mind (*Clearly explain it. Then, once you have received and reviewed the customer's bill:*)

If the customer is already with USESC:

- Congratulations on making a wise decision, thank you for your time, and have a great day.

If the customer is not on a program:

- Okay, you haven't registered yet. This agreement guarantees the commodity supply portion of your gas bill at [\$/therm] for the next 4 or 5 years and it protects you from unpredictable gas rates
- So, you'll have the peace of mind of knowing that your commodity price will be stabilized for the term of your agreement.
- Once you're on our program, you will still continue to receive one bill from your utility [Nicor/Peoples/North Shore], but you will see USESC's name and toll-free customer number on your bill, along with your fixed price within 1-3 months. You will also be responsible for the Customer Select/Pass-through Charge from the utility for gas balancing and storage.
- When registering for our program, you not only stabilize your price over the next 4 or 5 years, but you also eliminate the uncertainty of your natural gas bills month over month through our budget billing program (commodity portion).
- In addition, you can help the environment by reducing greenhouse gas emissions through our Green Energy Option.
- (*Continue explaining the "Customer Select" (Nicor) or "Choices for You" (Peoples/North Shore) program as necessary*).

4.2



# The Marketing Presentation (Script) *cont'd*..

## Part 3: Completing the Agreement

- I have a number of items here\*, and I will leave you with all the copies. (\* See Section 7.3 & 7.4 - Paperwork)
- Now, I just need a few pieces of information for the agreement. ( See Section 9.1 & 9.2 for details)
- *For Residential:* For credit verification purposes, we'll need your Social Security Number ("SSN") and Date of Birth.
- *For Commercial:* Is your business classified as a Sole Proprietorship, Corporation or Partnership? And your Business Tax ID Number is? (for Sole Proprietorship, the Business Tax ID number could be the same as the owner's "SSN")
- (Pointing to the to GEO portion of the agreement) The benefit of our Green Energy Option ("GEOgas") is that by participating, you are doing your part towards making Illinois a little cleaner. For only \$4 per unit per month, each unit you purchase provides an offset of 20% of the average household's annual emissions, which equals 2,200 lbs of carbon dioxide ! A lot Illinois customers have selected 2 or 3 units, and some have taken 5. How many would you be interested in?
- Now on the back here is the cancellation form. I'll fill it out and leave it with you. You have 30 days after receiving your first bill to cancel your agreement without any fees (fill in cancellation form except account number). (The federal requirement is for a minimum of business 3 days, but USESC allows customers up to 30 days after they receive their first bill, as a customer service gesture)
- Now I just need to get your signature here (put a checkmark beside where the customer signs). This is your agreement, and the information here will be forwarded to your utility to let them know you have chosen U.S. Energy Savings Corp. to supply your natural gas under our Fixed Price Program.
- If you can initial here (put a checkmark next to the first initial line on the contract), you confirm that you understand that U.S. Energy Savings Corp. is not affiliated with the utility, but you will still continue to receive your one bill directly from Nicor Gas/Peoples Gas/NorthShore Gas.
- And, by initialing here (put a checkmark next to second initial line), you state that you understand the cancellation terms of your agreement. So, this means if you cancel after the agreement has already come into effect, an exit fee of (Residential) \$75 per year for each remaining year may be applied, since we will have already secured your long-term gas supply.  
(Note: Commercial Exit Fees: 10 cents/term x Remaining Usage).

## **Maintaining Rapport & Friendly Disposition** (Act in a courteous, professional, friendly manner at all times)

(Use comments/ simple conversation to ensure the customer continues to feel comfortable and not pressured while authorizing the agreement.)

- *Examples:* How long have you lived here? Nice house/office/neighborhood...

