

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application Seeking)	
Approval of Ohio Power Company's)	
Proposal to Enter into an Affiliate)	
Power Purchase Agreement)	Case No. 14-1693-EL-RDR
for Inclusion in the Power Purchase)	
Agreement Rider)	

In the Matter of the Application of)	
Ohio Power Company for Approval of)	Case No. 14-1694-EL-AAM
Certain Accounting Authority)	

REBUTTAL TESTIMONY OF
WILLIAM A. ALLEN
IN SUPPORT OF AEP OHIO'S
AMENDED APPLICATION

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO
REBUTTAL TESTIMONY OF
WILLIAM A. ALLEN
ON BEHALF OF
OHIO POWER COMPANY

1 **Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.**

2 A. My name is William A. Allen. I am employed by the American Electric Power Service
3 Corporation (AEPSC) as Managing Director of Regulatory Case Management.

4 **Q. ARE YOU THE SAME WILLIAM A. ALLEN WHO PREVIOUSLY FILED**
5 **TESTIMONY IN THIS PROCEEDING?**

6 A. Yes. I provided direct testimony supporting the Company's amended application that was
7 pre-filed on May 15, 2015.

8 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS**
9 **PROCEEDING?**

10 A. The purpose of my rebuttal testimony is to respond to the testimony of Staff witness
11 Choueiki, Exelon witness Campbell, P3 witness Cavicchi and OCC witness Dormady.
12 Specifically, I show that 1) the staggering and laddering effect of the SSO auctions is not
13 sufficient to mitigate retail price volatility as supported by Staff witness Choueiki and that
14 the PPA rider provides additional mitigation of price volatility for both shopping and non-
15 shopping customers; 2) competition and SSO auctions do not encourage price stability as
16 asserted by Exelon witness Campbell and Staff witness Choueiki; 3) fixed-price contracts
17 do not provide a shield from variable market forces as suggested by Exelon witness
18 Campbell; 4) contrary to the testimony of P3 witness Cavicchi, longer term energy prices
19 are volatile; and 5) the economic base model continues to be used and is viewed as a

valuable tool to evaluate the economic impact of industries on the communities in which they operate regardless of OCC witness Dormady's views.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. Yes. I am sponsoring the following exhibits:

Exhibit WAA-R1	Comparison of CRES offers in the AEP Ohio Service Territory
----------------	---

Exhibit WAA-R2	Terms and Condition of CRES provider contracts
----------------	--

Exhibit WAA-R3	Year-Over-Year change in PJM Real Time Load Weighted Average LMP
----------------	--

Q. STAFF WITNESS CHOUETKI STATES AT PAGE 16, LINES 8-10, "STAFF PREFERS THE STAGGERING AND LADDERING APPROACH THAT THE COMMISSION HAS ADOPTED IN ADMINISTERING PAST SSO PROCUREMENT AUCTIONS FOR MITIGATING PRICE VOLATILITY" OVER THE COMPANY'S PROPOSED PPA RIDER. HE ALSO TESTIFIED AT HEARING THAT STAGGERING AND LADDERING IS THE STAFF'S PREFERENCE AND IS "GOOD ENOUGH" WITHOUT THE ADDITION OF A PPA.¹ WHAT DOES THE PPA PROVIDE THAT THE STAGGERING AND LADDERING APPROACH DOES NOT PROVIDE?

A. While ladderling and staggering SSO auctions may provide a benefit by smoothing out changes in market prices in the short term they are not capable of, nor designed to, address longer term changes in market prices in the same way that the Company's PPA Rider mechanism can. Staggering and ladderling are only designed to smooth out changes in SSO prices during the term of a specific ESP which is typically three years in duration and only

¹ Tr. Vol. XVI at 4007; 4008; 4009.

1 applies to non-shopping customers served under the SSO. In contrast, the PPA rider
2 mechanism is intended to provide a hedge against changes in market prices over a much
3 longer period and provides a true hedge for both SSO and shopping customers.

4 An additional benefit that the PPA rider mechanism provides, which staggering and
5 laddering cannot, is an offset to increased customer bills (for both shopping and non-
6 shopping customers) due to weather related increases in usage. As an example, in the first
7 quarter of 2014 the average residential customer of AEP Ohio experienced an 18% increase
8 in usage over the expected weather normal level of usage resulting in an increase in monthly
9 bills of approximately \$15 (Columbus Southern Power Rate Zone) to \$22 (Ohio Power Rate
10 Zone). Conservatively assuming that the true-up value for the quarter was a \$54 million²
11 credit, each residential customer using 1,000 kWh per month would see a monthly credit of
12 \$5.14 for three months. As a result, residential customers would have seen a credit equal to
13 approximately a quarter to a third of the weather related increase that they experienced.
14 Given that upside price volatility is linked to extreme weather, the PPA mechanism is likely
15 to produce credits relating to time periods when mitigation is most beneficial.

16 These points are in addition to those already demonstrated in my direct testimony,
17 including Exhibit WAA-2 (SSO rates based on the laddering and staggering approach still
18 reflect the volatility associated with being tied to electricity market prices).

19 **Q. EXELON WITNESS CAMPBELL STATED DURING CROSS EXAM³ THAT**
20 **COMPETITION LEADS TO PRICE STABILITY. DO YOU AGREE?**

21 A. No. A review of the PUCO Apples-to-Apples summary of CRES offers to residential
22 customers of AEP Ohio demonstrates that Exelon witness Campbell's view is inaccurate

² Direct testimony of Company witness Pearce at page 18 line 15.

³ Tr. Volume XV at 3689-3690.

1 based upon historic data. As I show in Exhibit WAA-R1, the average, minimum and
2 median offers for twelve month CRES offers increased by 15.4% to 21.5% from January 6,
3 2014 to April 25, 2014 (a period of only 109 days). Similarly, the average, low and median
4 offers for twenty four month CRES offers increased by 12.4% to 15.0% from January 6,
5 2014 to April 25, 2014.

6 In addition to looking at the change in CRES offers over a period of weeks, I also
7 looked at the change in CRES offers over a period of twelve months (January 6, 2014
8 through January 2, 2015). Looking at CRES offers over this period provides an insight into
9 the change in price that a residential customer seeking a new CRES contract following the
10 expiration of a 12-month offer would potentially see. The change in the average, minimum
11 and median offers between January 6, 2014 and January 2, 2015 range from an increase of
12 21.4% to 27.6%. This provides clear and fact based evidence that competition does not
13 necessarily lead to the price stability that Exelon witness Campbell claims. Volatility in
14 CRES offers can take the form of price increases or price decreases.

15 Mr. Campbell's general statement is also contradicted by the price volatility in SSO
16 auctions. The auctions to serve customers in the FirstEnergy Ohio service territories have
17 seen auction clearing prices for the same product change by over 9% for three of the eight
18 products. For example, the January 28, 2014, 12-month auction product for delivery in the
19 2014/2015 PJM planning year was \$4.92/MWh or 9.7% higher than a similar auction for the
20 same product that occurred on October 1, 2013. The 24-month product procured in the
21 same auctions saw an increase of \$8.32/MWh or 13.7%.

I have also reviewed the results of recent SSO auctions⁴ to serve load in the AEP Ohio service territory which is summarized in the table below.

	1-Year Product	2-Year Product	3-Year Product
April 28, 2015	\$53.79/MWh	\$53.51/MWh	\$55.58/MWh
May 12, 2015	\$55.42/MWh	\$54.70/MWh	\$56.35/MWh
Change	3.0%	2.2%	1.4%
	\$1.63/MWh	\$1.29/MWh	\$0.77/MWh

Data from these recent SSO auctions demonstrate that volatility exists in the SSO auctions. Over a period of just 10 business days, the auction clearing prices for the one, two and three year products increased by 3.0%, 2.2% and 1.4%, respectively.

Q. EXELON WITNESS CAMPBELL STATES THAT OHIO CUSTOMERS “HAVE CURRENTLY SHIELDED THEMSELVES FROM VARIABLE MARKET FORCES BY ENTERING INTO A FIXED-PRICE CONTRACT WITH A CRES PROVIDER.” (CAMPBELL DIRECT AT PAGE 17 LINES 10-15; See also Tr. Vol. XV at 3696.) DO YOU AGREE THAT CUSTOMERS ARE SHIELDED FROM VARIABLE MARKET PRICES BY ENTERING INTO FIXED PRICE CONTRACTS WITH A CRES PROVIDER?

A. No. Mr. Campbell indicated that he had not actually reviewed fixed price contracts on the Apples-to-Apples website before making his claims about the protection of fixed price contracts. A review of several CRES contracts indicate that the providers have the ability to modify the pricing due to changes in laws or regulations or other events outside of their reasonable control that materially increases their obligations or the cost of performing their

⁴ PUCO Case No. 15-792-EL-UNC

obligations⁵. I have provided examples in Exhibit WAA-R2⁶ of CRES contracts I obtained through my review on the Commission's Apples-to-Apples website.⁷ While some contracts do provide the customer the ability to opt out of the contract if they do not agree to a change in the pricing, the fact remains that the customer will no longer have the "fixed-price" that was included in their original contract. If they are able to leave the contract they would then be subject to the market that could likely be facing similar volatility in other CRES offers that caused the initial "fixed" price to change. While Exelon witness Campbell states at page 17, lines 20-23, that Constellation New Energy (CNE) provides a "true fixed-price generation product" a review of the actual terms and conditions of the contract clearly demonstrate that witness Campbell's definition of "fixed-price" is not consistent with the common definition of fixed price. The CNE contract provides the following:

Change in Pricing and Other Terms. In addition to Constellation's right to revise the price, terms and conditions of this Contract as provided in the "**Renewal**" section above, this Contract may be revised at any time by Constellation upon the occurrence of any event beyond its reasonable control that materially increases the obligations of Constellation or the cost of performing such obligations under this Contract. If we request such a change, Constellation will provide you notice of the changed prices and/or terms and conditions and you will have an opportunity to terminate this Contract without any further obligation by notifying us in writing within 30 days after the date of the notice of the new prices and/or terms and conditions, in which case your retail electric service will terminate effective as of the next meter read date after expiration of the required notice period. You will remain responsible for any unpaid balance as of the

⁵ AEP Ohio is not taking issue with CRES contracts having these types of provisions in their contracts. AEP Ohio only provides this point to rebut the argument that fixed contracts lock customers into a single rate for a specified period. It is clear from the face of the CRES contract language that the term and price can change for items beyond the CRES' reasonable control (weather for example) and therefore cannot be used to argue that customers truly have a "fixed" rate.

⁶ I highlighted the relevant sections for review in these contracts.

⁷ The following addresses show the links of where the different contracts included in WAA-R2 were found through a search starting on the Commission's Apples-to-Apples website.

