

FILE

FirstEnergy
Solutions

341 White Pond Dr., Bldg B-3
Tallmadge, OH 44320

34

September 1, 2011

Ms. Betty McCauley
Public Utilities Commission of Ohio
180 East Broad St.
Columbus, OH 43215

Subject: Renewal Application for the City of Ashland; Case Number: 01-2430-EL-GAG

Dear Ms. McCauley:

Please find enclosed the original and ten copies of the Renewal Application for Governmental Aggregator for the City of Ashland. FirstEnergy Solutions is providing aggregation service to the City of Ashland and are filing these on their behalf.

Should there be any questions and/or additional information needs, please contact: Emily Ochsenhirt, Governmental Aggregation Representative, FirstEnergy Solutions, 330-315-6733 or via email at eoachsenhirt@fes.com.

Thank You,

Emily Ochsenhirt

Emily Ochsenhirt
Government Aggregation
FirstEnergy Solutions
330-315-6733

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

**CERTIFICATION APPLICATION
FOR A GOVERNMENTAL
AGGREGATOR**

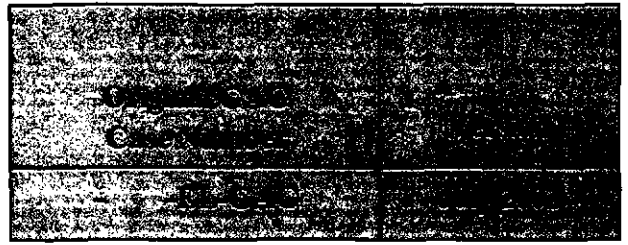
**City of Ashland, Ohio
206 Claremont Avenue
Ashland, Ohio 44805**

**419-289-8622
419-289-9613 (fax)**

August 30, 2011



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.

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

A. RENEWAL INFORMATION

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

Legal Name City of Ashland
Address 206 Claremont Avenue, Ashland, Ohio 44805
PUCO Certificate # and Date Certified 01-081E (5) issued October 20, 2009
Telephone # (419) 289-9613 Web site address (if any) www.ashland-ohio.com/

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

A-3 Exhibit A-3 "Operation and Governance Plan" provide a copy of the applicant's 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 Exhibit A-4 Automatic Aggregation Disclosure - "Opt-out Form" provide a copy of the disclosures/"opt-out" required by Section 4928.20(D) of the Revised Code, if its aggregation program provides for automatic aggregation in accordance with Section 4928.20(A) of the Revised Code. If the opt-out is in draft form, docket the final opt-out (including beginning and ending dates of the 21-day -out period and the selected CRES supplier) with the Commission within 10 days prior to providing or offering service. See #12 in the attached Affidavit.

A-5 Contact person for regulatory or emergency matters

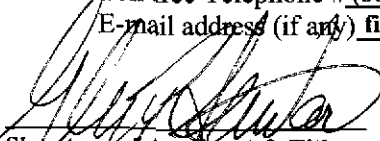
Name Brenda Fargo
Title Gov. Agg Manager, FirstEnergy Solutions
Business address 341 White Pond Drive, Bldg. B-3, Akron, Ohio 44320
Telephone # (330) 315-6898 Fax # (330) 777-6529
E-mail address (if any) fargob@fes.com

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

Name Arland Smith
Title Customer Care Manager, FirstEnergy Solutions
Business address 341 White Pond Drive, Bldg. B-3, Akron, Ohio 44320
Telephone # (330) 436-1000 Fax # (888) 820-1416
E-mail address (if any) smithaj@fes.com

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

Customer Service address FES, 341 White Pond Drive, B-3, Akron, Ohio 44320
Toll-free Telephone # (866) 636-3749 Fax # (888) 820-1416
E-mail address (if any) firstchoice@fes.com


Signature of Applicant & Title

Sworn and subscribed before me this 29th day of Aug, 2011
Month Year


Signature of official administering oath

Print Name and Title

My commission expires on

**LYDIA L. WASHINGTON, NOTARY PUBLIC
STATE OF OHIO
MY COMMISSION EXPIRES MAY 23, 2015**

AFFIDAVIT

State of Ohio :

Ashtland ss.
(Town)

County of Ashtland :

Glen Stewart, Affiant, being duly sworn/affirmed according to law, deposes and says that:

☒ He/She is the Mayor (Office of Affiant) of City of Ashtland (Name of Applicant);