# The Marketing Presentation (Script) *cont'd...*

• I am now going to call our customer service department to verify your agreement and secures your natural gas rate for five years

- 1) Call toll free # from customer's phone 1-877-644-0443.
- 2) Choose Option 1 for residential or Option 2 for commercial
- 3) Choose Option 1 for English or Option 2 for Spanish

*(The CSR will answer, then prompt you for the following information (please do not provide any information until you are asked):*

- 1) Type of account: Commercial or Residential, then: Multiple or Single Contract
- 2) Your full name and
- 3) Your Independent Contractor ID number (CSR will confirm)
- 4) Customer Name (First and Last) of signatory (individual or company) (CSR will ask for correct spelling)
- 5) Telephone number you are calling from - (CSR will ask if the IC is using a cell phone. If yes, you will be asked to provide the number and reason)
- 6) Whom will I speaking with (i.e. Account Holder, Spouse, etc.)
- 7) Utility (i.e. Nicor, Peoples, North Shore)
- 8) Account Number
- 9) Number of GEO (GEOgas) units selected by customer, if any
- 10) Product, Term, and Price

*(The CSR will ask to speak to the customer to perform the FPRC (provided number matches. If not the CSR will call back the customer).*

- 11) Hand the phone to the customer.
- 12) Customer speaks to CSR who will verify:
- 13) Name, title, address, telephone number, confirmation, rate & term, account number
- 14) Take the phone back from the customer
- 15) Obtain the FPRC code to write on the agreement

## **Part 5: Close, Wrap-up and Reiterate the Program:**

• Here is a copy of your agreement (*give yellow copy to customer; take top copy to submit to head office*). Again, this agreement will protect your gas commodity price for the next (four or) five years, so you don't have to worry about changing natural gas rates. I will send the agreement in to my head office to proceed with the enrollment process and credit verification, and after that, if you're accepted, in 1 to 3 months our name "USESC", fixed rate, and our toll free number will appear on your bill (*showing again the head-office approved sample bill with our name on it*). U.S. Energy Savings will now be supplying your gas, but you will continue to receive your bill from Nicor/Peoples/North Shore who still deliver the gas to you. This customer service contact sheet has my name and contractor number as well as our customer service contact number; if you have any questions, feel free to call us. You will also be receiving a welcome letter from us once you're registration is approved, and it will have all details in it, including info on your budget billing and Green Energy Option (*if selected*). Have a nice day! (*Leave the customer with the agreement copy, cancellation form, the customer service contact sheet, and the customer broc*)



# The Marketing Presentation (Body Language)

Success is largely dependent on how you present your message:

- You must **project** a warm, positive attitude.
- **Body language** accounts for 58% of what we communicate to others.
- **Appearance** is also a critical element – you must always present yourself in a neat, clean, professional manner.
- **Always** display your **badge**, dress appropriately for the weather, and wear comfortable footwear.

USE 000053

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4.5



# The Marketing Presentation (Objections)

Objections are opportunities to sell the product. When facing objections:

- **Agree** – Never argue.
- **Overcome** – Respond to the objection and eliminate the concern.
- **Re-Sell** – Reiterate the benefits of the program.

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**IESC EXHIBIT 5.8**  
**PART 3**  
**(PUBLIC)**



# Fixed Price Reservation Code "FPRC" Section 5

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# Power of Attorney

- A person over the age of 18 and who has written legal documentation that states that they have the ability to sign legal documents on behalf of the Account Holder pursuant to a legal document is known as a *“Power Of Attorney”*.
- The account holder may not have to be present when a “Power of Attorney” is registering on their behalf. However proper documentation will have to be provided to substantiate their claim of signing authority.
- A “Power of Attorney” is NOT the same as an “Authorized Representative” and should not be confused with it.
- A registration will be terminated immediately if it is deemed that an “Authorized Representative” portrayed themselves incorrectly as a “Power of Attorney”.

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# Authorized Representatives

- *“Authorized Representatives”* are only to be used for account holders who do not understand the agreement because of a language barrier. The account holder **MUST** be present during the sales presentation while “authorizing” another representative to sign on their behalf.
- Under no circumstances should Residential agreements be signed by “authorized representatives” if the account holder is not present.
- The Authorized Representatives must confirm that she/he is a close relative who is living in the same residence of the Account Holder, is over 18 and has been appointed by the Account Holder to contract on his/her behalf.
- Along with the authorized representative, the account holder must also sign the agreement.