[nap-files-termsofservice.s3.amazonaws.com/ebf4a1fa7f555_NAPGOHETOSALL041015FINAL.pdf](https://s3.amazonaws.com/ebf4a1fa7f555_NAPGOHETOSALL041015FINAL.pdf),
enrollment.igsenergy.com/api/Web/TermsAndConditions/FOHP-I12MV-E-PROMO1-N/C/43215,
directenergy.gesc.com/Products/TCPage.aspx?Doc=DEROHTCRSCE and
AEP Ohio Exhibit 41, Constellation CRES contract.

1 termination date but we will not assess a termination payment. (Emphasis
2 added.)⁸
3

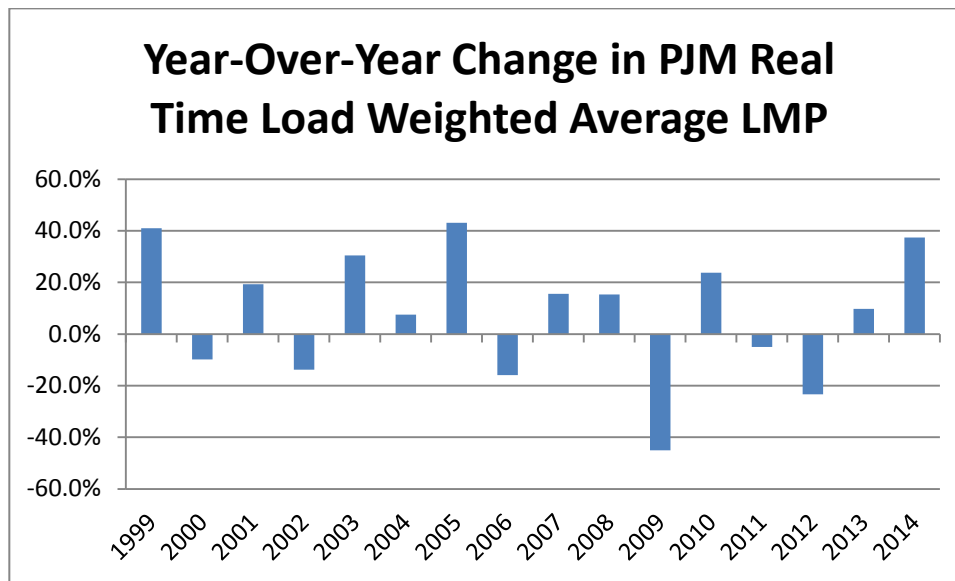
4 An example of an event that would appear to allow CNE to exercise this provision of the
5 contract would be the recently enacted PJM capacity performance product procured for the
6 PJM planning years 2016/2017 and 2017/2018. As a result of contract provisions like this,
7 retail customers with “fixed-price” contracts could see increases in their cost of electricity to
8 cover things like the increased capacity costs paid by CRES providers. This provision is in
9 addition to the typical change in law or regulation provision included in many CRES
10 contracts in Ohio. In contrast, under the Company’s proposal in this case, this same
11 increase in PJM capacity costs would result in an increase in capacity revenues for the PPA
12 units which would be credited to customers through the PPA rider having the effect of
13 offsetting a portion of the increase passed through by CRES providers.

14 **Q. P3 WITNESS CAVICCHI STATES AT PAGE 11, LINES 17-19, “WHILE PRICE**
15 **VOLATILITY IS RELATIVELY HIGH FOR DAILY ELECTRIC ENERGY**
16 **SUPPLY, FOR LONGER-TERM ENERGY SUPPLY THE VOLATILITY OF**
17 **PRICES IS MUCH LOWER.” HE ALSO STATES AT PAGE 12, LINES 3-4, “THE**
18 **VOLATILITY OF ONE-YEAR ENERGY PRICES IS ONLY APPROXIMATELY**
19 **7% THAT OF DAILY ENERGY PRICES.” DO YOU HAVE ANY COMMENTS**
20 **WITH REGARD TO THE ANNUAL VOLATILITY IN ENERGY PRICES?**

21 **A.** While I agree that hourly energy prices are more volatile than longer term energy prices, it
22 is important to recognize that longer term energy prices can still be quite volatile. Data for
23 the period 1998 through 2014 shows that year-over-year changes in energy prices are very

⁸ AEP Ohio Exhibit 41, Constellation CRES contract.

significant⁹. The chart below shows that the year-over-year change in the PJM real time load weighted LMP often ranges from 15% to 45%. In fact, only 5 of the 15 years had annual changes of less than 15%. This same data is provided in tabular form in Exhibit WAA-R3.



Q. OCC WITNESS DORMADY CRITICIZED THE USE OF THE BASE ECONOMIC MODEL AND STATES ON PAGE 6, LINES 2 AND 3, OF HIS DIRECT TESTIMONY THAT “SINCE THE 1970’S IT HAS GONE LARGELY FORGOTTEN.” HAS THE MODEL GONE LARGELY FORGOTTEN?

A. No. A report issued by the World Bank in 2002 states “the economic base technique is the oldest, simplest and most widely used technique for regional economic analysis.”¹⁰ When this report was brought to the attention of OCC witness Dormady he attempted to diminish this statement by asserting that “the nature of these comments by this author are, should be conditioned upon what the task and the purpose of these models is for the analysis

⁹ 2014 State of the Market Report for PJM, Table 3-62.

www.monitoringanalytics.com/reports/PJM_State_of_the_Market/2014/2014-som-pjm-volume2-sec3.pdf

¹⁰ Regional and Local Economic Analysis Tools, Mustafa Dinc, January 2002.
info.worldbank.org/etools/docs/library/128789/Dinc%202001.pdf

1 performed by the World Bank. The World Bank is tasked with economic development in
2 lower developed countries.” (Tr. IX 2331-2332) Nevertheless, the statements in this report
3 clearly demonstrate that the model has not gone largely forgotten since the 1970’s and is
4 still widely used. In addition, the model is still referenced and used as an economic tool in
5 the United States – a highly developed country. Agencies that continue to reference and use
6 the economic base model include the Texas A&M Department of Agricultural Economics¹¹
7 and the Utah Department of Workforce Services¹² to name a few. Contrary to the assertions
8 of OCC witness Dormady, the economic base model continues to be used and is viewed as a
9 valuable tool to evaluate the economic impact of industries on the communities in which
10 they operate – in both lower developed countries and highly developed countries.

11 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

12 A. Yes, it does.

¹¹ *The Business Owner’s Guide to Discussing Economic Impacts*, John L. Park et. al., July 2009.
agecoext.tamu.edu/files/2013/08/Discussing_Economic_Impacts.pdf

¹² *Economic Insight*, John Krantz, 2010. jobs.utah.gov/wi/pubs/trendlines/julaug10/economicinsight.pdf

Comparison of CRES offers in the AEP Ohio Service Territory

12- month offers

	January 6, 2014
AEP Energy	\$ 0.0679
AP Gas & Electric	\$ 0.0649
Constellation Energy	\$ 0.0739
DP&L Energy	\$ 0.0649
Glacial Energy of Ohio	\$ 0.0719
Integrus Energy	\$ 0.0699
Perigee Energy LLC	\$ 0.0660
Verde Energy USA	\$ 0.0659
Average	\$ 0.0682
Max	\$ 0.0739
Min	\$ 0.0649
Median	\$ 0.0670

24 - month offers

	January 6, 2014
AEP Energy	0.0699
DP&L Energy	0.0679
Glacial Energy of Ohio	0.07599
Integrus Energy	0.0719
Perigee Energy LLC	0.0675
Average	\$ 0.0706
Max	\$ 0.0760
Min	\$ 0.0675
Median	\$ 0.0699

	April 25, 2014	
Constellation NewEnergy Inc	\$ 0.0769	
DP&L Energy	\$ 0.0759	
Glacial Energy of Ohio	\$ 0.0904	
IGS Energy	\$ 0.0749	
Just Energy	\$ 0.0999	
Star Energy Partners	\$ 0.0799	
XOOM Energy Ohio LLC	\$ 0.0819	Increase
Average	\$ 0.0828	21.5%
Max	\$ 0.0999	35.2%
Min	\$ 0.0749	15.4%
Median	\$ 0.0799	19.3%

	April 25, 2014	
DP&L Energy	0.0759	
Glacial Energy of Ohio	0.0874	
Star Energy Partners	0.0799	
XOOM Energy Ohio LLC	0.0809	Increase
Average	\$ 0.0810	14.7%
Max	\$ 0.0874	15.0%
Min	\$ 0.0759	12.4%
Median	\$ 0.0804	15.0%

	January 2, 2015	
AEP Energy Inc	\$ 0.0795	
Capital Energy LLC	\$ 0.0788	
Censtar Energy Corp	\$ 0.0859	
Constellation NewEnergy Inc	\$ 0.0809	
Direct Energy Services LLC	\$ 0.0875	
DP&L Energy	\$ 0.0849	
IGS Energy	\$ 0.0799	
Just Energy	\$ 0.0999	
Public Power LLC	\$ 0.0949	
Source Power & Gas LLC	\$ 0.0813	
Star Energy Partners LLC	\$ 0.0919	
XOOM Energy Ohio LLC	\$ 0.0879	Increase
Average	\$ 0.0861	26.3%
Max	\$ 0.0999	35.2%
Min	\$ 0.0788	21.4%
Median	\$ 0.0854	27.6%

	January 2, 2015	
Capital Energy LLC	\$ 0.0798	
Censtar Energy Corp	\$ 0.0849	
Direct Energy Services LLC	\$ 0.0919	
DP&L Energy	\$ 0.0829	
Plymouth Rock Energy LLC	\$ 0.0813	
Source Power & Gas LLC	\$ 0.0797	
Star Energy Partners LLC	\$ 0.0869	
XOOM Energy Ohio LLC	\$ 0.0869	Increase
Average	\$ 0.0843	19.3%
Max	\$ 0.0919	20.9%
Min	\$ 0.0797	18.1%
Median	\$ 0.0839	20.0%

Includes fixed price contracts that did not include a renewable component.



TERMS & CONDITIONS

CONSTELLATION TERMS AND CONDITIONS OF SERVICE OHIO RESIDENTIAL COMPETITIVE RETAIL ELECTRIC SERVICE COMPETITIVE RETAIL ELECTRIC SERVICE PROVIDER CERTIFICATE NUMBER 00-0003E(6).

Purchase of Retail Electric Service. Constellation NewEnergy, Inc. ("Constellation") agrees to sell, and you agree to buy, your full requirements for residential retail electric service at the price and on the terms and conditions specified in this agreement (the "Contract"). Price and other terms of this Contract are subject to change as provided below. Constellation reserves the right to revoke its electricity offer for any reason at any time prior to your acceptance of this Contract. Throughout this Contract, the words "you" and "your" refer to the customer who has signed this Contract. The words "we", "us" and "our" refer to Constellation. Constellation is an independent seller of retail electric service certified by the Public Utilities Commission of Ohio and is not representing or acting on behalf of the electric utility responsible for your service territory, i.e. Cleveland Electric Illuminating ('CEI'), Toledo Edison ('TE'), Ohio Edison ('OE'), Duke Energy ('Duke'), Ohio Power Company ('OPC'), or Columbus Southern Power Company ('CSPC') (as applicable, the "Utility") or any governmental bodies, consumer agencies or other groups. You will receive written notification from the Utility confirming a pending switch of your retail electric supplier.

