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#### PUCO

July 5, 2007

Ms. Renee Jenkins Public Utilities Commission of Ohio **Docketing Division** 180 East Broad Street Columbus, OH 43215-3793

RE: Case #03-1504-EL-GAG

Dear Ms. Jenkins:

Please find enclosed the original and ten copies of the renewal Application for Certification for the Village of Navarre. FirstEnergy Solutions is providing aggregation services to the Village and, in this capacity, are filing this application on their behalf.

Should there be any questions and/or additional information needs, please contact: Brenda Fargo, Government Aggregation Program Manager, FirstEnergy Solutions, 330-315-6898 or through e-mail at fargob@fes.com.

Thamak You,

Brenda Fargo

FirstEnergy Solutions

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This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business. Technician M



The Public Utilities Commission of Ohio



#### RENEWAL APPLICATION FOR GOVERNMENTAL AGGREGATORS

Please print or type all required information. Identify all attachments with an exhibit label and title (Example: Exhibit A-4 Opt-Out Form). All attachments should bear the legal name of the Applicant and should be included on the electronic copy provided. Applicants should file completed applications and all related correspondence with: Public Utilities Commission of Ohio, Docketing Division, 180 East Broad Street, Columbus, OH 43215-3793.



#### A. RENEWAL INFORMATION

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

Legal Name_Village of Navarre		
Address 27 Canal Street, Navarre, OH 44662		
PUCO Certificate # and Date Certified 03-106(2) issued 8/9/2005		
Telephone # (330) 879-5508 Web site address (if any)		

- A-2 <u>Exhibit A-2 "Authorizing Ordinance"</u> provide a copy of the ordinance or resolution authorizing the formation of a governmental aggregation program adopted pursuant to Section 4928.20(A) of the <u>Revised Code</u>.
- A-3 Exhibit A-3 "Operation and Governance Plan" provide a copy of the applicant's current plan for operation and governance of its aggregation program adopted pursuant to Section 4928.20(C) of the Revised Code. The Operation and Governance Plan explained in Exhibit A-3 should include:
  - Terms and conditions of enrollment including:
    - Rates
    - Charges
    - Switching fees, if any
  - · Policies associated with customers moving into/out of aggregation area
  - Billing procedures
  - Procedures for handling complaints and disputes including the toll-free telephone number and address for customer contacts

	A-4			
		the disclosures/"opt-out" required by Section 4928.20(D) of the Revised Code, if its		
		aggregation program provides for automatic aggregation in accordance with Section		
		4928.20(A) of the Revised Code. If the opt-out is in draft form, docket the final opt-out		
		(including beginning and ending dates of the 21-day -out period and the selected CRES		
		supplier) with the Commission within 10 days prior to providing or offering service. See		
		#12 in the attached Affidavit.		
	A-5 Contact person for regulatory or emergency matters			
		Name Brenda Fargo		
		Title Gov't Aggregation Program Manager		
		Business address 395 Ghent Road, Akron, OH 44333		
		Telephone # (330) 315-6898 Fax # (330) 315-6889		
		E-mail address (if any) fargob@fes.com		
	A-6	Contact person for Commission Staff use in investigating customer complaints		
		Name Mary Ann Lepp		
		Title Manager Retail Back Office		
		Business address 395 Ghent Rd. Rm 413, Akron, OH 44333		
		Telephone # (330) 315-6772 Fax # (330) 315-6913		
		E-mail address (if any) leppm@fes.com		
	A-7	Applicant's address and toll-free number for customer service and complaints		
		Chiefannan Camilian addusen Bland Bl		
		Customer Service address FirstEnergy Solutions, 395 Ghent Rd., Akron, OH 44333  Toll-free Telephone # (866) 636-3749 Fax # (330) 315-6915		
		E-mail address (if any) leppm@fes.com		
		20		
X	M	. Al Burgo		
	Signa <b>ri</b>	fre of Applicant & Title		
	V			
	S.wown	and subscribed before me this 3 PO day of JULY, 2007  Year  Year  ANNE L. JOHNSON WERK-TREASURER  THE OF OFFICIAL Administering onth  Print Name and Title		
	Month	Year		
	-2b	And the Area Torong		
	-W	fre a jourson HIVNE L. JOHNSON WELL - I PERSUPER		
	Signatu	re of official administering oath Print Name and Title		
		11 17 17		
		My commission expires on 11-16-11		

