

EXHIBIT 1

AUTHORIZING ORDINANCE

ORDINANCE NO. 04-187

AN ORDINANCE AUTHORIZING THE CITY MANAGER TO ENTER INTO AN AMENDMENT TO THE MASTER AGREEMENT WITH FIRST ENERGY SOLUTIONS, SUBSTANTIALLY IN THE SAME FORM ATTACHED, TO PROVIDE ELECTRICITY TO BOTH RESIDENTIAL AND SMALL COMMERCIAL CUSTOMERS WITHIN THE CITY OF SANDUSKY'S AGGREGATION PROGRAM; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.

WHEREAS, the Master Agreement between the City of Sandusky and First Energy Solutions approved by Ordinance No. 02-120, passed on May 28, 2002, provides that First Energy Solutions shall supply electricity to small commercial customers who are part of the City's Municipal Aggregation Program; and

WHEREAS, the City's Electric Aggregation Manager, AMP Ohio, Inc., was given the authority to negotiate on behalf of Sandusky (and other Ohio communities) to procure an electric generation supplier that would provide the greatest savings to residential and small commercial customers; and

WHEREAS, AMP Ohio, Inc., has reviewed the proposals from Green Mountain Energy and from First Energy Solutions and has determined that the First Energy Solutions proposal offers substantial savings over the Green Mountain Energy proposal and has negotiated the attached agreement to serve both residential and small commercial customers within the City's aggregation program effective January 1, 2006; and

WHEREAS, the proposed agreement with First Energy Solutions will serve not only residential and commercial customers in Sandusky, but also in the cities of Alliance, and LaGrange and First Energy Solutions is currently providing governmental aggregation programs in the communities of Akron, Barberton, Mogadore, Toledo, Oregon, Ottawa Hills, Seven Hills and Cleveland Heights; and

WHEREAS, upon execution of the Amendment to the Master Agreement with First Energy Solutions, First Energy Solutions will assist the City together with AMP Ohio, Inc., in development and administration of the residential and small commercial aggregation program at no additional cost to the City or its customers; and

WHEREAS, this legislation should be passed under suspension of the rules as an emergency measure in accordance with Section 14 of the City Charter in order to execute this agreement at the earliest possible time; and

WHEREAS, it is deemed necessary in order to provide for the usual daily operation of the Municipal Departments of the City of Sandusky, Ohio, and to provide for the immediate safety and welfare of the citizens of the City of Sandusky, Ohio; the City Commission finds that an emergency now exists and that it is advisable to declare this Ordinance to be an emergency measure which shall take immediate effect in accordance with Section 14 of the City Charter upon its adoption; and **NOW, THEREFORE,**

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO:

Section 1. That the City Manager is hereby authorized and directed to execute the Amendment to the Master Agreement, substantially in the same form attached, between the City of Sandusky and First Energy Solutions on behalf of the City of Sandusky, Ohio.

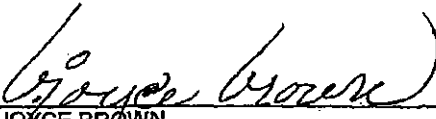
Section 2. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such

portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the passage of this Ordinance were taken in an open meeting of this City Commission and that all deliberations of this City Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 4. That for the reasons set forth in the preamble hereto, this Ordinance shall take immediate effect under suspension of the rules in accordance with Section 14 of the City Charter after its adoption and due authentication by the President and the Clerk of the City Commission of the City of Sandusky, Ohio.


MICHAEL J. KRESSER
PRESIDENT OF THE CITY COMMISSION

ATTEST: 
B. JOYCE BROWN
CLERK OF THE CITY COMMISSION

Passed: December 13, 2004

EXHIBIT A-2

ORIGINAL

ORDINANCE NO. 222

AN ORDINANCE DIRECTING THE CITY MANAGER TO AUTHORIZE THE CITY OF SANDUSKY TO ACT AS AN AGGREGATOR ON BEHALF OF THE OHIO Edison / FIRST ENERGY POWER COMPANY CUSTOMERS WITHIN THE CITY FOR ELECTRICAL POWER IN THE YEAR 2001 AND THEREAFTER.

WHEREAS, pursuant to Article XVII, Section 4 of the Ohio Constitution, the City of Sandusky has plenary power to, among other things, own and operate municipal utilities or to contract with others for the provision of utility services to the residents and businesses located within the City; and

WHEREAS, pursuant to R.C. Section 4928.01 et seq., municipalities and others may aggregate customers within their jurisdiction in order to facilitate "customer choice" in electric power suppliers and to promote lower cost electric utility services within the City; and

WHEREAS, aggregation by the City may permit customers within the City to realize lower electric rates from the collective purchasing of electric services; and

WHEREAS, the City of Sandusky desires to submit an ordinance to the Board of Elections to submit to the electors of the City of Sandusky the question of whether the City should create an aggregation program in accordance with R.C. Section 4928.20; and

WHEREAS, this ordinance constitutes an emergency measure providing for the immediate preservation of the public peace, property, health or safety in that it might be certified to the Erie County Board of Election authorities by Thursday, August 24, 2000, in order for the question to appear at an election to be held in November, 2000, to establish a retail aggregation program for the benefit of the City's electric consumers by January 1, 2001, the date that "customer choice" commences in Ohio pursuant to R.C. Section 4928.01, et seq., NOW THEREFORE,

BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO,

Section 1. That the City Commission hereby authorizes the submission to the electors of the City of Sandusky at an election to be held at the usual places of voting of said City on Tuesday, November 7, 2000, of a proposal to authorize the City of Sandusky to act as an aggregator on behalf of the customers within the City for electric power in the year 2001 and thereafter in accordance with R.C. Section 4928.20;

Section 2. That the proposed aggregation authorization, upon receiving at least a majority of the votes cast thereon at the November 7, 2000, election, shall become effective immediately upon its adoption, and the City's aggregation program shall thereafter commence in accordance with the plan of operation to be established pursuant to R.C. Section 4928.01, et seq. If the proposed aggregation authorization is so adopted, all customers within the City shall automatically be included in the City's aggregation program, provided, however, that each customer shall have an opportunity to opt out of the City's aggregation program;

Section 3. That the Clerk of the Commission is hereby authorized to promptly forward a certified copy of this ordinance to the Board of Elections of Erie County by no later than August 24, 2000;

Section 4. That the Board of Elections of Erie County shall cause an appropriate notice to be duly given of the election to be held on November 7, 2000, on the foregoing

ORIGINAL

PAGE 2 - ORDINANCE NO. 22- 229

proposed and otherwise to provide for such election in the manner provided by the general laws of the State of Ohio;

Section 5. That the Clerk of the Commission is hereby authorized to cause the full text of this Ordinance to be published once a week for two consecutive weeks in a newspaper of general circulation published in the City of Sandusky with the first publication to be made at least fifteen days prior to the election to be held on November 7, 2000, as provided in Article XVII, Section 9 of the Constitution of the State of Ohio and Section 781.211 of the Ohio Revised Code;

Section 6. That it is found and determined that all formal action of the City Commission concerning and relating to the passage of this ordinance were passed in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action were in meetings open to the public in compliance with all legal requirements;

Section 7. That the ballot submitting the question of the adoption of the aforesaid proposal shall read as follows:

A majority affirmative vote is necessary for passage.

Shall the City of Sandusky have authority to act as an aggregator on behalf of the Ohio Edison / First Energy Power Company customers within the City in the year 2001 and thereafter?

☒ FOR THE CITY OF SANDUSKY ACTING AS AN AGGREGATOR ON BEHALF OF OHIO EDISON / FIRST ENERGY POWER COMPANY CUSTOMERS WITHIN THE CITY OF SANDUSKY.

☐ AGAINST THE CITY OF SANDUSKY ACTING AS AN AGGREGATOR ON BEHALF OF OHIO EDISON / FIRST ENERGY POWER COMPANY CUSTOMERS WITHIN THE CITY OF SANDUSKY.

Section 8. That this ordinance is hereby declared to be an emergency measure and, provided it receives the affirmative vote of two-thirds of all the members elected to Council, it shall take effect and be in force immediately upon its passage otherwise it shall take effect and be in force from and after the earliest period allowed by law.


THOMAS J. KNEPPER
PRESIDENT OF THE CITY COMMISSION

ATTEST:


E. JOYCE BROWN
CLERK OF THE CITY COMMISSION

Passed: AUGUST 21, 2000

EXHIBIT 2

OPERATION AND GOVERNANCE PLAN

EXHIBIT A-3

**City of Sandusky, Ohio Municipal
Electric Aggregation Program**

Plan of Operation and Governance

**Adopted by the City Commission
January 22, 2001**

1. Overview

At the November 7, 2000 general election, local residents authorized the City of Sandusky ("the City") to create a municipal opt-out electric aggregation program ("the Aggregation Program") as provided under Section 4928.20 of the Ohio Revised Code. Under the opt-out electric aggregation program, all eligible electric consumers within the City's corporation limits will be automatically included in the Aggregation Program initially. However, all consumers will also be given the opportunity to opt out of or decline participation in the Aggregation Program as detailed herein.

The City's purpose in creating the Aggregation Program is to represent local consumer interests in emerging competitive electricity markets by aggregating electric loads within the City's corporation limits (including municipal facilities) and negotiating affordable, reliable electric supplies and other related services on behalf of local consumers. The City may pursue this purpose individually or in cooperation with other entities.

Many small commercial and residential electric consumers lack the knowledge and leverage to effectively negotiate power supply rates and services. A governmental aggregation program provides them with an option for professional representation and the bargaining power of a larger, more diverse consumer group that may be more attractive to suppliers, allowing them to effectively participate in the competitive process and achieve benefits.

