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October 29, 2001

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Mrs. Daisy Crockron
Chief, Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street, 10th Floor
Columbus, Ohio 43215-3793

Re: Case Case No. 01-393-EL-CSS
Enron Energy Services, Inc., et al v. First Energy Corp., et al

Dear Mrs. Crockron:

Pursuant to Rule 4901-1-24(D) of the Ohio Administrative Code, I am submitting to you under this cover letter three (3) copies of the entire record in this case (consisting of depositions, exhibits and documents), as well as three (3) unredacted copies of the Complainants' brief in this matter. We ask that the entire record and the unredacted brief of the Complainants be considered as confidential and afforded protective treatment.

Consistent with the requirements of the rule, a Motion for Protective Order has been filed today as well as redacted copies of the Complainants' brief.

Thank you in advance for your cooperation.

Sincerely yours,

Benita Kahn

/sb
Enclosure

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BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Complaint of Enron Energy Services, Inc., *et al.*,	)	
Complainants,	)	
vs.	)	Case No. 01-393-EL-CSS
FirstEnergy Corp., the Cleveland Electric Illuminating Company, The Toledo Edison Company and the Ohio Edison Company	)	
Respondents.	)	

01-393-EL-CSS

BRIEF OF COMPLAINANTS, ENRON ENERGY SERVICES, INC., EXELON ENERGY COMPANY, STRATEGIC ENERGY, LLC, AES POWER DIRECT, LLC AND MIDAMERICAN ENERGY COMPANY

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I. INTRODUCTION

This proceeding presents the Commission with a chance to ensure that the statutory goals for electric deregulation in Ohio are met[1] and to confirm that settlement agreements will remain a viable means to resolve contested cases. For this to occur, the Commission must require FirstEnergy Corp. and its operating companies, Ohio Edison ("OE"), Toledo Edison ("TE") and Cleveland Electric Illuminating Company ("CEI"); (FirstEnergy Corp., OE, TE and CEI are jointly referred to as "FirstEnergy") to comply with the obligations they willingly accepted in their transition case settlements. These obligations were accepted because FirstEnergy received significant benefits in the

[1] R.C. § 4928.02 establishes the state policy for competitive retail electric service and includes ensuring that consumers have options in suppliers, price, terms and conditions for unbundled retail service and diversity of electric suppliers.

Commission-approved transition case settlements, including the right to charge Ohio ratepayers **approximately 8.7 billion** for its asserted stranded costs.

In return, FirstEnergy agreed that during the five year market development period commencing on January 1, 2001, it would make available system level generation at below-market rates, referred to as Market Support Generation ("MSG"), to non-affiliated entities who had committed capacity sales with FirstEnergy customers. As the Commission recognized when approving the settlement agreements, the MSG was to jump-start the competitive marketplace for electric generation and "to stimulate the development and diversity of competitive retail electricity markets." See Entry on Rehearing, PUCO Case No. 99-1212-EL-ETP, *et al.*, p. 11 (September 13, 2000).

The supplemental settlement took this one step further and imposed additional limitations on the use of the MSG by FirstEnergy affiliates. If any MSG was reserved, directly or indirectly, by a FirstEnergy affiliate and the MSG was otherwise fully subscribed, FirstEnergy's affiliate's MSG would be released and made available to other marketers and brokers if they had customers waiting in the queue. The Commission deemed this requirement to be an important benefit, as it would "allow more generating capacity to be made available to nonaffiliated companies and create greater activity in the marketplace." See Opinion and Order, PUCO Case No. 99-1212-EL-ETP, *et al.*, p. 68 (July 19, 2000).

FirstEnergy knowingly breached the settlement agreements in two ways. First, it allowed its affiliate, FirstEnergy Services ("FES" or "FE-affiliate"), to indirectly reserve the MSG and refused to require FES to relinquish its MSG and make it available to other marketers and brokers, even though FirstEnergy was aware of this indirect reservation.

Second, FirstEnergy approved the FE-affiliate's indirect reservation even though there was no committed capacity sale. Both are breaches of its obligations under the settlement agreements; however, FirstEnergy is still receiving its significant benefits obtained through the settlement agreements. Thus, the implicit *quid pro quo* of the settlements is not being honored.

Before January 1, 2001, FirstEnergy supplied bundled electric service to large industrial users in the OE, TE and CEI operating territories. After January 1, 2001, very little has changed. FirstEnergy is still supplying these same large industrial users, but through its affiliated marketer, FES. The FE-affiliate succeeded in retaining these accounts through its parent's separate settlement with IEU-OH and by use of the very MSG that was intended to stimulate the development of a diverse, competitive market – including more than one third of the total MSG made available for industrial and commercial customers.

In spite of what was agreed to in the settlement agreements, rather than jump-start the competitive marketplace, FirstEnergy has short-circuited that market through its FE-affiliate. Without strict enforcement of the settlement agreements, the competitive electric market in the FirstEnergy territories will be damaged and the goals and policies of the state and this Commission will not be met. FirstEnergy's breach of its obligations is a violation of its transition plan and has interfered with competition for retail electric service. This must be corrected through appropriate and statutorily-authorized remedies; to wit, requiring FirstEnergy to make the MSG available to marketers and brokers for the full five years required. The term of this MSG should commence on the date FirstEnergy complies with the Commission Order to relinquish the MSG to nonaffiliated marketers

and brokers and should run for five consecutive years thereafter. Only this will fully honor the obligations FirstEnergy willingly accepted in agreements entered into to settle its transition cases.

II. STATEMENT OF FACTS

A. Transition Plan and the Commission-Approved Settlement

The State of Ohio enacted Am. Sub. S.B. No. 3, which provided choice for electric customers effective January 1, 2001. As required by R.C. § 4928.31 and the Commission's rules, FirstEnergy filed transition plans in PUCO Case Nos. 99-1212-EL-ETP, 99-1213-EL-ATA, and 99-1214-EL-AAM (collectively, the "Transition Case") on behalf of OE, TE and CEI on December 22, 1999, which was supplemented through April 13, 2000.

On April 17, 2000, a Stipulation and Recommendation was filed with the Commission on behalf of FirstEnergy, CEI, TE, OE and various parties to the Transition Case ("Stipulation"). On May 9, 2000 a second agreement, the Supplemental Settlement Materials, was filed on behalf of FirstEnergy and its operating companies and several parties to the Transition Case ("Supplemental Settlement"; the Stipulation and Supplemental Settlement referred to collectively as the "Transition Settlement Agreements"). On July 19, 2000, the Commission issued an Opinion and Order approving the electric restructuring transition plans submitted by FirstEnergy on behalf of its Ohio operating companies ("Transition Plans"), and adopting the Stipulation and the Supplemental Settlement as part of such Transition Plans. See Opinion and Order, PUCO Case No. 99-1212-EL-ETP, *et al.*, p. 71 (July 19, 2000).

B. Market Support Generation ("MSG"):

The Stipulation obligates the FirstEnergy operating companies to make a total of 620 MW of "Other Retail"[2] MSG to marketers, brokers and aggregators for committed sales to retail customers of the operating companies. The MSG is to be made available on a "first-come-first-served basis for committed capacity sales" arranged by the marketers, brokers and aggregators with retail customers.

Pursuant to the terms of the Supplemental Settlement, any MSG that was reserved, directly or indirectly, by a FirstEnergy affiliate must be made available (relinquished) to marketers or brokers not affiliated with FirstEnergy if the MSG allotment is otherwise fully subscribed.

C. The FE/IEU Settlements

At the same time FirstEnergy was negotiating the Transition Settlement Agreements in the Transition Case, it was negotiating a separate settlement agreement with Industrial Energy Users – Ohio ("IEU-OH"), a membership organization consisting of energy users having facilities in Ohio, including in the FirstEnergy operating company territories ("FE/IEU Settlement"). This FE/IEU Settlement is referenced by Kevin Murray in a May 15, 2000 e-mail where he states that "IEU-OH's settlement with FirstEnergy in the PUCO transition plan proceeding provides for the creation of the IEU Pool to provide generation service to IEU-OH member facilities served by FirstEnergy operating companies. . ." Murray Deposition, Exhibit 7.[3]

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[2] "Other Retail" MSG was to be used for industrial and commercial end use customers.

[3] There is no reference to an IEU Pool in the Transition Settlement Agreements, making it clear that the referenced settlement is not the Transition Settlement Agreements.

The FE/IEU Settlement Agreement is again referenced by IEU-OH's legal counsel, Sam Randazzo, in a September 27, 2000 e-mail. In this e-mail, Mr. Randazzo advises that (i) IEU-OH secured additional benefits to improve the economics for IEU-OH members which were identified in the confidential settlement information previously sent; (ii) the annual average savings opportunity includes the benefit of obtaining MSG; (iii) IEU-OH will not be buying and selling the electricity, but will merely "facilitate member access to FE's MSG"; (iv) FES will provide the physical service and other tasks associated with the operation of the aggregation program; and (v) IEU-OH is working on contracts that it must have in place with FES. Murray Deposition, Exhibit 8.

On October 10, 2000, Mr. Randazzo sent out another e-mail regarding the IEU Aggregation Program indicating that IEU-OH is working hard to create contracts to capture the value associated with the MSG and the FE/IEU Settlement. See Murray Deposition, Exhibit 8B. The referenced contracts included a participation agreement between IEU-OH and its members, a Master Service Agreement between IEU-OH and FES ("MSA") and an agreement between each IEU-OH member and FES. However, the IEU-OH members were assured by Mr. Randazzo that **the participation agreement would include contingencies that would allow them to "walk" and to protect any member from an unacceptable outcome.**

Drafts of the IEU-OH Member Contingent Participation Agreement ("Contingent Agreement") and the MSA were attached to the October 10 e-mail. Mr. Randazzo noted that the Contingent Agreement could not be customized, recounting that IEU-OH received a request from a member to alter the term of the aggregation program, "but, the term is controlled by the FE/IEU settlements." Id. at p. 2. The FE/IEU Settlement was in

place and negotiation of the FES MSG arrangement took place prior to the October 19, 2000 opening of the window for first-come-first-served MSG.

D. Implementation of the First-Come-First-Served MSG by FirstEnergy

On October 2, 2000, FirstEnergy held a meeting to explain its Protocol for First-Come-First-Served Claims for Market Support and Non-Market Support Generation ("Protocol"). The Protocol was developed by David Blank, the manager of the rate department for FirstEnergy Corp., and his staff. See Blank Deposition, p. 7, lns. 1-9. It was designed for the specific purpose of implementing the Transition Settlement Agreements. See id.

The Protocol sets out FirstEnergy's rules for the submission of MSG claims, the approval process for such claims and the consequences of failing this process. It is provided in the Protocol that only claims submitted by "Eligible Suppliers" will be considered for approval. See Protocol, p. 3, § 4. "Eligible Suppliers" includes "non-affiliated Eligible Suppliers"; i.e., marketers, brokers or aggregators not affiliated with any Ohio investor-owned utility that have (1) submitted an application to the Commission to be certified as a CRES and (2) an application to FirstEnergy for registration. See id. at p. 3, § 4.a. "Registration", as specified by FirstEnergy in its October 2, 2000 meeting, meant providing specific credit information and registration under its supplier tariff. See Dinie Deposition, Exhibit 15, Bates numbers 000015, 000018 and 000044.