#### <u>AFFIDAVIT</u>

State of	<u>_</u> :	
County of	ss	
	_, Affiant, being duly sworn/affirmed according	to law, deposes and says that:
He/She is the	(Office of Affiant) of	(Name of Applicant);
	11 2 2 2 00 1 1 2 1 1 1	_

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

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

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

	That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.	
×	Mayor Robert S. Benson Signature of Affiant & Title	
	Sworn and subscribed before me this 3 RO day of JULY, 2007 Month, Year	
a	Signature of official administering oath  AME L. FOHNSON CHERT—TREASURER  Print Name and Title	
My commission expires on		

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

#### CERTIFICATION APPLICATION FOR A GOVERNMENTAL AGGREGATOR

Village of Navarre, Ohio

27 Canal Street Navarre, OH 44662

330-879-5508 330-879-3011 (fax)

July 6, 2007

## Exhibit A-2

# Authorizing Ordinance

#### RECORD OF ORDINANCES

Dayton Legal Blank Co. Form No. 20043

Ordinance No. .. 2-2003 ....

Passed FEBRUARY 17

2003

TITLE: SUBMISSION OF BALLOT QUESTION TO STARK COUNTY BOARD OF ELECTIONS - ELECTRICITY AGGREGATE

AN ORDINANCE AUTHORIZING ALL ACTIONS NECESSARY TO EFFECT A GOVERNMENTAL ELECTRICITY AGGREGATION PROGRAM WITH OPT-OUT PROVISIONS, PURSUANT TO SECTION 4928.20, OHIO REVISED CODE, DIRECTING THE STARK COUNTY BOARD OF ELECTIONS TO SUBMIT A BALLOT QUESTION TO THE ELECTORS AND DECLARING THE SAME TO BE AN EMERGENCY

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

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

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

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

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE VILLAGE OF NAVARRE, STATE OF OHIO, THAT:

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

SECTION 2: The Board of Elections of Stark County is hereby directed to submit the following question to the electors of the Village at the primary election on May 6, 2003:

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#### RECORD OF ORDINANCES

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	Ordinance No.	Passeu	YEAR
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Shall the Village of Navarre have the authority to aggregate the retail electric loads located in the Village, and for that purpose, enter into service agreements to facilitate for those loads the sale and purchase of electricity, such aggregation to occur automatically except where any person elects to opt out?

The Village Clerk-Treasurer is instructed immediately to file a certified copy of this Ordinance and the proposed form of the ballot question with the Stark County Board of Elections not less than seventy-five (75) days prior to May 6, 2003. The Aggregation Program shall not take effect unless approved by a majority of the electors voting upon this Ordinance and the Aggregation Program provided for herein at the election held pursuant to this SECTION 2 and Section 4928.20, Ohio Revised Code.

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

SECTION 4: It is hereby found and determined that all formal actions of this Council concerning the relating to the passage of this Ordinance were taken 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 meetings open to the public in compliance with the law.

SECTION 5: This Ordinance is hereby declared to be an emergency ordinance as it is of immediate necessity to the health, safety and welfare of the residents of the Village of Navarre, Stark County, Ohio, that this Ordinance, which includes a ballot question, be enacted immediately. The reason for the emergency is that a certified copy of this Ordinance and the proposed form of the ballot question must be filled with the Board of Elections of Stark County, Ohio not later than seventy-five (75) days prior to the May 6, 2003 election, and this deadline occurs at 4:00 P.M. on Friday, February 20, 2003. Therefore, this Ordinance shall take effect immediately upon its passage by Council, and signature of the Mayor, as provided for by Ohio Revised Code, Sections 731.17 and 731.30.

Passed (as an emergency and under suspension of rules); February 17, 2003.

