



The Public Utilities Commission of Ohio

PUCO USE ONLY		
Date Received	Case Number	Version
	- -EL-GAG	June 2002

CERTIFICATION APPLICATION FOR GOVERNMENTAL AGGREGATORS

Please print or type all required information. Identify all attachments with an exhibit label and title (Example: Exhibit A-5 Experience). All attachments should bear the legal name of the Applicant and should be included on the electronic copy provided. Applicants should file completed applications and all related correspondence with: Public Utilities Commission of Ohio, Docketing Division, 180 East Broad Street, Columbus, OH 43215-3793.

This PDF form is designed so that you may input information directly onto the form. You may also download the form, by saving it to your local disk, for later use.

A. APPLICANT INFORMATION

A-1 Applicant's name, address, telephone number, and web site address

Name _____
Address _____
Telephone Number _____
Web site address (if any) _____

A-2 **Exhibit A-2 "Authorizing Ordinance"** provide a copy of the ordinance or resolution authorizing the formation of a governmental aggregation program adopted pursuant to Section 4928.20(A) of the Revised Code.

A-3 **Exhibit A-3 "Operation and Governance Plan"** provide a copy of the applicant's plan for operation and governance of its aggregation program adopted pursuant to Section 4928.20(C) of the Revised Code. The Operation and Governance Plan explained in Exhibit A-3 should include:

- Terms and conditions of enrollment including:
 - Rates
 - Charges
 - Switching fees, if any
- Policies associated with customers moving into/out of aggregation area
- Billing procedures
- Procedures for handling complaints and disputes including the toll-free telephone number and address for customer contacts

A-4 Exhibit A-4 Automatic Aggregation Disclosure - "Opt-out Form" provide a copy of the disclosures/"opt-out" required by Section 4928.20(D) of the Revised Code, if its aggregation program provides for automatic aggregation in accordance with Section 4928.20(A) of the Revised Code. If the opt-out is in draft form, docket the final opt-out (including beginning and ending dates of the 21-day -out period and the selected CRES supplier) with the Commission within 10 days prior to providing or offering service. See #12 in the attached Affidavit .

A-5 Contact person for regulatory or emergency matters

Name Lou D'Alessandris

Title Advisor, State Competitive Market Policies

Business address 341 White Pond Dr., Akron, Ohio 44320

Telephone # (330) 315-6818

Fax # (330) 436-1905

E-mail address (if any) ldAlessandris@fes.com

A-6 Contact person for Commission Staff use in investigating customer complaints

Name Matt Green

Title Manager, Retail Service Management

Business address 341 White Pond Dr., Akron, Ohio 44320

Telephone # (330) 315-6727

Fax # (888) 820-1416

E-mail address (if any) mgreen@fes.com

A-7 Applicant's address and toll-free number for customer service and complaints

Customer Service address FES, 341 White Pond Dr., Akron, Ohio 44320

Toll-free Telephone # (866) 636-3749

Fax # (888) 820-1416

E-mail address (if any) n/a


mayor
Signature of Applicant & Title

Sworn and subscribed before me this 14 day of February, 2014
Month Year


Signature of official administering oath

TERESA MATSON, NOTARY
Print Name and Title

My commission expires on 3-16-2014

AFFIDAVIT

State of Ohio :

Seven Hills ss.
(Town)

County of Cuyahoga :

Richard Dell'Aglio Affiant, being duly sworn/affirmed according to law, deposes and says that:

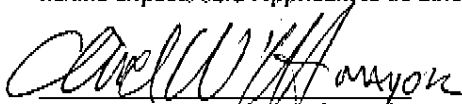
He/She is the Mayor (Office of Affiant) of Seven Hills (Name of Applicant);

That he/she is authorized to and does make this affidavit for said Applicant,

1. The Applicant herein, attests under penalty of false statement that all statements made in the application for certification renewal are true and complete and that it will amend its application while the application is pending if any substantial changes occur regarding the information provided in the application.
2. The Applicant herein, attests it will timely file an annual report with the Public Utilities Commission of Ohio of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Division (A) of Section 4905.10, Division (A) of Section 4911.18, and Division (F) of Section 4928.06 of the Revised Code.
3. The Applicant herein, attests that it will timely pay any assessments made pursuant to Sections 4905.10, 4911.18, or Division F of Section 4928.06 of the Revised Code.
4. The Applicant herein, attests that it will comply with all Public Utilities Commission of Ohio rules or orders as adopted pursuant to Chapter 4928 of the Revised Code.
5. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, and its Staff on any utility matter including the investigation of any consumer complaint regarding any service offered or provided by the Applicant.
6. The Applicant herein, attests that it will fully comply with Section 4928.09 of the Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.
7. The Applicant herein, attests that it will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
8. The Applicant herein, attests that it will use its best efforts to verify that any entity with whom it has a contractual relationship to purchase power is in compliance with all applicable licensing requirements of the Federal Energy Regulatory Commission and the Public Utilities Commission of Ohio.
9. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, the electric distribution companies, the regional transmission entities, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of the electric service in accordance with the emergency plans and other procedures as may be determined appropriate by the Commission.
10. If applicable to the service(s) the Applicant will provide, the Applicant herein, attests that it will adhere to the reliability standards of (1) the North American Electric Reliability Council (NERC), (2) the appropriate regional reliability council(s), and (3) the Public Utilities Commission of Ohio. (Only applicable if pertains to the services the Applicant is offering)

11. The Applicant herein, attests that it will inform the Commission of any material change to the information supplied in the renewal application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating customer complaints.
12. The Applicant herein, attests that it will docket with the Commission's Docketing Division the final opt-out and any supplemental opt-outs (including beginning and ending dates of the 21-day opt-out period and the selected CRES supplier) at a minimum 10 days prior to sending the opt-outs to customers.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.


Signature of Affiant & Title

Sworn and subscribed before me this 14 day of February, 2014
Month Year


Signature of official administering oath

TERESA MATSON, NOTARY
Print Name and Title

My commission expires on 2-16-2014

**Submitted to:
The Public Utilities Commission of Ohio**

**CERTIFICATION APPLICATION
FOR A GOVERNMENTAL
AGGREGATOR**

City of Seven Hills , Ohio

**7325 Summitview Drive
Seven Hills, OH 44131-4437**

**216-524-4421
216-524-0523 (fax)**

December 18, 2009

Exhibit A-2

Authorizing Ordinance

City of Seven Hills

Ordinance No. 84-2000

Introduced By

Councilpersons Bishilany, Curtis,
Cannata, Hogan, Kocovar, Petro, Stimetz

AN ORDINANCE AUTHORIZING ALL ACTIONS NECESSARY TO EFFECT A GOVERNMENTAL ELECTRICITY AGGREGATION PROGRAM WITH OPT-OUT PROVISIONS PURSUANT TO SECTION 4928.20 OF THE OHIO REVISED CODE, DIRECTING THE CUYAHOGA COUNTY BOARD OF ELECTIONS TO SUBMIT A BALLOT QUESTION TO THE ELECTORS OF THE CITY OF SEVEN HILLS.

WHEREAS, the Ohio Legislature has enacted electric deregulation legislation ("Am.Sub. S.B. No. 3") which authorizes the legislative authorities of municipal corporations, townships and counties to aggregate the retail electrical loads located in the respective jurisdictions and to enter into service agreements to facilitate for those loads the purchase and sale of electricity;

WHEREAS, such legislative authorities may exercise such authority jointly with any other legislative authorities;

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

WHEREAS, this council seeks to establish a governmental aggregation program with opt out provisions pursuant to Section 4928.20, Ohio Revised Code (the "Aggregation Program"), for the residents, businesses and other electric consumers in the city and in conjunction jointly with any other municipal corporation, township, county or other political subdivision of the State of Ohio, as permitted by law; now, therefore:

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SEVEN HILLS, OHIO:

Section 1. This Council finds and determines that it is in the best interest of the City, its residents, businesses and other electric consumers located within the corporate limits of the City to establish the Aggregation Program in the city. Provided that this Ordinance and the Aggregation Program is approved by the electors of the City pursuant to Section 2 of this Ordinance, the City is hereby authorized to aggregate in accordance with Section 4928.20, Ohio Revised Code, the retail electrical loads located within the City, and, for that purpose, to enter into service agreements to facilitate for those loads the sale and purchase of electricity. The City may exercise such authority jointly with any other municipal corporation, township or county or other political subdivision of the State of Ohio to the full extent permitted by law. The aggregation will occur automatically for each person owning, occupying, controlling, or using an electric load center proposed to be aggregated and will provide for the opt-out rights described in Section 3 of this Ordinance.

Section 2. The Board of Elections of Cuyahoga county is hereby directed to submit the following question to the electors of the City of Seven Hills at the Primary election of May 8 2001.

Shall the City of Seven Hills have the authority to aggregate the retail electric loads located in the City, and for that purpose, enter into service agreements to facilitate for those loads the sale and purchase of electricity, such aggregation to occur automatically except where any person elects to opt-out?

The Clerk of Council of the City of Seven Hills is instructed immediately to file a certified copy of this Ordinance and the proposed form of the ballot question with the County Board of Elections not less than seventy-five (75) days prior to May 8, 2001. The Aggregation Program shall not take effect unless approved by a majority of the electors voting upon this Ordinance and the Aggregation Program provided for herein at the election held pursuant to this Section 2 and Section 4928.20 of the Ohio Revised Code.

