



CITY COUNCIL AGENDA ITEM

TO: Mayor & City Council

DATE: September 28, 2012

FROM: John McDonough, City Manager

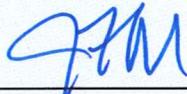
AGENDA ITEM: Consideration of Renewal of Agreement for the Gas South Municipal Alliance Program

MEETING DATE: For Submission onto the October 2, 2012, City Council Regular Meeting Agenda

BACKGROUND INFORMATION: (Attach additional pages if necessary)

See attached:

Memorandum
Proposed Renewal
Original Agreement

APPROVAL BY CITY MANAGER:  APPROVED

PLACED ON AGENDA FOR: 10/2/2012

CITY ATTORNEY APPROVAL REQUIRED: () YES () NO

CITY ATTORNEY APPROVAL: 

REMARKS:



TO: Mayor and City Council

FROM: John McDonough, City Manager

DATE: September 27, 2012 for submission on the Agenda of the October 2, 2012
City Council Meeting

ITEM: Consideration of Renewal of Agreement for the Gas South Municipal Alliance
Program

Background

In August 2011, the City entered into an agreement with Gas South to participate in the Gas South Municipal Alliance Program. Per the terms of the agreement, the agreement can only be renewed by the written agreement of the City and Gas South.

The Municipal Alliance Program offered by Gas South provides municipalities the opportunity to offer residents a two – cent per therm discount off of each of Gas South’s available standard rate plans and a waiver of account establishment fees (\$35). The discounted rates and waived fees are available to new and existing Gas South customers living within the city limits. In return, the City receives a \$12 upfront “Finders Fee” for each residential account opened and \$24 for each commercial account. Gas South provides the City a monthly payment for each resident (\$1/month) and business (\$2/month) receiving service from Gas South. In addition, Gas South provided support for advertising including co-branded direct mail, local event sponsorships and content for the City’s publications to promote the program at no cost to the City.

The program requires the City to advertise Gas South on the City’s website as a business partner, allow use of the City’s name and logo to promote the alliance in local media (subject to City approval) and approve a co-branded direct mail that is sent to prospective natural gas customers.

Nine other municipalities and six electric membership corporations currently participate in the Municipal Alliance Program. These include Acworth, College Park, Fairburn, Kennesaw, Norcross, Roswell, Union City, Woodstock, Marietta Power and Water, Central Georgia EMC, GreyStone Power Corporation, Washington EMC, Snapping Shoals EMC, Cobb EMC and Upson EMC. Some of the municipal partners previously designated funds received through the Municipal Alliance Program for specific projects such as park improvements or walking trails. Preliminary estimates placed the potential revenue to the City over five years at \$300,000.

Program Update

During the one-year period of the agreement, four Direct Mail pieces were sent to residents and businesses in Sandy Springs:

- September 2011
- November 2011
- February 2012
- June 2012

As a result of those mailings, 670 residential and one commercial customer either enrolled or transferred their accounts to Gas South. Through July (August's numbers have not yet been reconciled), the City has received **\$13,541** from Gas South. In addition, Sandy Springs consumers who enrolled with Gas South have saved approximately \$8,300 through the two – cent per therm discount and waiver of connection fees. Gas South has also provided financial support to community events such as the Sandy Springs Festival and the Sandy Springs Cycling Challenge.

After discussion at the September 11, 2012 City Council meeting, staff contacted Gas South to clarify the terms of the renewal. The attached proposed Renewal Agreement formally renews the annual agreement and details the 15% annual reduction in the number of Baseline Accounts. This reduction will result in a net increase of customers for which the City receives the annual royalty fee.

For year 2, Gas South's projections indicate a net income to the City of \$23,776. These estimates assume that the number of enrollments will be the same in year 2 as they were in year 1 and that those customers who enrolled in year 1 will remain with Gas South.

Attachment

1. Proposed Renewal of Natural Gas Retail Service Alliance Agreement.
2. Gas South Municipal Alliance Agreement.

**RENEWAL OF
NATURAL GAS RETAIL SERVICE ALLIANCE AGREEMENT**

This is a Renewal (“Renewal”) of the Natural Gas Retail Service Alliance Agreement (“Agreement”), which Agreement was effective _____, 2011 (“Effective Date”) and entered into by and between Gas South, LLC, a Georgia Limited Liability Company (“Gas South”) and the City of Sandy Springs, Georgia, a Georgia municipality (“City”).

WHEREAS, Gas South and City (each, a “Party”, and collectively, the “Parties”) jointly formed an alliance respecting the retail marketing of natural gas in certain Designated Zip Codes; and

WHEREAS, the City seeks clarification on the application of Baseline Accounts to Monthly Royalty Payments subsequent to the first Contract Year; and

WHEREAS, Section 6.1 of the Agreement provides it “shall continue in full force and effect for an initial term of one (1) Contract Year from and after the Commencement Date”, which is _____, 2011; and

WHEREAS, Section 6.1 further states the “Agreement shall thereafter renew for successive one (1) Contract Year terms upon the written approval of each Party”; and

WHEREAS, it is in the best interest of the Parties and the natural gas customers in the City to renew the Agreement; and

WHEREAS, the Parties intend for this Renewal to fulfill the Section 6.1 requirement for written approval of each Party in order to renew the Agreement.

NOW, THEREFORE, in consideration of the promises, mutual covenants, and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

RENEWAL

The Parties hereby approve the renewal of the Natural Gas Retail Service Alliance Agreement between the Parties, for one (1) Contract Year effective at the conclusion of the initial term and continuing in full force and effect through _____, 2013.

Section 4.2 is amended, not to change the original terms, but only to clarify the existing terms, so the following is added to the end of the second paragraph: “On each anniversary of the Commencement Date, the number of Baseline Accounts will be reduced 15% annually, which will result in an increase in the net Residential Customers and Commercial Customers recognized to calculate the Monthly Royalty Payments.”