The Aggregation Program is designed to reduce the amount a consumer pays for electric energy, and to gain other favorable economic and non-economic terms in service contracts. The City will not buy and resell power, but will represent collective consumer interests to set terms and conditions for service. Through a negotiation process, the City will develop a contract with a Competitive Retail Electric Services Provider (CRES Provider) or Providers for firm all-requirements electric service. The contract will run for a fixed term (i.e., one to five years). Once the contract has been finalized, it will be submitted to the Sandusky City Commission for approval.

Initially, each eligible consumer within the City's corporation limits will be automatically included in the Aggregation Program on a non-discriminatory basis. However, prior to actual enrollment, each consumer will receive a notice from the City detailing the Aggregation Program's rates, terms and conditions.

Each consumer will then have a 21-day period to opt out of or decline to participate in the Aggregation Program without charge. Consumers opting out of the program will remain on FirstEnergy's Standard Offer Generation Service until such time as they select an approved CRES Provider. A similar opt-out period will be offered every two years during which time consumers can leave the Aggregation Program without paying an early termination fee.

Participants who leave the Aggregation Program and wish to return, as well as consumers who move into the City after the initial opt-out period will be afforded the opportunity to enroll in the Aggregation Program. However, the City cannot guarantee rates, terms and conditions to consumers enrolling in the Aggregation Program after the initial 21-day opt-out period.

Participants who relocate within the City limits and retain the same FirstEnergy account number will be allowed to continue in the Aggregation Program at their new locations under the same terms and conditions as at their former locations (subject to any switching fees imposed by FirstEnergy), provided the FirstEnergy rate classification is the same at both locations and if corresponding MSG remains or is made available by FirstEnergy for that customer. If MSG is not available in this circumstance, the CRES Provider will offer either the Master Service Agreement price or a market-based price to that customer.

The City will enter into a Master Service Agreement with a CRES Provider to implement and operate the Aggregation Program. Contracts for power supply and other related services will be negotiated, recommended, and monitored for compliance by the City on behalf of local consumers.

The Aggregation Program covers the power supply or generation portion only of a participant's electric bill. FirstEnergy will continue to deliver electricity to Aggregation Program participants' homes and businesses through its electric transmission and distribution system as a monopoly function regulated by the Public Utilities Commission of Ohio (PUCO). FirstEnergy will also continue to install, operate and maintain its system of poles, wires, transformers and other electric distribution components. Aggregation Program participants should continue to call FirstEnergy if their power goes out or if they have billing questions. The PUCO will continue to oversee FirstEnergy's electric safety and reliability service standards.

The City developed this Plan of Operation and Governance in compliance with Ohio law regarding municipal opt-out aggregation of electric consumers, including at least two public hearings prior to its adoption.

2. Plan of Operation and Governance

The Sandusky City Commission shall approve through resolution or ordinance the Aggregation Program's Plan of Operation and Governance in accordance with Ohio

Revised Code Section 4928.20. Amendments to the Plan of Operation and Governance may be subject to Sandusky City Commission approval and filing with the PUCO.

3. Aggregation Program Structure and Management

Oversight of the Aggregation Program will be the responsibility of the City Manager, who shall report to the City Commission. The City Manager will have the authority to develop specifications for the Aggregation Program, to appoint an Aggregation Program Manager, and to select, hire and manage the CRES Provider.

The CRES Provider and the Aggregation Program Manager will work under the direction of the City Manager with the advice and counsel of the City Attorney.

Due to the complexity of the electric utility industry and the uncertainties of its associated restructuring activities, the City Manager may contract with a consultant or consultants to provide the necessary expertise to represent the City's interest in legislative and regulatory matters and/or to serve as the Aggregation Program Manager. Such services may include, but are not limited to facilitating consumer enrollment and opt-out, assisting with consumer education, addressing consumer questions and concerns, providing reports on program operation, enrollment and savings, negotiating future CRES Provider contracts, and representing the City in dealings with CRES Providers, FirstEnergy, the Ohio Legislature, the PUCO and the OCC.

3.1 *Selection of a CRES Provider*

The City will not buy and resell power to Aggregation Program participants. The City will negotiate with potential CRES Providers to provide affordable, reliable electric supplies and other electric related services on behalf of local consumers. The City will consider cooperating with other governmental aggregators if it appears beneficial to do so.

Through a negotiation process, the City will develop a Master Service Agreement (MSA) with a CRES Provider or Providers for firm, all-requirements service. The initial term of the MSA may be up to five (5) years corresponding with FirstEnergy's five-year retail electric competitive market development period or such shorter market development period as ordered by the PUCO.

The City will contract only with a CRES Provider or Providers that meet at a minimum the following criteria:

- Certified as a CRES Provider by the PUCO
- Registered as a generation supplier with FirstEnergy
- Have a Service Agreement for Network Integration Transmission Service under FirstEnergy's or ATSI's Open Access Transmission Tariff, as appropriate
- Have a Service Agreement under FirstEnergy's Market-based Rate Tariff

- Demonstrate that its Electronic Data Interchange (EDI) computer network is fully functional and capable of handling aggregation requirements.
- Successfully completed EDI computer system testing with FirstEnergy
- Meet standards of creditworthiness established by the City
- Have a customer call center capable of effectively handling participants' questions, concerns and disputes in a timely manner using a toll-free telephone number
- Hold the City harmless from any financial obligations arising from offering electricity and/or energy-related services to Aggregation Program participants
- Satisfy the State of Ohio's and FirstEnergy's credit requirements
- Negotiate with the City and execute the MSA
- Assist the City in developing detailed opt-out and opt-in procedures
- Provide the Automatic Aggregation Disclosure notice
- Affirmatively state the expected annual saving percentage for Aggregation Group participants
- Assist the City in holding public hearings on the Plan of Operation and Governance
- Submit a claim for MSG capacity to serve the Aggregation Program
- Notify aggregation program participants of the first month of aggregation power delivery

4. Enrollment and Termination of Aggregation Service

4.1 Initial Consumer Notification and Enrollment

After approval of the MSA by the Sandusky City Commission, the CRES Provider will work with the City and FirstEnergy to identify all eligible consumers within the City's corporation limits.

All eligible consumers will be notified in writing of the rates, charges and other terms and conditions of participation in the Aggregation Program and that they will be automatically enrolled in the Aggregation Program unless they opt out of or decline participation in the program. Consumers will be given a 21-day period in which to notify the City that they wish to opt out of or decline participation in the Aggregation Program. Moreover, if Market Support Generation (MSG) capacity is obtained from FirstEnergy, consumers will be notified again of the rates (which may include further reductions) and be given an opportunity to again switch out of the program. The opt-out notice shall include at least the following Aggregation Program information:

- Rates and charges
- Terms and conditions
- CRES Provider information and contacts
- CRES Provider's toll-free number for customer service and concerns
- City Aggregation Program Manager's contact information

- Consumer education information
- The 21-day opt-out period and opt-out procedures
- Consumer's right to opt-out every two years with no switching fee

Consumers may use one or more of the following methods to opt out of the program:

- 1) Returning a post card or other form provided in the opt-out letter;
- 2) Telephone;
- 3) Internet.

After the initial 21-day opt out and MSG-related switch periods have elapsed, all eligible consumers who have not notified the City of their desire to opt out of the Aggregation Program will be enrolled by the CRES Provider at the earliest date practicable. Participants will not be required to take other affirmative steps to be included in the program.

Consumers ineligible to participate in the Aggregation Program include those customer accounts that are located outside the City's municipal boundaries, customers who are in contract with a CRES provider, customers in a "special rate" contract with FirstEnergy, Percentage Income Payment Plan (PIPP) consumers and consumers whose accounts are not current with FirstEnergy. (The aggregation of PIPP customers is under the direction of the State of Ohio.)

Consumers enrolled in the Aggregation Program by the CRES Provider will receive a rescission letter from FirstEnergy notifying them of their enrollment and granting them seven calendar days to notify FirstEnergy of any objection to their enrollment in the Aggregation Program. FirstEnergy will notify the CRES Provider of consumer objections or any reason that a consumer was not enrolled in the Aggregation Program and CRES Provider will maintain a list of customers who have opted out under the program rules. The CRES Provider will report to the City the status of Aggregation Program enrollment on at least a monthly basis.

4.2 *Leaving the Aggregation Program*

Participants who wish to leave the Aggregation Program may do so:

- During the initial 21-day opt-out period
- During subsequent opt-out periods offered by the City at least every two years
- At any other time; however an early termination fee may be assessed

In addition to the initial 21-day opt-out period described above, each participant will be given an opportunity to opt out of the Aggregation Program every two years without paying an early termination fee. Consumers who choose to opt out of the Aggregation Program at any time other than during the initial 21-day opt-out period or during

subsequent opt-out periods offered by the City may be subject to an early termination fee assessed by the CRES Provider.

Aggregation Program participants who wish to opt-out of the program after the initial 21-day opt-out period will be allowed to do so effective with the consumer's next meter reading date, subject to FirstEnergy's notice requirements.

Any consumer who opts out of the Aggregation Program will be returned to FirstEnergy's Standard Offer Generation Service until such time as the consumer selects another approved CRES Provider.

If a participant relocates outside of the City's corporation limits, there will be no exit fee and service will end under the aggregation program as described above.

4.3 *New and Returning Participants*

Participants who leave the Aggregation Program and wish to return, participants who initially opt out of the program and later wish to join, as well as consumers who move into the City after the initial 21-day opt-out period will be afforded the opportunity to enroll in the Aggregation Program. However, the City cannot guarantee rates, terms and conditions to consumers enrolling in the Aggregation Program after the initial 21-day opt-out period. Consumers may contact the Aggregation Program Manager to obtain current enrollment information.