#### RECORD OF ORDINANCES

-	Deyton Legal Blank Co. Form No. 30043
	Ordinance No. 2-2003 Passed FEBRUARY 17 2003
	ROBERT L. BENSON, MAYOR
	ATTEST:
	MARY ANN HEESTAND, CLERK-TREASURER
	I, Mary Ann Heestand, Clerk-Treasurer for the Village of Navarre, Ohio, do hereby certify that the foregoing is a true copy of ORDINANCE duly passed and adopted by the Council of the Village of Navarre on the 17TH DAY OF FEB. 2003 as compared by me with the original on file in my office.
	Drang and Heestment
	I, Mary Ann Heestand, Clerk-Treasurer for the Village of Navarre, Ohio, do hereby certify that there is no newspaper in said Village and that publication of the above ORDINANCE was duly made by posting one copy thereof at each of the five places designated by Council and that said ORDINANCE will remain posted for at least fifteen days thereafter.
	Village Auto Parts, Sky Bank, Navarre Post Office, Surbey Feed & Supply, Village Clean Laundromat
	Mary Annu Hertand
	I hereby certify that the foregoing is a true and correct copy of Ordinance #2-2003 as taken from the records on file in the office of the Clerk-Treasurer of the Village of Navarre.
	Drang Som Lewans

# Exhibit A-3 Operation and Governance Plan

# Village of Navarre

# Electric Power Aggregation Plan of Operation and Governance

June 17, 2003

### Village of Navarre Electric Power Aggregation Plan of Operation and Governance

#### I. INTRODUCTION

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

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

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

#### II. PROCESS

In May 2003, Navarre voters approved the development of a form of government electric aggregation known as "opt-out" aggregation. Under the opt-out program, all OE residential and commercial customers in the Village are automatically included as participants in the program unless they opt-out of the program by providing written notice of their intention not to participate. As required by state law, the Village Council passed an Ordinance, which authorized submitting the selection of opt-out aggregation to the Village's voters.

In addition to obtaining necessary Village Council approvals, the Village is also required to comply with various PUCO regulations. The Village will file an application with the PUCO for certification as a Government Aggregator as soon as the Village Council Approves the Plan, on or about July 21, 2003. As required by the regulations, the Village developed this Aggregation Plan of Operation and Governance ("Plan"). The Village advertised the Public hearing dates to discuss the Plan in the Massillon Independent. As required by the PUCO's regulations, two hearings were conducted on June 24, 2003 and July 1, 2003. The Opt-out notice for the Village's Program will be sent to all electric customers in the Village upon approval of this Plan, setting forth the rates, terms and conditions of the program, and giving 21 days to opt out of the Program.

By vote of the Village Council of Navarre, the Village selected FirstEnergy Solutions Corp. (FES), a subsidiary of FirstEnergy Corp., as its Retail Electric Generation Provider, to provide the electric power for the Navarre Aggregation Program at this time. Under this program, Ohio Edison (OE) will still deliver the electricity purchased from the Village's provider, FES, to customers, customers will receive only one bill (from OE), and all metering, repairs and emergency service will continue to be provided by OE.

#### III. <u>DEFINITIONS</u>

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

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

"Government Aggregator" means the Village and its legislative authority acting as an aggregator for the provision of a competitive retail electric service under the authority conferred under Section 4928,20 of the Ohio Revised Code.

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

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

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

#### IV. OPERATIONAL PLAN:

#### A. Aggregation Services

- 1. Provider: Navarre will use a contractor ("Retail Electric Generation Provider") to perform and manage aggregation services for its Members. The Village has selected FES to be its Provider at this time. The Provider shall provide adequate, accurate, and understandable pricing terms and conditions of service, including any switching fees and the conditions under which a Member may rescind a contract without penalty. The Provider must provide the Village, if requested, an electronic file containing the Members usage, and charges. The Provider must have a local Navarre phone number or a toll free number for Members to call.
- 2. Database: The Retail Electric Generation Provider will build and maintain a database of all Members. The database will include the name, address, Ohio Edison account number, and Retail Electric Generation Provider's account number of the Member, and other pertinent information such as rate code, rider code (if applicable), most recent 12 months of usage and demand, and meter read cycle. This database will be updated at least quarterly. Accordingly, the Retail Electric Generation Provider will develop a process to be implemented that will be able to accommodate at a minimum Members who (i) leave the program due to relocation, opting out, etc. (ii) decide to enter the Program; (iii) relocate within the Village, and (iv) move into the Village and desire to enter the Program. This database shall also be capable of eliminating PIPP customers from the Program, should that be necessary, and those who have opted out. The

Retail Electric Generation Provider will use this database to perform bill audits for clerical and mathematical accuracy of Member bills.