GAS SOUTH, LLC

By: _____
Kevin Greiner
President and Chief Executive Officer
Dated: _____

CITY OF SANDY SPRINGS, GEORGIA

By: _____

City Manager
Dated: _____

NATURAL GAS
RETAIL SERVICE ALLIANCE AGREEMENT

by and between

GAS SOUTH, LLC

and

CITY OF SANDY SPRINGS, GEORGIA

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NATURAL GAS RETAIL SERVICE ALLIANCE AGREEMENT

This Natural Gas Retail Service Alliance Agreement (this "Alliance Agreement" or "Agreement"), effective August 23, 2011, ("Effective Date") is entered into by and between Gas South, LLC, a Georgia Limited Liability Company (herein, together with its successors and permitted assigns, "Gas South") and the City of Sandy Springs, Georgia, a Georgia municipality (herein, together with its successors and permitted assigns, "City").

WHEREAS, Gas South and City (each, a "Party" and collectively, the "Parties") jointly desire to form an alliance respecting the retail marketing of natural gas in certain Designated Zip Codes;

WHEREAS, Gas South recognizes the value of the City brand, reputation, and sales channels for acquiring and retaining natural gas customers who are City Sales Prospects;

WHEREAS, in consideration for the use of the City brand, reputation, and sales channel, Gas South will pay certain amounts to City as provided herein upon Gas South's enrollment of eligible prospective natural gas customers located in certain Designated Zip Codes generally in the City service area after the Commencement Date.

NOW, THEREFORE, in consideration of the promises, mutual covenants, and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I Definitions

All capitalized terms used herein and not otherwise defined, whether singular or plural, shall have the respective meanings set forth in Schedule A. Defined terms in this Alliance Agreement shall include in the singular number the plural and in the plural number the singular.

ARTICLE II Formation of Retail Service Alliance

Section 2.1 Scope of this Alliance Agreement.

(a) Scope of City's Services. City shall, reasonably cooperate with, and allow the marketing of Gas South's natural gas to residential and commercial retail natural gas customers in the Designated Zip Codes ("City Sales Prospects"). City shall allow the marketing and promotion of Gas South's natural gas to City Sales Prospects exclusively through City's various communication channels. City shall not enter into any other marketing or promotion Agreement for the sale of natural gas of any other retail gas marketer of natural gas in the State of Georgia. In consideration of City's services in assisting in Gas South's acquisition of City Sales Prospects, Gas South shall pay to City the fees set forth in ARTICLE IV. In order to further facilitate Gas South's sale of natural gas within the City, Gas South will, subject to its other standard terms and conditions therefore, extend its then current discounted Municipal Alliance Program Discounted Rate to all eligible City Sales Prospects who enroll for natural gas service from Gas South through a special landing page

designed for City Sales Prospects located on Gas South's website or otherwise identify themselves as a City resident. Gas South will also allow customers who did not enroll for natural gas service through one of these sales channels but have service addresses in the Designated Zip Codes to qualify for the then current Municipal Alliance Program Discounted Rate by accessing the special landing page (as further described in Section 3.1(a)) for City Sales Prospects and registering their accounts.

(b) Exclusivity & Limits. City shall deal solely and exclusively with Gas South respecting the marketing and promotion of natural gas in the Designated Zip Codes. Furthermore, City will not permit the affiliation of the City Marks with any retail gas marketer in the State of Georgia other than Gas South during the Term. Gas South may acquire customers in the Designated Zip Codes through its call center, website, and other sales channel partners, but Gas South shall not engage in direct marketing through direct mail or other geographically Targeted Direct Marketing to any service address located in the Designated Zip Codes without the City's consent. City Sales Prospects in the Designated Zip Codes acquired directly by Gas South or through non-City channel partners shall qualify under this Alliance Agreement for the purposes of calculating the Monthly Royalty Payment under Section 4.2, and shall not qualify for purposes of a Finder's Fee under Section 4.1.

(c) Activities Outside Designated Zip Codes. This Alliance Agreement shall not and is not intended, however, to affect or address activities by Gas South associated with marketing and promoting Gas South's natural gas to any potential natural gas customers with a service address outside the Designated Zip Codes, and except as provided herein, nothing in this Agreement shall relate to or affect any form of advertising or marketing by Gas South which does not use the name of City or any City Marks. Gas South may also, at its sole discretion, enter into natural gas marketing and service arrangements with others, including but not limited to other municipalities outside of the Designated Zip Codes. No provision of this Alliance Agreement shall be construed to in any way impair or otherwise affect City's ability or right to provide service to its customers or to engage in any other activities permitted by Law.

Section 2.2 Management of the Alliance.

Each of the Parties shall appoint a representative ("Executive Project Sponsor") to manage and oversee the administration of this Alliance Agreement on its behalf. Gas South will seek input from City on the development of written training materials, instruction and Sales Collateral. Within thirty (30) days after the Effective Date of this Alliance Agreement, Gas South shall provide written Sales Collateral to City. In a Commercially Reasonable time frame, Gas South shall also provide up-to-date process documentation to the City regarding the various Gas South programs in effect from time to time. Except as otherwise expressly provided herein, the content of such materials, instructions, Sales Collateral and documentation shall be determined by Gas South in its sole discretion, however, any of such materials which the City makes available to the public shall be subject to City's approval.

ARTICLE III
Retail Natural Gas Services

Section 3.1 Acquisition of City Sales Prospects.

(a) Eligible City Sales Prospects. An eligible residential or commercial City Sales Prospect must be located within the Designated Zip Codes. The Parties shall cooperate and use Commercially Reasonable Efforts to allow visitors to City's website(s) to click on one or more icons or links and be transferred to a special landing page designed for City Sales Prospects located on Gas South's website for information and enrollment for Gas South's natural gas service. The content of any such landing page shall be subject to the prior approval of both Parties, and the use of the Gas South Marks and City Marks in connection with such landing page shall be subject to the other provisions of this Agreement. To the extent that the Parties are co-authors of any copyrightable works, or are co-owners of any copyrighted works, so long as this Agreement is in effect, each shall be free to copy, distribute, modify, publicly perform and display, use and otherwise exploit such works in any way and in any manner without any duty to account to the other Party therefore, subject to each Party's respective rights in the City Marks, the Gas South Marks, and any other proprietary rights either or both may have.

(b) Marketing of Gas Services to City Sales Prospects. City shall consistent with the terms of this Agreement assist Gas South in order to market, promote and facilitate Gas South's acquisition of residential City Sales Prospects through its website, newsletters, emails, and other consumer communications; provided, however, such efforts are subject to prior approval by the City. Upon enrollment for natural gas service from Gas South, such a City Sales Prospect shall be an Acquired City Customer. The Parties agree that there is no numerical cap on the number of Acquired City Customers Gas South may obtain under this Alliance Agreement.