City of Seven Hills

Ordinance No. 84-2000

Introduced By Councilpersons Bishilany, Curtis,
Cannata, Hogan, Kocevar, Petro, Stimetz

Section 3. Upon the approval of a majority of the electors voting at the special election provided for in Section 2 of this Ordinance, this Council individually or jointly with any other political subdivision, shall develop a plan of operation and governance for the Aggregation Program. Before adopting such a plan, this Council shall hold at least two public hearings on the plan. Before the first hearing, notice of the hearings shall be published once a week for two consecutive weeks in a newspaper of general circulation in the City. The notice shall summarize the plan and state the date, time, and location of each hearing. No plan adopted by this Council shall aggregate the electrical load of any electric load center within the City unless it in advance clearly discloses to the person owning, occupying, controlling, or using the load center that the person will be enrolled automatically in the Aggregation Program and will remain so enrolled unless the person affirmatively elects by a stated procedure not to be so enrolled. The disclosure shall state prominently the rates, charges, and other terms and conditions of enrollment. The stated procedure shall allow any person enrolled in the Aggregation Program the opportunity to opt-out of the program every two years, without paying a switching fee. Any such person that opts out of the Aggregation Program pursuant to the stated procedure shall default to the standard service offer provided under division (a) of Section 4928.14 or division (d) of Section 4928.35 of the Ohio Revised Code until the person chooses an alternative supplier.

Section 4. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal actions were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 5. This Ordinance shall take effect and be in force immediately from and after its passage and approval by the Mayor.

First Reading December 11, 2000


William Bishilany, President of Council

Second Reading December 26, 2000

Filed with
the Mayor January 9, 2001

Third Reading January 8, 2001

Approved January 9, 2001

Passed January 8, 2001

Attest 
Carol Sekers, Clerk of Council


Gerald A. Trafis, Mayor

Exhibit A-3

Operation

and

Governance

Plan

City of Seven Hills

Electric Power Aggregation Plan of Operation and Governance

December 20, 2005

City of Seven Hills Electric Power Aggregation Plan of Operation and Governance

I. INTRODUCTION

Amended Substitute Senate Bill 3 ("S.B. 3") opened Ohio's retail electric market as of January 1, 2001. S.B. 3 authorizes customer choice in the selection of suppliers of retail electric generation and declares electric generation service, aggregation service, power marketing, and power brokering as competitive retail electric services. The legislation gave the Public Utilities Commission of Ohio ("PUCO") authority to adopt rules regarding the development of a competitive retail electric market in Ohio and authority to promulgate rules on governmental aggregation.

Large industrial and commercial consumers with sophisticated electric operations use their size and expertise to obtain lower electric power rates. Individual residential and small commercial consumers are typically unable to obtain significant price reductions since they lack the bargaining power, expertise and the economies of scale enjoyed by larger consumers. Aggregation, the combining of multiple electric loads, provides the benefits of retail electric competition for consumers with lower electric demands.

Government aggregation, the combining of multiple electric loads by a municipality, provides the means through which Seven Hills residential and commercial consumers may obtain the economic benefits of Ohio's competitive retail electric market. The Seven Hills Aggregation Program combines the electric loads of residential and small commercial customers to form a buying group ("Aggregation Group"). The City of Seven Hills will act as Purchasing Agent for the Aggregation Group. This means that Seven Hills will be a Governmental Aggregator, as defined by Ohio law and the rules established by the PUCO, and shall act on behalf of Cleveland Electric Illuminating Company (CEI) customers in the City to obtain the best electric generation rate for consumers who participate in the Aggregation Group.

II. PROCESS

On May 8, 2001, Seven Hills voters approved the development of a form of government electric aggregation known as "opt-out" aggregation. Under the opt-out program, all CEI residential and commercial customers in the City are automatically included as participants in the program unless they opt-out of the program by providing written notice of their intention not to participate. As required by state law, the City Council passed an Ordinance, which authorized submitting the selection of opt-out aggregation to the City's voters. The City then issued a Request for Proposal to select a Retail Electric Generation Supplier for the program. The responses to the RFP identified the pricing to be offered in the City's program.

In addition to obtaining necessary City Council approvals, the City is also required to comply with various PUCO regulations. The City will file an application with the PUCO for certification as a Government Aggregator as soon as the City Council Approves the Plan, on or about December 27, 2001. As required by the regulations, the City developed this Aggregation Plan of Operation and Governance ("Plan"). The City advertised the Public hearing dates to discuss the Plan as required by the PUCO's regulations, two hearings were conducted on December 10 and 26, 2001. The Opt-out notice for the City's Program will be sent to all electric customers in the City upon approval of this Plan, setting forth the rates, terms and conditions of the program, and giving 21 days to opt out of the Program.

By vote of the City Council of Seven Hills on October 9, 2001, the City selected FirstEnergy Solutions Corp. (FES), a subsidiary of FirstEnergy Corp., as its Retail Electric Generation Provider, to provide the electric power for the Seven Hills Aggregation Program at this time. Under this program, Cleveland Electric Illuminating Company (CEI) will still deliver the electricity purchased from the City's provider, FES, to customers, customers will receive only one bill (from CEI), and all metering, repairs and emergency service will continue to be provided by CEI.

III. DEFINITIONS

In order to clarify certain terminology, the following terms shall have the meanings set forth below:

"Aggregation Program" means the program developed by the City of Seven Hills, as a Government Aggregator under Section 4928.20 Ohio Revised Code, to provide CEI customers in the City with retail electric generation services.

"Government Aggregator" means the City and its legislative authority acting as an aggregator for the provision of a competitive retail electric service under the authority conferred under Section 4928.20 of the Ohio Revised Code.

"Member" means a person enrolled in the Seven Hills government Aggregation Group for competitive retail electric services.

"Retail Electric Generation Provider" ("Provider") means an entity certified by the Public Utilities Commission of Ohio ("PUCO") to provide competitive retail electric service(s), and which is chosen by the City to be the entity responsible to provide the required service related to "Government Aggregation" as defined in Section 4928.20 of the Ohio Revised Code and applicable provisions of the rules of the PUCO.

"Competitive Retail Electric Service" ("CRES") means a component of electric retail service that is deemed competitive pursuant to the Ohio Revised Code or pursuant to an order of the PUCO.

IV. OPERATIONAL PLAN:

A. Aggregation Services

1. **Provider:** Seven Hills will use a contractor ("Retail Electric Generation Provider") to perform and manage aggregation services for its Members. The City has selected FES to be its Provider at this time. The Provider shall provide adequate, accurate, and understandable pricing terms and conditions of service, including any switching fees and the conditions under which a Member may rescind a contract without penalty. The Provider must provide the City, if requested, an electronic file containing the Members usage, and charges. The Provider must have a local Seven Hills phone number or a toll free number for Members to call.

2. **Database:** The Retail Electric Generation Provider will build and maintain a database of all Members. The database will include the name, address, Cleveland Electric Illuminating Company account number, and Retail Electric Generation Provider's account number of the Member, and other pertinent information such as rate code, rider code (if applicable), most recent 12 months of usage and demand, and meter read cycle. The information needed to create this database will be provided by FirstEnergy. Upon receipt of the information, the Retail Electric Generation Provider shall eliminate all customers that are ineligible for the program (PIPP, Full service rates, already served by an alternate supplier, etc.). The database will then be processed through a mapping program to insure that only those customers within the contiguous boundaries of the community are included. Accordingly, the Retail Electric Generation Provider will develop a process to be implemented that will be able to

accommodate at a minimum Members who (i) leave the program due to relocation, opting out, etc. (ii) decide to enter the Program; (iii) relocate within the City, and (iv) move into the City and desire to enter the Program. This database shall also be capable of eliminating PIPP customers from the Program, should that be necessary, and those who have opted out. The Retail Electric Generation Provider will use this database to perform bill audits for clerical and mathematical accuracy of Member bills.

3. **Member Education:** The Retail Electric Generation Provider will develop, with the assistance of the City, an educational program that generally explains the Aggregation Program to Members, provides updates and disclosures mandated by Ohio law and PUCO rules, and implements a process to deal with allowing any person enrolled in the Aggregation Program the opportunity to opt out of the program at least every two years, without paying a switching fee to the City or the Provider. See Appendix A for a detailed description of the Education Process.

4. **Customer Service:** The Retail Electric Generation Provider will develop and administer a customer service process, that at a minimum will be able to accommodate (i) Member inquiries and complaints about billing; and (ii) answer questions regarding the program in general. This process will include at a minimum a description of how telephone inquiries will be handled, either internally or externally, how invoices will be prepared, how remittance of payment will be dealt with, and how collections for delinquent accounts will be addressed. See Appendix B for a detailed description of the Customer Service Plan.

6. **Billing:** Seven Hills will use the Retail Electric Generation Provider, or its designated agent, to provide billing services to each Member for the Competitive Retail Electric Services, with no additional administrative fee. At this time, Cleveland Electric Illuminating Company will render the billing statement, which should be consistent with all applicable guidelines issued by the PUCO. As this market develops, Seven Hills may, at its option and in consultation with the Provider, change this function to the Retail Electric Generation Provider or a billing agency.