- 3. Member Education: The Retail Electric Generation Provider will develop, with the assistance of the Village, an educational program that generally explains the Aggregation Program to Members, provides updates and disclosures mandated by Ohio law and PUCO rules, and implements a process to deal with allowing any person enrolled in the Aggregation Program the opportunity to opt out of the program at least every two years, without paying a switching fee to the Village or the Provider. See Appendix A for a detailed description of the Education Process.
- 4. Customer Service: The Retail Electric Generation Provider will develop and administer a customer service process, that at a minimum will be able to accommodate (i) Member inquiries and complaints about billing; and (ii) answer questions regarding the program in general. This process will include at a minimum a description of how telephone inquiries will be handled, either internally or externally, how invoices will be prepared, how remittance of payment will be dealt with, and how collections for delinquent accounts will be addressed. See Appendix B for a detailed description of the Customer Service Plan.
- 6. Billing: Navarre will use the Retail Electric Generation Provider, or it's designated agent, to provide billing services to each Member for the Competitive Retail Electric Services, with no additional administrative fee. At this time, Ohio Edison will render the billing statement, which should be consistent with all applicable guidelines issued by the PUCO. As this market develops, Navarre may, at its option and in consultation with the Provider, change this function to the Retail Electric Generation Provider or a billing agency.
- 7. Compliance Process: The Retail Electric Generation Provider will develop internal controls and processes to ensure that the Village remains in good standing as a Government Aggregator that complies with all laws, rules and regulations surrounding the same, as they may be amended from time to time. It will be the Retail Electric Generation Provider's responsibility to deliver periodic reports that will include at a minimum (i) the number of Members participating in the Program; and (ii) a savings estimate or increase from the previous year's baseline. The Retail Electric Generation Provider will also develop a process to monitor and provide notification of any changes in laws, rules or regulations.
- 8. Notification to Ohio Edison: The Village's OE consumers that do <u>not</u> opt-out of the Village's Aggregation Group will be enrolled automatically in the Aggregation Program. Participants in the Village's Aggregation Group will <u>not</u> be asked to take other affirmative steps in order to be included in the Group. To the extent that OE requires notification of participation, the Village will coordinate with its Provider to provide such notice to OE. The Provider will inform OE of any individuals who may have been permitted to join the Aggregation Group after the expiration of the enrollment period.

#### B. Power Supply Agreement

The Power Supply Agreement will provide for the Provider to serve the Village's Government Aggregation Group. Under the Agreement, the term for power supply to Members will be for four years from the beginning of service.

- C. Navarre' Retail Electric Generation Provider FirstEnergy Solutions, Corp. (FES)
  - FES satisfies each of the following requirements:
- Has sufficient sources of power to provide retail firm power to the residents and businesses
  of Navarre.
- Is a licensed Federal Power Marketer with the Federal Energy Regulatory Commission.

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

#### D. Activation of Service

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

#### E. Changes, Extension or Renewal of Service

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

#### F. Termination of Service

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

#### G. Opt-In Procedures

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

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

#### H. Opt-out Procedures

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

#### I. Rates

#### Residential Rates:

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

#### Residential Customers – September 2003 – 2007 Rate Structure:

The residential members of Navarre's program are guaranteed to save six\_percent on electric supply for 2003 and 2004. The percentage will remain six for the following two years unless the Village and supplier agree to an alternate offer. This percentage discount will be taken off the "generation shopping credit," which appears on the electric bill after enrollment in the Village's program. The generation shopping credit — which varies each month depending on usage — represents the amount credited when a member switches to an alternative supplier, such as FirstEnergy Solutions.

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

Rate 10A – Standard Residential Rate

6% off Generation Shopping
Credit

Rate 11A – Optional Heating Rate

6% off Generation Shopping
Credit

Rate 17 – Load Management Rate

6% off Generation Shopping
Credit

Rate 19 – Optional Heating Rate

6% off Generation Shopping
Credit

6% off Generation Shopping
Credit

Note: Residential Rates 10B, 11B, 11C, 11E, 11F, 11G, 12, 14A, 14B, 14C, 14D, 14E, and 18 are "Full Service" rates, meaning such customers cannot participate by "shopping" in the electric choice program, since they would have to switch to a "fall back" rate in order to shop for competitive services, potentially losing the discount they already receive. Such customers should check with OE to determine if they would be better off switching to a different rate class or not.