Section 3.2 Ancillary Services.

(a) Responsibility. In addition to the services described in Section 2.1 and Section 3.1 above, all Customer Care, Billing, and Collections activities for Acquired City Customers will be performed by Gas South or its designee, will not be the responsibility of City, and will be managed by Gas South.

(b) Billing Questions or Disputes. Any Customer Care or Collection Calls received by City or its agents pertaining to natural gas service provided by Gas South in the Designated Zip Codes shall be transferred to Gas South's designated call center for resolution.

Section 3.3 Performance of Services.

All Parties expressly acknowledge and agree that (a) City is acting as an independent entity in connection with the performance of the services hereunder; (b) City is not acting as the agent for Gas South in connection with the performance of any such services, unless otherwise expressly agreed in writing by Gas South and City; (c) all persons employed by City are its employees and not the employees of Gas South in any respect due solely to their employment by

City; (d) Gas South is not acting as the agent for City in connection with the performance of any activities hereunder, unless otherwise expressly agreed in writing by Gas South and City; (e) all persons employed by Gas South are its employees and not the employees of City in any respect due solely to their employment by Gas South; and (f) City shall not have any duty, obligation, responsibility or liability hereunder to any prospect or customer of Gas South in the Designated Zip Codes in connection with any retail natural gas or other service provided by Gas South for such customer. All services performed hereunder by City, and all actions undertaken by Gas South in connection with the provision of natural gas in the Designated Zip Codes to Acquired City Customers, shall be performed in accordance with applicable Laws.

ARTICLE IV
Fees for Services

Section 4.1 Finder's Fee for Acquired City Customers.

For each Acquired City Customer who identifies himself in a call to the call center used by Gas South as responding to an offer code utilizing Co-Branded Advertising or as responding to Co-Branded Advertising of any kind, Gas South shall pay City a one-time Finder's Fee of twelve dollars (\$12.00) per each new Residential Customer and twenty-four dollars (\$24.00) per each new Commercial Customer. Gas South shall also pay City a Finder's Fee for each enrollment of a new Residential Customer enrolled pursuant to the landing page developed by Gas South for eligible City Sales Prospects. All accrued Finder's Fees will be paid the fifteenth (15th) day of each month, commencing the second full month after the Commencement Date. (See Schedule C (I) for example calculations of Finder's Fees.)

Section 4.2 Royalty Payments for Acquired City Customers.

By the fifteenth (15th) day of each month, commencing after the first full month after the Commencement Date, Gas South shall pay to City a royalty payment for each active Residential Customer and each active Commercial Customer in the Designated Zip Codes that exists in Gas South's billing records for the preceding month minus the Baseline Accounts ("Monthly Royalty Payment"). The Monthly Royalty Payment shall equal \$1 per active Residential Customer and \$2 per active Commercial Customer. (See Schedule C (II) for example calculations of Royalty Payments.)

The number of active accounts in Gas South's billing records for the month shall equal to the total number of active Residential Customers and active Commercial Customers reflected in the FDCG file issued by AGL to Gas South on or around the 21st day of the preceding month. Gas South shall calculate the Baseline Accounts, within forty-five (45) days after the Commencement Date, and such calculated amount shall constitute the Baseline Accounts for purposes of calculating the Monthly Royalty Payment until a new Baseline Account is calculated on or before forty five (45) days following each anniversary of the Commencement Date. Such a Monthly Royalty Payment shall be paid by Gas South regardless of whether a new customer in the Designated Zip Codes enrolled through a City sales channel or through a Gas South sales channel.

Gas South will provide to City each month an extract from its Customer Information System that contains the customer address and offer code of each customer of Gas South in the Designated Zip Codes.

Section 4.3 Provision of Other Services.

Any other service not specifically referenced herein shall be discussed by the Parties and decided, based on mutual consent of the Parties, if such service will be offered and, if so, the associated price for such service. The Parties agree that the associated pricing will at least provide for City's full recovery of any and all costs it incurs in providing such service. Except for fees for such other services, neither Party shall have any other payment obligations to the other under this ARTICLE IV.

**ARTICLE V
Joint Marketing**

Section 5.1 General Advertising and Marketing.

(a) Joint Advertising Plan. The Parties shall participate in Co-Marketing and use Co-Branded Advertising in the Designated Zip Codes at no cost to the City. At no cost to the City, after the Effective Date, the Parties shall jointly develop an advertising plan which includes Co-Branded Advertising. Such advertising may include, but is not limited to local print, geographically-targeted online advertising, event sponsorships, and cable television. The Parties agree that Co-Branded Advertising may include the use of the Gas South Marks and City Marks and may mention an affiliation between Gas South and City subject to Paragraphs (b) and (c) below; provided that all creative content contained in Co-Branded Advertising shall be subject to the respective written pre-approval of City and Gas South prior to the production, distribution, and use of such creative content. Gas South shall be responsible for the costs of producing and distributing all Co-Branded Advertising that has either been approved as part of the joint advertising plan or otherwise approved in writing, except for the City advertising specified in Paragraph (b) below.

(b) Use of Gas South Marks and Name in City Advertising. Should the Parties agree that the City advertises Gas South's natural gas service through its newsletters, emails or other consumer communications, and on its website, including a link to facilitate enrollment of City Sales Prospects for natural gas from Gas South online via a special landing page hosted on Gas South's webpage, any use of the Gas South Marks or mention of Gas South in such City advertising and customer communications shall be subject to Gas South's review and written approval prior to such use; provided, Gas South's approval shall not be unreasonably withheld. Should the City agree to undertake advertising under this Agreement, the City shall be responsible for the costs of producing and distributing such advertising as City decides to reasonably undertake.

(c) Use of City Marks and Name in Gas South Advertising. Any use of the City Marks or mention of City in Gas South advertising and customer communications shall be subject to City's review and written approval prior to such use.