Section 5 of the Protocol "outlines the criteria for establishing the queue." See Protocol, p. 3, § 5. Subsection 5.d. addresses claims for "Other Retail" MSG, and requires that each such claim provide specific information, including the name of each retail customer from whom the supplier has received a commitment to purchase

generation. See id. at p. 4, § 5.d; Blank Deposition, p. 12. Pursuant to § 6.b.(vii) of the Protocol, if FirstEnergy determined that at the time of application for MSG the Eligible Supplier did not have a contract with the retail customer of the required duration, the supplier will forfeit its place in the queue. See Protocol at p. 9, § 6.b(vii).

The approval process developed by FirstEnergy and described in the Protocol also provided for verification that the supplier was registered with CEI, TE or OE. If the Eligible Supplier's application for MSG was deemed insufficient due to the Supplier's failure to register with the FirstEnergy operating companies, the Supplier was to have 30 days upon notification to become registered or the Supplier's place in the queue was forfeited. See id. at p. 8, § 6.b(ii).

On November 9, 2000, approximately three weeks after the MSG first-come-first-served window opened, FirstEnergy hired Arthur Andersen to assist FirstEnergy in its review of supplier claims for MSG. See Dinie Deposition, Exhibit 1. Ms. Denise Dinie of Arthur Andersen reviewed contracts the MSG claimants had with their end-use customers to determine if there were any provisions in the contract that would cause concern as to whether it constituted a legal and binding commitment. See Dinie Deposition p. 63, lns. 1-8. Ms. Dinie, however, did not make the determination as to whether or not there was a binding contract, but rather, brought to FirstEnergy's attention any provisions that caused concern. See id. at p. 64, lns. 14-19.[4] FirstEnergy, and specifically David Blank, made the determination of whether there was a contract. See id. at p. 64, lns. 20-25; p. 65, lns. 1-7.

[4] The FirstEnergy/Arthur Andersen agreement provides that Arthur Andersen is to identify all provisions in the customer contracts that may bear upon whether there is a contract. In particular, Arthur Andersen was to be alert for provisions that may indicate there is not a binding commitment (committed capacity sale)

On November 15, 2000, Ms. Dinie conducted her first round review of IEU-OH. The only contracts that were shown to Ms. Dinie by IEU-OH were the Contingent Agreement and the draft MSA. See Murray Deposition, p. 76. The Contingent Agreement provided it was conditioned upon the MSA being entered into between IEU-OH and FES in substantially the same form as the draft MSA attached to it. Subsequent to her review, Ms. Dinie discussed with Mr. Blank of FirstEnergy her concerns "regarding the contingency that it [the MSA] hadn't been executed and it [the MSA] was still in draft form and it [the MSA] was still with FirstEnergy Services ..." See Dinie Deposition, p. 84, lns. 11-16; Dinie Deposition, Exhibit 32. The only follow-up requested of Ms. Dinie by Mr. Blank was that she determine the exact wording of the Contingent Agreement as it related to the MSA. See Dinie Deposition, p. 85, lns. 9-18. Mr. Blank indicated he would follow up on customer credit arrangements between IEU/FES and customers. See id.; Dinie Deposition, Exhibit 28.

On November 28, 2000, after Ms. Dinie's review of the IEU-OH MSG claims, Mr. Randazzo sent out another advisory on the IEU Aggregation Program. See Murray Deposition, Exhibit 8C. The November 28 advisory attached a "close-to-final" MSA and a new "close-to-final" agreement between IEU and the IEU members – the IEU Member Pool Participation Agreement ("Pool Participation Agreement"). See id.; Murray Deposition, Exhibit 3. Once again, it is made clear that the IEU-OH members still had the opportunity to withdraw their MSG claim without penalty. See id. ("We are still trying to work through the pricing formula that is in the MSA ... (any changes may affect the business decision to go with the MSG aggregation option)... If the aggregation

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such as executory provisions, letters of intent, options to negotiate or enter into contracts and document those concerns. See Dinie Deposition, Exhibit 1, bates number 000107.

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program turns out to not provide value ... **you will have the option to withdraw the claims for the non-benefited account without penalty.")**

E. FirstEnergy's Approval of the IEU-OH MSG Claim

Of the 620 MW of "Other Retail" MSG, IEU-OH applied for and was allocated 225.186 MW, more than ⅓ of the total MSG offered for commercial and industrial users. See Dinie Deposition, Exhibit 8.[5] This approval by FirstEnergy occurred as of December 21, 2000, even though a printout created by FirstEnergy showing approval of the IEU-OH claim indicated "approval subject to FE registration (FES??)." Id. Another document prepared by FirstEnergy and titled "Problems Identified During Audit" indicates "IEU-Clean but subject to FES MESA." See Dinie Deposition, Exhibit 11; Dinie Deposition, p. 114-119.[6] Ms. Dinie repeatedly raised the issues of the MSA being with FES and the fact that the MSA was not executed. See Dinie Deposition, p. 83, 114-119. In fact, as late as January 8, 2001 Ms. Dinie confirmed and advised FirstEnergy that the MSA was not executed. See Dinie Deposition, Exhibit 20; Dinie Deposition, p. 136-138. FirstEnergy never requested the opportunity to review its FE-affiliate's MSA. The members of IEU have been receiving MSG since at least March 2001. See Blank Deposition, p. 99-101.

[5] Much of the discovery was conducted in the Spring of 2001. Ms. Dinie indicated that additional rounds of review were ongoing at the time of her deposition and, thus, it is possible that IEU-OH has been allocated more MSG in these rounds.

[6] Ms. Dinie explained the "MESA" was a reference to the MSA she brought to the attention of FirstEnergy. Id.

III. ARGUMENT:

A. FES indirectly reserved the MSG provided to IEU-OH members and that MSG must be relinquished pursuant to the terms of the Supplemental Settlement.

Unlike other marketers, brokers and non-municipal aggregators who applied for MSG, IEU-OH was excused from a number of significant requirements set forth in the Transition Settlement Agreements and the Protocol as explained by FirstEnergy in its October 2, 2000 meeting. The reason is simple. FirstEnergy knew that its FE-affiliate was the entity reserving the MSG and the FE-affiliate, not IEU-OH, satisfied all the requirements. This is demonstrated through three agreements; the Contingent Agreement, the Pool Participation Agreement and the MSA.

The Contingent Agreement and the MSA were anticipated and negotiated long before IEU-OH submitted its claim for MSG. The Contingent Agreement, the document reviewed by Ms. Dinie, provides that including the IEU-OH members' eligible accounts in IEU-OH's claim for MSG is the sole obligation incurred by IEU-OH. A review of the other two agreements makes it clear that this is an accurate statement. The draft MSA attached to the Contingent Agreement provides that FES will sell and deliver the MSG and requires FES to assume all risk of non-payment by the IEU-OH members. Pricing for energy provided by FES under the draft MSA was to be provided in a separate agreement between FES and each IEU-OH member, with FES retaining the right to reject these agreements with the IEU-OH member. As noted by Ms. Dinie, in the draft MSA, FES had the right to source the energy at a lower price and "FES and IEU will take efforts to maximize resale revenue of MSG." Dinie Deposition, Exhibit 31; Dinie Deposition, p. 163.

The Pool Participation Agreement is contingent upon the execution of the MSA and the IEU-OH claim being sustained for MSG in sufficient amounts to meet the requirements of the member's eligible accounts. The Pool Participation Agreement has a term that runs until termination of the MSA. This is consistent with the requirements of the *FE/IEU* Settlement Agreement.

Under the executed MSA (Murray Deposition, Exhibit 2), all aspects of the IEU-OH MSG aggregation program are made the exclusive province of FES. These aspects include:

i) procurement of all generation to meet all purchased electric requirements of the IEU-OH members (which includes MSG);

ii) fulfilling the requirements of FirstEnergy's registration process;

iii) billing and collecting for the MSG supplied to IEU-OH members;

iv) pricing the MSG sold to the IEU-OH members by FES;

v) providing working capital to address lags between expenses and revenues;

vi) identification of electricity capacity release opportunities;

vii) ultimate financial liability for the MSG;

viii) the right to reject an IEU-OH member's Pooled Participation Agreement; and

ix) in the event of breach, it is FES, not IEU-OH, that must make IEU-OH members whole in an amount equal to the difference between the price the IEU-OH member would receive as a result of the MSA as compared to the member's replacement cost.[7]

[7] It would also appear that to obtain a better price for IEU-OH members, FES has the right to source all of the IEU Pool (which includes at least 170 MW of MSG) in the market and release IEU Pool energy otherwise available to IEU-OH members. FES and the IEU-OH members split the savings resulting from such sourcing and release. FirstEnergy has prohibited such resale by other marketers.

In fact, the MSA flatly provides that, with respect to all of the MSG flowing to IEU-OH members:

> "FES, on IEU-OH's behalf, **shall pay for the Market Support Generation associated with the 200MW Layer** and obtain its exclusive reimbursement for such amount as FES may be due hereunder from the applicable Utility as **though FES had obtained such Market Support Generation and was functioning as a supplier to the Pooled Customers Accounts."**

MSA, Pricing Schedule No. 1, Original Sheet No. 1 (emphasis added); see also Pricing Schedule No. 2, Original Sheet No. 1.

There are further demonstrations that FES was the actual entity reserving the MSG. As FirstEnergy explained to potential claimants of MSG, "Registration" was to occur under FirstEnergy's retail supplier tariff which required, among other things, the completion of EDI testing to ensure the applicant's ability to exchange information electronically with the utilities. IEU-OH never conducted EDI testing. See Murray Deposition, p. 63, lns. 18-22. EDI testing is a prerequisite to making a Direct Access Service Request ("DASR"), which is the only means of enrolling a customer for MSG and submitting information about a customer's historical and current usage to the utilities. See Burnell Deposition, p. 76, ln. 24 – p. 77, ln. 6. FES, not IEU-OH, submitted the DASR for IEU-OH members. See Murray Deposition, p. 124. Similarly, rate information about IEU-OH's members is transmitted by FES to the applicable FirstEnergy electric distribution utility to facilitate the generation of invoices for the MSG. See id. at p. 110-114.

Registration under each FirstEnergy operating company's retail supplier tariff also requires proof of creditworthiness, see Blank Deposition, p. 57-58; yet FirstEnergy

did not require, and IEU-OH did not submit, credit information in connection with IEU-OH's MSG application. See id. at p. 59, lns. 10-15; see also Murray Deposition, p. 67; Murray Deposition, Exhibit 5; Burnell Deposition Supplemental Responses, p. 2. The reason is that it was never IEU-OH's intention to be responsible for the cost of the MSG or to provide assurance that the FirstEnergy utilities would be paid for supplying it to IEU-OH's members. Even though IEU-OH later applied to change its status from "aggregator" to "broker/aggregator", it has never submitted a financial guarantee or proof of creditworthiness to either the Commission or FirstEnergy; nor could it. IEU-OH's application to become a Certified Retail Electric Supplier ("CRES") makes it clear that "IEU-OH has no definitive financial arrangements to conduct CRES as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit arrangements, etc.)." See Murray Deposition Exhibit 18, Page 1 of Exhibit C-4. IEU-OH did not have such financial arrangements in place at the time it submitted its MSG claim or any time thereafter. See Murray Deposition, p. 85-86.

FES, not IEU-OH, was identified as the MSG supplier in the original notices sent to IEU-OH members. While FirstEnergy later asserted that FES was "incorrectly" named "due to a processing error," see, e.g., Blank Deposition, p. 103-104, FirstEnergy was unable to identify what type of a "processing error" caused this "mistake." See id. at p. 104, lns. 10-14. Moreover, Mr. Blank, the person responsible for approving the IEU-OH claim, was unable to identify the supplier if it was not FES. See id. at p. 104, lns. 6-9.