7. **Compliance Process:** The Retail Electric Generation Provider will develop internal controls and processes to ensure that the City remains in good standing as a Government Aggregator that complies with all laws, rules and regulations surrounding the same, as they may be amended from time to time. It will be the Retail Electric Generation Provider's responsibility to deliver periodic reports that will include at a minimum (i) the number of Members participating in the Program; and (ii) a savings estimate or increase from the previous year's baseline. The Retail Electric Generation Provider will also develop a process to monitor and provide notification of any changes in laws, rules or regulations.

8. **Notification to Cleveland Electric Illuminating Company:** The City's CEI consumers that do not opt-out of the City's Aggregation Group within the 21-day opt-out period will be enrolled automatically in the Aggregation Program. Participants in the City's Aggregation Group will not be asked to take other affirmative steps in order to be included in the Group. To the extent that CEI requires notification of participation, the City will coordinate with its Provider to provide such notice to CEI. The Provider will inform CEI of any individuals who may have been permitted to join the Aggregation Group after the expiration of the enrollment period.

B. Power Supply Agreement

The Power Supply Agreement will provide for the Provider to serve the City's Government Aggregation Group. Under the Agreement, the term for power supply to Members will be subject to negotiation with the selected supplier and not be longer than two years without providing for an opt-out period.

C. Seven Hills' Retail Electric Generation Provider - FirstEnergy Solutions, Corp. (FES)

FES satisfies each of the following requirements:

- Has sufficient sources of power to provide retail firm power to the residents and businesses of Seven Hills.
- Is a licensed Federal Power Marketer with the Federal Energy Regulatory Commission.
- Is certified as a CRES by the PUCO.
- Is registered as a generation supplier with CEI.
- Has a Service Agreement for Network Integration Transmission Service under FirstEnergy's Open Access Transmission Tariff.
- Has a Service Agreement under FirstEnergy's Market-based Rate Tariff.
- Has the corporate structure to sell retail firm power to the CEI customers in the City.
- Its Electronic Data Interchange computer network is fully functional and capable of handling the CEI retail electric customers in Seven Hills.
- Has the marketing ability to reach all CEI retail electric customers to educate them on the City's Aggregation Program.
- Has a call center capable of handling the City's Aggregation Group customer calls.
- Has a toll-free number as required by the PUCO for customer service and complaints related to the City's aggregation program.
- Will hold the City financially harmless from any financial obligations arising from supplying power to the CEI retail electric customers in the City.
- Satisfies the State of Ohio's, FirstEnergy's and the City's credit requirements.
- Will execute the Power Supply Agreement.
- Will assist the City in filing the annual reports required by the PUCO and Section 4805.10(A), Section 4911.18(A) and Section 4928.06(F) of the Ohio Revised Code.
- Will assist the City in developing a Consumer Education Plan.

D. Activation of Service

After a notice is sent out to all eligible electric customers in the City providing 21 days to opt out of the Program, all customers who do not opt out will be automatically enrolled in the Program. Generation service activation will occur thereafter without consumer action beginning on the customer's normal meter read date within the month when power deliveries begin under the Aggregation Program.

E. Changes, Extension or Renewal of Service

The current Agreement for power supply service with FES will provide service for two years beginning upon activation of service with the opportunity to extend upon mutual agreement. If the Agreement is extended or renewed, Members will be notified as required by law and the rules of the PUCO as to any change in rates or service conditions. At least every two years all CEI customers in the City will be given an opportunity to opt into or out of the Program, and reasonable notice will be provided as required by law and PUCO rules. Participants will also be notified of their right to select an alternate generation supplier and of their ability to return to CEI's Standard Service Offer.

F. Termination of Service

In the event that the Power Supply Agreement is terminated prior to the end of the term, each individual Member of the Aggregation Group will receive written notification of the termination of the Program at least sixty (60) days prior to termination of service. If the Agreement is not extended or renewed, Members will be notified as required by law and the CRES rules of the PUCO in advance of the end of service. Members will also be notified of their right to select an alternate generation supplier and of their ability to return to CEI's Standard Service Offer upon termination.

G. Opt-In Procedures

CEI customers will be automatically enrolled in the Program after a 21-day opt out period, unless they return the form to be provided, notifying the Provider that they do not want to participate. CEI

consumers in the City may request to join the Aggregation Group after the expiration of the enrollment period by contacting the Provider, who shall determine whether to accept them into the Program, and at what rate, subject to written policies mutually agreed upon by the City and the Provider. The agreed upon policy shall be consistent with CEI's service activation requirements. Aggregation Group participants who move from one location to another within the corporate limits of the City shall retain their participant status as long as they contact the supplier to provide new account information.

H. Opt-out Procedures

CEI consumers may opt-out of the City's Aggregation Group at any time during the opt-out period without additional fees charged by the Provider or the City. Aggregation Group participants who switch to a different generation supplier after the expiration of the Opt-out period will be allowed to do so in correlation with the consumer's next scheduled meter read date but will be charged a switching fee to be billed on their final bill from the Provider. Such switching fee will be clearly stated in the opt-out notification. Switching to a different generation supplier on the next meter read date, however, will occur when the next meter read date is twelve (12) business days or more from the date of the consumer's notice of intent to opt-out of the Aggregation Group. Notification of intent to opt-out of the Aggregation Group may be made by contacting the Provider by telephone or in writing. Consumers who opt-out of the Aggregation Group will default to CEI's Standard Service Offer, until the consumer selects an alternate generation supplier. If a customer opted out, that customer may join the aggregation during the term by simply contacting the supplier.

I. Rates

Residential Rates:

The following rate structure will apply for the next two-years of Seven Hills' Aggregation Program. An opt-out notification will be sent to all eligible residents in accordance with PUCO guidelines.

Residential Customers – March 2004 – March 2006 Rate Structure:

The residential members of Seven Hills' program are guaranteed to save six percent on electric supply for 2004 and 2005. This percentage discount will be taken off the "generation shopping credit," which appears on the electric bill after enrollment in the City's program. The generation shopping credit — which varies each month depending on usage — represents the amount credited when a member switches to an alternative supplier, such as FirstEnergy Solutions.

To estimate what the savings per kilowatt-hour will be by joining this program, the price to compare on the electric bill will be used. The price to compare will help determine the amount to be saved by switching to another energy supplier. The calculation would be to multiply the price to compare by .94 (94%). Then take that result and subtract it from the price to compare appearing on the bill to estimate the savings each month on electric supply.

Rates 50, 53, 56, 58 – Standard Residential Rates*

**6% off Generation
Shopping Credit**

Rates 60, 66, 70, 76, 80 – Water/Space Heating*

**6% off Monthly
Generation Shopping
Credit**

***CEI's regulated transmission & distribution charges will also apply to each of these rates.**

Note: All other residential rates are "Full Service" rates, meaning such customers cannot participate by "shopping" in the electric choice program, since they would have to switch to a "fall back" rate in order to shop for competitive services, potentially losing the discount they already receive. Such customers should check with CEI to determine if they would be better off switching to a different rate class or not.

Commercial Customers - March 2004 – March 2006 Rate Structure:

The following commercial members of Seven Hills' program are guaranteed to save 4 percent on electric supply for the next two years.

Rates 105, 115, 116, 125 –

4% off Generation Shopping

(up to 299 kWh peak demand are eligible) Credit

City Government Accounts -

6% off Generation Shopping Credit

This percentage discount will be taken off the "generation shopping credit," which appears on the electric bill after enrollment in the City's program. The generation shopping credit — which varies each month depending on usage — represents the amount credited when a member switches to an alternative supplier, such as FirstEnergy Solutions.

To estimate what the savings per kilowatt-hour will be by joining this program, the price to compare on the electric bill will be used. The price to compare will help determine the amount to be saved by switching to another energy supplier. The calculation would be to multiply the price to compare by .96 (96%). Then take that result and subtract it from the price to compare appearing on the bill to estimate the savings each month on electric supply.

*** Cleveland Electric Illuminating Company's regulated transmission & distribution charges will also apply to each of these rates.**

J. Other Costs

Government Aggregation Members are required by CEI to pay a one-time \$5.00 switching fee. This fee will be paid by the Provider on behalf of the residents

K. Universal Service and Low Income Customer Assistance

The Ohio Department of Development (ODOD), under the electric restructuring law, will provide one-stop shopping for low-income assistance programs. There are five low-income assistance programs: 1) Percentage of Income Payment Plan (PIPP); 2) the Home Energy Assistance Program; 3) the Home Weatherization Assistance Program; 4) the Ohio Energy Credit Program; and 5) the Targeted Energy Efficiency and Weatherization Program. Ohio law allows the Director of the Ohio Department of Development to aggregate consumers that participate in PIPP and to competitively auction the generation supply for PIPP customers. Accordingly, PIPP customers may be included in the State's PIPP customer aggregation. To the extent permitted by Ohio law and the PUCO, PIPP customers will be included in the City's aggregation unless they choose to opt out.