Participants who relocate within the City limits and retain the same FirstEnergy account number will be allowed to continue in the Aggregation Program at their new locations under the same terms and conditions as at their former locations (subject to any switching fees imposed by FirstEnergy), provided the FirstEnergy rate classification is the same at both locations and if corresponding MSG remains or is made available by FirstEnergy for that customer. If MSG is not available, the City cannot guarantee that the consumer will receive the same price.

Consumers who opt-in to the Aggregation Program do so for the remaining term of the MSA. However, all consumers retain the right to opt-out every two years without paying a switching fee.

The CRES Provider will comply with all local, state and federal rules and regulations regarding discontinuing service to Aggregation Program participants.

5. Rates, Other Costs and Billing

5.1 *Electric Supply Charges*

The City will aggregate electric loads within the City's corporation limits (including municipal facilities) and negotiate mutually agreeable price terms with CRES Providers for

affordable, reliable electric supplies and other related services on behalf of local consumers. The City may pursue this purpose individually or in cooperation with other entities. CRES Providers will supply information on electric supply charges by FirstEnergy customer rate classification or other appropriate pricing category as approved by the City. All electric supply charges will be fully and prominently disclosed in consumer enrollment materials and will be subject to approval by the Sandusky City Commission.

5.2 *FirstEnergy's Regulated Customer Classifications and Rates*

FirstEnergy assigns customer rate classifications, character of service and associated regulated rates subject to PUCO approved tariffs. In addition to the CRES Provider's generation charges, consumers will continue to be billed for FirstEnergy's service and delivery charges. Although the City may participate in regulatory proceedings and represent the interests of consumers regarding these regulated rates, it cannot assign or alter customer rate classifications.

It is the intention of the city to offer its aggregation program to eligible customers in any and all customer classifications, and in all rate categories, for which the CRES Provider can offer a savings compared to FirstEnergy generation cost.

5.3 *Developing the Pool of Eligible Accounts*

The City shall request FirstEnergy to provide current customer information for all customers within the municipal boundaries. The provided information shall include:

- Customer name;
- Customer service address;
- Customer billing address;
- FirstEnergy customer account number;
- FirstEnergy rate code;
- FirstEnergy PIPP code;
- Customer load data;
- Whether or not a customer has a present contract with a CRES Provider;
- Whether or not customer has a special service contract with FirstEnergy.

From this information, the City and the CRES Provider will develop the pool of customers eligible to participate in the aggregation program, for which the CRES Provider can offer savings.

5.4 *Other Costs*

Governmental aggregation program participants are assessed a one time, \$5 switching fee by FirstEnergy. In the event this fee cannot be waived, it fee will be paid by the Aggregation Program participants. The City will not be responsible for paying the switching fee.

5.4 Customer Billing

The CRES Provider will comply with the customer billing requirements of O.R.C. Section 4928.10 and all applicable PUCO rules and regulations. The CRES Provider will use FirstEnergy's "Rate Ready Consolidated Billing" method initially in which each consumer account receives one bill itemizing the CRES Provider's electric supply charges and FirstEnergy's delivery, transition and other PUCO-approved charges. The CRES Provider may provide supplier consolidated billing if and when it becomes available, subject to Sandusky City Commission approval, which approval will not be unreasonably withheld. Any proposed use of a two-bill option must be approved by the City. The CRES Provider will offer a budget billing option to participants.

6. CRES Provider Responsibilities

The CRES Provider will work with the City to develop an education plan for retail electric consumers in the City. The City and the CRES Provider will, where practicable, provide consumer education messages that are consistent with the messages of FirstEnergy's local campaign, and the statewide electric consumer education program. The requirements of the City's consumer education plan will be provided in the MSA.

The CRES Provider will build and maintain a database of all Aggregation Program participants. The database will include the name, address, FirstEnergy service delivery identification (SDI) number and may include other pertinent information as agreed upon by the City and the CRES Provider. Such information may include the CRES Provider's account number (if different from FirstEnergy's SDI number), rate code, rider code (if applicable), most recent 12 months of kWh consumption and kW demand, and meter reading cycle. The Aggregation Program database will be updated at least quarterly. The City will have the right to access information in the database for the purposes of auditing.

The City deems any and all information related to an eligible customer to be confidential and proprietary trade secret information. The CRES Provider shall keep all eligible customer information provided to it by the City or FirstEnergy in supplying eligible customers within the City's corporation limit confidential and shall not disclose such information to any third party, unless such disclosure is required to serve any eligible customer, the third party agrees to keep such eligible customer information confidential, and the City consents to the disclosure of such information to the third party.

The CRES Provider will provide and maintain the required Electronic Data Interchange (EDI) computer system to effectively process Aggregation Program enrollments, opt outs, billing, etc, with FirstEnergy.

The CRES Provider will provide a local or toll free telephone number for participant questions and concerns about enrollment, opt-out provisions, billing and other Aggregation Program issues.

The CRES Provider will develop internal controls and processes to help ensure that the City remains in good standing as a governmental aggregator that complies with all laws, rules, and regulations regarding the same as they may be periodically amended.

7. Reliability and Customer Service

For the protection of retail electric consumers in Ohio, the PUCO has adopted rules governing minimum service, quality, safety, and reliability practices for local utilities like FirstEnergy. The rules provide standards for inspection, maintenance, repair, and replacement of the transmission and distribution lines of each local utility. The rules also impose standards on utilities for system operation, reliability, and safety during emergencies and disasters.

FirstEnergy will continue to maintain and service its electric transmission and distribution facilities in the City. Accordingly, the only thing that changes for the FirstEnergy consumers in the City who participate in the Aggregation Program is the generation supplier. For the members of the Aggregation Group, the generation supplier will be the CRES Provider.

The CRES Provider will provide a toll free telephone number and Internet web page for consumer questions and concerns. Customer service protocol will be developed with the CRES Provider.

8. Reliability and Identification of Consumers

Electric service reliability is an essential to Aggregation Program participants. The City will strive to provide high-quality service and reliability through provisions of the CRES Provider contract, through traditional proceedings related to FirstEnergy's regulated transmission and distribution services; and through direct discussions with FirstEnergy concerning specific or general problems related to quality and reliability of its transmission and distribution system.

If for any reason a CRES Provider fails to provide uninterrupted service, the City will attempt to acquire an alternative power supply. If this attempt fails, participants will default to FirstEnergy's Standard Offer Generation Service. In no case will participants be

without power as the result of the CRES Provider's failure to provide uninterrupted service. The City will seek to minimize this risk by contracting only with reputable CRES Providers that demonstrate reliable service. The City also intends to include conditions in its CRES Provider contract that will indemnify participants against risks or problems with power supply service and price.

9. Participant Rights

All Aggregation Program participants shall enjoy the protections of law afforded to consumers as they currently exist or as they may be amended from time to time. These include rights to question billings or service quality or service practices. All program participants shall also enjoy the individual right to decline participation in the Aggregation Program subject to the terms and conditions contained herein.

All Aggregation Program participants will be treated equitably. They will be guaranteed the right to raise and resolve disputes with the CRES Provider, be provided all required notices and information, and always retain the right to opt out of the Aggregation Program or switch suppliers subject to the terms and conditions contained herein.

All consumers within the City's corporation limits shall be eligible to participate in the Aggregation Program on a non-discriminatory basis subject to the terms and conditions described herein, Ohio law, PUCO rules and regulation governing electric service, and FirstEnergy's approved tariffs.

Service under the Aggregation Program shall include all eligible customer classes in adherence with universal service principles and requirements, and the traditional non-discriminatory practices of local government. CRES Provider contracts shall contain provisions to maintain these principles and equitable treatment of all customer classes.

Low-income consumers shall remain subject to all provisions of Ohio law and PUCO rules and regulations as they may be amended from time to time regarding their rights to return to FirstEnergy's Standard Offer Generation Service and participation in the Aggregation Program.

10. Participant Responsibilities

Aggregation Program participants are subject to the same standards and responsibilities as other electric consumers, including payment of billings and access to metering and other equipment necessary to carry out utility operations.

11. Termination of the Aggregation Program

The Aggregation Program may be discontinued upon the termination or expiration of the CRES Provider contract without any extension, renewal or subsequent contract being executed. In the event of Aggregation Program termination, each participant will receive notification 60 days prior to such program termination and can return to FirstEnergy's Standard Generation Offer Service or select another approved CRES Provider.

12. Definitions

"Aggregation" means combining the electric loads of multiple customers for the purposes of supplying or arranging for the supply of competitive retail electric generation service to those customers.

"Aggregation Group" means those eligible retail consumers of FirstEnergy within the corporate limits of the City who do not "opt-out" of the City's aggregation program. The Aggregation Group means those retail residential, commercial, and large use customers whose meters are read on a cycle basis by FirstEnergy within the corporation limits of the City who become participants in the Aggregation Program.

"Master Service Agreement" means the contract between the City and the CRES Provider.

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

"CRES Provider" means an individual or entity that has been certified by the FUCO to provide competitive retail electric generation, power brokering or power marketing and that has executed a Master Services Agreement with the City.

"City Load" means all City accounts both within and without the corporation limits of the City including, but not limited to, Utilities, Port Control, Public Service, Health, Public Safety, Parks, Recreations and Properties, Community Development, Street Lights and Traffic Signals.

"Consolidated Billing" means combining FirstEnergy's charges and the CRES Provider's charges on one billing statement.