R.C. § 4928.33(c) provides in pertinent part:

> No electric utility shall provide retail electric service in this state during the market development period except pursuant to . . . an approved or prescribed transition plan.

R.C. § 4928.33(c).

The Transition Settlement Agreements were incorporated as a part of the approved Transition Plans for FirstEnergy. Thus, the Transition Plans, through these settlements, specifically provide that MSG indirectly reserved by a FirstEnergy affiliate must be relinquished and made available on a first-come, first-served basis to unaffiliated marketers or brokers when the MSG is fully allotted. See Supplemental Settlement at 1.

The "Other Retail" allotment of MSG for Respondents CEI, TE and OE is fully subscribed. See FirstEnergy Answer to Complaint, ¶ 60. Nevertheless, FirstEnergy has failed to require its affiliate, FES, to relinquish the MSG indirectly reserved by FES and sold to IEU-OH members by FES. Likewise, FirstEnergy has failed to make such MSG available to unaffiliated marketers and brokers. These failures directly violate the Transition Settlement Agreements, adopted, approved and incorporated as a part of FirstEnergy's Transition Plans and violate R.C. § 4928.33.

This violation frustrates the public policy underlying Am. Sub. S.B. No. 3 and the Commission's order approving the Transition Plans. As noted in the Opinion and Order, the requirement that an affiliate release to a third-party marketer/broker, the affiliate's share of MSG where the generation is otherwise fully committed would "allow more generating capacity to be made available to non-affiliated companies and create greater activity in the marketplace." See Opinion and Order, PUCO Case No. 99-1212-EL-ETP, *et al.*, p. 68 (July 19, 2000).

The Commission has the authority to determine whether an electric utility such as FirstEnergy has failed to implement its Transition Plan in accordance with Ohio's

policy to provide competitive retail electric service or any order approving a Transition Plan. R.C. § 4928.36 states:

> The Public Utilities Commission has jurisdiction . . . upon complaint by any person . . . on or after the starting date of competitive retail electric service, to determine whether an electric utility has failed to implement, in conformance with an order under Section 4928.33 of the Revised Code or an ongoing compliance with applicable provisions of the policies specified in Section 4928.02 of the Revised Code, a transition plan approved under Section 4928.33 of the Revised Code.

R.C. § 4928.36 (emphasis supplied).

FirstEnergy's failure to allocate the MSG in compliance with its Transition Plans has and will continue to undermine the development of a competitive market for retail electric services. Moreover, failure to comply with the Supplemental Settlement Materials has and will continue to prevent the availability of unbundled and comparable retail electric service, the development of diversity of electricity supplies and suppliers, innovation of cost effective retail electric service and, generally, the development of effective competitive services, all in violation of the Commission's Opinion and Order and R.C. § 4928.02.

B. FirstEnergy violated the Transition Settlement Agreements by approving claims for MSG for which there was no committed capacity sale.

The Transition Settlement Agreements and Protocol require that a claimant have a supplier-customer commitment in place in order to establish and hold a place in the queue for MSG. See Blank Deposition, p. 12. If, at the time of application, a supplier did not have a contract with a retail customer of the required duration, the supplier is to forfeit its place in the queue for that part of the claim. See Protocol, § 6.b(vii). Ms. Dinie asked

IEU to provide proof of a committed capacity sales contract with its members. See Murray Deposition, p. 74, 76. However, the Contingent Agreement provided by IEU in response to this request was not proof of a "committed capacity sale".[8] That agreement was contingent upon the execution of an additional agreement (the MSA), which was in draft form.[9] Ms. Dinie was unable to confirm that a final MSA had been executed. See Dinie Deposition, p. 82, ln. 14 – p. 83, ln. 5. In fact, even at the time of Ms. Dinie's review of the second round of MSG claims, the MSA had still not been executed. See id. at p. 137, lns. 10-19.

Ms. Dinie alerted FirstEnergy to this contingency within the Contingent Agreement, and the fact that to the best of her knowledge there was no final, executed MSA. See id. at p. 83, lns. 9-15; Blank Deposition, p. 21, lns. 7-13; p. 25, lns. 3-10. Mr. Blank never saw the MSA in any form, nor did he ever request the opportunity to review it. See id. at p. 20-21. Mr. Blank did however, consult with FirstEnergy's lawyers, and then made the determination that IEU-OH's MSG application, made indirectly by FES, should be granted. See id. at p. 21, ln. 20 – p. 22, ln. 5. Mr. Blank contends his decision

[8] At least arguably, the agreement submitted by IEU-OH was also deficient given the lack of a price term. Even the draft MSA did not include pricing, as it required another agreement to be executed between FES and each IEU-OH member to establish prices to be charged the members for the MSG. At the time of IEU-OH's application for MSG, there was no "commitment" with retail customers to purchase generation that satisfied the Stipulation's committed capacity sale requirement. As noted above, approval of an MSG claim required "a commitment of a customer to purchase generation from or through an eligible supplier." Blank Deposition, p. 14, lns. 11-14 (emphasis added). "Purchase" is defined as "to obtain in exchange for money or its equivalent." See The American Heritage College Dictionary, 3d Ed., 2000, p. 1110. Ms. Dinie advised FirstEnergy that she had concerns about the Contingent Agreement based on the fact that the agreement lacked a firm price term. See Blank Deposition, p. 29, lns. 11-14. Based on the requirement that in order to approve an MSG claim there must be a commitment to purchase generation, IEU-OH's submission was deficient and should not have been approved given the complete absence of any discussion of a purchase price.

[9] Despite the fact that the Contingent Agreement was conditioned upon execution of the MSA "in substantially the same form," Ms. Dinie never reviewed an executed copy of the MSA, but rather only reviewed the draft that was attached to the Contingent Agreement. See Dinie Deposition, p. 82, lns. 6-13.

was predicated, in part, upon Ms. Dinie's satisfaction that there was "committed capacity sales contract," a contention she flatly denies. See Dinie Deposition, p. 64-65.

Other facts confirm Ms. Dinie's concerns. IEU-OH members were assured that the Contingent Agreement would include contingencies that would allow them to "walk" if a member deemed an unacceptable outcome existed. As the Pool Participation Agreement was explained by IEU's counsel, members would have the option to withdraw without penalty if the program (which included MSG) did not provide value. These are the only two agreements executed between IEU-OH and its members. As Ms. Dinie suspected, there was no committed capacity sale as of October 19, 2000.

FirstEnergy has violated its Transition Plans by allocating MSG in violation of the Transition Settlement Agreements approved by the Commission in its order pursuant to O.R.C. § 4928.33. O.R.C. § 4928.36 grants the Commission the authority to determine and remedy an electric utility's failure to implement its transition plan in accordance with the Commission's order under R.C. § 4928.33.

C. FirstEnergy failed to file the FE/IEU Settlements with the Commission and obtain approval of the same, thus violating O.R.C. §§ 4905.31, 4905.32, 4905.33 and 4905.35.

Separate and apart from the Transition Settlement Agreements, FirstEnergy negotiated and entered into a settlement agreement with IEU-OH. See, Murray Deposition Exhibits 7 and 8. The FE/IEU Settlements created a separate IEU Pool. As counsel for IEU-OH explained, this IEU Pool provided additional benefits "to improve the economics for IEU-OH members" for their electric needs. Murray Deposition Exhibit 8. These additional benefits were identified in a "confidential settlement

information previously sent" to IEU-OH members by IEU-OH's counsel; i.e., the FE/IE Settlements.[10] Id.

O.R.C. § 4905.31 requires that any special arrangement between a public utility and its customers that provides for a financial advantage must be filed with and approved by the Commission to be lawful. The FE/IEU Settlements were neither filed with nor approved by the Commission. Failing to obtain such an approval effects a violation of O.R.C. 4905.32, 4905.33 and 4905.35.

Pursuant to O.R.C. § 4905.32, no public utility can charge a rate that is different than its approved tariffs. It has been acknowledged that under the FE/IEU Settlements, the IEU-OH members were to receive "additional" benefits to improve their economics for electric service. No public utility may directly or indirectly charge a greater or lesser compensation for services rendered than it charges any other person. O.R.C. § 4905.33. Because the Commission never approved the special rate provided to IEU-OH members through the FE/IEU Settlements, FirstEnergy and its operating companies are providing a special rate that it is not making available to others. This is a violation of O.R.C. § 4905.33.

Through the FE/IEU Settlements, FirstEnergy also gave an undue and unreasonable advantage to its affiliated marketer, FES. In order to obtain the additional benefits in the FE/IEU Settlements, IEU-OH was required to enter into a ten year contract

[10] By September 27, 2000, the date Mr. Randazzo sent this informative e-mail to IEU-OH members, the Transition Settlement Agreements had long been filed publicly and approved by the Commission.

with FES, thus assuring FES long term contracts with some of the largest industrial energy users in Ohio.[11] See Murray Deposition, Exhibit 8. This was not only an undue and unreasonable preference granted to FES by its parent, FirstEnergy, it is a violation of FirstEnergy's corporate separation plan approved in the Transition Case.

D. *FirstEnergy has abused its market power in such a manner as to* interfere with effective competition in the provision of retail electric service.

Through its approval of the FES reservation of MSG, FirstEnergy has prevented marketers and brokers who are not affiliated with FirstEnergy from acquiring electric generation at a price that would allow them to compete in the market. FirstEnergy has thereby stifled competition and prevented the development of the market to be created from the fulfillment of FirstEnergy's MSG obligation in its Transition Settlement Agreements. R.C. § 4928.06(E)(1) gives the Commission the authority, and the obligation, to end such abuse:

> Beginning on the starting date of competitive retail electric service, the Commission has authority under Chapters 4901 to 4909. of the Revised Code, and shall exercise that authority to resolve abuses of market power by any electric utility that interfere with effective competition in the provision of retail electric service.

R.C. § 4928.06(E)(1).

FirstEnergy turned a blind eye to glaring deficiencies in IEU-OH's MSG application, including IEU-OH's failure to have a "committed capacity sale" in place at the time it submitted its claim for MSG and its failure to register under the terms of the utilities' supplier tariff. The truth is, IEU-OH made no attempt to register and it never

[11] It also appears that under the MSA FES has been given the advantage of being allowed to release MSG *into the market for additional profit to FES. Such a release has been strictly prohibited by FirstEnergy for*

received written confirmation from any FirstEnergy utility that "registration" had been completed and accepted. See Murray Deposition, p. 68.

Mr. Blank and Mr. Burnell both now contend that the registration process for aggregators was less stringent than it was for marketers. See Blank Deposition, p. 42, lns. 12-16; Burnell Deposition, p. 28-32. However, Mr. Blank conceded that there is nothing in the FirstEnergy Protocol which distinguishes between a marketer and an aggregator for purposes of completing an MSG application. See Blank Deposition, p. 45. Likewise, Mr. Burnell indicated that he could not explain why the registration process would be different for aggregators as opposed to marketers. See Burnell Deposition, p. 32, lns. 15-25. In addition, Ms. Dinie, the auditor hired by FirstEnergy to assist in the implementation of the Protocol, testified that she was never advised by FirstEnergy of any such distinctions between marketers and aggregators. See Dinie Deposition, p. 17.