V. MISCELLANEOUS GOVERNANCE GUIDELINES

- A. City Council shall approve through Resolution or Ordinance the Plan of Operation and Governance for the Aggregation program and any Amendments thereto.
- B. The City shall contract with only Retail Electric Generation Providers certified by the Public Utilities Commission of Ohio for the provision of Competitive Retail Electric Service to the Aggregation Program Members.
- C. The City will require any Provider to disclose any subcontractors that it uses in fulfillment of the services described above.
- D. The City will require the Provider to maintain either a toll free telephone number, or a telephone number that is local to City residents who are Members.
- E. Any costs associated with the Aggregation Program development/administration will be paid either through the general fund and/or through the inclusion of a percentage adder that will be added to Member bills. If a percentage adder is needed, it will be assessed only after conducting a new opt-out with the adder clearly identified in the notification materials.

VI. LIABILITY

THE CITY SHALL NOT BE LIABLE TO PARTICIPANTS IN THE AGGREGATION GROUP FOR ANY CLAIMS, HOWEVER STYLED, ARISING OUT OF THE AGGREGATION PROGRAM OR THE PROVISION OF AGGREGATION SERVICES BY THE CITY OR THE PROVIDER. PARTICIPANTS IN THE AGGREGATION GROUP SHALL ASSERT ANY SUCH CLAIMS SOLELY AGAINST THE PROVIDER PURSUANT TO THE POWER SUPPLY AGREEMENT, UNDER WHICH SUCH PARTICIPANTS ARE EXPRESS THIRD-PARTY BENEFICIARIES.

VII. INFORMATION AND COMPLAINT NUMBERS

Copies of this Plan are available from the City of Seven Hills free of charge. Call the City of Seven Hills at 330-824-2507 for a copy or for more information.

Any electric customer, including any participant in the City's Aggregation Program, may contact the Public Utilities Commission of Ohio (PUCO) for information, or to make a complaint against the Program, the Provider or CEI. The PUCO may be reached toll free at 1-800-686-7826.

Appendix A -- Education Process

The Provider will develop the educational program in conjunction with the City. Its purpose will be to explain the aggregation program to its members, provide updates and disclosures as mandated by State law and the rules of the PUCO, and provide the opportunity for the members to opt out of the program. The following are the program components:

1. Each resident within the limits of the City will receive notification from the Mayor of the aggregation program. This letter will alert residents that the opt-out form will follow within a week and give them a brief introduction to the aggregation program. See Attached letter marked #1
2. Each residence and eligible business within the limits of the City will receive via U.S. Mail notification of: what government aggregation means, their membership in the government aggregation program, the procedure which must be followed in order to opt out of the program, the price that they can expect to receive as a member of the program, a list of frequently asked questions and the deadline for returning the opt out form. See the attached letter marked #2.
3. The Provider will work with the City to provide opportunities for educating residents in the City about the Program and consumer rights under the law, PUCO rules and this Program. In addition, the Provider and City will work to provide education about and other opportunities for energy efficiency measures to help consumers reduce energy consumption.
4. The Provider will provide updates and disclosures as mandated by State law and rules of the PUCO. See attached Terms and Conditions document.
5. The opt-out opportunity will be provided to the members of the program at least every two years. Should conditions, suppliers, price, or any other component of the program change within the two-year period, participants will be given a notice of their opportunity to opt out of, or into the program.

Appendix B --- Customer Service Plan

A. Member Access:

1. FES shall ensure Members reasonable access to its service representatives to make inquiries and complaints, discuss charges on Member bills, and transact any other business.
2. Telephone access shall be toll free and afford Members prompt answer times during normal business hours, as follows:

**FirstEnergy Solutions Corp.
395 Ghent Road, Suite 413
Akron, Ohio 44333
Toll-free telephone number: 1-888-254-6539
Hours: M-F, 8:00 a.m.- 5:00 p.m.**

3. FES shall provide a 24-hour automated telephone message instructing callers to report any service interruptions or electrical emergencies to Cleveland Electric Illuminating Company.

B. Member Complaints:

1. FES shall investigate Member complaints (including Member complaints referred by Cleveland Electric Illuminating Company) and provide a status report within five calendar days following receipt of the complaint to:
 - a. The consumer, when the complaint is made directly to FES; or
 - b. The consumer and The Public Utilities Commission of Ohio Staff ("Commission Staff"), when a complaint is referred to FES by the Commission Staff.
2. If an investigation is not completed within 14 calendar days, FES shall provide status reports to the consumer and the City, or if applicable, to the consumer, the City and the Commission Staff. Such status reports shall be provided at five-day intervals until the investigation is complete, unless the action that must be taken will require more than five days and the Member has been so notified.
3. FES shall inform the consumer, or the consumer, the City and Commission Staff, of the results of the investigation, orally or in writing, no later than five calendar days after completion of the investigation. The consumer, the City, or Commission Staff may request the report in writing.
4. If a residential consumer disputes the FES report, FES shall inform the consumer that the Commission Staff is available to help resolve informal complaints. FES shall provide the consumer with the current address, local/toll free telephone numbers, and TDD/TTY telephone numbers of the Commission's consumer services department.
5. FES shall retain records of Member complaints, investigations, and complaint resolutions for one year after the occurrence of such complaints, and shall provide such records to the commission staff within five calendar days of request.
6. FES shall make good faith efforts to resolve disputes.

C. Member Billing and Payments

1. FES shall arrange for Cleveland Electric Illuminating Company or its agent to bill Members for such services according to a tariff approved by the commission. Member bills issued by or for FES shall be accurate and understandable, be rendered at intervals consistent with those of Cleveland Electric Illuminating Company, and contain sufficient information for Members to compute and compare the total cost of competitive retail electric service (s). Such bills shall also include:
 - a. The Member's name, billing address, service address, the Member's EDU account number, and if applicable, FES account number;
 - b. The dates of service covered by the bill, an itemization of each type of competitive service covered by the bill, any related billing components, the charge for each type of service, and any other information the Member would need to recalculate the bill for accuracy;
 - c. The applicable billing determinants, including beginning meter reading, ending meter reading(s), demand meter reading(s), multipliers, consumption(s), and demands;
 - d. For Member-generators with net metering contracts, a statement of the net metered generation;
 - e. The unit price per kWh charged for competitive service, as calculated by dividing current-period competitive service charges by the current-period consumption;
 - f. An identification of the provider of each service appearing on the bill;
 - g. The amount billed for the current period, any unpaid amounts due from previous periods, any payments or credits applied to the Member's account during the current period, any late payment charges or gross and net charges, if applicable, and the total amount due and payable.
2. The due date for payment to keep the account current. Such due date shall be no less than:
 - a. Fourteen days after the postmark date on the bill for residential Member; and Twenty-one days after the postmark date on the bill for nonresidential Members;
 - b. Current balance of the account, if a residential Member is billed according to a budget plan;
 - c. Options and instructions on how Members may make their payments;
 - d. For each provider whose charges appear on the bill, a listing of the provider's toll-free telephone number and address for Member billing questions or complaints;
 - e. A listing of the toll-free consumer assistance telephone numbers and available hours for applicable state agencies, such as the commission, the Ohio Consumers' Counsel, and the Ohio Attorney General's office;
 - f. The Cleveland Electric Illuminating Company 24-hour local/toll-free telephone number for reporting service emergencies;
 - g. Identification of estimated bills or bills not based upon actual end-of-period meter readings for the period; and
 - h. An explanation of any codes and abbreviations used.
3. If applicable, FES will, upon request, provide Members with the name and street address/location of the nearest payment center and/or authorized payment agent.
4. If applicable, when a Member pays the bill at a payment center or to an authorized payment agent, such payment shall be credited to the Member's account as of the day such payment center or agent receives it.
5. The City and FES shall establish policies and procedures for handling billing disputes and requests for payment arrangements.

D. Collections for delinquent accounts:

1. Collections for delinquent accounts shall be the responsibility of FES or its agent.
2. The City shall approve the Collections process utilized by FES.
3. Failure of Members to pay charges for Competitive Retail Electric Services may result in loss of those products and service; and
4. Failure to pay charges for Competitive Retail Electric Services may result in cancellation of the Member's contract with FES, and return the Member to Cleveland Electric Illuminating Company's Standard Offer.

Opt-Out Notification

DATE

Dear Seven Hills Resident,

The City of Seven Hills is providing you with the opportunity to join with other Seven Hills residents and businesses to save money on the electricity you use. Savings are possible through a concept called government aggregation, where City officials bring together citizens to gain group-buying power for the purchase of electricity from a retail electric generation provider certified by the Public Utilities Commission of Ohio. Seven Hills' voters approved this program in May 2001.

If you are an Cleveland Electric Illuminating Company customer on Standard Rate CEI-10AF or CEI-GS10AD, Optional Heating Rates CEI-11AF, CEI-RS11AD, or CEI-RS19F, or Load Management Rate CEI-RS17F, or a commercial customer on Rate CEI-GS21F with a peak annual demand of 299 or below, you will be automatically enrolled in Seven Hills' electric government aggregation program unless you choose to opt out. **You will not be included in the City's electric government aggregation program if you are served under any other residential or commercial rate.**

There is no cost for enrollment and you will not be charged a switching fee. You do not need to do anything to participate. During the past few weeks, we researched options for competitive electricity pricing for you. We have chosen FirstEnergy Solutions Corp., an unregulated energy services subsidiary of FirstEnergy Corp., to provide you with electric generation – or the competitive portion of your electric bill – for at least a two-year term.