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# Fixed Price Reservation Code (FPRC)

After signing a customer, you must then:

- Contact Customer Service for an FPRC.
- Speak to the CSR and introduce yourself.

*(Contractor will provide their name, Contractor #, the name of the customer/company, customer information, and telephone number when speaking to the CSR)*

- The Contractor will then give the phone to the customer.

After the conversation, the Contractor will take back the phone from the customer and obtain FPRC from the CSR. *(Note that FPRCs must be conducted with every registration.)*

- The FPRC number is 1-877-644-0443.

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# Guidelines for an FPRC

- Prior to the call, the Contractor must sell the program fully and the customer must have no objections.
- Agreements must be signed prior to calling for the FPRC (unless the Contractor is having the CSR present the program in Spanish in which case the CSR will direct the customer to sign the agreement).
- Contractors must call Customer Service from the customer's phone number. In addition, the call should not be conducted on a speaker phone (as the CSR will question the customer if they suspect the call is on speaker).
- Know the guidelines for Authorized Representatives and Powers of Attorney.
- The Contractor must be present during the entire process.

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# Spanish FPRC's

Spanish speaking Contractors may opt to explain the program to Spanish customers in Spanish; and **MUST** use a Spanish agreement. The Contractor can opt to have the FPRC completed in Spanish by choosing the Spanish prompt when calling in for a FPRC.

Non-Spanish speaking Contractors may also sign customers that only speak Spanish. The Contractor must call into the FPRC line and choose the Spanish Language option to have a Spanish speaking CSR explain the agreement.

- The Contractor must explain to the CSR that they require a sale presentation to be done in Spanish.
- The Spanish speaking CSR will then explain the program (in Spanish) and then tell the customer to sign the agreement if they approve the program.
- Only the Spanish agreement can be used in these situations. Once signed, the CSR will provide the Contractor with an FPRC (the customer cannot sign the agreement until instructed by the CSR).

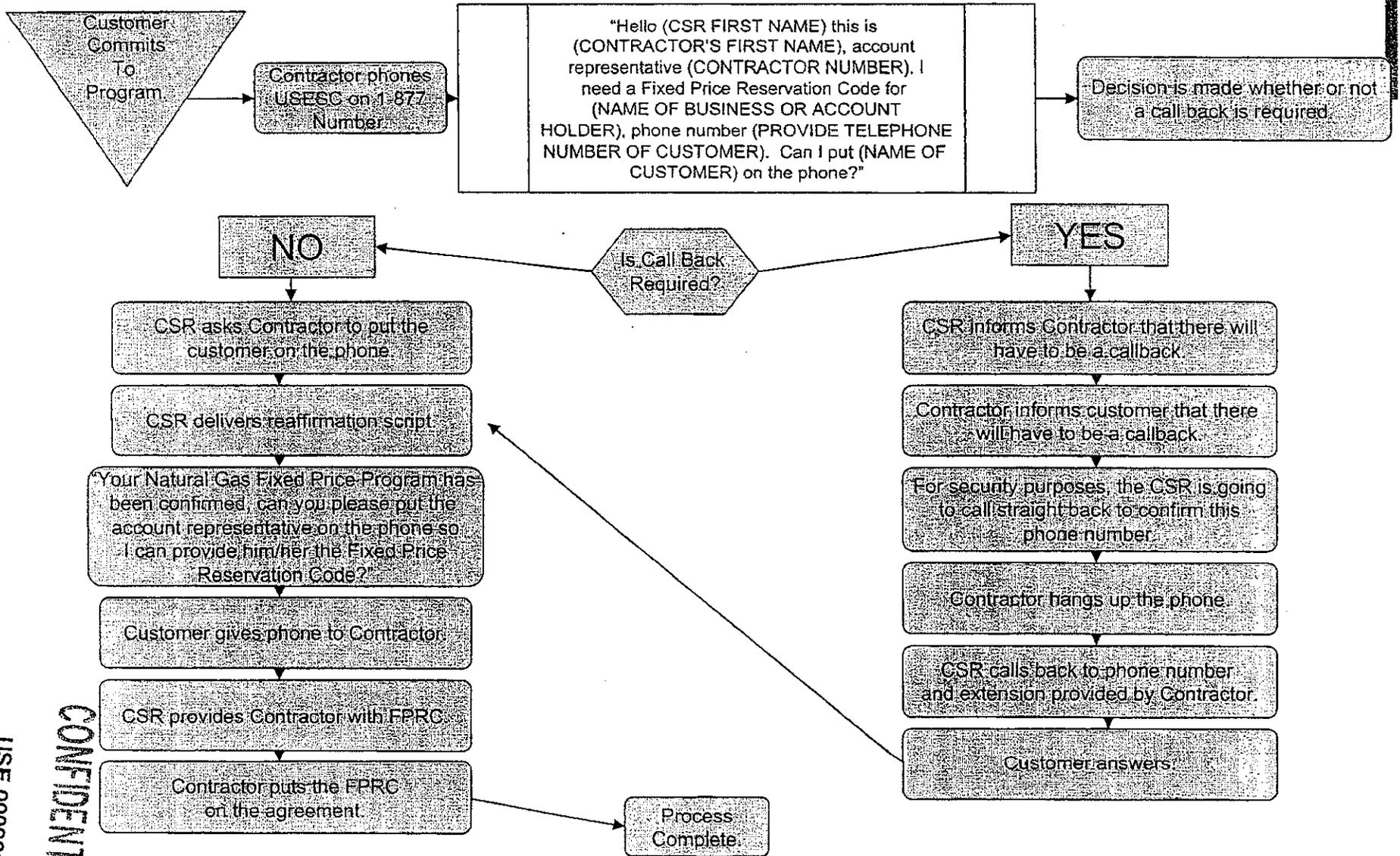
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# FRPC Process