#### Commercial Customers - September 2003 – 2007 Rate Structure:

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

#### Rate 21- usage of 299 kWh peak demand and below 4% off

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

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

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

#### J. Other Costs

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

#### K. Universal Service and Low Income Customer Assistance

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

#### V. MISCELLANEOUS GOVERNANCE GUIDELINES

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

#### VI. <u>LIABILITY</u>

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

#### VII. INFORMATION AND COMPLAINT NUMBERS

Copies of this Plan are available from the Village of Navarre free of charge. Call the Village of Navarre Law Department at 330-375-2030 for a copy or for more information.

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

#### Appendix A -- Education Process

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

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

#### Appendix B -- Customer Service Plan

#### A. Member Access:

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

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

3. FES shall provide a 24-hour automated telephone message instructing callers to report any service interruptions or electrical emergencies to Ohio Edison.

#### B. <u>Member Complaints</u>:

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

#### C. <u>Member Billing and Payments</u>

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

 The Village and FES shall establish policies and procedures for handling billing disputes and requests for payment arrangements.

#### D. <u>Collections for delinquent accounts:</u>

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

#### **Opt-Out Notification**

#### DATE

#### Dear Navarre Resident,

The Village of Navarre is providing you with the opportunity to join with other Navarre residents and businesses to save money on the electricity you use. Savings are possible through a concept called government aggregation, where Village 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. Navarre voters approved this program in May 2003.

If you are an Ohio Edison (OE) customer on Standard Rate 10A, Optional Heating Rate 11A or 19, or Load Management Rate 17, or a commercial customer on Rate 21 with a peak annual demand of 299 or below, you will be automatically enrolled in Navarre's electric government aggregation program unless you choose to opt out. You will not be included in the Village's electric government aggregation program if you are served under any other residential or commercial rate.

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

As a residential or commercial member of this program, you are guaranteed to save percent on electric supply for the next two years. This percentage discount will be taken off your "generation shopping credit," which will appear on your electric bill after you have been enrolled in the Village's government aggregation program or by calling 1-800-225-0444. The generation shopping credit — which varies each month depending on your usage — represents the amount credited to you if you switch to an alternative supplier, such as FirstEnergy Solutions.

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

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

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

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

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

Sincerely,

The Village of Navarre

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

OPT-OUT FORM – VILLAGE OF NAVARRE ELECTRIC GOVERNMENT AGGREGATION PROGRAM		
By returning this signed form, you will be excluded from the opportunity to join with other residents in the Village of Navarre Electric Government Aggregation Program.		
I wish to opt out of the Village of Navarre Electric Government Aggregation Program. (Check box to opt out.)		
Ohio Edison account holder name (please print clearly):		
Service address (Village, state and zip):		
Phone number:		
Account holder's signature:		
Mail by XXXXXXX to: Village of Navarre Electric Government Aggregation Program, 395 Ghent Road, Suite 413, Navarre, Ohio 44333		
i !		

#### Navarre Electric Aggregation Program — Frequently Asked Questions

#### What is aggregation?

Under governmental aggregation, Village 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 Navarre able to choose a licensed electric generation supplier on my behalf?

On May 6, 2003, Navarre residents voted to allow the Village to contract for an electric generation supplier on their behalf.

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

When you join the Village's government aggregation program, your electric utility will provide you with a "generation shopping credit," which is available on your electric bill after you have been enrolled in the Village's government aggregation program or by calling 1-800-225-0444.

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

#### What does "opt out" mean?

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

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

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

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

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

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

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

#### May I get back into the Village's electric aggregation program after I have optedout?

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

#### Can I opt out over the phone?

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

#### Who is FirstEnergy Solutions?

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

#### What is the toll-free number for questions?

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

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

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

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

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

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

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

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

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

#### Does FirstEnergy Solutions charge any fees?

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

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

FirstEnergy Solutions residential price is fixed regardless of how much electricity you use, or when you use it.