As a residential or commercial member of this program, you are guaranteed to save _____ percent on electric supply for the next two years. This percentage discount will be taken off your "generation shopping credit," which will appear on your electric bill after you have been enrolled in the City's government aggregation program. The generation shopping credit — which varies each month depending on your usage — represents the amount credited to you if you switch to an alternative supplier, such as FirstEnergy Solutions.

To estimate what your savings per kilowatt-hour will be by joining this program, locate your price to compare on your electric bill. The price to compare will help determine the money you'll save by switching to another energy supplier. Multiply your price to compare by .94 (94%) for residential members and commercial members. Then take that result and subtract it from your price to compare that appears on your bill to estimate how much you'll save each month on electric supply.

WARNING: IF YOU ARE ALREADY IN CONTRACT WITH A COMPETITIVE RETAIL ELECTRIC SERVICE PROVIDER YOU MAY INCUR A CONTRACT TERMINATION FEE OR OTHER CHARGES IF YOU FAIL TO OPT-OUT OF THE AGGREGATION

You'll see your electric savings from FirstEnergy Solutions following the first meter read after your paperwork has been completed and your switch has been finalized. Of course, you are not obligated to participate in Seven Hills' electric government aggregation program. **You have until [DATE], to return the enclosed "opt-out" form if you wish to be excluded from the City's electric government aggregation program and remain a full-service customer of Cleveland Electric Illuminating Company.** If you don't opt out at this time, you will receive a notice at least every two years asking if you wish to remain in the program. If you wish to opt out of the program at a later date you could be subject to a \$25 switching fee from FirstEnergy Solutions. **If you switch back to Cleveland Electric Illuminating Company at a later date, you may not be served under the same rates, terms and conditions that apply to other customers served by Cleveland Electric Illuminating Company.**

In Ohio's deregulated electric environment, your local electric utility – Cleveland Electric Illuminating Company – will continue to maintain the system that transmits and delivers power to your home. You won't see any new poles or wires, and you will continue to receive a single, easy-to-read bill from your electric operating company with your FirstEnergy Solution charges included. The only thing you'll notice is savings.

If you have any questions, call FirstEnergy Solutions toll-free at 1-866-636-3749, Monday through Friday, 8 a.m. to 5 p.m. Please do not call the City of Seven Hills with any aggregation program inquiries.

Sincerely,

The City of Seven Hills

P.S. Remember to return the opt-out form only if you do not want to participate in the City's electric government aggregation program.

OPT-OUT FORM – CITY OF SEVEN HILLS ELECTRIC GOVERNMENT AGGREGATION PROGRAM

By returning this signed form, you will be excluded from the opportunity to join with other residents in the City of Seven Hills Electric Government Aggregation Program.

I wish to opt out of the City of Seven Hills Electric Aggregation Program.

☐

(Check box to opt out.)

Cleveland Electric Illuminating Company account holder name (please print clearly):

Service address (city, state and zip):

Phone number:

Account holder's signature:

Date:

Mail by (DATE) to: City of Seven Hills Electric Government Aggregation Program, 395 Ghent Road, Suite 413, Seven Hills, Ohio 44333

Seven Hills Electric Aggregation Program — Frequently Asked Questions

What is aggregation?

Under governmental aggregation, City officials bring citizens together to gain group buying power for the purchase of competitively priced electricity from a retail electric generation supplier certified by the Public Utilities Commission of Ohio.

How is Seven Hills able to choose a licensed electric generation supplier on my behalf?

On May 8, 2001, Seven Hills' residents voted to allow the City to contract for an electric generation supplier on their behalf.

How will I know if I can save money under the City's electric government aggregation program?

When you join the City's government aggregation program, your electric utility will provide you with a "generation shopping credit," which is available on your electric bill after you have been enrolled in the City's government aggregation program.

The generation shopping credit — which varies each month — represents the amount credited to you if you switch to an alternative electric supplier, such as FirstEnergy Solutions. Under the City's aggregation program, the price you pay for electric supply will be _____ percent lower for residential customers and commercial customers than your generation shopping credit. In other words, each month, you'll pay that percent less for electric supply than if you had not joined the City's government aggregation program.

What does "opt out" mean?

"Opt out" means that you can decide not participate in Seven Hills' electric aggregation program. By returning the opt-out form, which is included in this mailing, you will not be enrolled as an electric customer with FirstEnergy Solutions, Seven Hills' electric generation supplier.

What happens if I do not send in the opt-out form?

If you do not return the opt-out form postmarked by the required date, you will be included in Seven Hills' electric aggregation program and will begin receiving competitively priced electricity from FirstEnergy Solutions.

Can I opt out of the program at a later date?

Yes, but you could be subject to a \$25 switching fee from FirstEnergy Solutions. However, you will be sent a notice every two years asking if you wish to remain in the program. At that point, you may opt out at no cost.

What are my energy choices if I decide to opt out?

You can stay with your current electric utility, which will continue to supply your electricity as it always has. Or, you can shop for a new electric supplier. A list of suppliers certified by the Public Utilities Commission of Ohio and their current prices is available by calling the Ohio Electric Choice answer center at 1-888-632-1314 or by visiting www.ohioelectricchoice.com.

May I get back into the City's electric aggregation program after I have opted-out?

Unfortunately, you will have to wait until the next enrollment period.

Can I opt out over the phone?

No, you must mail in your completed form and it must be postmarked by the deadline.

Who is FirstEnergy Solutions?

FirstEnergy Solutions is an unregulated energy subsidiary of FirstEnergy Corp. FirstEnergy Solutions is a leading supplier of electricity, natural gas, energy and facility management solutions.

What is the toll-free number for questions?

For answers to your questions, please call 1-866-636-3749, Monday through Friday, 8 a.m. to 5 p.m.

Can I stay on budget billing or have my payment automatically deducted from my checking account as I do now?

Yes, Cleveland Electric Illuminating Company will continue to offer those programs. However, budget billing applies only to a portion of your Cleveland Electric Illuminating Company bill – the charges that include transmitting and distributing the electricity over the lines, maintaining equipment and providing emergency service.

The budget billing program **does not apply** to your charges from FirstEnergy Solutions. FirstEnergy Solutions is a different company from Cleveland Electric Illuminating Company. On your monthly Cleveland Electric Illuminating Company bill, you'll notice a charge from FirstEnergy Solutions for generation. This charge reflects the **actual** amount of electricity you used that month and may vary each month due to your usage. Keep in mind that you're still paying less for your electricity supply than if you hadn't joined the City's government aggregation program.

Can I join the City's electric aggregation program if I am already under contract with another electricity supplier?

Many electric suppliers will charge a penalty for breaking your contract before it expires. You should opt out of Seven Hills' electric aggregation program to maintain your contract with your current electric supplier. See your current electric supplier for more information.

If you are a current FES customer, you will be rolled into the existing Seven Hills aggregation program when your contract expires if you do not opt out.

If I do join Seven Hills' electric aggregation program, who will deliver my power, read my meter and respond to emergencies, such as power outages?

Your local electric company will be responsible for the transmission and distribution of power to your home or business. Since your local electric utility still owns the wires and poles that delivers power to you, it will continue to read your meter and restore power after an outage.

Does FirstEnergy Solutions charge any fees?

Late charges may apply for past due balances. At the present time, residential customers will pay a late charge of 1.5 percent per month for delinquent account balances.

Is your price for residential power fixed, or does it vary?

In this program, the price you pay for electric generation from FirstEnergy Solutions will vary each month depending on your usage and the amount of your generation shopping credit. However with

FirstEnergy Solutions you'll save _____ percent off the competitive portion of your electric bill regardless of how much electricity you use, or when you use it.

What will my electric bill look like under the City's electric aggregation program?

There are three parts to your electrical power system: transmission, distribution and generation. Your energy bill will look different under deregulation because the rates you pay after joining the City's electric aggregation program will be unbundled, or split into separate charges on the bill.

Your bill from your local electric company will include these charges:

- A generation charge to buy power from your electricity supplier
- A transmission charge from your electricity supplier to bring the power from the energy supplier to your area
- A distribution charge from your local electric company to deliver electricity to your home or business
- A market transition charge that enables your local electric company to recover the costs of changing to a competitive industry

**FirstEnergy Solutions Corp.
Government Aggregation Residential and Small Commercial Electric Generation
Terms & Conditions**

These terms and conditions together with the enrollment information constitutes the agreement for electric generation service, between FirstEnergy Solutions Corp., and the Customer, who chose to remain in the community aggregation program by not "opting-out" or exercising the right of rescission ("Contract"). For commercial customers, this Contract is valid for customers with a peak demand ranging from 1 kW to 299 kW. This Contract will become null and void for any individual commercial customer account with peak demand above 299 kW.

FirstEnergy Solutions Corp. ("FES") is certified by the Public Utilities Commission of Ohio ("PUCO") to offer and supply electric generation services in Ohio. FES sets the generation prices and charges that the Customer pays. The PUCO regulates distribution prices and services. The Federal Energy Regulatory Commission regulates transmission prices and services.