More troubling is the fact that Mr. Blank was aware as of "the later half of the year 2000" that discussions took place between FES and IEU-OH about the manner in which MSG would flow to IEU-OH members. See Blank Deposition, Page 119. Being also aware that FES's affiliation with FirstEnergy would disqualify FES from being the supplier of MSG to IEU-OH's members, Mr. Blank made inquiries of FirstEnergy Corp's. legal department about FES's role in the process. He was informed that IEU-OH would not be incurring a payment obligation in connection with the provision of MSG to its members. See Blank Deposition, p. 119. Following these discussions, Mr. Blank approved IEU-OH's MSG application. See id. at p. 167-174.

R.C. § 4928.01(A)(14) provides that a person has knowledge of circumstances when he is aware that such circumstances probably exist. See R.C. § 4928.01(A)(14). In

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other marketers.

this case, there is little doubt that Mr. Blank, acting on behalf of FirstEnergy, had knowledge of circumstances making it clear that FES, not IEU-OH, was the entity reserving the MSG on behalf of IEU-OH's members. He was aware that registration was a prerequisite to being an "eligible supplier" of MSG, but he made no attempt to verify IEU-OH's registration or lack thereof. He was informed by FirstEnergy's auditor that there were serious questions about the existence of a committed capacity sale between IEU-OH and its members, but made no attempt to examine the pertinent contracts. While discussing the IEU-OH/FES relationship, Mr. Blank even advised Ms. Dinie that he would resolve issues related to the credit for the IEU-OH claim. He had been told that IEU-OH was not going to incur a payment obligation for MSG allocated to its members, thus rendering unimportant the fact that IEU-OH had submitted no information on its creditworthiness.[12]

Knowing all this, it cannot have escaped Mr. Blank's surmise that some entity other than IEU-OH was reserving the MSG on behalf of IEU-OH's members; and yet, Mr. Blank professes not to have put two and two together to come to the realization that it was FES all along.

What is clear from the record is that FirstEnergy and its FE-affiliate drove the reservation of MSG merely fronted by IEU-OH. Long before the MSG was made available, FirstEnergy entered into a separate settlement with IEU-OH in which an IEU-OH Pool was created that required inclusion of the MSG. Likewise, the FE-IEU settlement required IEU to enter into contracts with FES. Thus, prior to IEU-OH submitting its MSG claim, FES negotiated an agreement with IEU-OH where it would be

[12] On the other hand, if FES did not supply the required creditworthiness on behalf of IEU-OH, then FirstEnergy gave IEU-OH an undue and unreasonable preference in violation of both O.R.C. 4905.35 and

the supplier of the MSG. The term of the agreements between IEU-OH and its members was controlled by the FE/IEU Settlements, a term that extends through the entire market development period for FirstEnergy. The FE-affiliate controlled all aspects of the sale and delivery of the MSG to IEU-OH members, even to the point of the right to reject IEU-OH members from the program. In fact, the FE-affiliate never let go of any significant part of the MSG.

FirstEnergy violated the Transition Settlement Agreements so that it could retain a large block of industrial business, through its wholly-owned affiliate, during its entire market development period. All of this has been done in violation of R.C. § 4928.06. The Commission must remedy this blatant interference with the development of a competitive market.

IV. REMEDY

The Commission has the authority under R.C. §§ 4928.16 and 4928.36 to implement a broad range of remedies for FirstEnergy's failure to implement its transition plan in accordance with the Commission's Opinion and Order and for violation of R.C. § 4928.06. Specifically, it may impose any of the remedies specified in Divisions (C)(1), (3) and (D)(1), (2) of R.C. § 4928.18. That section permits the Commission to:

> (1) Issue an order directing the utility or affiliate to comply;
>
> (2) Modify an order as the Commission finds reasonable and appropriate and order the utility or affiliate to comply with the modified order;
>
> (3) Suspend or abrogate an order, in whole or in part;

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the FirstEnergy corporate separation plan.

> (4) Issue an order that the utility or affiliate pay restitution to any person injured by the violation or failure to comply;
>
> (D) In addition to any remedies otherwise provided by law, the commission, regarding a determination of a violation pursuant to division (B) of this section and commensurate with the severity of the violation, the source of the violation, any pattern of violation, the source of the violation, any pattern of violations, or any monetary damages caused by the violation, may do either of the following:
>
> (1) Impose a forfeiture on the utility or affiliate of up to twenty-five thousand dollars per day per violation. The recovery and deposit of any such forfeiture shall be subject to sections 4905.57 and 4905.59 of the Revised Code.
>
> (2) Regarding a violation by an electric utility relating to a corporate separation plan involving competitive retail electric service, suspend or abrogate all or part of an order, to the extent it is in effect, authorizing an opportunity for the utility to receive transition revenues under a transition plan approved by the commission. . .

R.C. §§ 4928.18(C)(1)-(D)(2).

Complainants respectfully request that the Commission remedy FirstEnergy's abuse of market power and knowing violation of the Transition Settlement Agreements and O.R.C. §§ 4905.31, 4905.32, 4905.33 and 4905.35 by issuing an order as follows:

(1) Finding that FirstEnergy has violated its Transition Plans and the Commission's orders approving such Plans, and has abused its market power for the purpose of interfering with the development of a competitive electric market; and

(2) Finding that FirstEnergy has violated O.R.C. §§ 4905.31, 4905.32, 4905.33 and 4905.35 by failing to file the FE/IEU Settlement and giving its affiliate, FES, an undue and unreasonable preference by requiring IEU-OH to obtain its MSG through FES; and further has given IEU-OH an undue and unreasonable preference, by

providing electricity to IEU-OH at a special rate that is different than the tariffs of its operating companies; and

(3) Directing FirstEnergy to require FES to relinquish the MSG it indirectly reserved and was allocated, consistent with FE's obligations in the Transition Settlement Agreements; and

(4) Directing FirstEnergy to provide MSG to marketers and brokers, in the order in which their claims appear in the FirstEnergy queue, whose claims were displaced by the indirect reservation of MSG by FES and by approval of claims for which there was no committed capacity sale. The amount should be commensurate with the MSG that was allocated in violation of the Transition Settlement Agreements and should be for a period of five years, commencing with the date of first delivery of the relinquished MSG. Complainants and others in the queue will be damaged by any failure of FirstEnergy to provide the full five years of MSG in compliance with its Transition Plans; and

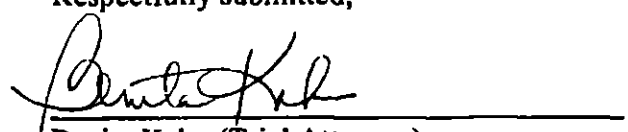
(5) Directing FirstEnergy to pay attorney fees for the blatant violation of the terms of the Transition Settlement Agreements; and

(6) Assessing penalties against FirstEnergy pursuant to O.R.C. § 4928.18(D); and

(7) Such other remedies as Commission deems appropriate.

Dated: October 29, 2001

Respectfully submitted,



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing Brief of Complainants, Enron Energy Services, Inc., Exelon Energy Company, Strategic Energy, LLC, AES Power Direct, LLC and MidAmerican Energy Company has been served upon the attorneys for the parties and the Commission Staff as listed below via U.S. Mail, prepaid, this 29th day of October, 2001, and a courtesy copy was served upon Helen Liebman, Jones, Day, Reavis & Pogue, 1900 Huntington Center, 41 South High Street, Columbus, Ohio 43215 via hand delivery this 29th day of October, 2001.

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01-393-EC-CSS

(b) FES' shall perform all services in a reasonable, diligent manner in order to satisfy the requirements and needs of the Pooled Customers. Pricing and other attributes associated with discrete sources or types of power, energy or other capacities shall be identified in the Schedule or Schedules attached hereto. Such schedules may be amended, modified and supplemented as the Parties may agree from time to time. Price Schedule 1 (200 MW Layer) and Price Schedule 2 (Incremental Layer) establish the pricing for Market Support Generation provided to the Pooled Customers. Energy supplied to Pooled Customers above Market Support Generation (if any) shall be supplied by FES at FES' then-applicable market-based rates for each such Pooled Customer.

(c) None of the Pooled Customers shall acquire an individual or unique future interest in the goods or services available from or through the Aggregation Program.

(d) FES shall perform its obligations hereunder in full compliance with applicable tariffs, rate schedules and contracts, including the designation of an appropriate delivery point to the electric distribution utility.

(e) To the extent that IEU-OH has secured multiple sources or types of power, energy and other capacities to meet the purchased electric requirements of the Pooled Customers, IEU-OH shall, upon FES' reasonable request, provide FES with an allocation of such power, energy and other capacities as FES may reasonably require to satisfy its responsibilities hereunder.

5. **Fees to FES by IEU-OH.** IEU-OH shall pay FES the fees set forth on Pricing Schedule 3, attached to this Agreement, and as the same may be amended from time to time.

6. **Coordination and Synchronization of FES Services**. The services provided by FES hereunder shall be coordinated and synchronized with the Aggregation Program agreements between IEU-OH and the Pooled Customers. IEU-OH agrees to use its best efforts to conform Pooled Customer agreements with the terms and conditions contained herein and to avoid any conflicts between this Agreement and such Pooled Customer agreements. All Pooled Customer agreements secured by IEU-OH for the Aggregation Program and executed by Pooled Customers shall be promptly forwarded to FES subject to such confidentiality or protective agreements as may exist as between IEU-OH and FES. FES' service obligation as contemplated herein shall commence with regard to the requirements of any Pooled Customer until such time as FES has acknowledged the receipt of the agreement between such Pooled Customer and IEU and such acknowledgement shall not be unreasonably withheld. Prior to acknowledgement, FES reserves the right to reject any Pooled Customer and IEU-OH agreement that does not conform to FES's obligations under this Agreement. In the event FES acts as billing agent for the Utilities, or if FES has instituted dual

billing, FES assumes any risk of non-payment by a pooled Customer provided that it may establish reasonable credit qualifications that shall be applied to Pooled Customers.

7. **Preferred Vendor for Other Services.** IEU-OH will identify FirstEnergy as a preferred supplier to its members and provide FirstEnergy with a good faith opportunity to provide natural gas, HVAC and other service requirements to Pooled Customers and the facilities served under the IEU-OH Pool Program. IEU-OH's agreements with Pooled Customers shall also include a requirement that Polled Customers provide FirstEnergy with such good faith opportunity. FirstEnergy shall use its best efforts to identify to IEU-OH and Pooled Customers the natural gas, HVAC and other services that FirstEnergy is ready, willing and able to provide to meet the service needs of Pooled Customers.

8. **Authority/Indemnity.** IEU-OH shall have no authority to make any warranties or representations on behalf of or in the name of FES. IEU-OH shall indemnify and hold harmless FES against any claims, actions, suits, liabilities, damages and costs, including reasonable attorney fees, arising out of the performance of IEU-OH's obligations under this Agreement. FES shall have no authority to make any warranties or representations on behalf of or in the name of IEU-OH. FES shall indemnify and hold harmless IEU-OH against any claims, actions, suits, liabilities, damages and costs, including reasonable attorney fees, arising out of the performance of FES' obligations under this Agreement

9. **Independent Contractor.** Neither IEU-OH, nor any member, agent or representative, is an employee or agent of FES, but is considered independent contractor. Neither FES, nor any agent, affiliate or representative, is an employee or agent of IEU-OH or any Pooled Customer unless otherwise specifically stated herein. All expenses and disbursements of any nature whatsoever, including, without limitation, those expenses related to their employees, office space, computers, telephone, postage, reproduction and travel expenses, which are incurred by IEU-OH in connection with this Agreement shall be borne wholly and completely by IEU-OH, unless otherwise agreed to in writing by FES. Each party shall be responsible for payment of all taxes arising out of its own activities in connection with this Agreement, including without limitation, its federal, state and local income tax, social security tax, unemployment insurance tax, and any other taxes or business license fees required of any nature whatsoever.