(d) Trademark Licenses and Ownership. Subject to the terms and conditions hereof, City hereby grants to Gas South a non-exclusive license to use the City Marks only as expressly allowed herein and to perform its obligations hereunder. Subject to the terms and conditions hereof, Gas South hereby grants to City a non-exclusive license to use the Gas South Marks only as expressly allowed herein and to perform its obligations hereunder. Except as otherwise expressly provided herein, neither Party grants the other any right or license, and each Party hereby reserves all such retained rights. Gas South shall not obtain or claim any ownership in any of the City Marks, and City shall not obtain or claim any ownership in any of the Gas South Marks. The goodwill associated with the use of any of the Gas South Marks shall inure solely to the benefit of Gas South, and the goodwill associated with the use of any of the City Marks shall inure solely to the benefit of City. The Parties agree that the goods and services to be provided in connection with the use of the City Marks and the Gas South Marks, and all advertising, promotional, and other uses thereof, shall be of a level of quality that is consistent with the quality of such goods, services and uses by City and Gas South with respect to such marks prior to the Effective Date.

Section 5.2 Targeted Direct Marketing.

(a) Targeted City Sales Prospects. Gas South may from time to time develop and provide direct marketing materials that include reference to City and/or use of the City Marks which target certain City Sales Prospects and/or Gas South customers (“Targeted Direct Marketing”). Such Targeted Direct Marketing materials may include such items as are approved in the joint marketing plan. All such co-branded, Targeted Direct Marketing media shall be authorized under the joint advertising plan developed pursuant to Section 5.1(a), and all co-branded creative content shall be subject to the respective written pre-approval of City and Gas South prior to the production, distribution, and use of such co-branded creative content. Gas South shall be responsible for the costs of developing, producing, and distributing co-branded, Targeted Direct Marketing materials. Unless otherwise agreed to in writing, such Targeted Direct Marketing campaigns shall identify the Gas South call center and website as the channels for enrollment of City Sales Prospects for Gas South’s retail natural gas service.

(b) Joint Announcement of Alliance. The Parties will develop a joint, targeted announcement of their retail natural gas marketing alliance. The content and allocation of the costs to produce, print, and distribute such a joint announcement, if any, shall be mutually agreed upon by the Parties prior to the development of any such announcement.

ARTICLE VI Term

Section 6.1 Term.

This Alliance Agreement shall be effective as of the date first indicated above (“Effective Date”) and shall continue in full force and effect for an initial term of one (1) Contract Year from and after the Commencement Date. This Alliance Agreement shall thereafter renew for successive one (1) Contract Year terms upon the written approval of each Party.

Section 6.2 Effect of Non-Renewal.

(a) City Non-Renewal. If City chooses not to renew the Agreement in accordance with ARTICLE VI, Gas South shall not be obligated to make any payments to City after the expiration of the then current Contract Year; provided that Gas South shall pay City all monies owed to City as of the expiration of the then current Contract Year within thirty (30) days of such expiration date. In the event of a City non-renewal, within ninety (90) days from the expiration of the then current Contract Year, all Co-Branded Advertising and Co-Marketing shall have ceased, and Gas South shall have ceased any further use of the City Marks. City shall have ceased any further use of the Gas South Marks prior to the end of such period.

(b) Gas South Non-Renewal. If Gas South chooses not to renew the Agreement in accordance with ARTICLE VI, Gas South shall be responsible for continuing to pay City Finder's Fees and Monthly Royalty Payments for Acquired City Customers for a period of six (6) months after the expiration of the then current Contract Year. In the event of a Gas South non-renewal, within ninety (90) days from the expiration of the then current Contract Year, all Co-Branded Advertising and Co-Marketing shall have ceased, and City shall have ceased any further use of the Gas South Marks, except for the continued use of those materials used by City prior to that date to solicit City Sales Prospects.

Section 6.3 Termination For Cause.

(a) In the event either Party believes that there has been a material breach (or material breaches) of this Agreement by the other Party, the aggrieved Party may give notice to the other Party specifying the material breach (or material breaches). The Party receiving the notice shall have sixty (60) days to cure the specified material breach (or material breaches). If the aggrieved Party believes that such material breach (or material breaches) has not been cured within such sixty (60) day period, then the aggrieved Party may terminate this Agreement for cause by giving thirty (30) days prior notice to the other Party which must specify a termination date.

(b) If at any time, a new Law or a new interpretation of an existing Law either (i) prevents Gas South or City from performing its obligations under this Agreement and such inability cannot be cured by using Commercially Reasonable Efforts as required by Section 13.10(a) or (ii) materially increases the costs of Gas South or City or otherwise materially reduces the reasonably expected net income of either Party to be derived from the performance of this Agreement, and such reasonably expected net income cannot be restored by an amendment of this Agreement after good faith negotiation for sixty (60) days as provided in Section 13.10(b), then either Party may terminate this Agreement for cause by giving thirty (30) days prior written notice to the other Party which shall specify a termination date.

(c) In the event of termination for cause by City pursuant to any of the preceding provisions of this section, City shall no longer be required to comply with section. After notice is given of termination for cause by a Party, the Parties shall pay each other any amounts then due and payable as of the termination date, and any such payment(s) shall be

made within thirty (30) days after the termination date. In the event of any such termination, Gas South shall have ceased any further use of any City Marks, and City shall have ceased any further use of any Gas South Marks in each case within ninety (90) days after the termination date.

Section 6.4 Termination For Convenience.

Subsequent to the initial Contract Year, either Party may terminate this Agreement for convenience upon ninety (90) days' written notice to the other Party. In the event of a termination for convenience, if the termination is by the City, payments and wind down shall be handled in accordance with Section 6.2(a) above calculated from the termination date. If the termination is by Gas South, payments and wind-down shall be handled in accordance with Section 6.2(b) above calculated from the termination date.

ARTICLE VII
Conditions Precedent

Section 7.1 Obligations Subject to Conditions.

The obligations of the Parties under this Alliance Agreement shall be subject to the satisfaction of the following conditions prior to the Commencement Date of this Alliance Agreement, except that the obligations of either Party shall not be subject to such Party's own performance or compliance:

(a) The City shall have approved this Alliance Agreement.

(b) The Management Committee of Gas South shall have approved this Alliance Agreement.

(c) All processes for transferring data and customer communications to be utilized to carry out obligations under this Agreement shall have been established and tested, and such processes shall have been validated as meeting the needs of the Parties.

The Parties shall agree on the date which is the Commencement Date after the mutual agreement of the Parties when each of such activities has been substantially completed, waived, or otherwise satisfied. Each Party shall confirm its mutual agreement by notice to the other Party of its agreement to the Commencement Date.