RIGHT OF RESCISSION – If Customer does not opt out and becomes a participant in the community program, the Customer's EDU will send a confirmation notice of the transfer of service. Customer may cancel this Contract within seven (7) calendar days following the postmark date of the confirmation notice from the Electric Distribution Utility ("EDU") by calling the EDU or by written notice to the EDU, which is effective on the postmark date. If Customer cancels, the EDU will give Customer a cancellation number. The Right of Rescission only applies when Customer switches suppliers. It does not apply when Customer renews a Contract. The EDU will not send a confirmation notice for Contract renewals.

DEFINITIONS

Generation Service – Production of electricity.

Distribution Service – Physical delivery of electricity to Customers by the EDU.

Delivery Point – That point on the electric system at which the EDU's tariff provides for the receipt and final delivery of the electricity to the Customer.

TERMS AND CONDITIONS OF SERVICE

1. **Basic Service Prices.** During the term of this Contract, for all electric generation delivered by FES to Customer, Customer agrees to pay FES the price specified in the opt-out notification.

For 2005, Customer will be billed at the percentage off or the price specified in the opt-out notification. The customer's price per kwh will vary based on the generation shopping credit, which may change monthly as calculated by the EDU based on Customer's usage and usage pattern. In addition to the charge for generation services, Customer will be charged by the EDU for distribution, transmission, ancillary and various other charges.

For the period 2006 through 2008, the generation pricing under this Agreement will be calculated as the specified percentage off the sum of the generation charge ("g") and 100% of the Rate Stabilization Charge ("RSC") ("Generation Charge"), both as set forth in the Electric Utility's applicable tariff, provided however in no event may the Generation Charge exceed the 2005 shopping credit level specified in PUCO Case No. 99-1212-EL-ETP et al., plus the potential addition of future fuel and tax related charges, as permitted by the Public Utilities Commission of Ohio ("PUCO") in Case No. 03-2144-EL-ATA et al. ("Rate Stabilization Plan"), as may be subsequently approved by the PUCO. Supplier reserves the right to unilaterally modify this billing format in the event the Electric Utility reduces the level of the generation charge ("g") and/or the RSC below the level approved in the Rate Stabilization Plan, or in the event the Electric Utility is unable or unwilling to provide consolidated billing in this format.

In addition to the Generation Charge described above, Supplier will charge Customer for any and all fees, costs, and obligations imposed by a Regional Transmission Organization ("RTO"), such as the Midwest ISO, that are not otherwise reimbursed by the Electric Utility to Supplier, regardless of whether such charges are greater than, less than, or equal to the charges Customer currently pays for these services to the Electric Utility ("Midwest ISO/Transmission and Ancillary Charges"). Supplier will pass these Midwest

ISO/Transmission and Ancillary Charges, which may be variable, through to the Customer and Customer will receive no discount or percent-off of these Midwest ISO/Transmission and Ancillary Charges.

The Customer's price will vary based on the generation shopping credit, which may change monthly according to the EDU. In addition to the foregoing, Customer may be charged a \$5 switch fee per account. For fixed and variable rate offers, Customer will incur additional service and delivery charges from the EDU.

If any regional transmission organization or similar entity, Electric Utility, regulatory agency, or court having jurisdiction over this Agreement requires a change to the terms of the Agreement, or imposes new or additional charges or requirements upon Supplier, or a change in the method or procedure for determining charges or requirements, that adversely and materially impacts Supplier's ability to economically perform or otherwise provide Electricity Supply pursuant to this Agreement, the Parties will attempt to negotiate modification(s) to the Agreement so that Supplier may be restored to a reasonably similar economic position that Supplier would have been in but for the occurrence of the change, cost or requirement. Changes include, without limitation, transmission or capacity requirements or charges that may be imposed upon Supplier after the Effective Date by a regional transmission organization, independent transmission system operator, independent transmission provider, or government agency, and new or modified charges or shopping credits and other changes to retail electric customer access programs.

2. **Length of Contract.** Service under this Contract, as a part of Customer's community's program, will begin with the next available meter reading after the processing of Customer request by the EDU and FES, as determined by the EDU, and will continue for the Term as specified in the opt-out notification, ending on the meter read for the last month of service.
3. **Billing.** The EDU will bill Customer monthly for both FES services and EDU services on a combined monthly bill. All applicable taxes shall be listed separately on the monthly bill statement in accordance with State and Local tax law. Each account shall be billed as 0% exempt from such taxes until valid Ohio Sales and Use Tax Exemption Certificate has been received by the EDU. FES does not offer budget billing.
4. **Penalties, Fees and Exceptions.** If Customer does not pay the full amount that the Customer owes FES by the due date of the bill, Customer will be charged a 1.5% late payment charge per month.
5. **Cancellation/Termination Provisions.** If Customer does not pay bill by the due date, FES may cancel this Contract after giving Customer a minimum of fourteen (14) days written notice. Customer may be returned to EDU and forfeit the right to choose another CRES provider until arrearages are paid in full. Customer will remain responsible to pay FES for any electricity used before this Contract is cancelled, as well as all late payment charges on past due amounts. Customer may terminate this Contract, without penalty, if Customer moves out of the current EDU service territory or into an area where FES will charge a different price, by providing FES with a thirty (30) day written notice. *There will be a \$25 charge if Customer terminates this Contract for any other reason, except as expressly provided herein.*
6. **Contract Expiration.** Customer is responsible for arranging for its supply of electricity upon termination of this Agreement. If this Agreement is terminated prior to the end of 2008, if Customer has not selected another supplier, Customer will be returned to the Electric Utility and will be charged market price for its electric generation service from the Electric Utility as approved by the PUCO in Case No. 03-2144-EL-ATA.
7. **Service by EDU.** This Contract automatically terminates on the same date that electric service from the EDU is disconnected or discontinued. If this should occur, please contact FES to discuss Customer options.
8. **Dispute Procedures.** Contact FES with any questions concerning the terms of service by phone at 1-888-254-6359 (toll-free) M-F 7AM - 7PM EST or in writing at 395 Ghent Road, Attn: Contract Administration, Akron, OH 44333. Our web address is www.firstenergysolutions.com. Customers may call the PUCO if they are not satisfied after discussing the terms with FES at 1-800-686-PUCO (7826) (toll-free) or 614-466-3292 or for TDD/TTY toll-free at 1-800-686-1570 or 1-614-466-8180 from 8:00 am to 5:00 pm weekdays or in writing at 180 E. Broad Street, Columbus.
9. **Customer Consent.** By choosing not to opt-out of Customer's community's program Customer understands and agrees to the terms and conditions of this Contract with FES. This Contract shall be considered executed by FES following the end of the 21 day opt-out period and the 7 day rescission period if Customer does not opt-out or, and subsequent acceptance by Customer's EDU.
10. **Miscellaneous.**

EDU may charge Customer switching fees.

Customer has the right to request from FES, twice within a 12 month period, up to 24 months of payment history, without charge.

FES will not release Customer Social Security Number and/or account number(s) without Customer's written consent, except for purposes of commercial collection, credit reporting, participation in Universal Service Fund or assignment of a customer to another CRES provider.

An Environmental Disclosure Form has been included with this Contract.

FES may assign its rights to another, including any successor, in accordance with the rules and regulations of the PUCO.

By accepting this Contract, Customer is authorizing the EDU to provide FES with information about Customer account. This information includes, but is not limited to, billing history, historical and future usage, meter readings and types of service.

FES assumes no responsibility or liability for the following items that are the responsibility of the EDU: operation and maintenance of the EDU's electrical system, any interruption of service, termination of service, or deterioration of the EDU's service. In the event of a power outage, Customer should contact the EDU at the number specified by the EDU.

If Customer account information provided to FES by Customer is incorrect, FES reserves the right to reprice the applicable account(s) or terminate the contract.

11. Warranty. FES warrants title and the right to all electricity sold hereunder. THE WARRANTIES SET FORTH IN THIS PARAGRAPH ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ARISING OUT OF ANY COURSE OF DEALING OR USAGE OF TRADE.

Exhibit A-4

Automatic Aggregation Disclosure & Customer Education

Opt-Out Notification

DATE

Dear Seven Hills Resident,

The City of Seven Hills is providing you with the opportunity to join with other Seven Hills residents and businesses to save money on the electricity you use. Savings are possible through a concept called government aggregation, where City officials bring together citizens to gain group-buying power for the purchase of electricity from a retail electric generation provider certified by the Public Utilities Commission of Ohio. Seven Hills voters approved this program in November 2002.

If you are an Cleveland Electric Illuminating Company customer on Standard Rate CEI-10AF or CEI-GS10AD, Optional Heating Rates CEI-11AF, CEI-RS11AD, or CEI-RS19F, or Load Management Rate CEI-RS17F, or a commercial customer on Rate CEI-GS21F with a peak annual demand of 299 or below, you will be automatically enrolled in Seven Hills' electric government aggregation program unless you choose to opt out. You will not be included in the City's electric government aggregation program if you are served under any other residential or commercial rate.

There is no cost for enrollment and you will not be charged a switching fee. You do not need to do anything to participate. During the past few weeks, we researched options for competitive electricity pricing for you. We have chosen FirstEnergy Solutions Corp., an unregulated energy services subsidiary of FirstEnergy Corp., to provide you with electric generation – or the competitive portion of your electric bill – for at least a two-year term.