Term. The initial term of the Contract will be 36 months (the "36 Month Plan") based on your election, beginning at the next meter read date after the Utility processes your enrollment (the "Effective Date"). Your switch to Constellation as your alternative retail electric supplier may take up to 2 billing cycles to take effect.

Guarantee Period. You may terminate this Contract without incurring an early termination fee within 90 days after entering into it (the "Guarantee Period") by notifying the Utility that you would like to return to Utility service. You must also notify us in writing or by calling our customer care center at 1-877-997-9995. Upon your termination of this Contract during the Guarantee Period, we will return you to being supplied by the Utility at your next available meter read date and you will remain responsible for payment for electricity and related costs and charges incurred under this Contract through such meter read date. Any incentives we may offer in connection with you entering into this Contract will be provided to you after the Guarantee Period has expired without you terminating our Contract.

Fixed Pricing. By choosing the 36 Month Plan, your price for power and energy service will be 6.39 cents per kilowatt-hour (kWh) plus all applicable taxes from the Effective Date through the meter read date 36 months after the Effective Date. While we will supply your competitive retail electric service, your Utility will continue to provide distribution and related services necessary to deliver electricity to you.

Participation in PIPP and Credit Arrearage Programs. Participation in the Percentage of Income Payment Program ("PIPP") administered by the Ohio Department of Development or a credit arrearage program administered by your Utility may affect your eligibility to take service from a competitive retail electric service provider. **You represent that you are not currently approved for or enrolled in PIPP or any such Utility program.** If you become approved for either the PIPP or your Utility's arrearage crediting program while taking service under this Contract, you must advise us and your Utility in writing in order to be switched to the Utility's standard offer service after the next meter read date.

Other Pricing Terms. The fixed price charged for retail electric service under this Contract reflects competitive market conditions, was not set or approved by the Public Utilities Commission of Ohio and does not include any applicable taxes or Utility fees or charges. We will not charge you a fee for entering into this Contract, but the Utility may charge you a switching fee to switch your retail electric service. We will not charge you a fee for terminating this Contract at the end of the then-applicable Contract term as provided in the "Term" and "Renewal" sections. Under certain other circumstances, you may be responsible for payment of an early termination fee as provided in the "Termination" section below.

Rescission. The Utility will provide you an enrollment confirmation notice and such notice will inform you of your rescission rights. You have the right to rescind this Contract within seven (7) calendar days following the postmark date on the Utility's enrollment confirmation notice either by (i) calling the Utility at the designated toll-free or local telephone number provided on such notice or (ii) providing written notice to the Utility to the address provided in the notice. Your written rescission notice will be effective as of the postmark date. If you make such a request to rescind our Contract within that timeframe, your enrollment with Constellation will be cancelled and you will not incur an early termination fee. Upon rescission in accordance with applicable law, this Contract is cancelled and neither party shall have any further obligation.

Price Comparison. Please note that the Utility's standard offer rates likely will change from time to time and therefore Constellation cannot guarantee savings compared to the Utility's standard offer rates during the term of this Contract or any renewals. If savings were promised to you, such savings were calculated against the Utility's standard offer Residential Service ('R-R' rate for CSPC; 'RS' rate for all others) as of the date of this offer. You acknowledge that we have disclosed to you the basis of this comparison prior to entering into this Contract and that any savings we show are not guaranteed for the entire term of this Contract or for any renewals.



Renewal. THIS CONTRACT WILL AUTOMATICALLY RENEW AS DESCRIBED IN THIS SECTION. IN ORDER TO CANCEL BEFORE AN AUTOMATIC RENEWAL OF THIS CONTRACT, PLEASE NOTIFY US IN WRITING OR BY PHONE AS DESCRIBED IN THIS SECTION. Unless terminated earlier as provided in the "Termination" section, not fewer than 45 days nor more than 90 days prior to the expiration date of the then-current term of this Contract, Constellation will provide a first written notice to you of this Contract's upcoming renewal. We will provide a second written notice to you not less than 35 days prior to expiration of the then-current term of this Contract. The second contract renewal notice will set forth the proposed Fixed Price for the renewal term, the proposed length of the renewal term, the bill cycle in which service under the new term will begin and any other proposed changes to the terms and conditions of this Contract. **UNLESS YOU NOTIFY US IN WRITING OR BY CALLING US AT 1-877-997-9995 WITHIN 30 DAYS AFTER THE DATE YOU RECEIVE THE SECOND CONTRACT RENEWAL NOTICE THAT YOU DO NOT DESIRE TO RENEW THIS CONTRACT, YOU WILL BE DEEMED TO HAVE IRREVOCABLY AND UNCONDITIONALLY AGREED TO RENEW THIS CONTRACT ON THE TERMS AND CONDITIONS SET FORTH IN THE RENEWAL NOTICE.**

Initiation of Service. THE PURPOSE OF THIS DOCUMENT IS TO AUTHORIZE CONSTELLATION TO CHANGE YOUR COMPETITIVE RETAIL ELECTRIC SERVICE SUPPLIER AND, BY ENTERING INTO THIS CONTRACT, YOU AUTHORIZE CONSTELLATION TO UNDERTAKE WHATEVER STEPS MAY BE NECESSARY TO ACCOMPLISH YOUR SWITCH. Constellation will begin providing retail electric service to you on the next applicable meter read date after the Utility processes your enrollment and your service will continue throughout the term of this Contract. The Utility will notify you of the date on which your retail electric service from Constellation will begin. Constellation's retail electric service will be delivered to your residence using the Utility's electricity distribution wires. You represent and warrant that the retail electric supply being purchased under this Contract is to be used solely for residential purposes. Constellation's obligations under this Contract are conditioned on you providing complete and accurate information and on you remaining a Utility distribution customer eligible for consolidated billing throughout the term under residential electric rate class "RS".

Billing and Payment. Your Utility will provide a consolidated bill that will include both Utility charges and Constellation's charge for competitive retail electric service. Charges for your retail electric service will be due and payable when your Utility bill is due at the billing address provided in your Utility bill. You acknowledge that the Utility may provide us with your billing and payment information. You will be invoiced for Constellation's charges under this Contract at the applicable price set forth in the "Fixed Pricing" section above (or, during any renewal period, under any revised price, terms and conditions as may be established as described in the "Renewal" section above) multiplied by your electricity usage as measured by the Utility in kWh during the applicable billing period. You agree to accept the measurements as determined by the Utility for purposes of accounting for the amount of power and energy services provided by us under this Contract. If the Utility is unable to read your meter, the Utility will estimate your usage and your charges will be calculated accordingly and adjusted on a future bill. Supplying you under this Contract is conditioned on the Utility accepting our enrollment of your account for consolidated billing by the Utility. If you are not eligible for consolidated billing, you need to remedy that restriction with the Utility before we can serve you. Should the Utility cease providing consolidated billing for your account and/or commence billing us for any charges relating to you, we will bill you and you will pay us for all such charges. You will be billed additional charges, including taxes and charges to transmit and distribute the electricity to your home, from the Utility consistent with its filed tariffs. You are responsible for paying any new or increased taxes, fees or other charges imposed on us or you in connection with our supply of electric generation to you during the term of this Contract. We will notify you if any new or increased taxes, fees or other charges are imposed. Constellation reserves the right to change billing methods.

Average Monthly Payment. We are offering Average Monthly Payment for our charges in addition to the Budget Billing offered by the Utility for Utility charges. You may elect Average Monthly Payment at any time by contacting our customer care department as long as you are not past due on your payments and are eligible for Utility consolidated billing. Average Monthly Payment allows you to pay your amounts due to us based on a daily average calculation of your prior months' charges by dividing your actual charges by the number of days in your invoice periods. More specifically, for each billing period we serve you we will determine a daily average charge by dividing our total actual charges for that period by the number of days in such billing cycle. When calculating your current bill we add up all daily average charges available for the last 24 billing cycles (including for the current month) and divide that amount by the number of billing months to determine the current daily average charge. We then multiply that current daily average charge by the number of days in the current billing cycle to determine your current bill amount. We will true up your account based on your actual charges upon termination of service or if you wish to discontinue Average Monthly Payment. We also reserve the right to true-up your charges if we materially over- or under-collected amounts payable to us. For more information or to sign-up on Average Monthly Payment, contact our customer care center at 1-877-997-9995.

Late or Insufficient Payment. When the Utility issues you a consolidated bill, all invoiced balances under this Contract that are not paid in full by the due date will be subject to the Utility's late payment policies and procedures. If Constellation directly invoices you, you are required to pay our invoices by the due date set forth in the invoice, which will be 20 days from the date the invoice was mailed. We reserve the right to charge you interest for any past due invoice amount at 1.5% per month or the highest amount permissible under applicable law, whichever is less. In addition, you agree to pay us our costs incurred in collecting amounts owed us, including reasonable attorney's fees and returned check charges. If you make a payment for an amount less than the total amount due, we may accept such payment without prejudice to any other rights or remedies that we may have against you and we may apply it to your account(s) as a partial payment. In addition, if you fail to remit payment in a timely fashion, you authorize us to report the delinquency to one or more credit-reporting agencies.

Credit. Constellation reserves the right to determine if your credit standing is satisfactory for originating or continuing retail electric service under this Contract. Consistent with applicable law, Constellation uses uniform income, deposit and credit requirements in determining whether to offer service to our customers. You hereby authorize Constellation to perform a credit check on you.



Termination. Constellation may terminate this Contract upon at least 14 days prior written notice to you for any non-payment or the occurrence of a Force Majeure event as described in this Contract. If we terminate this Contract as a result of any non-payment, you will be charged a termination fee of \$25.

You may terminate this Contract without an early termination fee if we are no longer able to serve you or if you move into a service area where we are able to serve you at a price different than the agreed-upon price in this Contract. You may also terminate this Contract during the **Guarantee Period** in accordance with the "Guarantee Period" section above without incurring an early termination fee. In all other cases, if you terminate this Contract prior to the end of the applicable term, other than upon 14 days prior written notice due to our material breach, you will be charged a termination fee of \$25.

Upon any termination of this Contract, you will return to receiving standard offer service from the Utility unless you have selected another competitive retail electric service provider. The effective date of any termination will be the next applicable meter read date after expiration of the required notice period. Upon any termination, you will remain responsible for all obligations, including payment for electricity and related costs and charges incurred under this Contract prior to the effective date of termination including any applicable termination fee. The delivery of electricity to you cannot be terminated or interrupted by the Utility as a result of any dispute between you and Constellation but may be terminated by the Utility for nonpayment of Utility charges in accordance with the Utility's tariff. The Utility will continue to respond to any service calls and emergencies and switching to Constellation will not impact your electric service reliability. If the Utility purchases the right to receive your payments under this Contract, your payment obligations may become Utility charges for purposes of termination of service.