"Governmental Aggregator" means a municipality that provides aggregation services.

"Market Support Generation" is generation capacity available from the FirstEnergy Transition Plan Settlement made available by FirstEnergy at a price intended to stimulate the competitive retail electric market in Ohio.

"PIPP" means Percentage of Income Payment Plan Program as prescribed in FUCO Rules 4901:1-18-02(B)-(G) and 4901:1-18-04(B) of the Ohio Administrative Code.

"Power Marketer" means a certified electric supplier that takes title to electricity, capacity and other services from electric power generators and other wholesale suppliers and then resells those services to end-use customers.

"Rate Ready Billing" means a billing method in which the non-billing party provides rate information to the billing party sufficient to calculate the non-billing party's charges.

Governmental Aggregator's Customer Service Procedures and Dispute Resolution

The Aggregation Program only impacts the source of electric power supply. Ohio Edison will continue to deliver the electricity purchased through the Aggregation Program to participants' homes and businesses through its electrical power distribution system. Participants with question or concerns regarding service delivery or safety, such as an electrical outage should continue to contact Ohio Edison at 888-544-4877. Meter reading or other billing questions should also be directed to Ohio Edison at 800-447-3333. Questions regarding Aggregation Program enrollment or opting out should be directed to the CRES Provider. General questions and concerns should be directed to the office of the Village Administrator. Disputes unresolved by the aforementioned parties, should be directed to either the Ohio Consumer's Counsel or the Public Utilities Commission of Ohio. The following table gives toll-free telephone numbers for use by consumers.

| Question or Concern | Contact | Telephone Number |
|----------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------|
| Electrical Power Outage | Ohio Edison | 888 544-4877 |
| Connect/disconnect Service | Ohio Edison | 800 633-4766 |
| Meter reading/billing | Ohio Edison | 800 633-4766 |
| To enroll in or opt-out of the Residential Program | First Energy Solutions M-F: 7:00 AM – 7:00 PM | 888 254-6359 |
| To enroll in or opt-out of the Commercial Program | First Energy Solutions M-F: 7:00 AM – 7:00 PM | 888 254-6359 |
| Aggregation Program Questions or concerns | Ms. Kelly Kresser Administrative Assistant City of Sandusky | 419 627-5844 888 505-4188 |
| Unresolved disputes (residential customers) | Ohio Consumer's Counsel | 877-742-5622 toll free |
| Unresolved disputes (all customers) | Public Utilities Commission of Ohio | (800)-686-7826 (voice) (800)-686-1570 (TDD) |

EXHIBIT 3

AUTOMATIC AGGREGATION DISCLOSURE

EXHIBIT 4

OPT-OUT NOTIFICATION

August 11, 2014

Re: Great news – Sandusky's Aggregation Program supplied by FirstEnergy Solutions continues to offer savings!

Dear Resident,

Your community's aggregation program provides you the opportunity to save money on your electric bill. These savings are possible through governmental aggregation, a community purchasing program where community officials bring together citizens to gain group buying power for the purchase of electricity from a retail electric generation provider certified by the Public Utilities Commission of Ohio.

FirstEnergy Solutions, a subsidiary of FirstEnergy Corp., has been selected to provide you with savings on your electric generation. If you're not already participating, this is your chance to join. If you're already participating, this is your opportunity to extend your savings. **There is no cost for enrollment, you will not be charged a switching fee, and you do not need to do anything to participate.** Please see the enclosed FAQs for more information.

By participating in this aggregation program, you will receive exclusive low pricing on your electric generation. The chart below shows the details of this program:

The Sandusky program was approved by voters in your community in November 2000.

| Your Electric Utility | Price | Term End Date | Opt Out Deadline | Early Termination Fee |
|-----------------------|-------------------------|---------------|-------------------|-----------------------|
| Ohio Edison | 6% off Price To Compare | April 2015 | September 2, 2014 | \$25 |

How to estimate what your savings will be through this program

Locate your Price to Compare on your electric bill. Divide your Price to Compare by 100, then multiply by 0.06 (6%) to determine your savings per kWh. Multiply that number by your total monthly usage. The final number is how much you can expect to save each month you use the same amount of electricity.

If you are a new member of the program, you will see your electric savings from FirstEnergy Solutions after your enrollment has been completed and your switch has been finalized – approximately 30-45 days, depending upon your meter read date. Of course, you are not obligated to participate in the community's electric governmental aggregation program. If you do not want to participate in this savings program, you have until the opt out deadline to return the attached "opt-out" form. If you do not opt out at this time and leave the program at a later date, you might not be served under the same rates, terms and conditions that apply to other customers served by your utility. Once enrolled, you will receive a notice at least every three years asking if you wish to remain in the program. If you leave the program at any other time, you could be subject to the early termination fee listed above from FirstEnergy Solutions.

If you are not currently receiving electric generation from FirstEnergy Solutions, your electric utility will send you a letter confirming your selection of FirstEnergy Solutions as your electric generation provider. As required by law, this letter will inform you of your option to cancel your contract with FirstEnergy Solutions within seven days of its postmark. To remain a member of the community's electric governmental aggregation program, you don't need to take any action when this letter arrives. If you are currently enrolled in the community's aggregation program, you will not receive a letter from your electric utility.

Your electric utility will continue to maintain the system that delivers power to your home – no new poles or wires will be built by FirstEnergy Solutions. You will continue to receive a single, easy-to-read bill from your local electric utility with your FirstEnergy Solutions charges included. The only thing you'll notice is savings.

If you have any questions, please call FirstEnergy Solutions toll-free at 1-866-636-3749, Monday through Friday, 8 a.m. to 5 p.m. Please do not call your community with aggregation program questions.

Sincerely,

Sandusky Local Officials

P.S. To receive these savings, **you should not respond.** Return the opt-out form only if you do not want to participate in your community's electric governmental aggregation program.

OPT-OUT FORM – RESIDENTIAL ELECTRIC GOVERNMENTAL AGGREGATION PROGRAM

Option 1: Do nothing and save.
If you want to participate in this program and save, you do not need to return this form. Your enrollment is automatic.

OR

Option 2: Opt out by returning this form.
If you do not want to participate in this program and save, you must return this form before the due date.

By returning this signed form, you will not be part of your community's electric savings program.

☐

I wish to opt out of my community's electric savings program. (Check box to opt out.)

Service address (City, state and zip): _____

Phone number: _____

Account holder's signature: _____

Date: _____

Mail by September 2, 2014 to: Sandusky Electric Governmental Aggregation Program, 341 White Pond Drive, Bldg. B-2, Akron, Ohio 44320

Electric Governmental Aggregation Program Frequently Asked Questions Residential Program

What is aggregation?

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

How is my community able to choose a certified electric generation supplier on my behalf?

Residents voted to allow the community to contract for an electric generation supplier on their behalf.

How will I know if I can save money under the electric governmental aggregation program?

The price you pay for electric generation supply is guaranteed to be lower because you'll always receive the percent discount for your electric generation.

What do I need to do if I *want* to be included in this governmental aggregation?

You do not need to do anything to receive the discounted generation pricing under this program. You may choose to remain in the aggregation group and begin receiving your discount by simply not returning the opt-out form.

If I join my community's governmental aggregation program, who will deliver my power, read my meter and respond to emergencies, such as power outages?

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

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

In this program, the discount you will receive each month does not change. But because the actual price per kWh charged by the utility may change each month (based on the season and your usage), the price per kWh from FirstEnergy Solutions will also change each month.

If I am already a member of this program, why am I receiving this letter?

As a current member of your community's electric governmental aggregation program, you are given the opportunity to opt-out of the program at least every three years at no charge. Your previous contract with FirstEnergy Solutions is coming to an end, and this is your opportunity to either opt-out or continue saving with FirstEnergy Solutions.

What does "opt out" mean?

"Opt out" means that you can decide not to participate in your community's electric governmental aggregation program. By returning the opt-out form, which is included in this mailing, by the Opt Out Deadline you will not be enrolled as an electric generation customer with FirstEnergy Solutions, your community's competitive electric generation supplier, and you will not receive the discount.

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

If you do not return the opt-out form postmarked by the Opt Out Deadline, you will be included in your community's governmental aggregation program and will receive competitively priced electricity from FirstEnergy Solutions.

Can I opt out over the phone?

No, if you want to opt out, you must mail in your completed opt-out form and it must be postmarked by the Opt Out Deadline.

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

Yes, but you will be subject to the early termination fee from FirstEnergy Solutions if you cancel for any other reason but moving. However, you will be sent a notice at least every three years asking if you wish to remain in the program. At that point, you may opt out at no cost.

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

You can stay with your current electric utility, which will continue to supply your electric generation as it always has, or you can shop for an alternative generation supplier. A list of competitive electric suppliers certified by the Public Utilities Commission of Ohio and their current prices are available by calling 1-800-686-PUCO (1-800-686-7826).

If I join the aggregation, can I stay on budget billing?

Yes, you can remain on budget billing; however, only your charges from the utility will continue to be budgeted. Your charges from FirstEnergy Solutions will not be budgeted – you will pay the full amount each month.

Can I still have my payment automatically deducted from my checking account as I do now?

Yes. How you pay your electric bill will not change.

Who is FirstEnergy Solutions?

FirstEnergy Solutions Corp., a subsidiary of FirstEnergy Corp., offers a wide range of energy and related products and services, including the generation and sale of electricity and energy planning and procurement. FirstEnergy Solutions is a leading competitive supplier of energy to residential and commercial and industrial customers in Ohio, Pennsylvania, New Jersey, Maryland, Illinois and Michigan.