As a residential or commercial member of this program, you are guaranteed to save _____ percent on electric supply for the next two years. This percentage discount will be taken off your "generation shopping credit," which will appear on your electric bill after you have been enrolled in the City's government aggregation program. The generation shopping credit — which varies each month depending on your usage — represents the amount credited to you if you switch to an alternative supplier, such as FirstEnergy Solutions.

To estimate what your savings per kilowatt-hour will be by joining this program, locate your price to compare on your electric bill. The price to compare will help determine the money you'll save by switching to another energy supplier. Multiply your price to compare by .94 (94%) for residential members and commercial members. Then take that result and subtract it from your price to compare that appears on your bill to estimate how much you'll save each month on electric supply.

WARNING: IF YOU ARE ALREADY IN CONTRACT WITH A COMPETITIVE RETAIL ELECTRIC SERVICE PROVIDER YOU MAY INCUR A CONTRACT TERMINATION FEE OR OTHER CHARGES IF YOU FAIL TO OPT-OUT OF THE AGGREGATION

You'll see your electric savings from FirstEnergy Solutions following the first meter read after your paperwork has been completed and your switch has been finalized. Of course, you are not obligated to participate in Seven Hills' electric government aggregation program. You have until [DATE], to return the enclosed "opt-out" form if you wish to be excluded from the City's electric government aggregation program and remain a full-service customer of Cleveland Electric Illuminating Company. If you don't opt out at this time, you will receive a notice at least every two years asking if you wish to remain in the program. If you wish to opt out of the program at a later date you could be subject to a \$25 switching fee from FirstEnergy Solutions. If you switch back to Cleveland Electric Illuminating Company at a later date, you may not be served under the same rates, terms and conditions that apply to other customers served by Cleveland Electric Illuminating Company.

In Ohio's deregulated electric environment, your local electric utility – Cleveland Electric Illuminating Company – will continue to maintain the system that transmits and delivers power to your home. You won't see any new poles or wires, and you will continue to receive a single, easy-to-read bill from your electric operating company with your FirstEnergy Solution charges included. The only thing you'll notice is savings.

If you have any questions, call FirstEnergy Solutions toll-free at 1-866-636-3749, Monday through Friday, 8 a.m. to 5 p.m. Please do not call the City of Seven Hills with any aggregation program inquiries.

Sincerely,

The City of Seven Hills

P.S. Remember to return the opt-out form only if you do not want to participate in the City's electric government aggregation program.

OPT-OUT FORM – CITY OF SEVEN HILLS ELECTRIC GOVERNMENT AGGREGATION PROGRAM

By returning this signed form, you will be excluded from the opportunity to join with other residents in the City of Seven Hills Electric Government Aggregation Program.

I wish to opt out of the City of Seven Hills Electric Aggregation Program.

☐

(Check box to opt out.)

Cleveland Electric Illuminating Company account holder name (please print clearly):

Service address (city, state and zip):

Phone number:

Account holder's signature:

Date:

Mail by (DATE) to: City of Seven Hills Electric Government Aggregation Program, 395 Ghent Road, Suite 413, Seven Hills, Ohio 44333

Seven Hills Electric Aggregation Program — Frequently Asked Questions

What is aggregation?

Under governmental aggregation, City officials bring citizens together to gain group buying power for the purchase of competitively priced electricity from a retail electric generation supplier certified by the Public Utilities Commission of Ohio.

How is Seven Hills able to choose a licensed electric generation supplier on my behalf?

On May 8, 2001, Seven Hills residents voted to allow the City to contract for an electric generation supplier on their behalf.

How will I know if I can save money under the City's electric government aggregation program?

When you join the City's government aggregation program, your electric utility will provide you with a "generation shopping credit," which is available on your electric bill after you have been enrolled in the City's government aggregation program.

The generation shopping credit — which varies each month — represents the amount credited to you if you switch to an alternative electric supplier, such as FirstEnergy Solutions. Under the City's aggregation program, the price you pay for electric supply will be _____ percent lower for residential customers and commercial customers than your generation shopping credit. In other words, each month, you'll pay that percent less for electric supply than if you had not joined the City's government aggregation program.

What does "opt out" mean?

"Opt out" means that you can decide not participate in Seven Hills' electric aggregation program. By returning the opt-out form, which is included in this mailing, you will not be enrolled as an electric customer with FirstEnergy Solutions, Seven Hills' electric generation supplier.

What happens if I do not send in the opt-out form?

If you do not return the opt-out form postmarked by the required date, you will be included in Seven Hills' electric aggregation program and will begin receiving competitively priced electricity from FirstEnergy Solutions.

Can I opt out of the program at a later date?

Yes, but you could be subject to a \$25 switching fee from FirstEnergy Solutions. However, you will be sent a notice every two years asking if you wish to remain in the program. At that point, you may opt out at no cost.

What are my energy choices if I decide to opt out?

You can stay with your current electric utility, which will continue to supply your electricity as it always has. Or, you can shop for a new electric supplier. A list of suppliers certified by the Public Utilities Commission of Ohio and their current prices is available by calling the Ohio Electric Choice answer center at 1-888-632-1314 or by visiting www.ohioelectricchoice.com.

May I get back into the City's electric aggregation program after I have opted-out?

Unfortunately, you will have to wait until the next enrollment period.

Can I opt out over the phone?

No, you must mail in your completed form and it must be postmarked by the deadline.

Who is FirstEnergy Solutions?

FirstEnergy Solutions is an unregulated energy subsidiary of FirstEnergy Corp. FirstEnergy Solutions is a leading supplier of electricity, natural gas, energy and facility management solutions.

What is the toll-free number for questions?

For answers to your questions, please call 1-866-636-3749, Monday through Friday, 8 a.m. to 5 p.m.

Can I stay on budget billing or have my payment automatically deducted from my checking account as I do now?

Yes, Cleveland Electric Illuminating Company will continue to offer those programs. However, budget billing applies only to a portion of your Cleveland Electric Illuminating Company bill – the charges that include transmitting and distributing the electricity over the lines, maintaining equipment and providing emergency service.

The budget billing program **does not apply** to your charges from FirstEnergy Solutions. FirstEnergy Solutions is a different company from Cleveland Electric Illuminating Company. On your monthly Cleveland Electric Illuminating Company bill, you'll notice a charge from FirstEnergy Solutions for generation. This charge reflects the **actual** amount of electricity you used that month and may vary each month due to your usage. Keep in mind that you're still paying less for your electricity supply than if you hadn't joined the City's government aggregation program.

Can I join the City's electric aggregation program if I am already under contract with another electricity supplier?

Many electric suppliers will charge a penalty for breaking your contract before it expires. You should opt out of Seven Hills' electric aggregation program to maintain your contract with your current electric supplier. See your current electric supplier for more information.

If you are a current FES customer, you will be rolled into the existing Seven Hills aggregation program when your contract expires if you do not opt out.

If I do join Seven Hills' electric aggregation program, who will deliver my power, read my meter and respond to emergencies, such as power outages?

Your local electric company will be responsible for the transmission and distribution of power to your home or business. Since your local electric utility still owns the wires and poles that delivers power to you, it will continue to read your meter and restore power after an outage.

Does FirstEnergy Solutions charge any fees?

Late charges may apply for past due balances. At the present time, residential customers will pay a late charge of 1.5 percent per month for delinquent account balances.

Is your price for residential power fixed, or does it vary?

In this program, the price you pay for electric generation from FirstEnergy Solutions will vary each month depending on your usage and the amount of your generation shopping credit. However with FirstEnergy Solutions you'll save _____ percent off the competitive portion of your electric bill regardless of how much electricity you use, or when you use it.

What will my electric bill look like under the City's electric aggregation program?

There are three parts to your electrical power system: transmission, distribution and generation. Your energy bill will look different under deregulation because the rates you pay after joining the City's electric aggregation program will be unbundled, or split into separate charges on the bill.

Your bill from your local electric company will include these charges:

- A generation charge to buy power from your electricity supplier
- A transmission charge from your electricity supplier to bring the power from the energy supplier to your area
- A distribution charge from your local electric company to deliver electricity to your home or business
- A market transition charge that enables your local electric company to recover the costs of changing to a competitive industry

FirstEnergy Solutions Corp.
Government Aggregation Residential and Small Commercial Electric Generation
Terms & Conditions

These terms and conditions together with the enrollment information constitutes the agreement for electric generation service, between FirstEnergy Solutions Corp., and the Customer, who chose to remain in the community aggregation program by not "opting-out" or exercising the right of rescission ("Contract"). For commercial customers, this Contract is valid for customers with a peak demand ranging from 1 kW to 299 kW. This Contract will become null and void for any individual commercial customer account with peak demand above 299 kW.

FirstEnergy Solutions Corp. ("FES") is certified by the Public Utilities Commission of Ohio ("PUCO") to offer and supply electric generation services in Ohio. FES sets the generation prices and charges that the Customer pays. The PUCO regulates distribution prices and services. The Federal Energy Regulatory Commission regulates transmission prices and services.