Assignment, Address Change. Constellation may assign, subcontract or delegate all or any part of our rights and/or obligations under this Contract, including your payment obligations under this Contract, without your consent after providing any notice required by applicable law. You may not assign any of your rights or obligations under this Contract without our prior written consent. If you move, you may terminate our Contract without incurring an early termination fee, but you will be responsible for paying for all electricity supplied to your old address until the date this Contract is terminated in accordance with its terms. If you move within the Utility's service territory, you must contact the Utility (please reference "Contact Information" for toll free numbers) in order to obtain new account and meter numbers for your new residence. Please contact us if you would like us to serve you again at your new location.

Change in Pricing and Other Terms. In addition to Constellation's right to revise the price, terms and conditions of this Contract as provided in the "Renewal" section above, this Contract may be revised at any time by Constellation upon the occurrence of any event beyond its reasonable control that materially increases the obligations of Constellation or the cost of performing such obligations under this Contract. If we request such a change, Constellation will provide you notice of the changed prices and/or terms and conditions and you will have an opportunity to terminate this Contract without any further obligation by notifying us in writing within 30 days after the date of the notice of the new prices and/or terms and conditions, in which case your retail electric service will terminate effective as of the next meter read date after expiration of the required notice period. You will remain responsible for any unpaid balance as of the termination date but we will not assess a termination payment.

Information Release Authorization. Throughout the term, you authorize Constellation to obtain information from the Utility that includes, but is not limited to, account name, account number, billing address, service address, telephone number, standard offer service type, historical and future electricity usage, rate classification, meter readings, characteristics of electricity service and, when charges hereunder are included on your Utility bill, billing and payment information from the Utility. You authorize Constellation to release such information to third parties that need to know such information in connection with your retail electric service and to Constellation's affiliates and subcontractors. These authorizations will remain in effect as long as this Contract is in effect. You may rescind these authorizations at any time by either calling or providing written notice to us at the number and/or address provided below under the Contact Information section of the Contract. We reserve the right to reject your enrollment or terminate this Contract in the event these authorizations are rescinded. We are prohibited from disclosing your social security number and/or account number(s) without your affirmative written consent except for our collections and credit reporting, participation in programs funded by the universal service fund, pursuant to Ohio Revised Code Section 4928.52, or assigning your contract to another competitive retail electric service provider.

Dispute Resolution. If you have a billing or other dispute involving our service, please contact us at 1-877-997-9995. You must still pay your bill in full, but may deduct the specific amount in dispute while the charges remain in dispute. If your complaint is not resolved after you have called us or the Utility, or for general Utility information, you may contact the Public Utilities Commission of Ohio for assistance at 1-800-686-7826 (toll free) or for hearing or speech impaired customers via the Ohio relay service at 7-1-1 from 8:00 a.m. to 5:00 p.m. weekdays, or at www.puco.ohio.gov. You may also contact the Ohio Consumers' Counsel for assistance with complaints and utility issues at 1-877-742-5622 (toll free) from 8:00 a.m. to 5:00 p.m. weekdays, or at www.pickocc.org.



Limitation of Liability; Jury Trial Waiver. You agree that neither Constellation nor any of its affiliates or subcontractors will be liable for any damages or claims for matters within the control of the Utility or the ISO-controlled electricity grid, which include maintenance of electric lines and systems, service interruptions, loss or termination of service, deterioration of electric services, meter readings or injury to persons or damage to property caused by the delivery or supply of electricity. Neither Constellation nor any of its affiliates or subcontractors will be responsible for any failure to commence or terminate retail electric service on the date specified herein due to any failure or delay in enrolling you with the Utility. Constellation's liability will be limited to direct actual damages only, which will not exceed the amount of your single largest monthly invoice during the preceding 12 months. In no event will Constellation or any of its affiliates or subcontractors be liable for any punitive, incidental, consequential, exemplary, indirect, third-party claims or other damages whether based on contract, warranty, tort, negligence, strict liability or otherwise, or for lost profits arising from any breach or nonperformance of this Contract. BOTH YOU AND CONSTELLATION AGREE IRREVOCABLY AND UNCONDITIONALLY TO WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION, SUIT OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS CONTRACT OR THE TRANSACTIONS CONTEMPLATED BY THIS CONTRACT.

Force Majeure. We do not transmit or deliver electricity and causes and events out of our reasonable control ("Force Majeure Events") may result in interruptions in service. We will not be liable for any such interruptions or any other failure to perform under this Contract caused by a Force Majeure Event. We are not and will not be liable for damages caused by Force Majeure Events, including but not limited to acts of God; acts of any governmental authority; accidents; strikes; labor disputes; required maintenance work; inability to access the Utility's system; non-performance by the Utility, including, but not limited to, a facility outage on its distribution lines; changes in laws, rules or regulations of any governmental authority; or any cause beyond our reasonable control.

Miscellaneous. Except with respect to Constellation's affiliates and subcontractors under the "Limitation of Liability; Jury Trial Waiver" section, there are no third party beneficiaries of this Contract. Any payments due under this Contract, all provisions relating to the payment and collection thereof, and the provisions contained in the "Limitation of Liability; Jury Trial Waiver" section above, will survive expiration or termination for any reason. This Contract constitutes the entire agreement between you and Constellation. No statement, promise or inducement made by either party not contained in this Contract will be valid or binding. Any reference to days or periods will mean calendar days. You have the right to request from Constellation, twice within a twelve-month period, up to twenty-four months of your payment history without charge.

Contact Information. CONSTELLATION NEWENERGY, INC.'S OHIO COMPETITIVE RETAIL ELECTRIC SERVICE PROVIDER CERTIFICATE NUMBER IS 00-0003E(6). Should you have any questions about your Constellation NewEnergy contract or Constellation NewEnergy charges on your invoice, please contact us between the hours of 7:00 a.m. and 7:00 p.m. central time on weekdays, except holidays. Our toll-free number is 1-877-997-9995. We can be reached by email at: home@constellation.com or by mail at: Constellation NewEnergy, Inc., c/o Residential Care, 1221 Lamar Street, Suite 750, Houston, TX 77010. You may also visit us at our website: www.home.constellation.com. Please contact us at this address to provide all notices under this Contract and contact us at this address or phone number to resolve any disputes regarding this Contract.

For emergencies relating to your service, such as a power outage, please call your local Utility at:

	The Illuminating Company	Ohio Edison	Toledo Edison	Duke Energy	Columbus Southern Power	Ohio Power
Emergencies	1.888.544.4877	1.888.544.4877	1.888.544.4877	1.800.543.5599	1.800.672.2231	1.800.672.2231
Customer Service:	1.800.589.3101	1.800.633.4766	1.800.447.3333	1.800.544.6900	1.800.672.2231	1.800.672.2231

The Public Utilities Commission of Ohio toll free number is 1-800-686-7826 and their website address is www.puco.ohio.gov.



Direct Energy Services, LLC ~ Toll-Free Phone: 1-888-566-9988
www.directenergy.com ~ csdirectenergy@directenergy.com

OHIO RESIDENTIAL & SMALL COMMERCIAL TERMS AND CONDITIONS

Electricity Supply Service
Direct Energy Services, LLC

1. Terms of Service. These Terms and Conditions together with the Rate Plan Summary (defined below), which is incorporated herein by reference, constitute the agreement ("Agreement") between you and Direct Energy Services, LLC ("Direct Energy"). "Rate Plan Summary" means, as applicable, either the section of the enrollment consent form/letter of authorization entitled 'Rate Plan Summary' or the Schedule A accompanying these Terms and Conditions entitled 'Rate Plan Summary - Schedule A to Terms and Conditions'.

2. Agreement to Purchase Electric Generation Service. This Agreement serves as the agreement for competitive retail electric service ("electric service") to be provided to you by Direct Energy. Subject to Direct Energy's acceptance of this Agreement and enrollment by your Electric Distribution Utility ("EDU"), you agree to become a Direct Energy customer and appoint Direct Energy as your limited agent to perform the necessary tasks associated with your electric service and fulfill the terms of this Agreement. Direct Energy agrees to sell and deliver to you, and you agree to purchase and accept, the quantity of electricity delivered to you, as measured or estimated by your EDU, all in accordance with the prices and other terms and conditions set forth in this Agreement. Your electricity will be delivered to you by your EDU. You understand that as part of Direct Energy's process of qualifying you for this Agreement and continuing service under this Agreement, Direct Energy may investigate at any time and from time-to-time your credit history and choose to obtain a consumer credit report on you from a consumer-reporting agency. If Direct Energy learns that your credit, payment history, or account status is not satisfactory, Direct Energy may decline to provide retail electric service or any other service or product. Direct Energy is licensed by the Public Utilities Commission of Ohio (the "Commission") as a competitive retail electric service provider to offer and supply retail electric generation services in Ohio. Direct Energy's license number is 00-0019E.

3. Renewable Energy Plan.

If you are purchasing our Renewable Energy Plan pursuant to this Agreement, you are agreeing to purchase from Direct Energy a product that is supported 100% by renewable energy credits, in an amount sufficient to match your annual consumption of system power. Direct Energy will purchase and retire renewable energy certificates in either the state where the customer is located, the North American Electric Reliability Corporation (NERC) region, Independent System Operator (ISO), Regional Transmission Organization (RTO) or Balancing Authority Area of the customer being served, at any time and from time to time throughout the year. The electricity actually distributed to your service location will not contain electricity generated from any specific electric generation facility. The availability of electric generation facilities varies hour to hour, and from season to season, as does electricity use by customers. Direct Energy may take up to three (3) months following the close of a calendar year to make up any deficiency in the volume of renewable energy certificates needed

from particular generation facilities associated with your Renewable Energy Plan.

4. Competitive Advantage Plan.

(a) **Description.** If you are purchasing our Competitive Advantage Plan pursuant to this Agreement, you are agreeing to use a minimum amount of electricity per Billing Cycle (defined in Section 4b below) in the amount set forth in the Rate Plan Summary ("Minimum Usage Amount"), and in exchange, you will receive a discount off your price in the amount set forth in Rate Plan Summary ("Minimum Usage Discount") during the Initial Term (as defined in Section 6). If during a Billing Cycle during the Initial Term (as defined in Section 6) your use does not meet or exceed the Minimum Usage Amount, you agree that Direct Energy will charge you a fee in the amount set forth in the Rate Plan Summary plus any applicable federal, state and/or local taxes ("Minimum Usage Fee") for that Billing Cycle. Upon completion of the Initial Term (as defined in Section 6), you will no longer be subject to the terms and conditions of this Section 4 and you will no longer receive the Minimum Usage Discount.

(b) **Billing Cycle.** The number of days in a "Billing Cycle" will at the very least be twenty-five (25) days.