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

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

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

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

#### FirstEnergy Solutions Corp. Government Aggregation Residential Electric Generation Program Terms & Conditions of Service

FirstEnergy Solutions Corp. ("FES") is certified by the Public Utilities Commission of Ohio ("PUCO") to offer and supply electric generation services in Ohio. FES sets the generation prices and charges that you pay under their contract with your community. The PUCO regulates distribution prices and services. The Federal Energy Regulatory Commission regulates transmission prices and services. The Electric Distribution Utility (EDU) provides transmission and distribution services.

RIGHT OF RESCISSION – After you become a participant in your community program by not "opting out", your EDU will send you a confirmation notice of the transfer of service. As required by law, this notice will inform you that you may cancel this Contract within seven (7) calendar days following the postmark date of the confirmation notice from your Electric Distribution Utility ("EDU") by calling your EDU or by written notice to your EDU, which is effective on the postmark date. If you cancel, the EDU will give you a cancellation number.

#### **DEFINITIONS**

Generation Service - Production of electricity.

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

#### TERMS AND CONDITIONS OF SERVICE

- 1. Basic Service Prices. During the term of this Contract, for all electric generation delivered by FES to Customer, Customer agrees to pay FES the price specified in the opt-out notification. In addition to the charge for generation services, you will be charged by your EDU for distribution, transmission, ancillary, and various other charges. For these EDU charges only, the average residential customer using 750 kWh will pay \$50.00 to \$55.00 per month. The Customer's price for generation will vary based on the generation shopping credit, which may change monthly as calculated by the EDU based upon your usage and usage pattern.
- 2. Length of Contract. Your service under this Contract from FES, as part of your community's program, will begin on the date the EDU authorizes FES to begin serving your account, and will continue for a two year term ending on your meter read for the last month of service. Service under this Contract will begin with the next available meter reading after processing of your request by the EDU and FES, as determined by the EDU.
- 3. Billing. The EDU will bill you monthly for both FES services and EDU services on a combined monthly bill.
- 4. Penalties, Fees and Exceptions. If you do not pay the full amount that you owe FES by the due date of the bill, you will be charged interest of 1.5% per month.
- 5. Cancellation/Termination Provisions. If you do not pay your bill by the due date, FES may terminate this Contract, discontinue generation service and return you to the EDU standard-offer service after giving you a minimum of 14 days written notice. You will remain responsible to pay FES for any electricity used before this Contract is cancelled, as well as all interest on past due amounts. You may terminate this Contract, without penalty, if you move out of your current EDU service territory or into an area where FES will charge you a different price, by providing us with a 30 day written notice. There will be a \$25 charge if you terminate this Contract for any other reason, except as expressly provided herein.
- 6. Service by EDU. This Contract automatically terminates on the same date that your electric service from your EDU is disconnected or discontinued. If this should occur, please contact FES to discuss your options.

  7. Dispute Procedures. Contact FES with any questions concerning our terms of service by phone at 1-888-254-6359 (toll-free) M-F 7AM 7PM EST or in writing at 395 Ghent Road, Attn: Contract Administration, Akron, OH 44333. Our web address is www.firstenergysolutions.com. You may call the PUCO if you are not satisfied after discussing your terms with us at 1-800-686-PUCO (7826) (toll-free) or 614-466-3292 or in writing at 180 E. Broad Street, Columbus, OH 43215-3793.
- 9. Miscellaneous.

Although your EDU may charge you an initial switching fee for entering the program, FES will pay this fee on your behalf. You have the right to request, from FES, up to 24 months of your payment history, without charge.

FES will not release your Social Security Number and/or account number(s) without your written consent. An **Environmental Disclosure** Form has been included with this Contract. FES may assign its rights to another, including any successor, in accordance with the rules and regulations of the PUCO and the agreement of your community.

By accepting this Contract, you are authorizing your EDU to provide FES with information about your account. This information includes,

but is not limited to, billing history, historical and future usage, meter readings and types of service. FES assumes no responsibility or liability for the following items that are the responsibility of the EDU: operation and maintenance of the EDU's electrical system, any interruption of service, termination of service, or deterioration of the EDU's service. In the event of a power outage, you should contact your EDU at the number specified by the EDU.

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

10. Customer Consent. By choosing not to Opt-out of your community's aggregation program, and by not exercising you right of rescission as discussed above, you will be enrolled in your community's program and provided generation service by FES, subject to the acceptance by the EDU, and understand and agree to the terms and conditions set forth herein.