ARTICLE VIII
Representations, Warranties, and Covenants

Section 8.1 Mutual Representations.

Each Party represents and warrants to the other Party: (i) it is duly organized, validly existing and in good standing under the laws of the State of Georgia, and is duly qualified to do business in the State of Georgia; (ii) it has all requisite corporate power to own, operate and lease its properties and carry on its business as now conducted; (iii) it has all regulatory or third party authorizations, including any required authorization from the City's Council, necessary for it to

legally perform its obligations under this Alliance Agreement; (iv) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms or conditions in its governing documents, any contract or other agreement to which it is a party, or any Law applicable to it; (v) this Alliance Agreement constitutes each Party's legally valid and binding obligation enforceable against it in accordance with the terms hereof, subject to any Equitable Defenses; (vi) there are no Bankruptcy Proceedings pending or being contemplated by it or, to its knowledge, threatened against it; (vii) there are no Legal Proceedings that would be reasonably likely to materially adversely affect its ability to perform this Alliance Agreement; (viii) it has knowledge and experience in financial matters that enable it to evaluate the merits and risks of this Alliance Agreement; and (ix) the signatories to this Agreement are authorized to sign and bind the Parties to this Agreement.

Section 8.2 Mutual Assistance.

Each Party represents and warrants that it will assist the other Party to the extent practicable by providing information and assistance needed to perform their obligations under this Alliance Agreement.

Section 8.3 Covenants.

(a) Each Party covenants that it will take all actions necessary or appropriate to ensure that the representations and warranties in Section 8.1 are materially true and correct throughout the Term of this Alliance Agreement.

Section 8.4 Disclaimers and Indemnification.

EXCEPT FOR THE EXPRESS REPRESENTATIONS AND WARRANTIES IN Section 8.1, NEITHER PARTY MAKES ANY OTHER REPRESENTATIONS OR WARRANTIES, AND HEREBY DISCLAIMS AND NEGATES ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR ANY GENERAL OR PARTICULAR PURPOSE, AND THAT THE USE OF THE CITY MARKS BY GAS SOUTH, AND THE USE OF THE GAS SOUTH MARKS BY CITY, AS ALLOWED HEREUNDER DO NOT INFRINGE ANY RIGHTS OF ANY THIRD PARTIES.

Gas South agrees to defend, indemnify and hold harmless the City, its Mayor, Council members, officers, employees, successors, assigns, agents to the extent allowed by applicable law, from and against any and all claims, losses, liabilities or expenses (including, without limitation, attorneys' fees) caused by Gas South's negligence or willful and wanton misconduct.

ARTICLE IX
Damages

Section 9.1 Consequential Damages.

IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT, WARRANTY, GUARANTEE, TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, SHALL ANY PARTY HERETO OR ANY SUBCONTRACTOR OR AGENT THEREOF BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR EXEMPLARY DAMAGES, INCLUDING BUT NOT LIMITED TO, THE LOSS OF PROFITS OR REVENUE, LOSS OF USE OF THE EQUIPMENT OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE EQUIPMENT, FACILITIES OR SERVICES, DOWN TIME COSTS, LOSS OF OPPORTUNITY, LOSS OF DATA, LOSS OF GOODWILL, AND/OR CLAIMS OF CUSTOMERS OF ANOTHER PARTY FOR SUCH DAMAGES; AND GAS SOUTH HEREBY RELEASES CITY, AND CITY HEREBY RELEASES GAS SOUTH, THEREFROM.

Section 9.2 Duty to Mitigate.

Each Party agrees that it has a duty to mitigate damages, and covenants that it will use Commercially Reasonable Efforts to minimize any damages it might incur as the result of any other Party's performance or nonperformance of this Alliance Agreement.

ARTICLE X
Confidentiality

(a) Each Party agrees to preserve, to the maximum extent permitted by Law, the confidentiality of Confidential Information supplied to it by the other Party during the course of implementing, performing, or winding up this Agreement. Neither Party shall disclose directly or indirectly without the prior written consent of the other Party any Confidential Information to a third party except (i) in order to comply with any applicable Law, or (ii) to the extent necessary for the enforcement of this Agreement. Each Party shall notify the other Party of any proceeding, or request, of which it is aware which may result in disclosure of any Confidential Information (other than as permitted hereunder) and use Commercially Reasonable Efforts to prevent or limit the disclosure. The existence of this Agreement is not subject to this confidentiality obligation. In the event that disclosure of the contents of this Agreement is required by a third party governmental body, the Open Records Act, or other applicable Law, the Party subject to such requirement may disclose the material terms of this Agreement to the extent so required, but shall use its best efforts to promptly notify the other Party of its disclosure.

(b) Upon (i) the expiration or termination of this Agreement and (ii) the request of a Party, the other Party shall return or destroy all written Confidential Information provided by the requesting Party; provided that a Party may keep a copy of any written Confidential Information if such Party's counsel determines that it is required to do so by Law, or pending the outcome of any dispute involving the Parties or transactions under this Agreement. In the event of such request, documents, analyses, compilations, studies or other

materials prepared by a Party or on its behalf that contain or reflect Confidential Information from the other Party, other than computer archival and backup tapes or archival and backup files (collectively "Computer Tapes") and customer account, billing and trading records (collectively, "Other Records"), shall be destroyed (such destruction to be confirmed in writing by a duly authorized officer of the returning Party) or shall be retained on a confidential basis consistent with the terms of this Agreement. Computer Tapes and Other Records shall be kept confidential in accordance with the terms of this Agreement. Notwithstanding the foregoing, neither Party shall be required to destroy or return documents covered by this provision prior to the later of the expiration of applicable statutes of limitations for actions that might arise with respect to the subject matter of such documents or final action with respect to any legal action or arbitration involving such documents.

(c) Notwithstanding the foregoing provisions of Subsections (a) and (b), Gas South hereby acknowledges that the City is subject to the State of Georgia Open Records Act, O.C.G.A. Sec. 50-18-70, et seq., ("Open Records Act") and, as such, the above provisions are not intended, and shall not act, to cause or result in a violation of the Open Records Act.

ARTICLE XI Dispute Resolution

Section 11.1 Dispute Resolution Generally.