10. **Confidentiality; Publicity.**
    (a) Except for matters of public record, information already within the other party's possession prior to entering into this Agreement, and except to the extent required (through deposition, interrogatory, request for production, subpoena, civil investigative demand or similar process) by a court order, both Parties agree to keep confidential the existence of this Agreement and all information relating to the subject matter hereof, including pricing and any data

collected hereunder. In the event that either Party becomes required, in the manner specified above, to disclose any confidential information, such Party shall provide prompt written notice to the other Party so that the other Party may timely seek a protective order or other appropriate remedy. In the event that such protective order or other remedy is not obtained, each Party agrees (i) to furnish only that portion of the confidential information that is required to be furnished; (ii) to exercise reasonable commercial efforts to obtain assurance that confidential treatment will be accorded such confidential treatment; and (iii) provide a copy to the other Party of all confidential information so furnished. Notwithstanding the foregoing, confidential information shall not include: (i) information which was, at the time of disclosure, in the public domain; (ii) information which subsequently becomes, after disclosure, part of the public domain through no act or omission of the Parties; (iii) information which was, prior to disclosure, already in a Party's possession and was not acquired, directly or indirectly, from a third party who, to such Party's knowledge, is under a contractual or fiduciary obligation of confidentiality to the other Party; and (iv) information which is, subsequent to disclosure, lawfully and independently obtained by a Party, to its knowledge, from a third party who is lawfully in possession of such information and who is not under a contractual or fiduciary obligation of confidentiality to the other Party with respect to such information.

(b) Neither party shall make any public announcement or press release of any kind with respect to the relationship of the parties or the terms of this Agreement without the prior consent of the other party, which shall not be unreasonably withheld.

11. **Compliance with Laws, Permits, and License Requirements**. Each Party shall, at its sole cost and expense, comply with all federal, state, and local laws applicable to its work and shall procure all applicable licenses and permits necessary for the fulfillment of its obligations under this Agreement.

12. **Assignment**. FES may freely assign or transfer, in whole or in part, this Agreement or any rights or obligations to an affiliate, or successor-by-merger. Otherwise, FES may not otherwise assign or transfer, in whole or in part, this Agreement or any rights or obligations without the prior written consent of IEU-OH, which consent shall not be unreasonably withheld. IEU-OH shall not assign or transfer, in whole or in part, this Agreement or any rights or obligations hereunder without the prior written consent of FES and such consent shall be reasonably provided upon IEU-OH's request. All of the covenants, conditions and obligations of this Agreement shall extend to and be binding upon the permitted successors and assigns, respectively, of the parties hereto.

13. **Return of Company Books and Records**. Documents given to or prepared by IEU-OH which pertain to FES business remain the property of FES, irrespective of whether such documents relate to or contain confidential information. Upon termination of this Agreement, IEU-OH agrees to return any and all such documents to FES.

14. **Non-Waiver**. A waiver by FES or IEU-OH of any breach of any covenant, condition or provision (whether expressed, implied or otherwise) herein contained shall not be taken to be a waiver of any subsequent breach of the same or any other covenant, condition or provision. The acceptance of any payment by FES from IEU-OH for any delivery of electricity for any period shall not be deemed to be a waiver of any default or breach hereunder

15. **Notices.** All notices hereunder shall be in writing and shall be delivered by certified mail, return receipt requested, or by overnight carrier to the following addresses:

As to FES:

FirstEnergy Services Corp.
395 Ghent Road
Akron, Ohio 44333
Attention: President
Copy to: Contract Administrator

As to IEU-OH:

Industrial Energy Users-Ohio
21 East State Street Suite 1700
Columbus, Ohio 43215
Attention: Chairman

16. **Limitation of Liability**. No party shall be liable hereunder to any other party for special, indirect, incidental or consequential damages. In the event of a default by FES, IEU-OH's sole and exclusive remedy shall be direct damages in the amount of the benefits IEU-OH and the participating Pooled Customers would have received, if any, pursuant to the separate agreement between IEU-OH and the Pooled Customers, based upon the positive difference, if any, between the price ($/kWh) that would have applied pursuant to this Agreement including the attached schedule(s) and the purchase price ($/kWh) paid by a Pooled Customer for replacement electricity (provided that IEU-OH or such Pooled Customer has used commercially reasonable efforts to replace the electricity) multiplied by the amount of undelivered electricity (kWh).

17. **Force Majeure**. No Party shall be considered to be in default in the performance of any of the obligations hereunder if failure of performance shall be 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. Nothing herein shall be construed so as to require a Party to

settle any strike or labor dispute in which it may be involved. 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 Majeure under this Agreement.

18. **Arbitration; Waiver of Jury Trial**. EACH PARTY WAIVES ITS RIGHT TO A JURY TRIAL IN ANY COURT ACTION ARISING AMONG THE PARTIES, WHETHER UNDER THIS AGREEMENT OR OTHERWISE RELATED TO THIS AGREEMENT, AND WHETHER MADE BY CLAIM, COUNTERCLAIM, THIRD PARTY CLAIM OR OTHERWISE. If for any reason the jury waiver is held to be unenforceable, the parties agree to binding arbitration for any dispute arising out of this Agreement or any claim arising under any federal, state or local statutes, laws or regulations, under the applicable commercial rules of the American Arbitration Association and 9 U.S.C. § 1, et. seq. Any arbitration will be held in the Columbus, Ohio metropolitan area and be subject to the Governing Law provision set forth in Section 21. Discovery in the arbitration will be governed by the local rules applicable in the United States Southern District Court of Ohio. The agreement of each Party to waive its right to a jury trial will be binding on its successors and assignees.

19. **Governing Law**. This Agreement shall be governed by, subject to the jurisdiction of and construed in accordance with, the laws and courts of the State of Ohio.

20. **Merger of Agreement**. This Agreement is an integrated agreement and contains the entire agreement regarding matters herein between FES and IEU-OH. No representations, warranties or promises have been made or relied upon by any party hereto other than as set forth herein. This Agreement supersedes and controls any and all prior communications between FES and IEU-OH or their representatives relative to matters contained herein. Any changes, modifications, or additions to this Agreement shall be made by mutual consent in writing in the form of a supplemental Agreement signed by both parties.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures as of the day and date first written above.

FIRSTENERGY SERVICES CORP.

By: _____
Louis R. Jahn
Executive Director
Retail Energy Commodities Group

INDUSTRIAL ENERGY USERS-OHIO

By: _____
Name: Samuel C. Randazzo
Title: _____

[47277]

Pricing Schedule No. 1 **Original Sheet No. 1**

Applicability

This Pricing Schedule No. 1 is applicable to no more than 200 megawatts annually measured coincidentally at the billing meters of all Pooled Customers (hereinafter referred to as "200 MW Layer"). This pricing schedule shall be in effect for the duration of the foregoing Master Service Agreement provided IEU-OH obtains a portion of the Market Support Generation.

Billing and Pricing -- January 1, 2001 through December 31, 2005

FES shall manage the pricing and billing of the 200 MW Layer [redacted]

Year	Savings
2001	[redacted]
2002	[redacted]
2003	[redacted]
2004	[redacted]
2005	[redacted]

IEU-OH shall allocate (the **"Allocation"**) the 200 MW Layer among the Pooled Customers in its sole discretion (each an **"Allocated Share"**) and shall notify FES of such Allocation. IEU-OH shall indemnify and hold harmless FES for any costs or damages claimed by any IEU-OH member, including Pooled Customers, relating to IEU-OH's Allocation. FES shall arrange for the delivery of the Allocated Share to each Pooled Customer Account which is covered by an agreement between IEU-OH and a Pooled Customer.

On or before November 1 of each year, FES and IEU-OH shall agree upon the price, by eligible rate schedule and by Utility, that FES shall specify for billing purposes to each Utility to produce the 200 MW Savings described herein. Once so agreed and specified, said price shall apply for the following annual period. The price applicable to the eligible accounts of the Pooled Customers for Market Support Generation including losses but excluding the net amount of the 200 MW Savings shall, unless otherwise agreed, be as set forth below:

Year	Pooled Customers (Industrial)	Pooled Customers (Commercial)
2001	2.623 cents per kWh	3.083 cents per kWh
2002	2.773 cents per kWh	3.289 cents per kWh
2003	2.798 cents per kWh	3.275 cents per kWh
2004	3.004 cents per kWh	3.498 cents per kWh
2005	3.188 cents per kWh	3.719 cents per kWh

Rate codes are as set forth in Attachment 4 to the Stipulation.

[redacted]

Billing and Pricing -- January 1, 2006 through December 31, 2010

During the Market Development Period, the Parties will use their best efforts to agree upon delivered power and energy prices, including losses, for the 200 MW Layer for the period commencing 2006. It is understood that such prices shall be based on the prevailing market price of power and energy relevant to the Pooled Customer's accounts subject to this Pricing Schedule. In the event agreement on such prices is not reached by October 1 of each year for the following calendar year, the Parties may seek to have the prices established through mediation or arbitration or either Party may terminate the power and energy pricing provisions of this Pricing Schedule 1 for such following calendar year. [redacted]

[redacted]

Example of billing pursuant to Pricing Schedule No. 1

Definitions:

GTC	**Generation Transition Charges**
RTC	**Regulated Transition Charges**
G	**Base rate generation charge plus electrical fuel component charges less any applicable transition rate credits and supply voltage discounts**
Big "G"	**G + GTC + RTC**
Shopping Credit	**S/C (calculated based on otherwise applicable standard tariffs)**
Net Payable for G to Utility	**(G + GTC+ RTC) – S/C**
Market Support Generation	**MSG**
Customer Bill	**(G + GTC + RTC) – S/C + MSG**
Savings Percentage	**SP** [redacted]
Customer Credit	**SP * [(G + GTC+ RTC) – S/C]**
% Payable to IEU	**AF [5-20% of SP as directed by Pooled Customers]**
Payment to IEU	**AF * SP * [(G + GTC + RTC) – S/C]**
Actual Customer Credit	**SP * [(G + GTC + RTC) – S/C] – AF *SP *[(G + GTC + RTC) S/C]**
	Net Bill (G + GTC+ RTC) – S/C + MSG –{SP * [(G + GTC + RTC) – S/C] – AF * SP * [(G + GTC + RTC) – S/C]}

Example for Year 2001 using commercial class average numbers; actual calculations made on a customer by customer basis

Big "G"	8.065
Shopping Credit	3.854
Net Payable for G to Utility	4.211 = 8.065 – 3.854
Market	3.083
Customer Bill	7.294 = 8.065 – 3.854 + 3.083
Savings Percentage	[redacted]
Customer Credit	[redacted]
% Payable to IEU	[redacted]
Payment to IEU	[redacted]
Actual Customer Credit	[redacted]
Net Bill	[redacted]

Pricing Schedule No. 2 **Original Sheet No. 1**

Applicability

This Pricing Schedule No. 2 is applicable to Market Support Generation secured by IEU-OH on behalf of Pooled Customers in excess of the 200 MW Layer described in Pricing Schedule 1 provided IEU-OH obtains such excess portion of the Market Support Generation. Such excess amount shall be referred to herein as the **"Incremental Layer"**. This Pricing Schedule No. 2 shall be in effect during the Market Development Period.