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

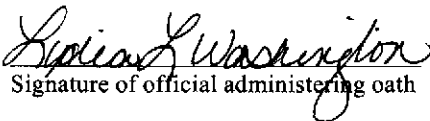
1. The Applicant herein, attests under penalty of false statement that all statements made in the application for certification renewal are true and complete and that it will amend its application while the application is pending if any substantial changes occur regarding the information provided in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

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

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


Signature of Affiant & Title

Sworn and subscribed before me this 29th day of Aug, 2011
Month Year


Signature of official administering oath

Print Name and Title

My commission expires on **LYDIA L. WASHINGTON, NOTARY PUBLIC**
STATE OF OHIO
MY COMMISSION EXPIRES MAY 23, 2015

Exhibit A-2

Authorizing Ordinance

ORDINANCE NO. 19-01

AN ORDINANCE AUTHORIZING ALL ACTIONS NECESSARY TO ESTABLISH A GOVERNMENTAL ELECTRICITY AGGREGATION PROGRAM WITH OPT-OUT PROVISIONS PURSUANT TO OHIO REVISED CODE SECTION 4928.20, DIRECTING THE BOARD OF ELECTIONS TO SUBMIT A BALLOT QUESTION TO THE ELECTORS; AND DECLARING 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 may provide 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, Council finds that it may be in the best interests of the City and its inhabitants to establish a program under which the municipality may aggregate retail electrical loads located within the City and enter into service agreements for the purchase and sale of electricity for those loads pursuant to Section 4928.20 of the Ohio Revised Code; and

WHEREAS, Council finds that the municipality's ability to assemble an aggregate load of the size and composition necessary to realize the potential benefits of governmental aggregation will be greatly enhanced by the automatic inclusion of each person owning, occupying, controlling, or using an electric load center within the municipality; and

WHEREAS, it is necessary to submit the question of whether the City of Ashland, Ohio, shall automatically aggregate and purchase electric power for the retail electric loads within the City to a vote of the electorate; and

WHEREAS, if the voters give authority to the City of Ashland to become an "opt-out" aggregator, Ashland City Council will adopt a plan of governance and commence an aggregate program should it be determined that such steps are in the best interest of the citizens of the City of Ashland; now therefore,

BE IT ORDAINED by the Council of the City of Ashland, County of Ashland, State of Ohio,
-5- members thereto concurring:

Section 1. That this Council declares its intention to act as an opt-out aggregator under the terms of Ohio Revised Code Section 4928.20 under which the City will automatically enroll each person owning, occupying, controlling or using an electric load center within the City limits onto the City's aggregation program and enter into service agreements to facilitate the sale and purchase of electric power for those loads.

Section 2. That the powers conferred by Section 1 may, to the fullest extent permitted by Law, be exercised jointly with the State of Ohio and with any and all political subdivisions of the State of Ohio.

Section 3. That each person owning, occupying, controlling, or using an electric load center located in the City will be enrolled in the Aggregation Program and will remain so enrolled unless the person affirmatively elects not to be so enrolled in accordance with Ohio Revised Code Section 4928.20 and procedures to be established by Ordinance.

Section 4. That the Clerk of Council is directed to certify a copy of the Ordinance to the Ashland County Board of Elections with instructions to submit the following question to the electors at the Primary Election to be held May 8, 2001.

Shall the City of Ashland have the authority to aggregate retail electric loads located in the City and, for that purpose, to enter into service agreements for the purchase and sale of electricity to service those loads; such aggregation to occur automatically except as to any person who elects to opt-out of the program in accordance with Section 4928.20 of the Ohio Revised Code and Ordinance No. 19-01 of the City of Ashland.

Section 5. That the Law Director is authorized to approve changes to the language of the ballot question specified by Section 4 as may be necessary or appropriate to comply with suggestions, recommendations or requirements of the Board of Elections or the Secretary of the State of Ohio.

Section 6. That upon approval of the establishment of a Governmental Aggregation Program with Opt-out Provisions by a majority of the Electors voting at the Primary Election to be conducted May 8, 2001, Council shall develop a Plan of Operation and Governance for the Aggregation Program conforming to all substantive and procedural requirements of Law. Said Plan of Operation and Governance shall establish appropriate procedures permitting any person who elects to opt-out of participation in the Aggregation Program to do so. Said procedures shall allow exercise of the opt-out election without payment of a switching fee prior to commencement of the program and no less frequently than at two-year intervals following commencement of the program. Any person who elects to opt-out of participation in the Aggregation Program in accordance with the procedures so established shall default to the standard service offer provided under division (a) of Section 4928.14 or division (d) of Section 4928.35 of the Ohio Revised Code until such time as that person chooses an alternative supplier of electric energy.