#### FIRSTENERGY SOLUTIONS CORP. Government Aggregation Special Business, Restricted Load Service Contract

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

Customer is responsible for verifying that choosing an alternative generation supplier does not adversely affect their overall bill. Customers who utilize the off-peak demand forgiveness, EDR, SAED, and other riders as well as customers who are currently under a special contract or non-shoppable rate may pay increased rates by switching.

#### **BACKGROUND**

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

#### RIGHT OF RESCISSION

Customer may cancel the enrollment within seven (7) calendar days following the postmark date of the confirmation notice from the Electric Distribution Utility ("EDU") by calling the EDU or by written notice to the EDU, which is effective as of the postmark date.

#### **DEFINITIONS**

Generation Service - The production of electricity.

Distribution Service - Physical Delivery of electricity to Customers by the EDU.

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

#### TERMS OF SERVICE

#### 1. Basic Service Prices

Customer will be billed on a monthly basis at the price specified in the opt-out notification. The Customer's price will vary based on the generation shopping credit, which may change monthly according to the EDU. In addition to the foregoing, Customer may be charged a \$5 switch fee per account.

#### 2. Length of Contract

Customer will receive service beginning on the meter read date as authorized by the EDU and will continue for the Term provided in the opt-out notification or as indicated on the Customer Consent Form or the Enrollment Letter.

#### 3. Special Terms and Conditions

Customer will be billed for our charges and the electric distribution charges on a combined monthly bill from the EDU. All applicable taxes shall be listed separately on the monthly bill statement in accordance with State and Local tax law. Each account shall be billed as 0% exempt from such taxes until valid Ohio Sales and Use Tax Exemption Certificate has been received by FES.

#### 4. Penalties, Fees and Exceptions

If the Customer does not pay the full amount that is owed FES by the due date of the bill Customer will be charged interest of 1.5% per month.

#### 5. Cancellation Provisions

Customer may cancel this Contract if Customer moves by providing us with a 30 day written notice. If Customer account Information provided to FES by Customer is incorrect, FES reserves the right to reprice the applicable account(s) or terminate the Contract.

If Customer does not pay the bill by the due date, and there is an outstanding and undisputed balance owed to FES for a period in excess of 30 days past the due date, we may cancel this Contract after giving Customer 14 days written notice. Customer will still be responsible to pay FES for any electricity used before this Contract is canceled, as well as all interest on past due amounts.

6. Assignment

Upon successful credit review, and upon agreement by FES, with said permission not being unreasonably withheld, this Contract may be assigned or otherwise transferred by the Customer to another, including any successor in interest. FES may assign it rights and obligations to another, including any successor in

interest, in accordance with the rules and regulations of the PUCO and with the agreement of your community, without the written consent of the customer.

#### 7. Dispute Procedures

Contact us with any questions concerning our terms of service. Customer may call the PUCO if Customer is not satisfied after discussing the terms with us.

#### 8. Contact Information

FirstEnergy Solutions Corp. The Public Utilities Commission of Ohio (PUCO)

395 Ghent Road #114 180 E. Broad St.

Akron, Ohio 44333 Columbus, OH 43215-3793

1-888-254-6359 (toll-free) 1-800-686-PUCO (7826) (toll-free)

M-F 7AM-7PM EST 614-466-3292

www.firstenergysolutions.com

#### 10. Force Majeure (Uncontrollable Forces)

Neither Customer nor FES will be obligated to uphold this contract if either party is unable to meet its obligations due to uncontrollable forces. The term "uncontrollable forces" shall mean any cause beyond reasonable control of the Party affected, despite exercising due diligence. "Uncontrollable forces" shall include, but not be limited to the failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance, labor dispute, sabotage, statutory or regulatory changes with material adverse effects, restraint by Court order or public authority or inability to obtain necessary licenses or permits. Any Party which is unable to fulfill any obligations by reason of uncontrollable forces shall exercise due diligence to remove such inability with all reasonable dispatch. Economic hardship of either Party shall not constitute a Force Maieure under this Contract.

#### 11. Creditworthiness

Upon request, Customer will provide FES with information reasonably requested by FES to complete a credit review. Service shall be contingent upon satisfactory review of Customer credit by FES, which shall have sole discretion for determination of Customer's creditworthiness.