5a. Comfort & Control Plan

If you are purchasing our Comfort & Control Plan pursuant to this Agreement, you are agreeing to purchase from Direct Energy a product that includes electricity service and at least one (1) but no more than (3) NEST Learning Thermostats. You may request up to three (3) NEST Learning Thermostats; however, Direct Energy may limit the number of NEST Learning Thermostats provided to you in its sole discretion. To be eligible to enroll in the Comfort & Control Plan you (i) must reside in a single family home and (ii) have high speed internet service (Dial up and mobile internet access is not compatible). The NEST Learning Thermostat works with a significant majority (but not all) of the heating and cooling systems in the market. You may check the compatibility of the NEST Learning Thermostat with your heating and/or cooling system at the following website <http://support.nest.com/>. If you cancel this Agreement after the Rescission Period (as defined in Section 11) but within the Initial Term (as defined in Section 6), then you will be required to pay us a device cost recovery fee in the amount set forth in the Rate Plan Summary per NEST Learning Thermostat.

5b. Back to Business Plan

If you are purchasing our Back to Business Plan pursuant to this Agreement, you are agreeing to purchase from Direct Energy a product that includes electricity service and at least one (1) but no more than (3) NEST Learning Thermostats. You may request up to three (3) NEST Learning Thermostats; however, Direct Energy may limit the number of NEST Learning Thermostats provided to you in its sole discretion. To be eligible to enroll in the Back to Business Plan, you must have high speed internet service (Dial up and mobile internet access is not compatible). The NEST Learning Thermostat works with a significant majority (but not all) of the heating and cooling systems in the market. You may check the compatibility of the NEST Learning Thermostat with your heating and/or cooling system at the following website



Direct Energy Services, LLC ~ Toll-Free Phone: 1-888-566-9988
www.directenergy.com ~ csdirectenergy@directenergy.com

<http://support.nest.com/>. If you cancel this Agreement after the Rescission Period (as defined in Section 11) but within the Initial Term (as defined in Section 6), then you will be required to pay us a device cost recovery fee in the amount set forth in the Rate Plan Summary per NEST Learning Thermostat.

6. Term of Agreement. After you enter into this Agreement, the term of this Agreement will begin on the next available meter read date that your electric generation supplier is changed to Direct Energy by the EDU. Your service will begin on the start date of the next Billing Cycle and continue for the number of Billing Cycles set forth in the Rate Plan Summary ("Initial Term"). When the Initial Term expires, this Agreement will automatically renew on a month-to-month basis, as described in the Rate Plan Summary and in Section 7 below. This Agreement will be effective during the Initial Term and through any of these monthly Renewal Periods, subject to the cancellation provisions of Sections 11 and 12 below.

7. Renewal. Upon completion of the Initial Term, this Agreement will automatically renew on a month-to-month basis (the "Renewal Period") with no cancellation fee or device cost recovery fee unless Direct Energy sends you advance written notice of a change. Any written notice will be sent in a time frame prescribed by the Public Utilities Commission of Ohio (the "PUCO"), and apprise you of any proposed changes in the terms and conditions of this Agreement, including your right to renew, terminate or renegotiate this Agreement. **The renewal is automatic and does not require your affirmative consent, although there may be a change to the price or the terms and conditions in this Agreement.** While taking service on a month-to-month basis, Direct Energy will charge you for all electricity billed by your EDU at variable price per kWh, based upon generally prevailing market and business conditions for electricity in the PJM market at the applicable load zone for that period, plus an adder of up to \$0.10 per kWh. Your price will include generation and transmission charges, but *will not include* charges for EDU service (generally, delivery charges and other utility service fees) and taxes. You may obtain next month's variable price by calling a Direct Energy Customer Service Representative at the toll-free telephone number set forth in Section 18. **Furthermore, to the extent that you purchased our Renewable Energy Plan at the time of enrollment, during the Renewal Period, the product you purchase from Direct Energy will not be a Renewable Energy product. To the extent you purchased our Competitive Advantage Plan at the time of enrollment, during the Renewal Period, you will no longer be subject to the terms and conditions of Section 4 and you will no longer receive the Minimum Usage Discount.**

8. Pricing, Billing and Payment Terms of Electric Service. You will pay Direct Energy for your electric generation service at the price set for the Initial Term, as set forth in the Rate Plan Summary. You will also pay distribution/transportation charges and taxes to your EDU. The Initial Term and Renewal Period price is exclusive of all applicable EDU related taxes and charges. Your EDU will send you a bill for each Billing Cycle that will include

your EDU's charges, Direct Energy's electric generation service charges and, if applicable, a Minimum Usage Fee. You will pay your bill in accordance with the EDU's billing and payment terms. As set forth in the Rate Plan Summary, you will pay Direct Energy for your electric generation service at the applicable price for the Initial Term and for the Renewal Period. As to payment terms, your EDU will send you a bill for each Billing Cycle which will set forth the total electric service charges for your electric service. That bill will contain, among other charges, Direct Energy's electric generation service price for the amount of electricity you used during the Billing Cycle and, if applicable, a Minimum Usage Fee. The amount of electricity used will be measured or estimated by the EDU. Your payment will be due to the EDU by the date specified in the EDU bill. If you fail to pay it on time, you could be subject to interest and late charges imposed by the EDU, and your service could be disconnected in accordance with the electric utility tariff. Your EDU and/or Direct Energy may offer you budget or other payment plans.

9. Failure to Pay EDU Charges or Electric Service Bill. Under the Initial Term or during the Renewal Period, in the event that you fail to pay the EDU's charges or fail to meet any agreed upon payment arrangement, you are subject to disconnection of your service from your EDU, pursuant to the electric utility tariff. If you fail to pay your bill, or fail to meet any agreed-upon payment arrangement, Direct Energy may cancel this Agreement upon fourteen (14) calendar days advance written notice. Such disconnection and/or cancellation will not relieve you of your payment obligations to Direct Energy, including any applicable early cancellation fee and/or device cost recovery fee, or your payment obligations to the EDU for service to the date of such disconnection and/or cancellation. You have the right to request twice within a twelve (12) month period, up to twenty-four (24) months of your payment history for services rendered by Direct Energy without charge to you.

10. Switching. If you change your electric supplier, your EDU may apply a switching fee. If you return to your EDU after switching to a retail energy service provider, you may or may not be served under the same rates, terms and conditions that apply to other customers served by the EDU.

11. Right of Rescission and Early Cancellation Policy. Your EDU will send you a written notice confirming your decision to enroll with Direct Energy. You have the right to rescind your enrollment, without an early cancellation fee and/or device cost recovery fee, within seven (7) calendar days after the postmark on the EDU enrollment confirmation notice ("Rescission Period"). You can do this by contacting your EDU at the toll-free telephone number set forth in the Rate Plan Summary, or in writing, also set forth therein. Thereafter, you may cancel service under this Agreement at any time during the Initial Term. However, if you cancel during the Initial Term and an early cancellation fee and/or device cost recovery fee is set forth in the Rate Plan Summary, then you will be required to pay such early cancellation fee and/or device cost recovery fee to us immediately, but in any event no later than ten (10) days after the date you receive an oral or written notice requesting payment. During the Renewal Period, there is no early cancellation fee or device cost recovery fee. If you are relocating, please refer to Section 12. Otherwise, to



cancel your service, you must contact Direct Energy by telephone or in writing using the contact information set forth in Section 18.

12. Cancellation or Transferring Service as a Result of Relocating. You understand that this Agreement will be cancelled if you relocate to a service location that is: (a) outside your EDU's service territory; (b) not served by your EDU; or (c) outside Direct Energy's service territory. In addition, you understand that this Agreement will be cancelled if you relocate to a service location inside your EDU's service territory. In connection with the cancellation of this Agreement pursuant to this Section 12, you will not be charged an early cancellation fee; however, if you are enrolled in our Comfort & Control Plan, Direct Energy will have the right to charge you the device cost recovery fee per thermostat set forth in the Rate Plan Summary. In order to cancel this Agreement pursuant to this Section 12, before you relocate, you must first call Direct Energy Customer Service at the toll-free telephone number set forth in Section 18, and then your EDU at the toll-free telephone number provided in the Rate Plan Summary. However, if you relocate within your EDU's service territory, your service will transfer and this Agreement will automatically continue for the remainder of the Initial Term, if any, and the Renewal Period of this Agreement. Thus, you will receive Direct Energy's service at your new location pursuant to this Agreement. If you relocate within your EDU's service territory, you must: (a) call your EDU at the phone number in Section 18 to inform the EDU of your request to transfer your EDU service to your new location; (b) obtain your new account information from the EDU; (c) contact Direct Energy at the phone number in Section 18 to provide your new account information and location to complete the transfer of service; and (d) service under the contract will start at the time the EDU accepts enrollment at the new location. You must provide written proof of your new location outside the EDU service territory to Direct Energy at the address provided in the Rate Plan Summary. If your service transfers as provided in this paragraph, you grant the EDU the right to provide Direct Energy with each account and meter number for your new service location(s). If requested by Direct Energy, you will also provide Direct Energy with this information. If service does not transfer to your new service location, you may be served under your EDU's regulated service commodity rate unless you select another retail electric service provider.

13. Disputes Resolution. You understand that Direct Energy will attempt to resolve any disagreement or complaint you may have. If your complaint is not resolved after you have called Direct Energy and/or your electric utility, or for general utility information, residential and business customers may contact the Public Utilities Commission of Ohio for assistance at 1-800-686-7826 (toll-free), or for TTY at 1-800-686-1570 (toll-free), from 8:00 a.m. to 5:00 p.m. weekdays, or at www.puco.ohio.gov. Residential customers may also contact the Ohio Consumers' Counsel for assistance with complaints and utility issues at 1-877-742-5622 (toll-free) from 8:00 a.m. to 5:00 p.m. weekdays, or at www.pickocc.org. Hearing or speech impaired customers may contact the PUCO via 7-1-1 (Ohio relay service)."

14. Force Majeure (Uncontrollable Forces). Direct Energy will make commercially reasonable efforts to provide your electric service, but does not guarantee a continuous supply of electricity. Certain causes and events are out of Direct Energy's reasonable

control and may result in interruptions in service. Direct Energy is not responsible for transmitting or distributing electricity. Direct Energy is not liable for damages caused by acts of God, changes in laws, rules, or regulations or other acts of any governmental authority (including the Commission or PJM as applicable), accidents, strikes, labor troubles, required maintenance work, inability to access the local distribution utility system, nonperformance by the EDU or any other cause beyond Direct Energy's reasonable control. In addition, you may be required to pay any additional or increased fees or charges that are generally beyond Direct Energy's reasonable control including, but not limited to, fees for switching, disconnecting, reconnecting or maintaining electric service or equipment, or transmission or transmission-related charges, that are imposed by law, rule, regulation or tariff, or Commission rule or order. These charges or fees will be passed through to you and added to your price.