Section 7. That before adopting the Plan of Operation and Governance for the Aggregation Program required by Section 6, Council shall conduct not less than two public hearings on the proposed plan. Legally sufficient notice of the time and place of each hearing shall be published once per week for two consecutive weeks prior to such hearing. The Notice shall summarize the plan and state the date, time and location of each hearing to be held thereon. The summary of the plan set forth in such Notice shall prominently state the rates, charges and other terms and conditions of enrollment and prominently state that all persons owning, occupying, controlling, or using an electric load center within the City will be automatically enrolled in the Aggregation Program and will remain so enrolled unless the person affirmatively elects not to be so enrolled. Said summary shall further describe the required procedure for making an opt-out election.

Section 8. That it is found and determined that all legislative acts pertaining or relating to the enactment of this Ordinance were taken in public session and that all deliberations of Council, including all deliberations of the committees of Council, that affected or influenced any such legislative act, were conducted in public session duly convened in conformity with law.

Section 9. That this ordinance is declared to be an emergency measure necessary to the welfare of the community for the reason that approval of the electors to the proposed exercise of municipal powers cannot be sought at the May 8, 2001 Primary Election unless this Ordinance is in effect and delivered to the Board of Elections on or before February 22, 2001.

Section 10. That this Ordinance shall take effect and be in force from and after its passage by Council and approval pursuant to Section 12 of the Charter of the City of Ashland, Ohio.

Passed: February 20, 2001

Attest: Elaine L. Heetman
Clerk, Elaine L. Heetman

Lowell E. Bender
President of Council, Pro tem, Lowell E. Bender

Approved: Douglas E. Cellar
Mayor, Douglas E. Cellar

Approved as to form and correctness:

Richard P. Wolfe II
Director of Law, Richard P. Wolfe II

Date: February 21, 2001

Exhibit A-3

Operation and Governance Plan

ORDINANCE NO. 68-01

AN ORDINANCE AUTHORIZING THE ADOPTION OF AN ELECTRIC POWER AGGREGATION PLAN OF OPERATION AND GOVERNANCE FOR THE CITY OF ASHLAND, OHIO; AND DECLARING AN EMERGENCY.

WHEREAS, the electorate of the City of Ashland, Ohio, has previously authorized the City to determine the best policy for the community's residents relating to electric power aggregation; and

WHEREAS, via Ordinance No. 62-01 passed on September 4, 2001, Council has authorized the Mayor to enter into an Agreement with FirstEnergy Services, Inc., to provide a contract for electric services; now therefore,

BE IT ORDAINED by the Council of the City of Ashland, State of Ohio, -4- members thereto concurring:

Section 1. That the Council hereby adopts an Electric Power Aggregation Plan of Operation and Governance with FirstEnergy Services, Inc., for the City of Ashland, Ohio, pursuant to PUCO regulations.

Section 2. That a copy of said Plan, marked "Exhibit A", is attached hereto and made a part of this Ordinance as though fully rewritten herein.

Section 3. That in order to provide lower residential electric rates as soon as possible for the residents of the City of Ashland, Ohio, this Ordinance is declared to be an emergency measure immediately necessary for the preservation of the public peace, property, health, safety and welfare.

Section 4. That this Ordinance shall take effect and be in force from and after its passage by Council and approval pursuant to Section 12 of the Charter of the City of Ashland, Ohio.

Passed: SEPTEMBER 11, 2001

G. Stephen Mitchell
President of Council

Attest:

Elaine L. Hootman
Clerk, Elaine L. Hootman

Approved:

Douglas E. Cellar
Mayor, Douglas E. Cellar

Approved as to form and correctness:

Richard P. Wolfe
Director of Law, Richard P. Wolfe II

Date: SEPTEMBER 11, 2001

City of Ashland

Electric Power Aggregation Plan of Operation and Governance

August 30, 2001

City of Ashland

Electric Power Aggregation

Plan of Operation and Governance

I. INTRODUCTION

Amended Substitute Senate Bill 3 ("S.B. 3") opens 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 Ashland residential consumers may obtain the economic benefits of Ohio's competitive retail electric market. The Ashland Aggregation Program combines the electric loads of residential customers to form a buying group ("Aggregation Group"). The City of Ashland will act as Purchasing Agent for the Aggregation Group. This means that Ashland 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 City to obtain the best electric generation rate for consumers who participate in the Aggregation Group.