#### 12. Liability

FES assumes no liability for the operation, maintenance, or performance of any transmission or distribution systems used to supply Customer.

#### 13. 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.

#### 14. Default

If Customer should breach this Contract by failing to purchase electricity from FES during the term of the Contract, Customer shall pay FES all costs and penalties, including but not limited to any generation reserved on behalf of the Customer, as well as any profits arising from the Contract. In the event that FES fails to deliver electricity to the Delivery Point, the Customer's sole and exclusive remedy shall be direct damages in the amount of the positive difference, if any between the price (\$/kWh) set forth herein and the purchase price (\$/kWh) paid by Customer for replacement electricity (assuming that Customer has used commercially reasonable efforts to replace the electricity) multiplied by the amount of undelivered electricity (kWh).

#### 15. Miscellaneous

An Environmental Disclosure Statement has been included with this Contract. The EDU may charge the Customer switching fees. Customer has the right to request, from FES, up to 24 months of Customer's payment history without charge.

#### 16. Entire Contract

This Contract, constitutes the entire agreement between FES and the Customer.

#### 17. Customer Consent

By choosing not to "Opt-out" of your community's program, you understand and agree to the terms and conditions of this Contract with FES. This Contract shall be considered executed by FES following the end of the 21 day opt-out period and the 7 day rescission period if you do not opt-out or, and subsequent acceptance by your EDU. By accepting this Contract, Customer is authorizing the EDU to provide FES with information about Customer account(s). This information includes, but is not limited to, billing history, historical and future usage, meter readings and types of service.

# Exhibit A-4 Automatic Aggregation Disclosure & Customer Education

#### DATE

#### Dear Navarre Resident.

The Village of Navarre is providing you with the opportunity to join with other Navarre residents and businesses to save money on the electricity you use. Savings are possible through a concept called government aggregation, where Village 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. Navarre voters approved this program in May 2003.

If you are an Ohio Edison (OE) customer on Standard Rate 10A, Optional Heating Rate 11A or 19, or Load Management Rate 17, or a commercial customer on Rate 21 with a peak annual demand of 299 or below, you will be automatically enrolled in Navarre's electric government aggregation program unless you choose to opt out. You will not be included in the Village's electric government aggregation program if you are served under any other residential or commercial rate.

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

As a residential or commercial member of this program, you are guaranteed to save percent on electric supply for the next two years. This percentage discount will be taken off your "generation shopping credit," which will appear on your electric bill after you have been enrolled in the Village's government aggregation program or by calling 1-800-225-0444. The generation shopping credit — which varies each month depending on your usage — represents the amount credited to you if you switch to an alternative supplier, such as FirstEnergy Solutions.

To estimate what your savings per kilowatt-hour will be by joining this program, locate your price to compare on your electric bill. The price to compare will help determine the money you'll save by switching to another energy supplier. Multiply your price to compare by .94 (94%) for residential members and commercial members. Then take that result and subtract it from your price to compare that appears on your bill to estimate how much you'll save each month on electric supply. Commercial customers only will be billed a one-time \$5.00 switching fee by Ohio Edison on their first bill after enrollment.

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

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

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

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

Sincerely,

The Village of Navarre

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

OPT-OUT FORM - VILLAGE OF NAVARRE ELECTRIC GOVERNMENT AGG	REGATION PROGRAM	
By returning this signed form, you will be excluded from the opportunity to join with other residents in the Village of Navarre Electric Government Aggregation Program.  I wish to opt out of the Village of Navarre Electric Government Aggregation Program. (Check box to opt out.)		
Ohio Edison account holder name (please print clearly):		
Service address (Village, state and zip):		
Phone number:		
Account holder's signature:	Date:	
Mail by XXXXX to: Village of Navarre Electric Government Aggregation	Program, 395 Ghent Road, Suite 408, Navarre, Ohio 44333	
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# Exhibit A-5

# Experience

#### Applicant's Experience and Plan for Providing Aggregation Services:

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

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

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

The billing of customers for the retail generation supply will be provided through the electric distribution utility, Ohio Edison (OE), and the billing process will be coordinated with OE by FES for the Aggregation Group.