Except as otherwise expressly provided in this Alliance Agreement, any dispute arising out of or in connection with this Alliance Agreement or its performance (including the existence, validity and interpretation of this Alliance Agreement) may be submitted to non-binding mediation. In the event one of the Parties requests the other Party to mediate the dispute, such other Party shall consent to or reject such request within seven (7) days of receipt of the request. In the event such other Party agrees to mediation, the Parties shall initiate non-binding mediation to be administered by a mutually agreeable third party, or failing agreement, the American Arbitration Association. The Parties agree to work in good faith to resolve disputes. The Parties agree to complete the mediation process as soon as reasonably feasible. Either Party may withdraw from this voluntary process upon giving the other Party seven (7) days written notice. Thereafter, either Party may seek any remedy authorized by Law and may file any proper court action with any court having jurisdiction over actions, and with venue, in Fulton County, Georgia.

Section 11.2 Confidentiality.

The existence, contents, or results of any mediation proceeding under this ARTICLE XI shall be deemed to be Confidential Information and shall be subject to the provisions set forth in ARTICLE X.

Section 11.3 Effect of Dispute Resolution Procedures.

The initiation of the dispute resolution procedures under this ARTICLE XI shall not affect the Parties' respective obligations and rights under this Agreement during the pendency of such procedures.

ARTICLE XII
Force Majeure

If any Party is rendered unable by an event of Force Majeure to carry out, in whole or part, its obligations hereunder and such Party gives notice and full details of the event to the other Party as soon as practicable after the occurrence of the event, then during the pendency of such Force Majeure but for no longer period, the obligations of the Party affected by the event (other than the obligation to make payments then due or becoming due with respect to the other Party's performance) shall be canceled to the extent required. The Party affected by the Force Majeure shall remedy the Force Majeure with all reasonable dispatch.

ARTICLE XIII
Miscellaneous Provisions

Section 13.1 Assignment.

The terms, provisions, obligations, representations, warranties, and conditions of this Alliance Agreement shall extend to, be binding upon, be enforceable by, and inure to the benefit of the Parties hereto, their respective successors and permitted assigns. Except for (i) an assignment to an Affiliate, or (ii) a merger or the sale of substantially all of a Party's assets or business to an entity capable of and legally committed to performing hereunder, no Party may assign its rights and/or obligations under this Alliance Agreement without the prior written consent of the other Party, which consent may not be unreasonably withheld. Notwithstanding anything to the contrary in this Alliance Agreement, either Party may without prior written consent, pledge, encumber, or collaterally or conditionally assign, and upon an event of default under any of its secured financing arrangements may fully assign, its interests in this Alliance Agreement and all of its rights, title and interests thereunder to any secured lender (or any group of secured lenders or any agent acting on their behalf) of the assigning Party.

Section 13.2 Amendments.

Neither this Alliance Agreement nor any provision hereof may be waived, modified, amended, discharged, or terminated, except by an instrument agreed to and signed by both Parties, and then only to the extent set forth in such instrument.

Section 13.3 Severability.

Each portion of this Alliance Agreement is intended to be severable. If any term or provision hereof is declared illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Alliance Agreement.

Section 13.4 Notice.

Any notice given under this Alliance Agreement shall be in writing and shall be hand delivered, sent by registered or certified mail, or delivered by a reputable overnight courier such as Federal Express or United Parcel Service, to the Parties as follows:

Gas South, LLC
1 Overton Park, Suite 1500
3625 Cumberland Blvd SE
Atlanta, Georgia 30339
770-763-4650
Attention: Chief Executive Officer

City of Sandy Springs, Georgia
7840 Roswell Road, Building 500
Sandy Springs, Georgia 30350
Attention: City Manager

Section 13.5 Governing Law.

THIS ALLIANCE AGREEMENT AND THE RIGHTS AND DUTIES OF THE PARTIES ARISING OUT OF THIS ALLIANCE AGREEMENT SHALL BE GOVERNED BY, CONSTRUED UNDER, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF GEORGIA, WITHOUT REGARD TO ITS CONFLICTS OF LAW PRINCIPLES.

Section 13.6 Third Parties.

The provisions of this Alliance Agreement shall not impart rights enforceable by any person or entity not a Party to or not a successor or permitted assignee of a Party bound by this Alliance Agreement.

Section 13.7 No Partnership.

Nothing in this Alliance Agreement is intended to create, or shall be construed as creating or constituting, a partnership, joint venture, or association between the Parties, or to impose a fiduciary, trust or partnership duty, obligation, or liability on or with regard to the Parties.

Section 13.8 Entire Agreement.

This Alliance Agreement and the schedules and exhibits attached hereto and incorporated by reference herein constitute and contain the entire understanding of the Parties with respect to its subject matter. This Alliance Agreement supersedes all prior and contemporaneous negotiations, understandings, letters of intent, and agreements (whether oral or written) between the Parties relating to its subject matter.

Section 13.9 Agreement Interpretation.

Whenever the context may require, any pronoun shall include the corresponding masculine, feminine, and neuter forms. Any reference in this Alliance Agreement to "Section", "Subsection", "Article", "Exhibit", or "Schedule" shall be references to this Alliance Agreement. Unless the context requires otherwise, words importing the singular include the plural, and vice versa. Unless the context requires otherwise, any references in this Alliance Agreement to any document shall mean such document and all schedules, exhibits, and attachments thereto, as amended from time to time. Unless otherwise stated, any reference in this Alliance Agreement

to any person shall include its successors and permitted assigns and, in the case of any governmental authority, any person succeeding to its functions and capacities. The words "hereof," "herein," "hereto," and "hereunder" and words of similar import, when used in this Alliance Agreement, shall, unless otherwise specified, refer to this Alliance Agreement as a whole and not to any particular provision of this Agreement. Whenever the term "including" is used herein in connection with a listing of items included within a prior reference, such listing shall be interpreted to be illustrative only, and shall not be interpreted as a limitation on or exclusive listing of the items included within the prior reference. In the event of a conflict between the text of this Alliance Agreement and any Exhibit or Schedule, the terms of the body of this Alliance Agreement shall prevail. The Parties acknowledge that each Party and its counsel have reviewed and revised this Alliance Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Alliance Agreement. The headings of the articles and sections of this Alliance Agreement and the Table of Contents are inserted for purposes of convenience only and shall not be construed to affect the meaning or construction of any of the provisions hereof.