15. Privacy of Customer Information. Direct Energy will not release your social security number and/or account number(s) without your affirmative written consent except for Direct Energy's own collections and credit reporting, participation in programs funded by the universal service fund, pursuant to Section 4928.52 of the Revised Code, or when assigning this Agreement to another retail energy service provider.

16. Limitations of Liabilities. LIABILITIES NOT EXCUSED BY REASON OF FORCE MAJEURE OR OTHERWISE SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES. DIRECT ENERGY WILL NOT BE LIABLE TO YOU OR ANY THIRD PARTY FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES. DIRECT ENERGY IS NOT LIABLE FOR INTERRUPTIONS TO, OR SHORTAGES OF, ELECTRICITY SUPPLY, NOR ANY ASSOCIATED LOSS OR DAMAGE RESULTING THEREFROM. THESE LIMITATIONS APPLY WITHOUT REGARD TO THE CAUSE OF ANY LIABILITY OR DAMAGE. THERE ARE NO THIRD-PARTY BENEFICIARIES TO THIS AGREEMENT.

17. Direct Energy's Representations and Warranties; Limitation. THE ELECTRICITY PROVIDED UNDER THIS AGREEMENT WILL MEET THE QUALITY STANDARD OF THE APPLICABLE EDU AND WILL BE SUPPLIED FROM A VARIETY OF ELECTRIC GENERATION SOURCES INCLUDING THE ELECTRICITY PROVIDED PURSUANT TO ANY RENEWABLE ENERGY PLAN REQUIREMENT. DIRECT ENERGY MAKES NO REPRESENTATIONS OR WARRANTIES OTHER THAN THOSE EXPRESSLY SET FORTH IN THIS AGREEMENT. DIRECT ENERGY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

18. Contact Information.

Direct Energy: You may contact Direct Energy in one of the following ways: (a) call 1-888-566-9988, Monday through Friday 8:00 a.m. to 8:00 p.m. EST, and Saturday 8:00 a.m. to 5:00 p.m. EST (contact center hours subject to change without notice); or (b) write to Direct Energy at PO Box 180, Tulsa, OK 74101-0180 (be sure to include your account number(s)). Direct Energy's internet domain address is: [http:// www.directenergy.com](http://www.directenergy.com). Information on generation energy sources, energy efficiency,



Direct Energy Services, LLC ~ Toll-Free Phone: 1-888-566-9988
www.directenergy.com ~ csdirectenergy@directenergy.com

environmental impacts or historical billing data is available from Direct Energy upon request.

19. EDU Contact Information and Emergency Contact. The contact number for your EDU is set forth in the Rate Plan Summary.

20. Choice of Law. You agree that this Agreement shall be governed by the laws of the state of Ohio, without regard to its conflict of law principles.

21. Taxes. Except as otherwise provided in this Agreement or required by law, all taxes of whatsoever kind, nature and description, due and payable with respect to your performance of your obligations under this Agreement, will be paid by you.

22. Environmental Disclosure Label.

You may access Direct Energy's Environmental Disclosure label associated with your account via the link shown below:

<http://www.directenergy.com/ohio/customer-support>

This information is updated periodically following the requirements of the Public Utilities Commission of Ohio

23. Miscellaneous Provisions. This Agreement is subject to applicable laws and supersedes any previous promises, understandings and agreements. If any provision of this Agreement is deemed invalid, illegal or otherwise unenforceable, you agree that it shall be modified to the minimum extent necessary to render it valid, legal and enforceable. If a provision cannot be modified in a manner that would make it valid, legal and enforceable, the provision shall be severed from the Agreement, and all other provisions shall remain in full force and effect. Any failure on our part to enforce any of the terms of this Agreement or to exercise any right under such terms shall not be considered a waiver of Direct Energy's right to enforce each and every such term, exercise such right or exercise any other right under this Agreement. You may not assign this Agreement without Direct Energy's prior written consent. Direct Energy may: (a) transfer or sell this Agreement or your account in connection with any financing; (b) transfer this Agreement to any of its affiliates; (c) transfer or assign this Agreement to anyone succeeding to all or substantially all of Direct Energy's assets or business; and (d) transfer this Agreement to another supplier licensed by the Commission. After assignment, Direct Energy will have no further obligations under this Agreement. This Agreement is binding upon you and Direct Energy, and will further bind each of your successors and permitted assigns.

Your broker fee is \$_____ (if applicable). This is not an additional fee to the price offered; unless otherwise noted this fee has already been added to the price of your energy supply service.



MY ELECTRIC SUPPLY CONTRACT WITH IGS ENERGY® (Interstate Gas Supply, Inc)

KEEP FOR YOUR RECORDS

TERM BOX	
Utility	American Electric Power-Ohio ("AEP")
Price Plan	Fixed Rate
Initial Price & Term	Fixed Rate of \$0.0649 per KWH through a period of 12 months
Renewal Term(s)	Following the Initial Term, this Agreement will automatically renew month to month thereafter at a monthly variable price as described in the Renewal Price section of the Agreement
Early Termination Fee	None

Term: The Initial Term of this agreement ("Agreement") between me the customer and Interstate Gas Supply, ("IGS Energy") will begin with the first billing cycle my enrollment or rate change is confirmed with AEP and will continue through the Initial Term stated in the Term Box. After the Initial Term, this Agreement shall renew as described in the Term Box. IGS Energy will supply the commodity portion of my electricity and AEP will continue to be my Electric Delivery Company ("EDC") Within 3 Business Days of enrollment, IGS Energy will notify the EDC to transfer electric commodity services to IGS Energy. If I am currently an IGS Energy electric customer, IGS Energy reserves the right to reject or rescind this enrollment or to require me to pay the applicable early termination fee for my existing electric service agreement to be eligible for this Agreement.

Regulatory: Competitive electric retail services ("CRES Program") are subject to ongoing Public Utilities Commission of Ohio ("PUCO") and AEP jurisdiction and I understand that if CRES Program is terminated or materially altered, this Agreement may be terminated by me or IGS Energy without penalty. I also understand that the EDC may, upon approval of the PUCO, charge a fee for switching to the CRES program.

Initial Term Price: My Initial Term Price is as described in the Term Box. **However, if during any fixed price period of this Agreement there is an action or decision by a regulatory body including the Federal Energy Regulatory Commission that impacts wholesale capacity or electricity prices or imposes additional cost on IGS in satisfying its obligations under this Agreement, then IGS shall have the right to increase your price to offset these additional costs.** If I am, or have agreed to become, an IGS Energy natural gas customer in addition to being an IGS Energy electricity customer, I understand that my Initial Term Price may be a non-standard price ("bundled Electricity Price") and maybe be available to me only because I am or have agreed to become an IGS Energy natural gas customer in addition to being an IGS Energy electricity customer. I also understand that if I cease to be an IGS Energy natural gas customer at any time during my Initial Term, IGS Energy reserves the right to discontinue my Bundled Electricity Price and revert me to a standard monthly variable rate as more fully described below in the Renewal Term Price section of this Agreement for the remainder of my Initial Term without further notice to me. I am responsible for, and my Initial Term Price does not include, applicable taxes and/or EDC charges, including service and delivery charges, which will be billed by the EDC.

Renewal Term Price: Following the Initial Term this Agreement will automatically renew as described in the Term Box without the need for my affirmative consent. During the Renewal Term(s) my price may change monthly, up or down, and will be calculated each meter reading schedule based upon costs which include, but are not limited to, energy, capacity, ancillary services, congestion management, renewable energy credits, ISO systems fees, transmission related charges (unless otherwise charged directly by the utility), utility charges and other market price related factors, plus IGS Energy costs, expenses and margins. This monthly price does not include applicable taxes and/or EDC charges, including services and delivery charges. IGS Energy reserves the right to make changes to the terms of this Agreement, including price and pricing methodology and term for any Renewal Term(s). If changes are made to this Agreement notice will be made at least 30 days prior to changes becoming effective. If I do not cancel the Agreement at that time this Agreement will continue under the revised terms thereafter, and such terms will become effective without my affirmative consent. IGS Energy reserves the right to lower my price at any time for any month or month and thereafter return my price to the last notice price, without providing me notice of either.

Rescission Period: If I am a new customer to IGS Energy this Agreement may be rescinded by me with no early termination fee by contacting the EDC in writing or by telephone at the number provided on the confirmation notice within 7 business days from the post-mark date of the confirmation notice sent by the EDC ("Rescission Period"). If I am an existing IGS Energy electric customer I will not receive a confirmation notice form the EDC but, in the event I decide to cancel this Agreement, I will be returned to my previous Agreement with IGS Energy without penalty under this Agreement.

Early Termination Fee: I can cancel this Agreement by providing notice of not less than 30 days to IGS Energy or as otherwise provided in a renewal notice, subject to any applicable early termination fee stated in the Term Box. Cancellation notices provided after the EDC deadline may result in an additional month(s) of service beyond the contract period at the new price, which I agree to pay, as the effective date of all cancellations are subject to EDC guidelines. I understand that if I switch my service to another supplier or back to the EDC an EDC switching fee may apply under the EDC's tariff and if I return to the EDC sales service I may not be served under the same rates, terms, and conditions that apply to other customers served by the EDC.

Contact and Dispute Resolutions: In the event of a billing dispute or issues regarding volume or metering, I should contact the EDC at the number listed on their bill. For other questions or concerns about pricing, I can contact the IGS Energy choice department by phone weekdays from 8:00 am to 8:00 p.m. ET at 877-915-4447, by fax 1-800-584-4839, in writing at P.O. Box 9060, Dublin OH 43017, or through their website at www.IGSEnergy.com. Also I can contact IGS Energy through email at choice@IGSEnergy.com. If my questions or concerns for complaint are not resolved after I called IGS Energy or my EDC, or for general utility information, residential and business customers may contact the Public Utilities Commission of Ohio for assistance at 1-800-686-7826 (toll free) or for TTY toll free at 1-800-686-1570 (toll free) from 8:00 a.m. to 5:00 p.m. weekdays, or at www.puco.ohio.gov. The Consumer's Counsel ("OCC") represents residential utility customers in matters before the PUCO. The OCC can be contacted at 1-877-742-5622 (toll free) from 8:00 am to 5 p.m. weekdays, or at <http://www.pickocc.org>.

Assignment: This Agreement is assignable by IGS Energy without my consent subject only to required regulatory approvals.

Security Deposits: Irrespective of whether my electricity supply charges are included in my EDC bill or billed separately by IGS Energy, IGS Energy reserves the right to require a security deposit as a condition of enrollment or, as described more fully below, during the term of this Agreement in the event I fail to pay for my electricity supply charges in a timely fashion.