II. PROCESS

On May 8, 2001, Ashland 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 City are automatically included as participants in the program unless they opt-out of the program by providing written notice of their intention not to participate. As required by state law, the City Council passed an Ordinance, which authorized submitting the selection of opt-out aggregation to the City's voters.

In addition to obtaining necessary City Council approvals, the City is also required to comply with various PUCO regulations. The City will file an application with the

PUCO for certification as a Government Aggregator as soon as the City Council Approves the Plan, on or about September 11, 2001. As required by the regulations, the City developed this Aggregation Plan of Operation and Governance ("Plan"). On August 20, 2001 and August 27, 2001, the City advertised the Public hearing dates to discuss the Plan in the Ashland Times-Gazette. As required by the PUCO's regulations, two hearings were conducted on September 4, 2001 and September 11, 2001. The Opt-out notice for the City's Program will be sent to all electric customers in the City upon approval of this Plan, setting forth the rates, terms and conditions of the program, and giving 21 days to opt out of the Program.

By vote of the City Council of Ashland on September 4, 2001 the City selected FirstEnergy Solutions Corp. (FES), a subsidiary of FirstEnergy Corp., as its Retail Electric Generation Provider, to provide the electric power for the Ashland Aggregation Program at this time. Under this program, Ohio Edison (OE) will still deliver the electricity purchased from the City'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. DEFINITIONS

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

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

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

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

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

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

IV. OPERATIONAL PLAN:

A. Aggregation Services

1. Provider: Ashland will use a contractor ("Retail Electric Generation Provider") to perform and manage aggregation services for its Members. The City has selected FES to be its Provider at this time. The Provider shall provide adequate, accurate, and understandable pricing terms and conditions of service, including any switching fees and the conditions under which a Member may rescind a contract without penalty. The Provider must provide the City, if requested, an electronic file containing the Members usage, and charges. The Provider must have a local Ashland 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 City, and (iv) move into the City and desire to enter the Program. This database shall also be capable of eliminating PIPP customers from the Program, should that be necessary, and those who have opted out. The Retail Electric Generation Provider will use this database to perform bill audits for clerical and mathematical accuracy of Member bills.

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

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

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

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

8. **Notification to Ohio Edison:** The City's OE consumers that do not opt-out of the City's Aggregation Group will be enrolled automatically in the Aggregation Program. Participants in the City's Aggregation Group will not be asked to take other affirmative steps in order to be included in the Group. To the extent that OE requires notification of participation, the City 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 City'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. Ashland' 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 Ashland.
- 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 City.
- Its Electronic Data Interchange computer network is fully functional and capable of handling the OE retail electric customers in Ashland.
- Has the marketing ability to reach all OE retail electric customers to educate them on the City's Aggregation Program.
- Has a call center capable of handling the City's Aggregation Group customer calls.
- Has a toll-free number as required by the PUCO for customer service and complaints related to the City's aggregation program.

- Will hold the City financially harmless from any financial obligations arising from supplying power to the OE retail electric customers in the City.
- Satisfies the State of Ohio's, FirstEnergy's and the City's credit requirements.
- Will execute the Power Supply Agreement.
- Will assist the City in filing the annual reports required by the PUCO and Section 4805.10(A), Section 4911.18(A) and Section 4928.06(F) of the Ohio Revised Code.
- Will assist the City in developing a Consumer Education Plan.

D. Activation of Service

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

E. Changes, Extension or Renewal of Service

The current Agreement for power supply service with FES will provide service for 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 City will be given an opportunity to opt into or out of the Program, and reasonable notice will be provided as required by law and PUCO rules. Participants will also be notified of their right to select an alternate generation supplier and of their ability to return to 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 postcard to be provided, notifying the Provider that they do not want to participate. OE consumers in the City may request to join the Aggregation Group after the expiration of the enrollment period by contacting the Provider, who shall determine whether to accept them into the Program, and at what rate, subject to written policies mutually agreed upon by the City and the Provider. The

agreed upon policy shall be consistent with OE's service activation requirements. Aggregation Group participants who move from one location to another within the corporate limits of the City shall retain their participant status.