RIGHT OF RESCISSION – If Customer does not opt out and becomes a participant in the community program, the Customer's EDU will send a confirmation notice of the transfer of service. Customer may cancel this Contract within seven (7) calendar days following the postmark date of the confirmation notice from the Electric Distribution Utility ("EDU") by calling the EDU or by written notice to the EDU, which is effective on the postmark date. If Customer cancels, the EDU will give Customer a cancellation number. The Right of Rescission only applies when Customer switches suppliers. It does not apply when Customer renews a Contract. The EDU will not send a confirmation notice for Contract renewals.

DEFINITIONS

Generation Service – Production of electricity.

Distribution Service – Physical delivery of electricity to Customers by the EDU.

Delivery Point – That point on the electric system at which the EDU's tariff provides for the receipt and final delivery of the electricity to the Customer.

TERMS AND CONDITIONS OF SERVICE

5. **Basic Service Prices.** During the term of this Contract, for all electric generation delivered by FES to Customer, Customer agrees to pay FES the price specified in the opt-out notification.

For 2005, Customer will be billed at the percentage off or the price specified in the opt-out notification. The customer's price per kwh will vary based on the generation shopping credit, which may change monthly as calculated by the EDU based on Customer's usage and usage pattern. In addition to the charge for generation services, Customer will be charged by the EDU for distribution, transmission, ancillary and various other charges.

For the period 2006 through 2008, the generation pricing under this Agreement will be calculated as the specified percentage off the sum of the generation charge ("g") and 100% of the Rate Stabilization Charge ("RSC") ("Generation Charge"), both as set forth in the Electric Utility's applicable tariff, provided however in no event may the Generation Charge exceed the 2005 shopping credit level specified in PUCO Case No. 99-1212-EL-ETP et al., plus the potential addition of future fuel and tax related charges, as permitted by the Public Utilities Commission of Ohio ("PUCO") in Case No. 03-2144-EL-ATA et al. ("Rate Stabilization Plan"), as may be subsequently approved by the PUCO. Supplier reserves the right to unilaterally modify this billing format in the event the Electric Utility reduces the level of the generation charge ("g") and/or the RSC below the level approved in the Rate Stabilization Plan, or in the event the Electric Utility is unable or unwilling to provide consolidated billing in this format.

In addition to the Generation Charge described above, Supplier will charge Customer for any and all fees, costs, and obligations imposed by a Regional Transmission Organization ("RTO"), such as the Midwest ISO, that are not otherwise reimbursed by the Electric Utility to Supplier, regardless of whether such charges are greater than, less than, or equal to the charges Customer currently pays for these services to the Electric Utility ("Midwest ISO/Transmission and Ancillary Charges"). Supplier will pass these Midwest

ISO/Transmission and Ancillary Charges, which may be variable, through to the Customer and Customer will receive no discount or percent-off of these Midwest ISO/Transmission and Ancillary Charges.

The Customer's price will vary based on the generation shopping credit, which may change monthly according to the EDU. In addition to the foregoing, Customer may be charged a \$5 switch fee per account. For fixed and variable rate offers, Customer will incur additional service and delivery charges from the EDU.

If any regional transmission organization or similar entity, Electric Utility, regulatory agency, or court having jurisdiction over this Agreement requires a change to the terms of the Agreement, or imposes new or additional charges or requirements upon Supplier, or a change in the method or procedure for determining charges or requirements, that adversely and materially impacts Supplier's ability to economically perform or otherwise provide Electricity Supply pursuant to this Agreement, the Parties will attempt to negotiate modification(s) to the Agreement so that Supplier may be restored to a reasonably similar economic position that Supplier would have been in but for the occurrence of the change, cost or requirement. Changes include, without limitation, transmission or capacity requirements or charges that may be imposed upon Supplier after the Effective Date by a regional transmission organization, independent transmission system operator, independent transmission provider, or government agency, and new or modified charges or shopping credits and other changes to retail electric customer access programs.

6. **Length of Contract.** Service under this Contract, as a part of Customer's community's program, will begin with the next available meter reading after the processing of Customer request by the EDU and FES, as determined by the EDU, and will continue for the Term as specified in the opt-out notification, ending on the meter read for the last month of service.
7. **Billing.** The EDU will bill Customer monthly for both FES services and EDU services on a combined monthly bill. All applicable taxes shall be listed separately on the monthly bill statement in accordance with State and Local tax law. Each account shall be billed as 0% exempt from such taxes until valid Ohio Sales and Use Tax Exemption Certificate has been received by the EDU. FES does not offer budget billing.
8. **Penalties, Fees and Exceptions.** If Customer does not pay the full amount that the Customer owes FES by the due date of the bill, Customer will be charged a 1.5% late payment charge per month.
7. **Cancellation/Termination Provisions.** If Customer does not pay bill by the due date, FES may cancel this Contract after giving Customer a minimum of fourteen (14) days written notice. Customer may be returned to EDU and forfeit the right to choose another CRES provider until arrearages are paid in full. Customer will remain responsible to pay FES for any electricity used before this Contract is cancelled, as well as all late payment charges on past due amounts. Customer may terminate this Contract, without penalty, if Customer moves out of the current EDU service territory or into an area where FES will charge a different price, by providing FES with a thirty (30) day written notice. *There will be a \$25 charge if Customer terminates this Contract for any other reason, except as expressly provided herein.*
8. **Contract Expiration.** Customer is responsible for arranging for its supply of electricity upon termination of this Agreement. If this Agreement is terminated prior to the end of 2008, if Customer has not selected another supplier, Customer will be returned to the Electric Utility and will be charged market price for its electric generation service from the Electric Utility as approved by the PUCO in Case No. 03-2144-EL-ATA.
9. **Service by EDU.** This Contract automatically terminates on the same date that electric service from the EDU is disconnected or discontinued. If this should occur, please contact FES to discuss Customer options.
10. **Dispute Procedures.** Contact FES with any questions concerning the terms of service by phone at 1-888-254-6369 (toll-free) M-F 7AM - 7PM EST or in writing at 395 Ghent Road, Attn: Contract Administration, Akron, OH 44333. Our web address is www.firstenergysolutions.com. Customers may call the PUCO if they are not satisfied after discussing the terms with FES at 1-800-686-PUCO (7826) (toll-free) or 614-466-3292 or for TDD/TTY toll-free at 1-800-686-1570 or 1-614-466-8180 from 8:00 am to 5:00 pm weekdays or in writing at 180 E. Broad Street, Columbus,
11. **Customer Consent.** By choosing not to opt-out of Customer's community's program Customer understands and agrees to the terms and conditions of this Contract with FES. This Contract shall be considered executed by FES following the end of the 21 day opt-out period and the 7 day rescission period if Customer does not opt-out or, and subsequent acceptance by Customer's EDU.
12. **Miscellaneous.**

EDU may charge Customer switching fees.

Customer has the right to request from FES, twice within a 12 month period, up to 24 months of payment history, without charge.

FES will not release Customer Social Security Number and/or account number(s) without Customer's written consent, except for purposes of commercial collection, credit reporting, participation in Universal Service Fund or assignment of a customer to another CRES provider.

An Environmental Disclosure Form has been included with this Contract.

FES may assign its rights to another, including any successor, in accordance with the rules and regulations of the PUCO.

By accepting this Contract, Customer is authorizing the EDU to provide FES with information about Customer account. This information includes, but is not limited to, billing history, historical and future usage, meter readings and types of service.

FES assumes no responsibility or liability for the following items that are the responsibility of the EDU: operation and maintenance of the EDU's electrical system, any interruption of service, termination of service, or deterioration of the EDU's service. In the event of a power outage, Customer should contact the EDU at the number specified by the EDU.

If Customer account information provided to FES by Customer is incorrect, FES reserves the right to reprice the applicable account(s) or terminate the contract.

12. Warranty. FES warrants title and the right to all electricity sold hereunder. THE WARRANTIES SET FORTH IN THIS PARAGRAPH ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR ARISING OUT OF ANY COURSE OF DEALING OR USAGE OF TRADE.

Exhibit A-5

Experience

Applicant's Experience and Plan for Providing Aggregation Services:

The Applicant, Seven Hills (the "City"), has contracted with FirstEnergy Solutions Inc. ("FES") to provide administrative and retail generation supply services for the City's Aggregation Group, which is comprised of all eligible CEI customers located in the City who do not opt out of the Group.

FES has extensive experience, through its affiliation with FirstEnergy Corp., in providing retail generation supply services and in responding to customer inquiries and complaints. FES has been approved as a Certified Supplier with the PUCO. FES is already providing power supply services for residential and other customers under the State's Electric Choice Program. FES is well versed in S.B. 3 and the rules adopted by the PUCO, and is thus in a position to ensure compliance with all applicable provisions of Section 4928.10 of the Revised Code, and the rules adopted by the Commission pursuant thereto.

FES has an experienced call center to provide services of a call center for consumers in the City to call for information during the 21-day enrollment and opt out period for the City's Aggregation Program.

The billing of customers for the retail generation supply will be provided through the electric distribution utility, Cleveland Electric Illuminating Company (CEI), and the billing process will be coordinated with CEI by FES for the Aggregation Group.

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Summary: Application In the Matter of Application for Electric Aggregation for the City of Seven Hills, OH electronically filed by Mr. Benjamin T Rich on behalf of FirstEnergy Solutions