What is the toll-free number for questions?

If you have any questions, please call 1-866-636-3749, Monday through Friday, 8 a.m. to 5 p.m.

Additional FAQs for all-electric space heating, electric water heating and/or load management customers:

I receive a credit from my electric utility for my electric water heating. Will I miss out on this credit if I join this program?

Because FirstEnergy Solutions is offering a discount off the Price to Compare, you are not missing out on any of the savings that utility credits provide.

If I leave this program at a later date, will I be able to keep the credits I get from my utility for having all-electric space heating, electric water heating and/or load management equipment?

Yes. This discount is in addition to the generation credit reflected in your Price to Compare. So if you cancel your contract with FirstEnergy Solutions, you will continue to receive the credits from your utility for having all-electric space heating, electric water heating and/or load management equipment as long as those credits are being offered.

FirstEnergy Solutions Corp. - Residential & Small Commercial Terms and Conditions

These Terms and Conditions together with the enrollment information are your agreement for electric generation service with FirstEnergy Solutions Corp. ("FES") if you choose to remain in the community aggregation program by not "opting-out" or exercising the right of rescission ("Agreement"). Please keep a copy of this Agreement for your records.

FES is certified by the Ohio Public Utility Commission ("PUCO") to offer and supply electric generation services in Ohio. As a Competitive Retail Electric Service ("CRES") provider, FES will supply the electric generation to your Electric Distribution Utility (EDU) based on your usage. Your EDU then distributes or delivers the electricity to you. FES sets the generation prices and charges that the customers pay. The PUCO regulates distribution prices and services. The Federal Energy Regulatory Commission regulates transmission prices and services.

DEFINITIONS:

Generation Service – The production of electricity.

Transmission Service – Moving high voltage electricity from a generation facility to the distribution lines of an Electric Distribution Utility ("EDU").

Distribution Service – Physical delivery of electricity to customers by EDU.

RIGHT OF RESCISSION – If you do not opt-out and are enrolled to receive generation service from FES, your EDU will send you a confirmation letter. You will have the right to rescind your enrollment within seven (7) calendar days following the postmark date of the confirmation letter by following the instructions contained in the letter. The Right of Rescission only applies when a customer switches to a generation supplier and not on renewal enrollments. Your EDU will not send a confirmation notice upon any renewal of this Agreement. Should you choose to opt-out of your community's program, you will be served by your EDU's standard service offer established pursuant to section 4928.14 of the Ohio Revised Code unless you choose an alternate supplier of electricity.

TERMS AND CONDITIONS OF SERVICE

1. **Eligibility.** Only Residential Customer accounts not enrolled in the Percentage of Income Plan Program (PIPP) and small commercial customers with a peak demand below 399 KW are eligible for this offer from FES. FES reserves the right to refuse enrollment to any customer with an outstanding balance.

2. **Basic Service Prices.** During the term of this Contract, you agree to pay FES for a total combined Transmission, Generation, and Generation Related Charges. You will be billed at the percentage off your EDU Price to Compare per KWh per billing month, as specified in the opt-out notification. Your Price to Compare consists of bypassable transmission, generation and transmission and generation related components, which are charges associated with the costs of purchased power and the cost to deliver the power through the transmission system. These are the charges that you would avoid for that billing period when you switch to FES.

Your price per KWh will vary because it will always be a percent off the Price to Compare, which may change based on any changes made by the EDU in its calculations. In addition to FES' charges, you will be charged by your EDU for distribution and various other charges. FES reserves the right to unilaterally modify this billing format in the event the EDU is unable or unwilling to provide consolidated billing in this format or changes the calculation of the Price to Compare.

In addition to the charges described above, if any regional transmission organization or similar entity, EDU, governmental entity or agency, NERC and other industry reliability organization, or court requires a change to the terms of the Agreement, or imposes upon Supplier new or additional charges or requirements, or a change in the method or procedure for determining charges or requirements, relating to your electric supply under this Agreement (any of the foregoing, a "Pass-Through Event"), which are not otherwise reimbursed to FES, Customer agrees that Supplier may pass through the additional cost to Supplier of such Pass-Through Event, which may be variable, to Customer. Changes may include, without limitation, transmission or capacity requirements, new or modified charges or shopping credits, and other changes to retail electric customer access programs.

3. **Length of Agreement.** As a part of your community's program, your service from FES will commence with the next available meter reading and after processing of the enrollment by your EDU, and will continue for the term as specified in the opt-out notification, ending on the meter read for the last month of service. The program may be terminated or modified due to unforeseen regulatory action. Customer and FES agree that any such regulatory action is a force majeure event. Should the program be terminated, you will be returned to the standard service offer or its successor.

4. **Billing.** You will continue to receive a single bill from your EDU that will contain both your EDU and FES charges. FES does not offer budget billing. If you do not pay your bill by the due date, FES may cancel this Agreement after giving you a minimum of fourteen (14) days written notice. Upon cancellation you will be returned to your EDU as a customer. You will remain responsible to pay FES for any electricity used before this Agreement is cancelled, as well as any late payment charges.

5. **Penalties, Fees and Exceptions.** If you do not pay the full amount owed FES by the due date of the bill, FES may charge a 1.5% per month late payment fee.

6. **Cancellation/Termination Provisions.** If this Agreement is not rescinded during the rescission period, enrollment will be sent to your EDU. You may terminate this Agreement, without penalty, if you move out of the EDU service territory or into an area where FES will charge a different price. *There will be a \$25 charge for each residential EDU account and a \$50.00 charge for each commercial EDU account if you terminate this Agreement for any other reason, except as expressly provided herein. Should you cancel service with FES and return to standard offer service with your EDU, you may not be served under the same rates, terms, and conditions that apply to other EDU customers.*

7. **Customer Consent and Information Release Authorization.** By choosing not to opt-out of your community's aggregation program, you understand and agree to the terms and conditions of this Agreement with FES. You authorize FES to obtain information from the EDU that includes, but is not limited to: billing history, payment history, historical and future electricity usage, meter readings, and characteristics of electricity service. FES reserves the sole right to determine if your credit standing is satisfactory before accepting your enrollment request. This Agreement shall be considered executed by FES following acceptance of your enrollment request by FES, the end of the 7 day rescission period and subsequent acceptance of the enrollment by your EDU.

8. **Contract Expiration.** At least every three years, you will be given the opportunity to opt-out of your community's aggregation program at no cost. You are responsible for arranging for your electric supply upon termination of this Contract.

9. **Dispute Procedures.** Contact FES with any questions concerning the terms of service by phone at 1-888-254-6359 (toll-free) M-F 8AM – 5PM EST or in writing at 341 White Pond Drive, Attn: Contract Administration, Akron, OH 44320. Our web address is www.firstenergysolutions.com. If your complaint is not resolved after you have called your electric supplier 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 TTY at 1-800-686-1570 (toll free) from 8:00 am to 5:00 pm weekdays or at www.PUCO.ohio.gov. Residential customers may also call the Ohio Consumers' Counsel (OCC) at 1-877-742-5622 (toll free) from 8:00 am to 5:00 pm weekdays or at www.pickocc.org.

10. **Miscellaneous.** You have the right to request from FES, twice within a 12 month period, up to 24 months of payment history, without charge.

FES will not release your Social Security number and/or account number(s) without your written consent

FES' environmental disclosure statement is available for viewing on our website – www.firstenergysolutions.com. You agree that FES will make the required quarterly updates to the statement electronically on our website. We will also provide the information upon request.

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

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

Customer is responsible for providing FES with accurate account information. If said information is incorrect, FES reserves the right to reprice the applicable account(s) or terminate the agreement.

FES reserves the right to return any customer to the EDU if the customer's rate code is changed and the account is no longer eligible for this program.