H. Opt-out Procedures

OE consumers may opt-out of the City's Aggregation Group at any time during the opt-out period without additional fees charged by the Provider or the City. Aggregation Group participants who switch to a different generation supplier after the expiration of the Opt-out period will be allowed to do so in correlation with the consumer's next scheduled meter read date but will be charged a \$25.00 switching fee to be billed on their final bill from the Provider. 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 Ashland's Aggregation Program. The following years' pricing will be a minimum of 4% off the individual generation shopping credit of members. An opt-out notification will be sent to all residents in accordance with PUCO guidelines.

Residential Customers - January 2002 – 2004 Rate Structure:

The residential members of Ashland's program are guaranteed to save 4 percent on electric supply for the next two years. This percentage discount will be taken off the "generation shopping credit," which appears on the electric bill after enrollment in the City's program. The generation shopping credit — which varies each month depending on usage — represents the amount credited when a member switches to an alternative supplier, such as FirstEnergy Solutions.

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

Rate 10A – Standard Residential Rate	4% off Generation Shopping Credit
Rate 11A – Optional Heating Rate	4% off Generation Shopping Credit
Rate 17 – Load Management Rate	4% off Generation Shopping Credit
Rate 19 – Optional Heating Rate	4% 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 - April 2002 – 2004 Rate Structure:

The following commercial members of Ashland's program are guaranteed to save 6% percent on electric supply for the next two years. This percentage discount will be taken off the "generation shopping credit," which appears on the electric bill after enrollment in the City's program. The generation shopping credit — which varies each month depending on usage — represents the amount credited when a member switches to an alternative supplier, such as FirstEnergy Solutions.

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

Rates 21 - 299 kWh peak demand and below are eligible for the program.

* 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.

K. Universal Service and Low Income Customer Assistance

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

V. MISCELLANEOUS GOVERNANCE GUIDELINES

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

VI. LIABILITY

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

VII. INFORMATION AND COMPLAINT NUMBERS

Copies of this Plan are available from the City of Ashland free of charge. Call the Mayor's Office at 330-848-6719 for a copy or for more information.

Any electric customer, including any participant in the City's Aggregation Program, may contact the Public Utilities Commission of Ohio (PUCO) for information, or to make a complaint against the Program, the Provider or 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 City. Its purpose will be to explain the aggregation program to its members, provide updates and disclosures as mandated by State law and the rules of the PUCO, and provide the opportunity for the members to opt out of the program. The following are the program components:

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

Appendix B --- Customer Service Plan

A. Member Access:

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

FirstEnergy Solutions Corp.

395 Ghent Road, Suite 413

Akron, Ohio 44333

Toll-free telephone number: 1-888-254-6539

Hours: M-F, 7:00 a.m.- 7:00 p.m.; Sat. 9:00 a.m.- 2:00 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. Member Complaints:

1. 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 City, or if applicable, to the consumer, the City and the Commission Staff. Such status reports shall be provided at five-day intervals until the investigation is complete, unless the action that must be taken will require more than five days and the Member has been so notified.
3. FES shall inform the consumer, or the consumer, the City and Commission Staff, of the results of the investigation, orally or in writing, no later than five calendar days after completion of the investigation. The consumer, the City, or Commission Staff may request the report in writing.
4. If a residential consumer disputes the FES report, FES shall inform the consumer that the Commission Staff is available to help resolve informal complaints. FES shall provide the consumer with the current address, local/toll

free telephone numbers, and TDD/TTY telephone numbers of the Commission's consumer services department.

5. FES shall retain records of Member complaints, investigations, and complaint resolutions for one year after the occurrence of such complaints, and shall provide such records to the commission staff within five calendar days of request.

6. FES shall make good faith efforts to resolve disputes.

C. Member Billing and Payments

1. FES shall arrange for 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;
 - c. The applicable billing determinants, including beginning meter reading, ending meter reading(s), demand meter reading(s), multipliers, consumption(s), and demands;
 - d. For Member-generators with net metering contracts, a statement of the net metered generation;
 - e. The unit price per kWh charged for competitive service, as calculated by dividing current-period competitive service charges by the current-period consumption;
 - f. An identification of the provider of each service appearing on the bill;
 - g. The amount billed for the current period, any unpaid amounts due from previous periods, any payments or credits applied to the Member's account during the current period, any late payment charges or gross and net charges, if applicable, and the total amount due and payable.
2. The due date for payment to keep the account current. Such due date shall be no less than:
 - a. Fourteen days after the postmark date on the bill for residential Member; and Twenty-one days after the postmark date on the bill for nonresidential Members;
 - b. Current balance of the account, if a residential Member is billed according to a budget plan;
 - c. Options and instructions on how Members may make their payments;