Section 13.10 Change in Law.

(a) Gas South and City shall each use Commercially Reasonable Efforts to take all actions necessary or appropriate to ensure that it has and maintains at all times the ability under applicable Law to perform its obligations under this Agreement, including obtaining and maintaining any license, permit or other authorization that may be or become necessary (as long as such license, permit, or other authorization can be obtained using Commercially Reasonable Efforts).

(b) In the event that a new Law or a new interpretation of an existing Law materially changes the costs of either Party in performing its obligations under this Agreement, or otherwise materially reduces the reasonably expected net income of either Party to be derived from the performance of this Agreement, then the affected Party shall give written notice to the other Party, and the Parties shall negotiate in good faith to amend this Agreement so that such reasonably expected income of each of the Parties is substantially the same as it would have been prior to the new Law or the new interpretation of an existing Law.

Section 13.11 Survival.

Upon termination of the Parties' obligations under this Agreement, any monies due and owing to either Party shall be paid, and any corrections or adjustments to payments previously made shall be determined and implemented, as soon as practicable. The Parties' obligations provided in this Agreement shall remain in effect for purposes of complying with this Section. Notwithstanding anything to the contrary, Section 5.1(d), Section 8.4, ARTICLE IX, ARTICLE X, ARTICLE XI and this Section 13.11 shall survive the expiration or termination of this Agreement.

Section 13.12 Press Releases.

Neither Party shall issue any press release regarding this Agreement, the terms of this Agreement, nor any transactions contemplated hereunder, without first providing a copy of such press release to the other Party and allowing the other Party to respond with suggested revisions, if any.

Section 13.13 No Affiliate Liability.

Notwithstanding any other provision of this Alliance Agreement, no Affiliate shall have any liability whatsoever for any Party's performance, nonperformance or delay in performance under this Alliance Agreement unless such Affiliate has been assigned this Alliance Agreement in accordance with Section 13.1.

Section 13.14 Counterparts.

This Alliance Agreement may be executed in multiple counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 13.15 Time of Essence.

Time is of the essence of this Alliance Agreement.

Section 13.16 Insurance.

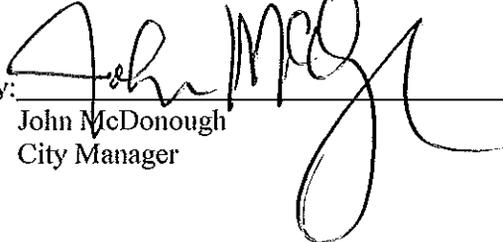
Each Party agrees that beginning with the Effective Date and continuing through the Term of this Agreement it shall maintain the types and levels of insurance required by Law and as are customary in its industry or for its type of entity.

IN WITNESS WHEREOF, the Parties hereto have signed and thereby executed this Alliance Agreement effective as of the date and year first written above.

GAS SOUTH, LLC

By: 
Kevin Greiner
President and Chief Executive Officer

CITY OF SANDY SPRINGS, GEORGIA

By: 
John McDonough
City Manager

SCHEDULE A DEFINITIONS

“Acquired City Customer” means a customer whose service address is physically located within a Designated Zip Code and who becomes a Gas South customer after the Commencement Date and with respect to which Gas South is required to pay a Finder’s Fee pursuant to Section 4.1 of this Agreement.

“Affiliate” shall mean, for any specified Party, any other entity directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Party. For purposes of this definition, “control” means the power to direct the management and policies of such entity, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“AGL” means Atlanta Gas Light Company.

“Alliance Agreement” or “Agreement” means the Natural Gas Retail Service Alliance Agreement by and between Gas South, LLC and City.

“Bankruptcy Proceedings” means, with respect to a Party, the commencement or existence of a court proceeding in which such Party (i) makes any general assignment or any general arrangement for the benefit of creditors, (ii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition involuntarily filed against it and such petition is not withdrawn or dismissed within thirty (30) days after such filing, (iii) otherwise becomes bankrupt or insolvent (however evidenced), or (iv) is unable to pay its debts as they fall due.

“Baseline Accounts” means, for the first Contract Year, the number of active residential and commercial customers with service addresses physically located within the Designated Zip Codes that are contained in the monthly FDCG report received from AGL for the month immediately following the Commencement Date, and for each Contract Year thereafter, the number of active residential and commercial customers included in the Baseline Accounts for the immediately preceding Contract Year, less fifteen (15) percent.

“Billing” means maintaining billing records, preparing and mailing bills to each customer, receiving and reviewing amounts paid by customers, and allocation of payments received, but does not include Collections or any activities associated with the collection of past due receivables.

“City Marks” means City’s trademarks, service marks, names, symbols, logos, designs, artwork, and trade names, whether registered, pending registration, or subsisting at common law, and any slogans or marketing taglines lawfully used by City during the Term of this Agreement.

“City Reps” mean all employees and agents of City who will market and promote Gas South’s natural gas service to eligible City Sales Prospects.

“City Sales Prospects” shall have the meaning set forth in Section 2.1(a).

“Co-Branded Advertising” means the use of advertising media, such as, but not limited to, billboards, local print, the internet, event sponsorships, cable television, and signage, to promote the services of both Gas South and City and which, at a minimum, identifies both the Gas South Marks and City Marks.

“Collections” means securing the receipt of past due receivables.

“Collection Calls” means calls made to active or inactive customers to collect amounts due to Gas South for natural gas service received.

“Co-Marketing” shall mean activities jointly undertaken by the Parties to acquire and retain natural gas customers for Gas South, including dissemination of information regarding Gas South and/or its relationship with City in City resident and business communications, joint advertising, direct marketing, website marketing, and any other joint activities agreed to by the Parties.

“Commencement Date has the meaning set forth in Section 7.1.

“Commercial Customer” means a customer account identified as “commercial” or “industrial” by AGL’s Eneract system.

“Commercially Reasonable” or “Commercially Reasonable Efforts” means a level of effort, with respect to an action or matter which a prudent person would undertake for the protection of its own interest in the exercise of reasonable judgment in light of facts known, or which should be known with the exercise of reasonable care, and the circumstances existing at the time a decision is made, including the amount of notice and the competitive environment, can be expected to accomplish the desired result at a reasonable cost to the Party which is obligated to exercise “Commercially Reasonable Efforts.”