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

| Environmental Enclosure - Quarterly Comparison | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|------------------|---------------------|------------------|------------------------------|----------------|--------|-----------------------------|--------|----------------|---------|------|------|-----------------|-------|-------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|------|-------|---------|-----|-----|-------|-------|----|---------|----|------|------|-----|------|
| FirstEnergy Solutions Corp. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Projected Data for the 2014 Calendar Year | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Actual Data for the Period 01/01/14 to 3/31/14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Generation Resource Mix- A comparison between the resources of generation projected to be used to generate this product and the actual resources used during this period. | <div>Projected</div> <table><tr><th>Resource</th><th>Percentage</th></tr><tr><td>Coal</td><td>65.5%</td></tr><tr><td>Nuclear</td><td>16%</td></tr><tr><td>Gas</td><td>14.5%</td></tr><tr><td>Hydro</td><td>1%</td></tr><tr><td>Biomass</td><td>1%</td></tr><tr><td>Wind</td><td>1.5%</td></tr><tr><td>Oil</td><td>0.5%</td></tr></table> | Resource | Percentage | Coal | 65.5% | Nuclear | 16% | Gas | 14.5% | Hydro | 1% | Biomass | 1% | Wind | 1.5% | Oil | 0.5% | <div>Actual</div> <table><tr><th>Resource</th><th>Percentage</th></tr><tr><td>Coal</td><td>65.5%</td></tr><tr><td>Nuclear</td><td>16%</td></tr><tr><td>Gas</td><td>14.5%</td></tr><tr><td>Hydro</td><td>1%</td></tr><tr><td>Biomass</td><td>1%</td></tr><tr><td>Wind</td><td>1.5%</td></tr><tr><td>Oil</td><td>0.5%</td></tr></table> | Resource | Percentage | Coal | 65.5% | Nuclear | 16% | Gas | 14.5% | Hydro | 1% | Biomass | 1% | Wind | 1.5% | Oil | 0.5% |
| | Resource | Percentage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Coal | 65.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nuclear | 16% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Gas | 14.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hydro | 1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Biomass | 1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wind | 1.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oil | 0.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Resource | Percentage | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| Hydro | 1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Biomass | 1% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wind | 1.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oil | 0.5% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Environmental Characteristics- A description of the characteristics associated with each possible generation resource. | Biomass Power | Air Emissions and Solid Waste | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Coal Power | Air Emissions and Solid Waste | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Hydro Power | Wildlife Impacts | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Natural Gas Power | Air Emissions and Solid Waste | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Nuclear Power | Radioactive Waste | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Oil Power | Air Emissions and Solid Waste | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Other Sources | Unknown Impacts | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Solar Power | No Significant Impacts | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Unknown Purchased Resources | Unknown Impacts | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wind Power | Wildlife Impacts | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Air Emissions- A comparison between the air emissions related to this product and the regional average air emissions. | <table><tr><th>Pollutant</th><th>Actual</th><th>Projected</th><th>Regional Average</th></tr><tr><td>Carbon Dioxide</td><td>~100%</td><td>~100%</td><td>~100%</td></tr><tr><td>Sulfur Dioxide</td><td>~50%</td><td>~50%</td><td>~50%</td></tr><tr><td>Nitrogen Oxides</td><td>~100%</td><td>~100%</td><td>~100%</td></tr></table> | | Pollutant | Actual | Projected | Regional Average | Carbon Dioxide | ~100% | ~100% | ~100% | Sulfur Dioxide | ~50% | ~50% | ~50% | Nitrogen Oxides | ~100% | ~100% | ~100% | | | | | | | | | | | | | | | | |
| | Pollutant | Actual | Projected | Regional Average | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Carbon Dioxide | ~100% | ~100% | ~100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sulfur Dioxide | ~50% | ~50% | ~50% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nitrogen Oxides | ~100% | ~100% | ~100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Radioactive Waste- Radioactive waste associated with the product. | <table><tr><th>Type :</th><th>Projected Quantity:</th><th>Actual Quantity:</th></tr><tr><td>High-Level Radioactive Waste</td><td>0.0029</td><td>0.0018</td></tr><tr><td>Low-Level Radioactive Waste</td><td>0.0008</td><td>0.0002</td></tr></table> <div>Lbs./1,000 kWh Ft³/1,000 kWh</div> | | Type : | Projected Quantity: | Actual Quantity: | High-Level Radioactive Waste | 0.0029 | 0.0018 | Low-Level Radioactive Waste | 0.0008 | 0.0002 | | | | | | | | | | | | | | | | | | | | | | | |
| | Type : | Projected Quantity: | Actual Quantity: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| High-Level Radioactive Waste | 0.0029 | 0.0018 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Low-Level Radioactive Waste | 0.0008 | 0.0002 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Renewable Energy Credits: FirstEnergy Solutions Corp. purchases renewable energy credits (REC's) as a means of complying with the renewable energy resource benchmark under the state's alternative energy portfolio standard requirements. The requirement for 2014 is 2.5% renewable, including 0.12% solar. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With in-depth analysis, the environmental characteristics of any form of electric generation will reveal benefits as well as costs. For further information, contact FirstEnergy Solutions Corp. at www.fes.com or by phone at 1-888-254-6359. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

August 11, 2014

Re: Great news – Sandusky's Aggregation Program supplied by FirstEnergy Solutions continues to offer savings!

Dear Business,

Your community's aggregation program provides you the opportunity to save money on your electric bill. These savings are possible through governmental aggregation, a community purchasing program where community officials bring together citizens to gain group buying power for the purchase of electricity from a retail electric generation provider certified by the Public Utilities Commission of Ohio.

FirstEnergy Solutions, a subsidiary of FirstEnergy Corp., has been selected to provide you with savings on your electric generation. If you're not already participating, this is your chance to join. If you're already participating, this is your opportunity to extend your savings. **There is no cost for enrollment, you will not be charged a switching fee, and you do not need to do anything to participate.** Please see the enclosed FAQs for more information.

By participating in this aggregation program, you will receive exclusive low pricing on your electric generation. The chart below shows the details of this program:

The Sandusky program was approved by voters in your community in November 2000.

| Your Electric Utility | Price | Term End Date | Opt Out Deadline | Early Termination Fee |
|-----------------------|-------------------------|---------------|-------------------|-----------------------|
| Ohio Edison | 3% off Price To Compare | April 2015 | September 2, 2014 | \$50 |

How to estimate what your savings will be through this program

First, determine your Price to Compare; simply divide the amount of the Bypassable Generation and Transmission Related Component by the Kilowatt Hours Used. Then multiply your Price to Compare by 0.03 (3%) to determine your savings per KWH. Multiply that number by your total monthly usage. The final number is how much you can expect to save each month you use the same amount of electricity.

If you are a new member of the program, you will see your electric savings from FirstEnergy Solutions after your enrollment has been completed and your switch has been finalized – approximately 30-45 days, depending upon your meter read date. Of course, you are not obligated to participate in the community's electric governmental aggregation program. If you do not want to participate in this savings program, you have until the opt out deadline to return the attached "opt-out" form. If you do not opt out at this time and leave the program at a later date, you might not be served under the same rates, terms and conditions that apply to other customers served by your utility. Once enrolled, you will receive a notice at least every three years asking if you wish to remain in the program. If you leave the program at any other time, you could be subject to the early termination fee listed above from FirstEnergy Solutions.

If you are not currently receiving electric generation from FirstEnergy Solutions, your electric utility will send you a letter confirming your selection of FirstEnergy Solutions as your electric generation provider. As required by law, this letter will inform you of your option to cancel your contract with FirstEnergy Solutions within seven days of its postmark. To remain a member of the community's electric governmental aggregation program, you don't need to take any action when this letter arrives. If you are currently enrolled in the community's aggregation program, you will not receive a letter from your electric utility.

Your electric utility will continue to maintain the system that delivers power to your home – no new poles or wires will be built by FirstEnergy Solutions. You will continue to receive a single, easy-to-read bill from your local electric utility with your FirstEnergy Solutions charges included. The only thing you'll notice is savings.

If you have any questions, please call FirstEnergy Solutions toll-free at 1-866-636-3749, Monday through Friday, 8 a.m. to 5 p.m. Please do not call your community with aggregation program questions.

Sincerely,

Sandusky Local Officials

P.S. To receive these savings, **you should not respond.** Return the opt-out form only if you do not want to participate in your community's electric governmental aggregation program.

OPT-OUT FORM – BUSINESS ELECTRIC GOVERNMENTAL AGGREGATION PROGRAM

Option 1: Do nothing and save.
If you want to participate in this program and save, you do not need to return this form. Your enrollment is automatic.

OR

Option 2: Opt out by returning this form.
If you do not want to participate in this program and save, you must return this form before the due date.

By returning this signed form, you will not be part of your community's electric savings program.

☐

I wish to opt out of my community's electric savings program. (Check box to opt out.)

Service address (City, state and zip): _____

Phone number: _____

Account holder's signature: _____

Date: _____

Mail by September 2, 2014 to: Sandusky Electric Governmental Aggregation Program, 341 White Pond Drive, Bldg. B-2, Akron, Ohio 44320

Electric Governmental Aggregation Program Frequently Asked Questions Business Program

What is aggregation?

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

How is my community able to choose a certified electric generation supplier on my behalf?

Residents voted to allow the community to contract for an electric generation supplier on their behalf.

How will I know if I can save money under the electric governmental aggregation program?

The price you pay for electric generation supply is guaranteed to be lower because you'll always receive the percent discount for your electric generation.

What do I need to do if I *want* to be included in this governmental aggregation?

You do not need to do anything to receive the discounted generation pricing under this program. You may choose to remain in the aggregation group and begin receiving your discount by simply not returning the opt-out form.

If I join my community's governmental aggregation program, who will deliver my power, read my meter and respond to emergencies, such as power outages?

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

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

In this program, the discount you will receive each month does not change. But because the actual price per kWh charged by the utility may change each month (based on the season and your usage), the price per kWh from FirstEnergy Solutions will also change each month.

If I am already a member of this program, why am I receiving this letter?

As a current member of your community's electric governmental aggregation program, you are given the opportunity to opt-out of the program at least every three years at no charge. Your previous contract with FirstEnergy Solutions is coming to an end, and this is your opportunity to either opt-out or continue saving with FirstEnergy Solutions.

What does "opt out" mean?

"Opt out" means that you can decide not to participate in your community's electric governmental aggregation program. By returning the opt-out form, which is included in this mailing, by the Opt Out Deadline you will not be enrolled as an electric generation customer with FirstEnergy Solutions, your community's competitive electric generation supplier, and you will not receive the discount.

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

If you do not return the opt-out form postmarked by the Opt Out Deadline, you will be included in your community's governmental aggregation program and will receive competitively priced electricity from FirstEnergy Solutions.

Can I opt out over the phone?

No, if you want to opt out, you must mail in your completed opt-out form and it must be postmarked by the Opt Out Deadline.

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

Yes, but you will be subject to the early termination fee from FirstEnergy Solutions if you cancel for any other reason but moving. However, you will be sent a notice at least every three years asking if you wish to remain in the program. At that point, you may opt out at no cost.

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

You can stay with your current electric utility, which will continue to supply your electric generation as it always has, or you can shop for an alternative generation supplier. A list of competitive electric suppliers certified by the Public Utilities Commission of Ohio and their current prices are available by calling 1-800-686-PUCO (1-800-686-7826).

If I join the aggregation, can I stay on budget billing?