- d. For each provider whose charges appear on the bill, a listing of the provider's toll-free telephone number and address for Member billing questions or complaints;
 - e. A listing of the toll-free consumer assistance telephone numbers and available hours for applicable state agencies, such as the commission, the Ohio Consumers' Counsel, and the Ohio Attorney General's office;
 - f. The Ohio Edison 24-hour local/toll-free telephone number for reporting service emergencies;
 - g. Identification of estimated bills or bills not based upon actual end-of-period meter readings for the period; and
 - h. An explanation of any codes and abbreviations used.
3. If applicable, FES will, upon request, provide Members with the name and street address/location of the nearest payment center and/or authorized payment agent.
 4. If applicable, when a Member pays the bill at a payment center or to an authorized payment agent, such payment shall be credited to the Member's account as of the day such payment center or agent receives it.
 5. The City and FES shall establish policies and procedures for handling billing disputes and requests for payment arrangements.

D. Collections for delinquent accounts:

1. Collections for delinquent accounts shall be the responsibility of FES or its agent.
2. The City shall approve the Collections process utilized by FES.
4. Failure of Members to pay charges for Competitive Retail Electric Services may result in loss of those products and service; and
5. 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.

Exhibit A-4

Automatic Aggregation Disclosure & Customer Education

Opt-Out Notification

DATE

Dear Ashland Resident,

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

If you are an Ohio Edison customer on Standard Rate 10A, Optional Heating Rate 11A or 19, or Load Management Rate 17, you will be automatically enrolled in Ashland's electric government aggregation program unless you choose to opt out. **You will not be included in the City's electric government aggregation program if you are served under any other residential 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. **If you switch back to Ohio Edison at a later date, you may not be served under the same rates, terms and conditions that apply to other customers served by Ohio Edison.**

As a member of this program, you are guaranteed to save 4 percent on electric supply for the next two years. This percentage discount will be taken off your "generation shopping credit," which will appear on your electric bill after you have been enrolled in the City's government aggregation program 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 .96 (96%). 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 after your paperwork has been completed and your switch has been finalized. Of course, you are not obligated to participate in Ashland's electric government aggregation program. **You have until _____ to return the enclosed "opt-out" form if you wish to be excluded from the City's electric government aggregation program and remain a full-service customer of 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.

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, 7 a.m. to 7 p.m., or Saturday, 9 a.m. to 2 p.m. Please do not call the City of Ashland with any aggregation program inquiries.

Sincerely,

The City of Ashland

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

OPT-OUT FORM - CITY OF ASHLAND ELECTRIC GOVERNMENT AGGREGATION PROGRAM

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

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

☐

(Check box to opt out)

Ohio Edison account holder name (please print clearly): _____

Service address (city, state and zip): _____

Phone number: _____

Account holder's signature: _____ Date: _____

Mail by XXXXXXX to: City of Ashland Electric Government Aggregation Program, 395 Ghent Road, Suite 413, Akron, Ohio 44333

Ashland Electric Aggregation Program — Frequently Asked Questions

What is aggregation?

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

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

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

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

When you join the City's government aggregation program, your electric utility will provide you with a "generation shopping credit," which is available on your electric bill after you have been enrolled in the City's government aggregation program 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 City's aggregation program, the price you pay for electric supply will be 4 percent lower than your generation shopping credit. In other words, each month, you'll pay 4 percent less for electric supply than if you had not joined the City's government aggregation program.

What does "opt out" mean?

"Opt out" means that you can decide not participate in Ashland'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, Ashland'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 Ashland'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 City's electric aggregation program after I have opted-out?

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

Can I opt out over the phone?

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

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, 7 a.m. to 7 p.m., or Saturday, 9 a.m. to 2 p.m.

I've lost my opt-out form. Where can I get another one?

You may pick one up in the lobby of Ashland City Hall, 206 Claremont Avenue., Ashland, Ohio 44805.

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 City's government aggregation program.

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

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

If I do join Ashland'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 City's electric aggregation program?

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

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

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

Exhibit A-5

Experience

Applicant's Experience and Plan for Providing Aggregation Services:

The Applicant City of Ashland (the "City") has contracted with FirstEnergy Solutions Corp. ("FES") on March 27, 2001 to provide administrative and retail generation supply services for the City's Aggregation Group, which is comprised of all OE located in the City who do not opt out of the Group.

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

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

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