Billing: For my Convenience I will receive only one bill, which will be issued by the EDC each month and will contain IGS Energy's electric supply charges plus applicable taxes and all of the EDC's delivery and other applicable charges, including any late fees assessed by the EDC. I agree to continue to pay the EDC for the entire electric bill under the EDC's payment terms and conditions. If I fail to pay my bill within the EDC's payment terms IGS Energy reserves the right to charge a monthly late fee of 1.5% of the amount past due, calculated from the EDC due date on my bill. I understand and agree that although I remit my payments to the EDC, ultimately if I fail to make my payment to the EDC for electricity commodity component of my bill supplied by IGS Energy, I will owe the unpaid amount to IGS Energy in which case IGS Energy may bill me directly for unpaid balances and seek collection if necessary. Additionally, if I fail to timely pay my IGS Energy charges billed by either by EDC or IGS Energy, IGS Energy may in its sole discretion terminate this Agreement with fourteen (14) days written notice or require a security deposit in order to continue service under this Agreement, IGS Energy will return my security deposit, minus the balance of any outstanding monies owed to IGS Energy, upon my service termination with IGS Energy. If I fail to provide a deposit within 20 days of request, IGS Energy reserves the right to terminate this Agreement without additional notice. Deposits can be used by IGS Energy to off-set unpaid past-due amounts. Additionally, if I fail to pay my EDC invoices on time, which include IGS Energy charges, the EDC may disconnect my service, according to tariff guidelines. I may request twice within a 12 month period, at no charge, up to 24 months of my payment history for services rendered by IGS Energy. Other than for operation, maintenance, assignment and transfer of my account or, where IGS Energy is performing billing services, or for collections, IGS Energy will not disclose my account number to any other third party without my affirmative written consent or electricity authorization or pursuant to a court or PUCO order that, other than for credit checking and credit reporting, IGS Energy will not disclose my social security number without my affirmative written consent or pursuant to court order. I authorize IGS Energy to obtain my billing payment and usage history from the EDC.

Moving / Termination: I understand that this contract will automatically terminate, without penalty, if I relocate outside the EDC service territory or if I relocate within the current EDC service territory and the EDC assigns a new account number or Service Delivery Identifier ("SDI").

Environmental Disclosure: The approximate generation resource mix and environment characteristics of the power supply that will be secured to provide services under this Agreement can be viewed at the IGS Energy website - www.IGSEnergy.com. I agree that IGS Energy will make the required quarterly updates to the disclosure statement electronically on the IGS Energy website. IGS Energy will also provide the Environmental disclosure statement upon my request.

Eligibility / Limitation of Liability / Jurisdiction: This Agreement is for only residential customers in the AEP service territory. By entering into the Agreement, I represent and agree that the account(s) serviced by IGS Energy under this Agreement is (are) residential or small commercial account(s) that consume less than 100,000 KWH annually and that I am not an existing IGS Energy customer. IGS Energy reserves the exclusive right, at any time, to not enroll or to terminate my service locations that do not meet the preceding criteria and return me to the EDC (or previous IGS Energy product, whichever is applicable) with no penalty to IGS Energy. Also, I represent that I am current on my EDC bill at the time of enrollment with IGS Energy and I understand that this representation is a condition of enrollment with IGS Energy. If IGS Energy determines through the enrollment process with the EDC that I have not met this condition, IGS Energy can in its sole discretion, 1) void my enrollment without notice and without penalty to IGS Energy or 2) require a security deposit to be paid as a condition of enrollment. Furthermore, participation in the program is subject to the rules of the EDC and customers are sometimes terminated from the residential program either in error or from being in arrears. In such instances, I can contact the EDC to correct the problem and be reinstated in the residential program. Regardless of the reason for termination, in no case will the original term be extended for months that I was unable to participate nor will IGS Energy have any liability for any early termination or for any months that I was unable to participate in the program. IGS Energy assumes no liability or responsibility for losses or consequential damages arising from items associated with the EDC including, but not limited to: operations and maintenance of their system; any interruption of service; termination of service; or deterioration of service nor does IGS Energy assume responsibility or liability for damages arising from any in-home or building damages and in addition shall not be responsible for any indirect, consequential, special or punitive damages whether arising under contract, tort (including negligence or strict liability) or any other legal theory. The parties agree that if issues relating to this Agreement cannot be resolved through the PUCO as detailed under "Contract and Dispute Resolution" above or if suit is filed, any legal action involving this Agreement shall be brought only in court of the State of Ohio sitting in Franklin County, Ohio or the United States District Court sitting in Franklin County, Ohio. I submit to the personal jurisdiction in such courts and irrevocably waive any objections that I have or might have in the future to such courts as proper forum for any and all actions arising under this Agreement. The parties that this Agreement shall be interpreted under the laws of the State of Ohio, regardless of Ohio's choice of law provisions.

Electricity Supply Agreement with North American Power and Gas, LLC

Customer Disclosure Statement and Terms of Service

Retain a copy for your records.

Version #: 2-NAPG-OH-ALL-41015

Customer is fully authorized to enter into this Agreement for North American Power and Gas, LLC ("NAP") to supply generation supply services ("Supply Service") to Customer electric account, subject to eligibility requirements of Customer Utility (each "Utility" being as specified in Customer's Enrollment Form or Welcome Letter) and acceptance by NAP. This Agreement authorizes NAP to commence Supply Service and switch Customer's supply of electricity from the Utility or another Certified Retail Electric Supplier ("CRES"). Customer affirms that Customer is not currently enrolled in the Percentage of Income Payment Program and is not a member of a government aggregation program. Customer further affirms that Customer is not currently in arrears or default on Customer's bill with Customer's Utility. The Customer Disclosure Statement and Terms and Conditions, together with applicable Enrollment Form, Environmental Disclosure Label and/or Introductory Letter, and any Renewal Notice (if applicable) constitute your entire Generation Supply Agreement ("Agreement") with NAP and supersede any oral or written statements made in connection with this Agreement or Customer Supply Service. "We", "us" or "our" refers to NAP, and "Customer", "you" or "your" refers to the Customer identified on the Enrollment Information Form.

This Agreement is subject to the following terms and conditions:

Eligibility - This Agreement is available to Customers receiving service under the Utility's residential rates (Residential Customers) who do not participate in the Percentage of Income Payment Plan.

Nature of the Services - Upon the effective date of this Agreement, NAP agrees to provide electric generation supply, as specified in the Customer Disclosure Statement. In return, the Customer agrees to receive and pay for that Service.

Term - This Agreement becomes effective upon expiration of the Contract Cancellation and the rescission period described in the **Right to Rescind** section of this Agreement and shall continue, subject to the provisions of this Agreement, for the term indicated in the Customer Enrollment Acknowledgement Form or introductory Letter (Initial Term), unless and until the Agreement is renewed. Service will commence with the first meter reading after the Utility processes your enrollment. After the Initial Term this Agreement shall continue on a month to month basis.

Right to Rescind - Upon processing Customer's enrollment, Customer's Local Utility will send Customer a confirmation letter ("Confirmation Notice"), which is a notice of the transfer of Customer's electricity supply to NAP. Customer can rescind Customer's acceptance of this Agreement with no penalty within seven (7) calendar days from the postmark date on the confirmation notice that will be sent to you by the Utility. Rescissions may be made to the Utility in writing or by telephone by contacting the Utility as provided in the confirmation notice.

Price - The price to Customer for Supply Service received under this Agreement during the Initial Term is stated in the Customer Enrollment Acknowledgement Form or Introductory Letter. Except for supply charges, for any price plan, NAP does not charge any recurring or non-recurring charges, however, Customer will incur additional service and delivery charges from the Utility. Each month Customer's bill will be calculated by multiplying (i) the rate of electricity per kWh (ii) the amount of electricity used in the billing cycle plus (iii) applicable taxes, fees, and charges levied by the Utility for generation supply and other services. Rates for any of the plans listed below may be higher or lower than Utility's rate in any given month.

Fixed Price Options

- **Fixed Rate Plan.** If Customer has chosen a Fixed Rate product, Customer Price per kWh is guaranteed not to change during Initial Term. Following the end of the Initial Term, and unless an alternative pricing provision is negotiated between the Parties, the Price for Service shall thereafter be variable month to month Agreement.

Variable Price Options

- **Variable Rate Plan.** If Customer has chosen a variable rate product, Customer Price per kWh will be established and vary each month, based upon factors, including but not limited to, the costs incurred by NAP to provide the Service, through procurement in RTO-administered and/or other short-term markets, as well as the costs for supply and associated products that NAP requires to meet your electric generation supply requirements (including, without limitation, energy, imbalance energy, losses, capacity, transmission, ancillary services, alternative and

renewable energy requirements, other RTO charges, taxes and any other required products or services). If Customer's Utility pro-rates between months, if a billing cycle spans across more than one month, Customer's Utility will apply the Variable Rates pro-rated based on the Utilities billing methodology. The Variable Rate will be set in NAP's discretion and may vary from month-to-month based on NAP's assessment of applicable market conditions, and publicly available data and indices, historic and projected supply and hedging costs, prior months pricing and balancing costs, projected average customer bill amounts and Utility pricing. Customer Variable Price may be higher or lower than the price offered in the initial or any following months while NAP is providing Supply Service. Savings are not guaranteed. Customer may contact NAP at its contact information to obtain previous months rates. At any time, Customer may ask NAP to convert Customer rate plan from Variable to Fixed at NAP's then current Fixed Rate, if available.

- **Variable Rate with Introductory Period.** If Customer has chosen a Variable Rate Plan with an Introductory Period, Customer introductory electric generation supply rate is set forth in Customer's Enrollment Form or Welcome Letter (the "Introductory Rate"). At the end of the Introductory Period, Customer's rate will be a Variable Rate as described above.

Electronic Notices - If Customer signed up for NAP service online (at the NAP website) and/or consented online during the enrollment process to electronic service of all notices, including but not limited to, terms of service, welcome letter, environmental disclosure labels, late notices, termination notices, invoices and any other notices and/or disclaimers. All documents, with the exception of any notice (including Renewal Notice) that is required by PUCO regulations to be mailed in paper form, will be electronically sent to the e-mail address provided by Customer to NAP and not mailed in paper form to the Customer's address on file ("regular mail"). It is the Customer's continuing obligation to ensure that the e-mail address on file with NAP is kept up to date. Should the Customer require that a paper copy of any of these items be sent to them by regular mail, one will be so provided by NAP upon Customer's request. Should the Customer opt to receive all of these items by regular mail, the Customer can do so by contacting NAP at its contact information in this Agreement.