Yes, you can remain on budget billing; however, only your charges from the utility will continue to be budgeted. Your charges from FirstEnergy Solutions will not be budgeted – you will pay the full amount each month. .

Can I still have my payment automatically deducted from my checking account as I do now?

Yes. How you pay your electric bill will not change.

Who is FirstEnergy Solutions?

FirstEnergy Solutions Corp., a subsidiary of FirstEnergy Corp., offers a wide range of energy and related products and services, including the generation and sale of electricity and energy planning and procurement. FirstEnergy Solutions is a leading competitive supplier of energy to residential and commercial and industrial customers in Ohio, Pennsylvania, New Jersey, Maryland, Illinois and Michigan.

What is the toll-free number for questions?

If you have any questions, please call 1-866-636-3749, Monday through Friday, 8 a.m. to 5 p.m.

Additional FAQs for all-electric space heating, electric water heating and/or load management customers:

I receive a credit from my electric utility for my electric water heating. Will I miss out on this credit if I join this program?

Because FirstEnergy Solutions is offering a discount off the Price to Compare, you are not missing out on any of the savings that utility credits provide.

If I leave this program at a later date, will I be able to keep the credits I get from my utility for having all-electric space heating, electric water heating and/or load management equipment?

Yes. This discount is in addition to the generation credit reflected in your Price to Compare. So if you cancel your contract with FirstEnergy Solutions, you will continue to receive the credits from your utility for having all-electric space heating, electric water heating and/or load management equipment as long as those credits are being offered.

FirstEnergy Solutions Corp. - Residential & Small Commercial Terms and Conditions

These Terms and Conditions together with the enrollment information are your agreement for electric generation service with FirstEnergy Solutions Corp. ("FES") if you choose to remain in the community aggregation program by not "opting-out" or exercising the right of rescission ("Agreement"). Please keep a copy of this Agreement for your records.

FES is certified by the Ohio Public Utility Commission ("PUCO") to offer and supply electric generation services in Ohio. As a Competitive Retail Electric Service ("CRES") provider, FES will supply the electric generation to your Electric Distribution Utility (EDU) based on your usage. Your EDU then distributes or delivers the electricity to you. FES sets the generation prices and charges that the customers pay. The PUCO regulates distribution prices and services. The Federal Energy Regulatory Commission regulates transmission prices and services.

DEFINITIONS:

Generation Service – The production of electricity.

Transmission Service – Moving high voltage electricity from a generation facility to the distribution lines of an Electric Distribution Utility ("EDU").

Distribution Service – Physical delivery of electricity to customers by EDU.

RIGHT OF RESCISSION – If you do not opt-out and are enrolled to receive generation service from FES, your EDU will send you a confirmation letter. You will have the right to rescind your enrollment within seven (7) calendar days following the postmark date of the confirmation letter by following the instructions contained in the letter. The Right of Rescission only applies when a customer switches to a generation supplier and not on renewal enrollments. Your EDU will not send a confirmation notice upon any renewal of this Agreement. Should you choose to opt-out of your community's program, you will be served by your EDU's standard service offer established pursuant to section 4928.14 of the Ohio Revised Code unless you choose an alternate supplier of electricity.

TERMS AND CONDITIONS OF SERVICE

1. **Eligibility.** Only Residential Customer accounts not enrolled in the Percentage of Income Plan Program (PIPP) and small commercial customers with a peak demand below 399 KW are eligible for this offer from FES. FES reserves the right to refuse enrollment to any customer with an outstanding balance.

2. **Basic Service Prices.** During the term of this Contract, you agree to pay FES for a total combined Transmission, Generation, and Generation Related Charges. You will be billed at the percentage off your EDU Price to Compare per KWh per billing month, as specified in the opt-out notification. Your Price to Compare consists of bypassable transmission, generation and transmission and generation related components, which are charges associated with the costs of purchased power and the cost to deliver the power through the transmission system. These are the charges that you would avoid for that billing period when you switch to FES.

Your price per KWh will vary because it will always be a percent off the Price to Compare, which may change based on any changes made by the EDU in its calculations. In addition to FES' charges, you will be charged by your EDU for distribution and various other charges. FES reserves the right to unilaterally modify this billing format in the event the EDU is unable or unwilling to provide consolidated billing in this format or changes the calculation of the Price to Compare.

In addition to the charges described above, if any regional transmission organization or similar entity, EDU, governmental entity or agency, NERC and other industry reliability organization, or court requires a change to the terms of the Agreement, or imposes upon Supplier new or additional charges or requirements, or a change in the method or procedure for determining charges or requirements, relating to your electric supply under this Agreement (any of the foregoing, a "Pass-Through Event"), which are not otherwise reimbursed to FES, Customer agrees that Supplier may pass through the additional cost to Supplier of such Pass-Through Event, which may be variable, to Customer. Changes may include, without limitation, transmission or capacity requirements, new or modified charges or shopping credits, and other changes to retail electric customer access programs.

3. **Length of Agreement.** As a part of your community's program, your service from FES will commence with the next available meter reading and after processing of the enrollment by your EDU, and will continue for the term as specified in the opt-out notification, ending on the meter read for the last month of service. The program may be terminated or modified due to unforeseen regulatory action. Customer and FES agree that any such regulatory action is a force majeure event. Should the program be terminated, you will be returned to the standard service offer or its successor.

4. **Billing.** You will continue to receive a single bill from your EDU that will contain both your EDU and FES charges. FES does not offer budget billing. If you do not pay your bill by the due date, FES may cancel this Agreement after giving you a minimum of fourteen (14) days written notice. Upon cancellation you will be returned to your EDU as a customer. You will remain responsible to pay FES for any electricity used before this Agreement is cancelled, as well as any late payment charges.

5. **Penalties, Fees and Exceptions.** If you do not pay the full amount owed FES by the due date of the bill, FES may charge a 1.5% per month late payment fee.

6. **Cancellation/Termination Provisions.** If this Agreement is not rescinded during the rescission period, enrollment will be sent to your EDU. You may terminate this Agreement, without penalty, if you move out of the EDU service territory or into an area where FES will charge a different price. *There will be a \$25 charge for each residential EDU account and a \$50.00 charge for each commercial EDU account if you terminate this Agreement for any other reason, except as expressly provided herein. Should you cancel service with FES and return to standard offer service with your EDU, you may not be served under the same rates, terms, and conditions that apply to other EDU customers.*

7. **Customer Consent and Information Release Authorization.** By choosing not to opt-out of your community's aggregation program, you understand and agree to the terms and conditions of this Agreement with FES. You authorize FES to obtain information from the EDU that includes, but is not limited to: billing history, payment history, historical and future electricity usage, meter readings, and characteristics of electricity service. FES reserves the sole right to determine if your credit standing is satisfactory before accepting your enrollment request. This Agreement shall be considered executed by FES following acceptance of your enrollment request by FES, the end of the 7 day rescission period and subsequent acceptance of the enrollment by your EDU.

8. **Contract Expiration.** At least every three years, you will be given the opportunity to opt-out of your community's aggregation program at no cost. You are responsible for arranging for your electric supply upon termination of this Contract.

9. **Dispute Procedures.** Contact FES with any questions concerning the terms of service by phone at 1-888-254-6359 (toll-free) M-F 8AM – 5PM EST or in writing at 341 White Pond Drive, Attn: Contract Administration, Akron, OH 44320. Our web address is www.firstenergysolutions.com. If your complaint is not resolved after you have called your electric supplier 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 TTY at 1-800-686-1570 (toll free) from 8:00 am to 5:00 pm weekdays or at www.PUCO.ohio.gov. Residential customers may also call the Ohio Consumers' Counsel (OCC) at 1-877-742-5622 (toll free) from 8:00 am to 5:00 pm weekdays or at www.pickocc.org.

10. **Miscellaneous.** You have the right to request from FES, twice within a 12 month period, up to 24 months of payment history, without charge.

FES will not release your Social Security number and/or account number(s) without your written consent

FES' environmental disclosure statement is available for viewing on our website – www.firstenergysolutions.com. You agree that FES will make the required quarterly updates to the statement electronically on our website. We will also provide the information upon request.

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

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

Customer is responsible for providing FES with accurate account information. If said information is incorrect, FES reserves the right to reprice the applicable account(s) or terminate the agreement.

FES reserves the right to return any customer to the EDU if the customer's rate code is changed and the account is no longer eligible for this program.