Billing and Pricing -- January 1, 2001 through December 31, 2005

[redacted]

FES shall arrange for the delivery of the Incremental MW Layer to each participating Account designated by IEU-OH and which is covered by an agreement between IEU-OH and a Pooled Customer. On or before November 1 of each year, FES and IEU-OH shall agree upon the price, by eligible rate schedule and by Utility, that FES shall specify for billing purposes to each Utility. Once so agreed and specified, said price shall apply for the following annual period. The price applicable to the eligible Accounts of the Pooled Customers for Market Support Generation excluding any allowance for FES' and IEU-OH's costs shall, unless otherwise agreed, be as set forth below:

Year	Pooled Customers (Industrial)	Pooled Customers (Commercial)
2001	2.623 cents per kWh	3.083 cents per kWh
2002	2.773 cents per kWh	3.289 cents per kWh
2003	2.798 cents per kWh	3.275 cents per kWh
2004	3.004 cents per kWh	3.498 cents per kWh
2005	3.188 cents per kWh	3.719 cents per kWh

Pricing Schedule No. 3 **Original Sheet No. 1**

Applicability

To services rendered by FES in connection with the administration of the Incremental Layer under Pricing Schedule No. 2 to the Master Service Agreement.

FUNCTION	CHARGE
Functions related to the procurement and flow of power and energy secured directly or indirectly by IEU-OH for the Aggregation Program	[redacted]
Management of transmission, distribution and ancillary service capacity or capacities secured directly or indirectly by IEU-OH for the Aggregation Program	[redacted]
All generation, transmission, distribution and ancillary services scheduling	[redacted]
Balancing and other activities associated with meeting all the purchased electric requirements of the Pooled Customers	[redacted]
Management of forward physical supply and price risks, billing and collection, bill auditing	[redacted]
Provision of working capital required to address leads and lags between expenses and revenues	[redacted]
Call center support, pricing, reductions of the transition cost payments otherwise applicable to the Pooled Customers	[redacted]
Price and services discovery designed to increase the value of the Aggregation Program	[redacted]
Identification and management of beneficial electricity capacity release opportunities	[redacted]
Assistance with accessing and interpreting meter data	[redacted]
Identification of demand side management strategies and implementation plans, management of demand side management programs and such other services as IEU-OH may reasonably request to initiate and maintain an effective aggregation program	[redacted]

IEU-OH Member Pool Participation Agreement
FirstEnergy Accounts

WHEREAS, The Industrial Energy Users-Ohio ("**IEU-OH**") has established an aggregation program for its members with eligible retail electricity loads within the Ohio Edison Company, The Toledo Edison Company, and The Cleveland Electric Illuminating Company (each, a "**Utility**" or collectively "**Utilities**") service areas, to obtain, for such members, benefits from the competitive electricity market contemplated by Chapter 4928, Ohio Revised Code.

WHEREAS, IEU-OH has been certified as a competitive retail electric services ("**CRES**") aggregator by the Public Utilities Commission of Ohio ("**PUCO**") as evidenced by Certificate Number 00-001 issued on October 23, 2000 in PUCO Case Number 00-1711-EL-AAG.

WHEREAS, The opportunity to benefit IEU-OH members through an aggregation program is dependent upon IEU-OH securing, on a first come first serve basis, Market Support Generation ("**MSG**") through a claim that has been submitted to ("**FE**") or the Utilities based on information supplied by or on behalf of IEU-OH members desiring to participate.

WHEREAS _____ (name of participating IEU-OH member—"Member"), desires that its eligible facilities and accounts served by each Utility be included in IEU-OH's aggregation program to the extent that IEU-OH MSG claim associated with such accounts is sustained.

WHEREAS, FirstEnergy Services Corp. ("**FES**") and IEU-OH shall enter into a Master Service Agreement ("**Agreement**" or "**MSA**") in substantially the form as the draft agreement contained in Appendix A attached hereto under which IEU-OH will act as an aggregator on behalf of its members to satisfy their annual electricity and other service requirements for up to ten (10) years, FES shall manage the day-to-day aspects of the aggregation program and FES will compensate IEU-OH as described in and subject to the terms and conditions of the MSA.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1 – Member's Designation of IEU-OH as Aggregator

In consideration of IEU-OH's inclusion of Member's eligible accounts in IEU-OH's claim for MSG, Member agrees, as to such accounts, that IEU-OH shall be Member's competitive electric services aggregator for a term that is at least as long as the duration of IEU-OH's related claim for MSG provided that: (1) The MSA between IEU-OH and FirstEnergy is entered into in substantially the same form as the draft document contained in Appendix A; and (2) IEU-OH claim for MSG in sufficient amount to meet the requirements of Member's eligible accounts is sustained.

Section 2 – IEU-OH's Obligation & Member Authorizations

Upon execution of this Agreement and granting of IEU-OH's related MSG claim IEU-OH shall administer the IEU Aggregation program so as to include Member's eligible accounts as identified by Member to the extent that the related MSG claim is sustained. Such administration by IEU-OH shall require IEU-OH to use its best efforts to administer the MSA for the benefit of all pool participants including Member's eligible accounts. Member's eligibility for participation in the IEU-OH aggregation program may be terminated by IEU-OH in the event Member discontinues membership in IEU-OH or fails to pay invoices properly rendered by IEU-OH. Member hereby agrees that it has identified the accounts listed in Appendix B as the accounts that it desires to have included in the IEU-OH aggregation program described herein provided that such accounts are eligible for shopping and receipt of MSG. Member also represents that the capacity specified for each account listed in Appendix B represents the capacity required to meet the account's energy requirements. Member understands that those IEU-OH members that participated in the IEU-OH electricity competition matter for 2000 ("**IEU-OH Opt-In Members**") have first call on the MSG capacity that offers the best available pricing outcome in the aggregation program. Member hereby agrees to provide IEU-OH such information as IEU-OH may reasonably request to

perform its duties under this Agreement and authorizes IEU-OH to use such Member-supplied information as IEU-OH deems necessary to administer the MSA. IEU-OH shall protect the confidentiality of such member-supplied information unless Member otherwise agrees or unless IEU-OH determines that such information must be released to comply with laws and regulations applicable to CRES providers. Member also hereby designates IEU-OH as its agent to obtain such information from the Utilities or other parties as may be reasonably necessary in the judgment of IEU-OH to fulfill its responsibilities under this Agreement. The term of this agreement shall commence January 1, 2001 and continue as to each participating account and each Utility until the termination of the MSA. Member assumes all obligations to arrange for its electric service requirements upon termination of this Agreement.

Section 3 –Structure of the IEU-OH Aggregation Program

In each month, IEU-OH agrees to use its best efforts to administer the MSA on Member's behalf and, for the accounts specified in this Agreement. Member agrees to buy the full electricity requirements of its eligible MSG accounts specified as part of this Agreement through IEU-OH as aggregator. It is IEU-OH and Member's understanding that the operation of the aggregation program contemplated herein shall be sufficient to meet Member's eligible accounts' electric energy and capacity needs at the existing electric service delivery point during the term of the MSA under the MSG "load following" option. Unless otherwise agreed, the aggregation program shall be consistent with the description of the IEU-OH aggregation program and the supply of MSG claimed by IEU-OH according to the Stipulation and Recommendation, dated April 13, 2000, approved by the Public Utilities Commission of Ohio (the **"Stipulation"**) in Case Nos. 99-1212-EL-ETP, 99-1213-EL-ETP and 99-1214-EL-ETP and any related settlement agreements (the **"Settlement Agreements"**) between FirstEnergy or its affiliates (and their successors) and IEU-OH. Member understands that the IEU-OH aggregation program will combine Member's eligible service requirements with the requirements of other Members' eligible accounts and Member agrees that IEU-OH's performance obligations shall be guided by the requirements and needs of all aggregation program participants. No individual IEU-OH aggregation program participant shall acquire an individual or unique present or future interest in the goods or services available from or through the IEU-OH aggregation program. IEU-OH shall use its best efforts to arrange for firm electric generation and, where applicable, transmission services in full compliance with applicable tariffs, rate schedules and contracts including the designation of an appropriate delivery point to the electric distribution utility. FES' services to Member's eligible accounts as part of the IEU-OH's aggregation program, shall include but shall not be limited to electric generation service (capacity or power and energy), transmission, ancillary services, reconciliation services and line losses as contemplated by the MSA attached hereto in Appendix A.

Section 4 – Miscellaneous

4.a Preferred Supplier Status. Member agrees to accord FES with the status of a preferred supplier and provide FES with a good faith opportunity to provide natural gas, HVAC and other service requirements to the accounts and facilities served through the Agreement. It is understood that FES must use its best efforts to identify to Member the natural gas, HVAC and other services that FES is ready, willing and able to provide to meet the service needs of Pooled Customers.

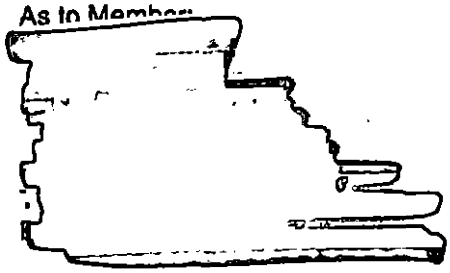
4.b Assignment. IEU-OH may freely assign or transfer, in whole or in part, this Agreement or any rights or obligations to an affiliate, or successor. Otherwise, IEU-OH may not otherwise assign or transfer, in whole or in part, this Agreement or any rights or obligations without the prior written consent of Member, which consent shall not be unreasonably withheld. Member shall not assign or transfer, in whole or in part, this Agreement or any rights or obligations hereunder without the prior written consent of IEU-OH and such consent shall be reasonably provided upon Member's request. All of the covenants, conditions and obligations of this Agreement shall extend to and be binding upon the permitted successors and assigns, respectively, of the parties hereto.

4.c Waiver. A waiver by Member or IEU-OH of any breach of any covenant, condition or provision (whether expressed, implied or otherwise) herein contained shall not be taken to be a waiver of any subsequent breach of the same or any other covenant, condition or provision. The

acceptance of any payment to IEU-OH by Member for IEU-OH's aggregation services as specified in the MSA shall not be deemed to be a waiver of any default or breach hereunder.

4.d Notices. All notices hereunder shall be in writing and shall be delivered by certified mail, return receipt requested, or by overnight carrier to the following addresses:

As to Member:



As to IEU-OH:
Industrial Energy Users-Ohio
21 East State Street Suite 1700
Columbus, Ohio 43215
Attention: FE Aggregation Pool Administrator
Fax No.: (614) 469-4653
Telephone No. (614) 469-8000
E-Mail: srandazzo@mwncmh.com

4.e Damages. No party shall be liable hereunder to any other party for special, indirect, incidental or consequential damages. In the event of a default by IEU-OH, Member's sole and exclusive remedy shall be direct damages in the amount of the benefits Member would have received, if any, pursuant to the terms and conditions of the MSA attached hereto in Appendix A based upon the positive difference, if any, between the price ($/kWh) that would have applied pursuant to this Agreement and the purchase price ($/kWh) paid by Member for replacement electricity (provided that member has used commercially reasonable efforts to replace the electricity) multiplied by the amount of undelivered electricity (kWh).

4.f Force Majeure. No Party shall be considered to be in default in the performance of any of the obligations hereunder if failure of performance shall be 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. Nothing herein shall be construed so as to require a Party to settle any strike or labor dispute in which it may be involved. 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 Majeure under this Agreement.