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# Illinois FRPC Residential Script

## ESG Illinois English Residential Script

### Question 1

Good afternoon Jay Smith, my name is Tracy Mathon from U.S. Energy Savings Corp. an alternative gas supplier I just need to ask you a couple of questions in order to confirm the agreement you just signed.

### Question 2

Just to let you know, our call is being recorded for Quality purposes.

### **IF CUSTOMER DOES NOT WANT TO BE RECORDED**

ESG Illinois Resi Verification: Declined

Thank you for considering U.S. Energy Savings Corp.. Just to confirm, by not registering for our Fixed Price Program(s), you may be subject to fluctuating market rates and will not have the supply price protection that we can offer. Are you certain you do not wish to confirm your agreement?

*If customer changes their mind, go back to the beginning of script.*

### **IF CUSTOMER DECLINES THE PROGRAM A SECOND TIME**

Thank you and please contact U.S. Energy Savings Corp. should you require information on fixed price energy programs in the future.

Have a great day!

### Question 3

Could you please provide me with your name? [Jay Smith]

### Question 4

And you are the Account holder?

**(NOT Speaking with account holder)**

What is your relationship with the account holder?

**(If POA)**

Do you have an official Power of Attorney document that grants you authority over the financial dealings of John Dess?

**(If yes)**

Please note that you might be required to send in a copy of the Power of Attorney document at a later date

### Question 5

And your [Utility] account number is? [4684847864]

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# Illinois FRPC Residential Script (cont'd)

## Question 6

Is this the best number to reach you at? 654-564-6846

## Question 7

### GEOgas Selection

Thank you for choosing to participate in our Green Energy Option. Your chosen level of participation in the GEOgas program:

For account number [Account Number] is [#UNITS]  
(For multiple accounts please continue: For account number...etc)

All at an associated flat monthly fee of \$4 per unit

## Question 8

Great! I'm almost done. I just have a few more questions...