Billing and Payments - For each account, you will receive one monthly bill from the Utility with its charges and our charges, and you will continue to pay your bill following the Utility's billing and payment policies. We do not offer budget billing or summary billing for Service under this Agreement. If Customer currently pays under the budget bill payment plan of the Utility, this service may remain available. The Utility's charges include distribution (delivery) service and all non-bypass able charges of the Utility that are approved by the Public Utilities Commission of Ohio (PUCO). If you have any questions regarding the Utility charges, please contact them directly. Failure to pay the Utility charges may result in disconnection as provided for in the Utility's tariff. If you do not pay your bill on time, you may incur late fees. You may also forfeit your ability to choose another Certified Retail Electric Supplier until arrearages are paid. In addition, we may require reasonable credit assurance as provided in Section 8 of this Agreement. We may cancel this Agreement upon fourteen (14) calendar days written notice for non-payment or failure to meet any agreed upon payment arrangements, and automatically return you to the Utility's standard offer service. NAP reserves the right to issue an invoice to Customer directly. Such a direct invoice would include NAP's Supply Service price and may also contain applicable taxes. If NAP bills Customer and if Customer does not pay Customer's bill on time, NAP may charge Customer a late payment fee, not in excess of the rate charged by the Utility, and collection costs incurred due to Customer's late payment or non-payment. All returned checks will be subject to the maximum fee allowed by law. If Customer fails to pay Customer's bill or meet any agreed upon payment arrangements, Utility may terminate Customer's Supply Service in accordance with any applicable Utility's tariffs, and Customer's Agreement with NAP may be automatically terminated, leading to an early termination fee (if applicable). Utility may charge Customer switching fees if Customer changes Customer's CRES during the term of this agreement. Until the cancellation or termination of this agreement becomes effective, Customer agrees to pay for any electricity NAP supplied to Customer. Upon Customer's request, NAP will timely provide Customer's payment history for up to twenty-four months of electric supply service to Customer without charge.

Contract Renewal; Notification of Change; - At the expiration of the Initial Term, this Agreement will continue month-to-month at the then current market based competitive variable price until cancelled by either party on more than 15 days written notice. If customer does not renew or modify this agreement prior to the end of the fixed rate term, this contract will continue on a month-to-month variable rate without Customer's affirmative consent even when there is a change in the rate or other non-material terms and conditions. If NAP materially changes its terms and conditions other than variable market-based pricing, NAP must receive customer's affirmative consent not less than 30 days or more than 60 days prior to the new terms taking effect. You are

responsible for arranging your electric supply upon the expiration or termination of this Agreement.

Contract Cancellation - Customer has the right to cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. Customer may cancel by contacting the Customer's Local Utility at one of the contact options listed on Customer's Local Utility's Confirmation Notice. Cancellation can be effectuated by providing notice to the Local Utility either orally, electronically and in writing as outlined in the Confirmation Notice.

Contract Termination - Customer may terminate this Agreement after the recession period (7 calendar days), by contacting NAP at its contact information listed in the Contact Us section of this Agreement. There is no early termination fee charged under a Variable Rate Plan. **If the Customer enrolled in a Fixed Rate Plan and terminates this contract prior to the expiration date of the Initial Term, or subsequent Renewal Term of this Agreement, the Customer will be charged an early termination fee of ten dollars (\$10.00) per month for each month remaining on the Agreement.** This Agreement will automatically terminate without penalty if Customer moves and the requested service location is not served by the Utility, or if I move to an area not served by NAP and/or a different price is charged. Otherwise, I can contact the Utility at least thirty (30) days prior to moving and request a service transfer within the Utility service area. This Agreement will also automatically terminate without penalty if NAP takes action to return me to the Utility's sales service in accordance with this Agreement. If the PUCO, the Utility, or the Independent System Operator ("ISO") decides to end or change the program, including any change in governing law or regulation under which NAP purchases power in any manner that physically prevents or legally prohibits NAP from performing under the terms of this Agreement, NAP may also cancel this contract on fourteen (14) calendar days advance written notice.

Credit and Deposit - Prior to the acceptance of this Agreement by NAP, we may conduct a credit check to determine your initial creditworthiness. You consent to said credit check and agree that if you do not satisfy our credit standards, we may request reasonable credit assurance to accept this Agreement, which may include requiring a deposit based on 60 days of NAP estimated charges. No interest will be paid on a required deposit. In addition, we may require reasonable credit assurance if you do not pay your bill on time. Any cash deposit will be allocated to any balance owed to us at the time of your final bill with NAP charges, and any remaining amount will be returned to you.

Actions of Governmental and Regulated Entities - **If action is taken by the Utility, applicable regional transmission organization, transmission provider, or any federal, state or local governmental authorities which materially changes the amounts charged by such entities to us or charged by such entities to our wholesale supplier and charged to us, or which materially changes the manner in which we provide Service to you, we may, in our sole discretion, elect to adjust the price for Service under this Agreement to account for any such cost increases or other changes.**

Environmental Disclosure - Our environmental disclosure information is provided with this Agreement and is shown at our website. The specific web address is: http://fn01.napower.com/files/4dbb0ff499403_DisclosureStatement.pdf.

You agree that we may make required quarterly updates electronically at our website. We will also provide the information to you at no charge upon request.

Contact Information

Contact Us - You can reach us:

- By mail at 20 Glover Avenue, Norwalk, CT 06850
- By telephone toll-free at 1-888-313-9086
- Internet: www.napower.com
- Our business hours are 9:00 AM to 5:00 PM Eastern Standard Time, Monday through Friday.

Questions and Disputes - If you have a complaint that is not resolved after you have called us and/or your electric Utility, or for general utility information you may contact the PUCO for assistance toll-free at 1-800-686-7826, from 8 AM to 5 PM, weekdays, or at www.puco.ohio.gov. Hearing or speech impaired customers may contact the PUCO via 7-1-1 (Ohio Relay Service). The Ohio Consumers' Counsel (OCC) represents residential utility Customers in matters before the PUCO. The OCC can be contacted at 1-877-742-5622 (toll free) from 8:00 a.m. to 5:00 p.m. weekdays, or at www.pickocc.org.

Access To and Release of Information By NAP - You agree that the Utility may provide us with any information we need to help us serve you, including your meter readings, billing records, consumption records, and projections. You also agree that we may provide Utility with a copy of this Agreement, and you authorize the Utility to treat a copy of this Agreement as the original during the term. We will not release your

account number or social security number without your written consent, except for our own credit and collection purposes, for permitted assignments of this Agreement or (as to your account number) for governmental aggregation, or as otherwise required by law.

Successors and Assigns - We may assign this Agreement to an affiliate or third party, in whole or in part, and will provide you with forty-five (45) days written notice of any assignment.

Miscellaneous - You have the right to request your Service payment history from us twice within a 12 month period for up to the 24 month period predating the request without charge. You may be charged a switching fee by the Utility, and if you switch back to the Utility you may not be served at the same rates, terms and conditions as other Utility customers. NAP will not separately charge a switching fee. You are solely responsible for any contract termination fees or other fees or damages assessed by any other competitive retail electric supplier. You authorize, but do not obligate us to exercise your government aggregation opt-out rights.

LIMITATION OF REMEDIES, LIABILITY AND DAMAGES - THE REMEDY IN ANY CLAIM OR SUIT BY YOU AGAINST US WILL BE LIMITED TO THE LESSER OF THE DIRECT ACTUAL DAMAGES, OR THE AMOUNT PAID TO US UNDER THIS AGREEMENT FOR THE SIX MONTH PERIOD PRIOR TO THE OCCURRENCE THAT GAVE RISE TO SUCH CLAIM. IN NO EVENT WILL NAP BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES. THESE LIMITATIONS APPLY WITHOUT REGARD TO THE CAUSE OF ANY LIABILITY OR DAMAGES. UNLESS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, NORTH AMERICAN POWER PROVIDES AND CUSTOMER RECEIVES NO WARRANTIES, EXPRESS OR IMPLIED, STATUTORY, OR OTHERWISE AND NAP SPECIFICALLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

**Year-Over-Year Change in PJM Real Time Load Weighted Average
LMP**

Year	Price (\$/MWh)	Year-Over- Year Change
1998	24.16	
1999	34.07	41.0%
2000	30.72	-9.8%
2001	36.65	19.3%
2002	31.6	-13.8%
2003	41.23	30.5%
2004	44.34	7.5%
2005	63.46	43.1%
2006	53.35	-15.9%
2007	61.66	15.6%
2008	71.13	15.4%
2009	39.05	-45.1%
2010	48.35	23.8%
2011	45.94	-5.0%
2012	35.23	-23.3%
2013	38.66	9.7%
2014	53.14	37.5%

* Source: PJM 2014 State of the Market Report - Table 3-62 (page 114)

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of Ohio Power Company's *Rebuttal Testimony of William A. Allen* have been served upon the below-named counsel and Attorney Examiners by electronic mail to all Parties this 27th day of October, 2015.

/s/ Steven T. Nourse
Steven T. Nourse

EMAIL SERVICE LIST

Bojko@carpenterlipps.com; charris@spilmanlaw.com; chris@envlaw.com; Christopher.Miller@icemiller.com; ckilgard@taftlaw.com; cmooney@ohiopartners.org; dstinson@bricker.com; ghiloni@carpenterlipps.com; dclark1@aep.com; dboehm@BKLawfirm.com; dconway@porterwright.com; dwilliamson@spilmanlaw.com; fdarr@mwncmh.com; gaunder@CarpenterLipps.com; ghull@eckertseamans.com; glpetrucci@vorys.com; Greta.see@puc.state.oh.us; haydenm@firstenergycorp.com; mhpeticoff@vorys.com; jeffrey.mayes@monitoringanalytics.com; jennifer.spinosi@directenergy.com; jkylern@BKLawfirm.com; jlang@calfee.com; jmcdermott@firstenergycorp.com; Jodi.bair@occ.ohio.gov; joliker@igsenergy.com; Allison@carpenterlipps.com;	Katie.johnson@puc.state.oh.us; Kevin.moore@occ.ohio.gov; Kristin.henry@sierraclub.org; Kurt.Helfrich@ThompsonHine.com; Larry.sauer@occ.ohio.gov; laurie.williams@sierraclub.org; lhawrot@spilmanlaw.com; mjsatterwhite@aep.com; msmckenzie@aep.com; mdortch@kravitzllc.com; mfleisher@elpc.org; msoules@earthjustice.org; mjsettineri@vorys.com; mkurtz@BKLawfirm.com; mpritchard@mwncmh.com; msmalz@ohiopoveritylaw.org; myurick@taftlaw.com; ricks@ohanet.org; rsahli@columbus.rr.com; sam@mwncmh.com; Sarah.Parrot@puc.state.oh.us; scasto@firstenergycorp.com; schmidt@sppgrp.com; Scott.Campbell@ThompsonHine.com; sfisk@earthjustice.org; sasloan@aep.com; Stephanie.Chmiel@ThompsonHine.com
---	--

<p>jvickers@elpc.org; steven.beeler@puc.state.oh.us; stnourse@aep.com; talexander@calfee.com; tdougherty@theOEC.org; tobrien@bricker.com; twilliams@snhslaw.com; tony.mendoza@sierraclub.org; Werner.margard@puc.state.oh.us; William.michael@occ.ohio.gov; william.wright@puc.state.oh.us;</p>	
---	--

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

10/27/2015 4:29:53 PM

in

Case No(s). 14-1693-EL-RDR, 14-1694-EL-AAM

Summary: Testimony -Rebuttal Testimony of William A. Allen electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company