4.g Waiver & Governing Law. Each party waives its right to a jury trial in any court action arising among the parties, whether under this Agreement or otherwise related to this agreement, and whether made by claim, counterclaim, third party claim or otherwise. If for any reason the jury waiver is held to be unenforceable, the parties agree to binding arbitration for any dispute arising out of this Agreement or any claim arising under any federal, state or local statutes, laws or regulations, under the applicable commercial rules of the American Arbitration Association and 9 U.S.C. § 1, et. seq. Any arbitration will be held in the Columbus, Ohio metropolitan area and be subject to the Governing Law provision set forth herein. Discovery in the arbitration will be governed by the local rules applicable in the United States Southern District Court of Ohio. The agreement of each Party to waive its right to a jury trial will be binding on its successors and assignees. This Agreement shall be governed by, subject to the jurisdiction of and construed in accordance with, the laws and courts of the State of Ohio

4.h Merger. This Agreement is an integrated agreement and contains the entire agreement regarding matters herein between IEU-OH and Member. No representations, warranties or promises have been made or relied upon by any party hereto other than as set forth herein. This Agreement supersedes and controls any and all prior communications between IEU-OH and Member or their representatives relative to matters contained herein. Any changes,

modifications, or additions to this Agreement shall be made by mutual consent in writing in the form of a supplemental agreement signed by both parties.

4.i Expected Start Date. The Parties acknowledge that the anticipated January 1, 2001 start date contemplated by the parties is dependent upon the timely Member's timely submission and processing of Member's information by the Utilities. The anticipated start date may be delayed by such events as, but not limited to inaccurate or missing account information, unavailable meter reads, Utility processing delays, or change in Utility procedures.

4.j Metering. IEU-OH, at its expense, shall have the right to install, or have installed special metering and communication equipment or facilities at the location of any or all of the accounts specified in Appendix B. With Member's subsequent consent, the metering allowance specified in the MSA may be used in full or part by IEU-OH for the purpose of securing and installing such metering. The placement and ongoing location of such metering or other equipment shall not interfere with Member's business and shall be subject to Member's reasonable consent. Such metering shall remain the property of IEU-OH and IEU-OH shall have the option to remove such metering upon cancellation or termination of this Agreement provided such removal does not disrupt Member's electric service. Upon Member's request, IEU-OH shall provide Customer or Customer's designated agent with real time access to all metering information. IEU-OH shall provide Customer with reasonable notice prior to the installation or removal of any such metering equipment and, prior to any removal, provide IEU-OH with the right to purchase, own and retain such metering at a price equal to the net original cost of such metering equipment. IEU-OH shall maintain the confidentiality of all such metering information and shall not disclose such information to third parties or affiliates absent written consent from the Member. IEU-OH shall use commercially reasonable efforts to utilize such information for proper registration of Member with the Utility and participation in the IEU Aggregation Pool Program.

4.k Cooperation. Each party shall cooperate with the other to execute any documents necessary to secure applicable governmental approvals of this transaction. At the request of IEU-OH or FES, Member shall cooperate in obtaining the following information: (1) recent and past electric usage including energy and demand, (2) meter readings and data, (3) types of service including rate schedule / tariff, and (4) response to questions. Member shall notify IEU-OH as soon as practical of any anticipated changes or events that are likely to affect an increase or decrease in the Member's anticipated energy consumption. This may include but not be limited to any addition or removal of equipment, shutdowns, or work stoppages. Customer shall notify IEU-OH of any unexpected significant change in electric consumption as soon as reasonably practical but not later than 24 hours from the knowledge of such change. In all such events, Member shall inform IEU-OH of the status of such event throughout the event. Notification by Member of such events shall be by telephone and electronic mail to the IEU-OH.

4.l Default. A "Default" shall have occurred upon:

i. Either party failing to perform any material term or condition of this Agreement, provided that such failure is not cured within thirty (30) days of written notice by the other Party or within another period as may be mutually agreed upon by the Parties. Failure to pay amounts when due, failure to maintain IEU-OH membership and failure to purchase electricity through IEU-OH as contemplated herein throughout the term shall be deemed to be a failure to perform a material term.

ii. Either Party voluntarily or involuntarily becoming bankrupt or being forced into bankruptcy.

iii. In the event of a Default by one Party, the other Party may in its sole discretion terminate this Agreement provided such termination is permitted by the MSA and applicable tariffs and regulations. Termination will be effective upon the earlier of the date of notice of termination or such other date as may be required under law or regulation. Member assumes all obligations to arrange for its electric service upon

termination and hereby relieves IEU-OH of any such obligation upon termination of this Agreement.

iv. In the event that the Member should breach this Agreement by failing to purchase its electricity through IEU-OH during the term of the MSA, IEU-OH's sole and exclusive remedy shall consist of timely payment by Member in sufficient amount to address any costs that may continue to be the responsibility of IEU-OH after the effective date of such termination. Member may terminate this Agreement by providing a written termination notice to IEU-OH no less than twelve (12) months prior to the termination date specified by Member provided Member timely pays to IEU-OH any costs that may not be avoided upon Member's termination.

v. It is understood by Member that FES may terminate the MSA as to Member's accounts served by individual Utilities with six (6) months written notice effective as of the date the recovery of Regulatory Transition Charges (described in the Stipulation and Settlement Agreements and for each of such FE Utilities) provided that such termination shall not occur prior to December 31, 2005.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures as of the day and date first written above.

IEU-OH MEMBER

Member's Name

By: _____

INDUSTRIAL ENERGY USERSS-OHIO

By: Samuel C. Randazzo

Print: Samuel C. Randazzo

: Counsel

{C06056:}

Appendix A

MSA

IEU-OH Member Contingent Participation Agreement

FirstEnergy/IEU-OH Aggregation Program

WHEREAS, The Industrial Energy Users-Ohio (**"IEU-OH"**) has established an aggregation program for its members with eligible retail electricity loads within the Ohio Edison Company, The Toledo Edison Company, and The Cleveland Electric Illuminating Company (each, a **"Utility"** or collectively **"Utilities"**) service areas, to obtain, for such members, benefits from the competitive electricity market contemplated by Chapter 4928, Ohio Revised Code.

WHEREAS, The opportunity to benefit IEU-OH members through an aggregation program is dependent upon IEU-OH securing, on a first come first serve basis, Market Support Generation (**"MSG"**) through a claim that must be submitted to FirstEnergy or the Utilities.

WHEREAS, The MSG claim submitted by IEU-OH must include IEU-OH member account numbers and other information including a verifiable commitment between IEU-OH and participating IEU-OH members demonstrating that IEU-OH has been selected by the IEU-OH member to act as an aggregator for a term that is at least as long as duration of the claim for MSG.

WHEREAS _ _ (**"Member"**), desires that its eligible facilities and accounts served by the Utilities be included in IEU-OH's aggregation program and the MSG claim associated with such program.

WHEREAS, FirstEnergy Services Corp. ("FES") and IEU-OH shall enter into a Master Service Agreement (**"Agreement"** or **"MSA"**) in substantially the form as the draft agreement contained in Appendix A attached hereto under which IEU-OH will act as an aggregator, marketer or broker on behalf of its members to satisfy their annual electricity and other service requirements for up to ten (10) years, FES shall manage the day-to-day aspects of the aggregation program and FES will compensate IEU-OH as described in and subject to the terms and conditions of the MSA.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1 – Member's Designation of IEU-OH as Aggregator

In consideration of IEU-OH's inclusion of Member's eligible accounts in IEU-OH's claim for MSG, Member agrees that IEU-OH shall be Member's competitive electric services aggregator for a term that is at least as long as the duration of IEU-OH's related claim for MSG provided that: (1) The MSA between IEU-OH and FirstEnergy is entered into in substantially the same form as the draft document contained in Appendix A; (2) IEU-OH makes a successful claim for MSG in sufficient amount to meet the requirements of Member's eligible accounts; (3) IEU-OH is certified as an aggregator by the Public Utilities Commission of Ohio; and (4) Member executes such other agreements as may be required to participate in the above-mentioned IEU-OH aggregation program.

Section 2 – IEU-OH's Obligation & Member Authorizations

Upon the timely submission of the required information by Member, IEU-OH shall include Member's eligible accounts as identified by Member served by the Utilities in IEU-OH's claim for MSG. Such inclusion in its MSG claim shall be IEU-OH's sole obligation under this Agreement. Member's eligibility for participation in the IEU-OH aggregation program may be terminated by IEU-OH in the event Member discontinues membership in IEU-OH or fails to pay invoices properly rendered by IEU-OH. Member's eligible accounts have been identified by Member to IEU-OH in an attachment to an e-mail message sent to IEU-OH's representatives on October _ 2000. Member understands that those IEU-OH members that participated in the IEU-OH electricity competition matter for 2000

("**IEU-OH Opt-In Members**") have first call on the MSG capacity that offers the best available pricing outcome in the aggregation program. Member hereby authorizes IEU-OH to use such Member-supplied information as IEU-OH deems necessary to submit IEU's MSG claim provided that IEU-OH shall protect the confidentiality of such information unless Member otherwise agrees. Member also hereby designates IEU-OH as its agent to obtain such information from the Utilities as may be necessary to prepare and submit IEU-OH's MSG claim.

Section 3 – Expected Structure of the IEU-OH Aggregation Program

It is IEU-OH and Member's expectation that FES shall schedule and supply the Member's eligible accounts with electric energy and capacity needs at the existing electric service delivery point for all or that portion of the usage available for customer choice for such accounts as are identified in IEU-OH's claim for MSG provided IEU-OH makes a successful MSG claim. IEU-OH's MSG claim shall request that MSG be provided under the "load following" option. FES' and Member's responsibilities shall be consistent, unless otherwise agreed, with the description of the IEU-OH aggregation program and the supply of MSG claimed by IEU-OH according to the Stipulation and Recommendation, dated April 13, 2000, approved by the Public Utilities Commission of Ohio (the "**Stipulation**") in Case Nos. 99-1212-EL-ETP, 99-1213-EL-ETP and 99-1214-EL-ETP and any related settlement agreements (the "**Settlement Agreements**") between FirstEnergy or its affiliates (and their successors) and IEU-OH. Member understands that the IEU-OH aggregation program will combine Member's eligible service requirements with the requirements of other Members' eligible accounts and Member agrees that IEU-OH's and FES' performance obligations shall be guided by the requirements and needs of all aggregation program participants. No individual IEU-OH aggregation program participant shall acquire an individual or unique future interest in the goods or services available from or through the IEU-OH aggregation program. FES shall provide or arrange for firm electric generation and, where applicable transmission services in full compliance with applicable tariffs, rate schedules and contracts including the designation of an appropriate delivery point to the electric distribution utility. FES' services to Member's eligible accounts as part of the IEU-OH's aggregation program, shall include but shall not be limited to electric generation service (capacity or power and energy), transmission, ancillary services, reconciliation services and line losses. Member understands that the exact structure of the IEU-OH aggregation program will be controlled by definitive agreements that shall be executed by FES, IEU-OH and Member.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures as of the day and date first written above.

IEU-OH Member	**INDUSTRIAL ENERGY USERS-OHIO**
Member's Name	
By:	By: Samuel C. Randazzo
Print:	Print: Samuel C. Randazzo
Title:	Its:

DRAFT MASTER SERVICE AGREEMENT – Appendix A

This Agreement is made and entered into as of this 30th day of September, 2000, by and between FirstEnergy Services Corp., ("**FirstEnergy**") with a location at 367 Ghent Road, Suite 3A, Akron, Ohio 44320, and Industrial Energy Users-Ohio ("**IEU-OH**"), with its principal offices at 21 East State Street, Suite 1700, Columbus, Ohio 43215.