Jay Smith, can you kindly confirm by responding with the word "YES" that you understand this agreement does not promise savings; however, it does offer peace of mind, stability, and protection against potential future price increases? (Pause - Need a "YES")

## Question 9

Thank you. Also, can you please confirm with the word "YES" that you understand we are not affiliated with your local Utility? (Pause - Need a "YES")

## Question 10

Great! Now I'd like to confirm you understand you are entering into a natural gas price agreement with U.S. Energy Savings at a rate of \$1.09 per therm for a term of [4 or 5] years.

Can you please confirm your agreement by responding with the word YES? (pause)

## Question 11

Perfect

You have 30 days from the date of your first bill to cancel your agreement without any costs. Should you wish to cancel after that date, you will be required to pay \$75.00 for each year left on your agreement. If for any reason you do not notice USESC on your bill after 90 days, please give us a call.

Thank you for your assistance and for choosing U.S. Energy Savings Corp. as your natural gas supplier. My name is Tracy Mathon and my customer service ID is 100005. May I please speak with Harry Jones your Account Representative?

ESG Illinois Resi Verification: FRPC Code

Harry Jones, I have verified the information and the Fixed Price Reservation Code is **cf96887355**.

5.8

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# Green Energy Option (GEO)

## Section 6

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# Why Green Energy?

- The world is getting hotter
  - 10 hottest years on record have all occurred since 1994.
  - Scientists believe this global warming is due in large part to a significant increase in greenhouse gases.
- Humans are a major contributor of greenhouse gases into the atmosphere.
- The burning of fossil fuels is a major contributor to greenhouse gas emissions.
  - Even natural gas, the cleanest burning fuel, releases CO<sub>2</sub> when burned.
- Emissions have also been linked to poor air quality



[1] <http://www.cbc.ca/technology/story/2007/01/04/hottest-2007.html>

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6.1

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# Why Should We Be Concerned About Greenhouse Gases?

- As energy consumers, we all contribute to the release of greenhouse gases, such as carbon dioxide (CO<sub>2</sub>), into the atmosphere. We do so every time we turn our lights on or our thermostats up, drive our cars, mow our lawns, or even order for pizza delivery.
- The average natural gas consuming American household is responsible for approximately 5 tons of CO<sub>2</sub> emissions annually from consumption of natural gas for home heating.
- With U.S. Energy Savings Corp., customers can choose to offset some of the negative environmental impacts of every day energy consumption through the purchase of *GEogas*.

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# USESC's Green Energy Option

- Our Green Energy Option (GEO) is an environmentally responsible program that provides customers an alternative to complement their price protection programs.
- GEO is a simple, convenient program designed to help each of us energy consumers lessen the size of our carbon footprints.

## What is GEO<sub>gas</sub>?

- As a complementary product to USESC's natural gas price protection program, GEO<sub>gas</sub> provides customers with the ability to offset the negative impacts of their annual household greenhouse gas emissions by contributing to locally-based carbon offset projects.

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6.3

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# Frequently Asked Questions Con't

## What does USESC's offset program consist of?

- USESC's *GEOgas* mix is made up of a number of predominately locally-based environmental carbon-offset initiatives.
- These initiatives, which may include projects relating to the use of more environmentally sound farming techniques or tree planting programs, for example, have the overall effect of offsetting and/or reducing carbon emissions.

## What is carbon neutral gas?

A typical natural gas consuming household emits approximately 5 tons (more than 11,000 lbs) of carbon dioxide each year, just from traditional USESC such as home heating.

These emissions can be "neutralized" by reducing carbon emissions from industry and/or by removing carbon from the atmosphere.





# Frequently Asked Questions Con't

## How does the *GEOgas* charge show on the customer bill?

- If the customer opts out of Budget Billing, a separate line item appears and shows as “*GEOgas*” with the associated charge for that billing period.
- If the customer is on the Budget Billing plan the *GEOgas* charge is included in the budget billing monthly amount along with the existing charges for natural gas and any pass-through amounts.

## Does the customer get a separate welcome letter for *GEOgas*?

- Customers signing for *GEOgas* receive a different welcome letter from those that do not buy *GEOgas*. The customer continues to receive a single letter upon enrolment. There are different letters sent for those on a budget billing plan and those that have opted out.

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