“Computer Tapes” is defined in ARTICLE X(b).

“Confidential Information” means any written or electronic data or information (or an oral communication, to the extent the Party requesting confidential treatment of such communication promptly confirms it in writing and indicates the confidential nature thereof) disclosed by one Party to the other pursuant to this Agreement, including personally identifiable information such as, but not limited to, customer name, address, phone number, date of birth, Social Security number, Tax Identification number, Driver’s License number, video image, digital image, or photograph, except information which (i) is a matter of public knowledge at the time of its disclosure or is thereafter made public without a breach of this Agreement (ii) constitutes information which is obtained from a third party (other than an Affiliate or other representative of a Party) other than by or as a result of unauthorized disclosure, or (iii) prior to the time of disclosure had been independently developed by the receiving Party or its Affiliate without using improper means, including unauthorized disclosure or breach. Notwithstanding

anything to the contrary, upon termination of this Agreement, Gas South's customer information as to any Gas South customers who were acquired in whole or in part as a result of any City information, leads, or efforts, shall be deemed not to contain any Confidential Information of City.

"Contract Year" means a period of twelve (12) consecutive calendar months commencing on the Commencement Date and each anniversary date thereafter during the term of this Alliance Agreement.

"CPR" shall mean the CPR International Institute for Conflict Prevention and Resolution.

"Customer Care" means activities related to issuing bills, receiving and scheduling customer payment, collecting amounts owed and customer service inquiries.

"Designated Zip Codes" means the zip codes identified in the Schedule B attached hereto but if any zip codes on Schedule B are changed, then the Designated Zip Codes shall be changed to include the new zip codes.

"Effective Date" has the meaning set forth in ARTICLE VI.

"Equitable Defenses" means bankruptcy, insolvency, reorganization and other laws affecting creditors' rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain the same may be pending.

"Executive Project Sponsor" has the meaning set forth in Section 2.2.

"FDCG" means a file transmitted by AGL to Gas South on or around the 21st day of each month that contains a listing of Gas South's active residential and commercial customers for the succeeding calendar month.

"Finder's Fee" has the meaning set forth in Section 4.1.

"Force Majeure" means any cause beyond the control of the Party unable to perform its obligation, including, but not limited to, the causes hereinafter set forth, which by exercise of due diligence such Party could not reasonably have been expected to avoid and which by exercise of due diligence it has been unable to overcome. Such causes include: acts of God; failure of or threat of immediate failure of facilities; explosions, flood, drought, tornado, hurricane, earthquake, storm, fire, pestilence, lightening, and other natural catastrophes; epidemic; war, riot, civil disturbance or disobedience, strike, labor disturbance, disputes, or unrest of whatever nature; labor, material, or fuel shortage; sabotage; restraint by court order or public authority; and action or non-action by or inability to obtain the necessary authorizations or approvals from any governmental agency or authority. Force Majeure does not include non-performance due to insolvency or bankruptcy.

"Gas South Marks" means Gas South's trademarks, service marks, names, symbols, logos, designs, artwork, and trade names, whether registered, pending registration, or subsisting at common law, and any slogans or marketing taglines lawfully used by Gas South during the term of this Agreement.

“Law” means any state or federal statute, constitution, code, rule, or regulation; any treaty entered into by the United States government and binding its citizens; or any order or determination of an arbitrator, court, or state or federal government or political subdivision thereof (including any judicial, executive, administrative, or legislative body).

“Legal Proceedings” means any suit, proceeding, judgment, ruling, or order by or before any court, arbitrator, or state or federal regulatory agency.

“Monthly Royalty Payment” has the meaning set forth in Section 4.2.

“Municipal Alliance Program Discounted Rate” means the rate plan established and maintained by Gas South from time to time which provides discounts as determined by the sole discretion of Gas South from its rates for natural gas service published with the Georgia Public Service Commission.

“Other Records” is defined in ARTICLE X(b).

“Party” or “Parties” is defined in the preamble.

“Residential Customer” means a customer account classified as “residential” by AGL’s Eneract system.

“Sales Collateral” means materials developed from time-to-time by Gas South and distributed to City to assist with the promotion and marketing of Gas South’s natural gas services.

“Submission” shall mean a precise statement of the dispute, a proposed resolution of the dispute, including a monetary amount and the supporting calculations if applicable, and the factual and/or legal support therefore.

“Targeted Direct Marketing” shall have the meaning set forth in Section 5.2(a).

“Term” of this Agreement shall have the meaning set forth in Section 6.1.

“U.S. Arbitration Act” shall mean the United States Arbitration Act, 9 U.S.C. § 1 et seq. (2005).

**SCHEDULE B
DESIGNATED ZIP CODES**

Below is the geographic area that has been designated as applicable to the Alliance Agreement.
The Designated Zip Codes are incorporated via electronic file transmission.

[INSERT MAP]

**SCHEDULE C
EXAMPLE CALCULATIONS**

Fee Type	Number of Accounts	\$/ Account	Total Payments Due
I. Finders Fee			
A. Residential	100	\$12	1,200.00
B. Commercial	5	\$24	<u>\$120.00</u>
Total Finders Fees Due			\$1,320.00
II. Royalties			
Total Residential	6,000		
Minus Baseline	(2,500)		
Net Residential	3,500		
- Tier I (0 – 5,000)	3,500	\$1.00	\$3,500.00
	225		
B. Commercial	(110)		
Minus Baseline	115		
Net Commercial	115	\$2.00	
- Tier I (0 – 1,000)			\$230.00
- Tier II (1,000 – 3,000)			
Total Royalty Payments Due			\$3,730.00
Total Fees Due to City			\$5,500.00

All data out of queries of Gas South's customer information system.



August 22, 2011

Phil Weatherly
Gas South LLC
P. O. Box 4298
Atlanta, GA 30302

Re: Natural Gas Retail Service Alliance Agreement

Mr. Weatherly:

Enclosed please find three (3) copies of the above referenced agreement. Please sign and return all copies to me. Upon full execution, one (1) original will be returned to your office.

Please feel free to contact me if you have any questions

Sincerely,

Michael Casey

Michael Casey, CMC
City Clerk

CA 2011-098