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

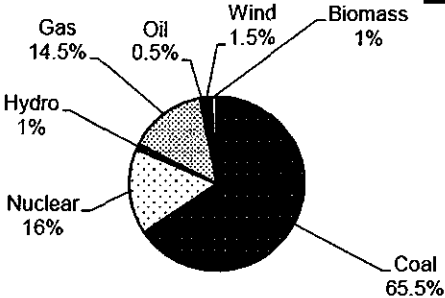
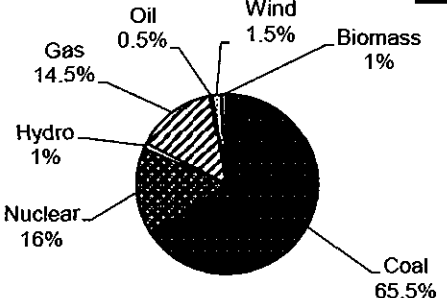
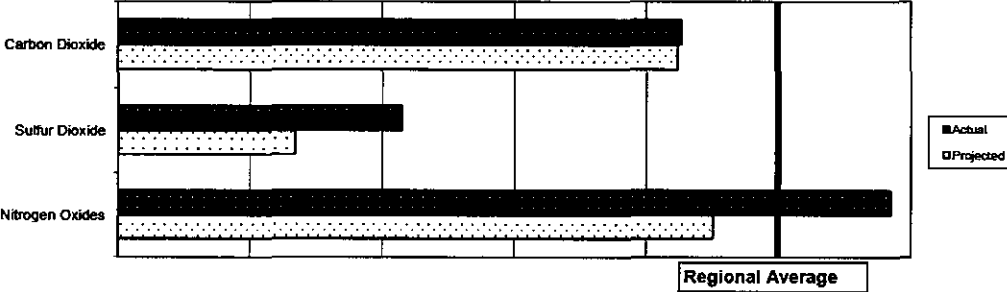
| Environmental Enclosure - Quarterly Comparison | | | | | | | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|------------------|---------------------|------------------|------------------------------|--------|--------|-----------------------------|--------|--------|
| FirstEnergy Solutions Corp. | | | | | | | | | | | |
| Projected Data for the 2014 Calendar Year | | | | | | | | | | | |
| Actual Data for the Period 01/01/14 to 3/31/14 | | | | | | | | | | | |
| Generation Resource Mix- A comparison between the resources of generation projected to be used to generate this product and the actual resources used during this period. | Projected  | Actual  | | | | | | | | | |
| | | | | | | | | | | | |
| Environmental Characteristics- A description of the characteristics associated with each possible generation resource. | Biomass Power | Air Emissions and Solid Waste | | | | | | | | | |
| | Coal Power | Air Emissions and Solid Waste | | | | | | | | | |
| | Hydro Power | Wildlife Impacts | | | | | | | | | |
| | Natural Gas Power | Air Emissions and Solid Waste | | | | | | | | | |
| | Nuclear Power | Radioactive Waste | | | | | | | | | |
| | Oil Power | Air Emissions and Solid Waste | | | | | | | | | |
| | Other Sources | Unknown Impacts | | | | | | | | | |
| | Solar Power | No Significant Impacts | | | | | | | | | |
| | Unknown Purchased Resources | Unknown Impacts | | | | | | | | | |
| | Wind Power | Wildlife Impacts | | | | | | | | | |
| Air Emissions- A comparison between the air emissions related to this product and the regional average air emissions. |  | | | | | | | | | | |
| | | | | | | | | | | | |
| Radioactive Waste- Radioactive waste associated with the product. | <table><tr><th>Type :</th><th>Projected Quantity:</th><th>Actual Quantity:</th></tr><tr><td>High-Level Radioactive Waste</td><td>0.0029</td><td>0.0018</td></tr><tr><td>Low-Level Radioactive Waste</td><td>0.0008</td><td>0.0002</td></tr></table> | | Type : | Projected Quantity: | Actual Quantity: | High-Level Radioactive Waste | 0.0029 | 0.0018 | Low-Level Radioactive Waste | 0.0008 | 0.0002 |
| | Type : | Projected Quantity: | Actual Quantity: | | | | | | | | |
| High-Level Radioactive Waste | 0.0029 | 0.0018 | | | | | | | | | |
| Low-Level Radioactive Waste | 0.0008 | 0.0002 | | | | | | | | | |
| | | Lbs./1,000 kWh Ft ³ /1,000 kWh | | | | | | | | | |
| Renewable Energy Credits: FirstEnergy Solutions Corp. purchases renewable energy credits (REC's) as a means of complying with the renewable energy resource benchmark under the state's alternative energy portfolio standard requirements. The requirement for 2014 is 2.5% renewable, including 0.12% solar. | | | | | | | | | | | |
| With in-depth analysis, the environmental characteristics of any form of electric generation will reveal benefits as well as costs. For further information, contact FirstEnergy Solutions Corp. at www.fes.com or by phone at 1-888-254-6359. | | | | | | | | | | | |

EXHIBIT 5

EXPERIENCE STATEMENT

The City of Sandusky has experience in negotiating, contracting and providing for common services for residents of the City. Some examples of experience as a service provider are:

- Electric Power purchase, generation and distribution
- Water and Sewer Service
- Police and Fire Service
- Parks and Recreation

The Mayor, City Council and City Staff routinely negotiate for services and supplies that benefit the residents of Sandusky.

However, due to the complexity of municipal opt-out aggregation, the City has chosen to retain the services of a consultant to assist them in designing, implementing and maintaining their electric aggregation program.

Contractual Arrangements for Capability Standards

The City of Sandusky states that a valid contract exists with:

AMPO, Inc., a Subsidiary of AMP
1111 Schrock Road, Suite 100
Columbus, Ohio 43229

for the purpose of providing consulting services on municipal opt-out electric aggregation.

Detailed summary of the services being provided:

- Assist with developing model ordinances to create opt-in or opt-out electric aggregation programs.
- Coordinate and work with municipal local officials and staff to develop a procurement strategy for reliable and competitive electric supplies and related services for the electric aggregation program.
- Assist with the preparation of a Plan of Operation and Governance for the electric aggregation program.
- Coordinate and assist with the preparation and filing of the required aggregation certification documents with the Public Utilities Commission of Ohio ("PUCO").
- Assist with performing the PUCO requirements for governmental aggregation programs.
- Provide consulting services and administer the process of negotiating with certified electric suppliers, developing and soliciting requests for quotations ("RFQ") or requests for proposals ("RFP").
- Evaluate and manage the ongoing negotiations and/or RFQ or RFP.
- Analyze the negotiations and/or RFQ or RFP's from certified retail electric suppliers and make recommendations to local officials and staff.
- Assist with developing and negotiating the contract with the certified retail electric supplier to serve the aggregation program.
- Assist the municipality in executing and administering agreements with the selected certified retail electric supplier.
- Coordinate the PUCO customer notifications and other requirements for enrolling residents in the

municipal electric aggregation program.

- Work with and assist the municipality, the certified retail electric supplier, and the electric local distribution company to facilitate the enrollment of customers in the municipal electric aggregation program at the earliest date practicable.
- Work with the certified retail electric supplier to coordinate and communicate with the municipality regarding enrollments in the municipal electric aggregation program, cost savings to participants, and other related matters.
- Assist the municipality in developing effective consumer education materials to explain the aggregation program and make community presentations as needed.
- Assist with monitoring proceedings of applicable legislative and regulatory bodies and provide analysis and updates on changes that may impact the municipal electric aggregation program, its participants, or the municipality.
- Represent the interests of the municipality at meetings with the certified retail electric supplier and the local distribution company concerning the municipal electric aggregation program rates, terms and conditions of service, customer concerns, etc.
- Assist and work with the municipality to prepare and file annual reports required by the PUCO and Section 4905.10(A) and Section 4911.18(A), Ohio Revised Code.
- Coordinate with municipal legal counsels to facilitate legal reviews and/or opinions that may be needed in connection with the aggregation program. Please note that the performance of any legal work, including but not limited to the legal reviews and/or opinions, are beyond the scope of AMPO's services.
- As the initial term of the certified retail electric supplier contract agreement nears its end, repeat Phase I activities to secure ongoing competitive electric supplies and related services for the municipal electric aggregation program.

Documentation of Contracting Party's Experience in Energy Aggregation:

AMP, Inc.

Founded in 1971, Columbus based American Municipal Power (AMP) was organized as a nonprofit corporation for the purpose of owning and operating electric facilities or otherwise providing for the generation, transmission and/or distribution of electric power and energy to its member communities. Members include 80 of Ohio's 86 municipally owned electric systems, three in Kentucky, seven in Michigan, 29 in Pennsylvania, five in Virginia and two West Virginia public power communities, ranging in size from 116 customers to more than 80,000 customers. Collectively, AMP member communities serve approximately 364,000 customers.

AMP coordinates, negotiates and develops power supply options and interchange agreements on behalf of its members. AMP also owns and operates the Richard H. Gorsuch Generating Station, a 213-megawatt coal-fired facility located in Marietta, Ohio, that provides power to 48 participating communities, and has undertaken an ambitious program of siting distributed generation in member communities throughout Ohio. In addition, AMP serves as an independent project manager for Ohio members participating in joint ventures to share ownership of power generation and transmission facilities, including the OMEGA JV5 project, a 42 MW run-of-the-river hydroelectric power station completed on the Ohio River in 1999.

AMP also operates a sophisticated 24-hour energy control center that monitors electric loads and

transmission availability, dispatches, buys and sells power and energy and controls AMP and member-owned generation. A competent in-house engineering, operations, safety, power supply, key accounts, economic development, rate and environmental staff is available at AMP's headquarters to assist member communities in addition to performing AMP duties and providing support to the joint ventures.

AMP's knowledgeable, experienced staff understands the unique challenges faced by local government staff and elected officials. AMP is governed by a 16-member Board of Trustees, all of who are local government representatives, and a number of AMP staff members—including its president—once worked for local governments.

AMPO, Inc.

Formed in 1998, AMPO, Inc. is a wholly owned, taxable subsidiary of AMP whose purpose is to provide direction and service to local governments and other energy consumers in evolving energy markets. This includes the development and implementation of local electric and electric aggregation programs, review and negotiation of energy contracts, and the evaluation and implementation of energy supply alternatives for local business, industry and government. AMPO, Inc. has been an approved supplier in the Columbia Gas of Ohio CHOICEsm and Dominion East Ohio Energy Choice programs and currently works with over 40 Ohio communities to offer natural gas and/or electric aggregation programs to residential and small commercial customers.

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

11/14/2016 3:29:38 PM

in

Case No(s). 00-2494-EL-GAG

Summary: Exhibit Exhibits to Renewal Application electronically filed by Ms. Tracy Reimbold on behalf of City of Sandusky and Mr. E. Wobser