WHEREAS, FirstEnergy desires to assist IEU-OH and its members with retail electricity loads within the Ohio Edison Company, The Toledo Edison Company, and The Cleveland Electric Illuminating Company (each, a "**Utility**" or collectively "**Utilities**") service areas, in their efforts to obtain benefits from the competitive electricity market contemplated by Chapter 4928, Ohio Revised Code.

WHEREAS, FirstEnergy desires to assist IEU-OH and its members within such other utility service areas as the parties may from time to time agree.

WHEREAS, FirstEnergy and IEU-OH desire to enter into an agreement under which IEU-OH will act as an aggregator, marketer or broker on behalf of its members to satisfy their annual electricity and other service requirements for up to ten (10) years , and FirstEnergy will compensate IEU-OH as described in and subject to the terms and conditions of this Master Service Agreement ("**Agreement**" or "**MSA**").

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein contained, the parties hereto agree as follows:

1. **"Pooled Customers" Defined**. "**Pooled Customers**" shall mean those IEU-OH members which have retail loads in the Utility service areas that are not under special contract as of the date hereof. Special contracts shall be those contracts approved under Section 4905.31, Revised Code, provided however that Special Arrangement for Economic Development Contracts shall not be considered special contracts. The Parties may, by their mutual agreement, expand the definition of Pooled Customers in conjunction with IEU-OH's efforts to meet the service needs of its members in areas outside the service areas of the Utilities. Such expanded definition shall be documented by the execution of an addendum to this MSA.

2. **Market Development Period Defined**. "**Market Development Period**" means the period commencing January 1, 2001 and ending December 31, 2005.

3. **"Market Support Generation" Defined.** **"Market Support Generation"** means the 1120 megawatts of system level generation made available by the Utilities to non-affiliated marketers, brokers and aggregators for sales to retail customers of each such Utility during the market development period as set forth in the Stipulation and Recommendation, dated April 13, 2000, approved by the Public Utilities Commission of Ohio (the "**Stipulation**").

4. **Assured Pricing Pooled Energy Defined.** **"Assured Pricing Pooled Energy"** means, during the Market Development Period, the power or capacity and energy associated with no more than 200 megawatts measured coincidentally at the billing meters of all Pooled Customers (the "**Assured Pricing Pooled Energy**") provided that IEU-OH obtains a portion of the Market Support Generation pursuant to the procedures set forth in the Stipulation (the "**MSG Share**"). Nothing herein shall prevent FirstEnergy from supplying or IEU-OH arranging for Pooled Customers' energy needs beyond the Assured Pricing Pooled Energy and the MSG Share.

5. **Market Pooled Energy Defined.** **"Market Pooled Energy"** means the power or capacity and energy which is secured by IEU-OH through FirstEnergy for Pooled Customers and is not Assured Pricing Pooled Energy.

6. **Allocation of Assured Pricing Pooled Energy among Pooled Customers.** To the extent the power and energy requirements of participating IEU-OH members exceed the amount of Assured Pricing Pooled Energy, IEU-OH shall allocate (the "**Allocation**") the Assured Pricing Pooled Energy among the Pooled Customers (each an "**Allocated Share**") and shall notify FirstEnergy of such Allocation concurrently with the delivery of Services and Supply Agreements (as hereinafter defined).

7. **Term.** The term of this Agreement shall begin on January 1, 2001 (the "**Commencement Date**") and shall continue in effect for a ten-(10) year period (the "**Term**").

8. **Termination.** This Agreement may be terminated:

   (a) by the non-defaulting party in the event the other Party is in default of any of its obligations or duties under this Agreement and such defaulting party has not cured or

commenced efforts to cure within ten (10) business days of actual notice of its default, or

(b) immediately by one party if the other party files bankruptcy, goes into compulsory liquidation, or if any party makes an assignment of this Agreement for the benefit of creditors provided that the assignment has not been consented to by the non-assigning party, or

(c) *by FirstEnergy, which may cancel this Agreement, and each* related Services and Supply Agreement (as hereinafter defined), with respect to all loads served within a Utility's service area as of the same date as the Regulatory Transition Charge ("**RTC**") ceases for that Utility, provided that FirstEnergy provides six (6) months' written notice to IEU-OH and each affected Pooled Customer, provided that such cancellation shall not be effective prior to December 31, 2005 and the parties have not agreed to alternative termination provisions in related Services and Supply Agreements.

(d) by the participating IEU-OH member through the provision of a written termination notice to FirstEnergy and IEU-OH no less than twelve (12) months prior to the termination date specified by Pooled Customer provided Pooled Customer agrees to pay to FirstEnergy and IEU-OH for any costs that may not be avoided upon Pooled Customer's termination.

9. **Sale and Purchase of Assured Pricing Pooled Energy and Market Pooled Energy.** FirstEnergy shall sell and deliver to each Pooled Customer within a Utility's service area its Allocated Share of Assured Pricing Pooled Energy and Market Pooled Energy as specified by such Pooled Customer pursuant to a Services and Supply Agreement between each Pooled Customer and FirstEnergy in substantial conformity of this MSA (the "**Services and Supply Agreement**"). FirstEnergy will bill the Pooled Customer directly for the Pooled Customer's Allocated Share of Assured Pricing Pooled Energy and Market Pooled Energy (plus any applicable taxes and costs incurred due to the purchasing, transporting, and/or delivery of the electricity) pursuant to the Services and Supply Agreement with the Pooled Customer. The price paid by each Pooled Customer for Assured Pricing Pooled Energy shall be fixed, and include losses, for the Allocated Share as set forth below:

Year	Pooled Customers (Industrial)	Pooled Customers (Commercial)
2001	2.623 cents per kWh	3.083 cents per kWh
2002	2.773 cents per kWh	3.289 cents per kWh
2003	2.798 cents per kWh	3.275 cents per kWh
2004	3.004 cents per kWh	3.498 cents per kWh
2005	3.188 cents per kWh	3.719 cents per kWh
2006	Market	Market
2007	Market	Market
2008	Market	Market
2009	Market	Market
2010	Market	Market

(a) **Market Price Adjustment for Assured Pricing Pooled Energy in Years 2001-2005.** Notwithstanding the prices set forth above for calendar years 2001 through 2005, FirstEnergy may, based upon instructions from and in coordination with IEU-OH, and only if such action will produce a lower weighted average price for such year, source some or all of the Assured Pricing Pooled Energy in the market for such calendar year (or adjust the price to meet such market price) and the additional savings will be shared 85% to the Pooled Customers (pro rata based on the Allocation) and 15% to FirstEnergy. This price adjustment shall only be effective for the calendar year for which the election is made and must be elected no later than November 1st prior to the commencement of the calendar year for which it relates. Intra-year adjustments are not permitted. FirstEnergy and IEU-OH shall work in good faith to maximize revenue that may be available as a result of releasing to the market any Assured Pricing Pooled Energy otherwise available to IEU-OH and its members and agree upon a gain sharing arrangement that shall operate for the mutual benefit of IEU-OH, its members and FirstEnergy.

(b) **Market Price For Years 2006-2010.** During the Market Development Period, the Parties will use their best efforts to agree upon Market Pooled Energy prices, including losses, for the period commencing 2006. In the event agreement on the prices for Market Pooled Energy is not reached by October 1 of each year for the following calendar year, the Parties shall seek to have the prices for Market Pooled Energy established through mediation or arbitration.

10. **Savings; Fees to IEU-OH.** "**Savings**" shall be determined for each Pooled Customer in its Services and Supply Agreement pursuant to the formula set forth in Exhibit B. The Parties

understand that the Stipulation and Settlement Agreements provide that IEU-OH may retain from 5% to up to 20% of the Savings produced by the program IEU-OH establishes for the benefit of Pooled Customers. IEU-OH shall notify FirstEnergy as to the payment of the Savings for the following year by October 1st of the preceding calendar year and provide such documentation as FirstEnergy shall reasonably request.

(a) Years 2001-2005. FirstEnergy (i) on behalf of the Pooled Customers will pay the applicable Utility the amount owed by each such Pooled Customer, and associated with the Assured Pricing Pooled Energy, for generation costs (not including Transmission and Distribution charges, reactive and ancillary services, benefit charges and taxes) less the applicable shopping credit, including incentives, during the period 2001 through 2005, and (ii) will bill such amount to each such Pooled Customer less the following Savings, unless otherwise instructed by IEU-OH to direct a portion of such Savings to IEU-OH:

(incremental savings information per Settlements)

(b) Years 2006-2010. The market price billed for Market Pooled Energy to Pooled Customers shall be adjusted so that each Pooled Customer in the service area of a Utility pays the market price as determined in Section 5(B), plus __ (incremental savings information per Settlements) __. To the extent necessary, FirstEnergy shall ensure this outcome by the payment of the RTC charges so as to reduce each Pooled Customer's share to no more than __ (incremental savings information per Settlements) __. An example is attached as Exhibit B to illustrate the operation of this pricing convention. In no event shall the pricing and sharing structure described herein cause any Pooled Customer to pay more than if the Pooled Customer had remained on the Utility's otherwise applicable unbundled tariff during years 2001-2005.

(c) FirstEnergy hereby assumes any risk of non-payment by a Pooled Customer provided that it may establish reasonable credit qualifications that shall be applied to Pooled Customers.

11. **Solicitations and Acceptance.** The prices, charges, terms and conditions of the sale of FirstEnergy's Assured Pricing and Market

Pooled Energy, including warranties, shall be as provided in the Services and Supply Agreement. IEU-OH agrees to conform to the Services and Supply Agreement in meeting the needs of Pooled Customers. All Services and Supply Agreements secured by FirstEnergy through IEU-OH's pool program and executed by Pooled Customers shall be promptly forwarded to FirstEnergy for acceptance. No Services and Supply Agreement shall be binding upon FirstEnergy unless and until accepted in writing by FirstEnergy and such acceptance shall not be unreasonably withheld. Prior to acceptance, FirstEnergy reserves the right to reject any Services and Supply Agreement that does not conform to FirstEnergy's obligations under this Agreement.

12. **Preferred Vendor for Other Services.** IEU-OH will identify FirstEnergy as a preferred supplier to its members and provide FirstEnergy with a good faith opportunity to provide natural gas, HVAC and other service requirements to Pooled Customers and the facilities served under the IEU-OH Pool Program. Pooled Customers shall be obligated to provide FirstEnergy with such good faith opportunity. FirstEnergy shall use its best efforts to identify to IEU-OH and Pooled Customers the natural gas, HVAC and other services that FirstEnergy is ready, willing and able to provide to meet the service needs of Pooled Customers.

13. **Authority/Indemnity.** IEU-OH shall have no authority to make any warranties or representations on behalf of or in the name of FirstEnergy. IEU-OH shall indemnify and hold harmless FirstEnergy against any claims, actions, suits, liabilities, damages and costs, including reasonable attorney fees, arising out of the performance of IEU-OH's obligations under Sections 2, 5, 6 or 7 of this Agreement. FirstEnergy shall have no authority to make any warranties or representations on behalf of or in the name of IEU-OH. FirstEnergy shall indemnify and hold harmless IEU-OH against any claims, actions, suits, liabilities, damages and costs, including reasonable attorney fees, arising out of the performance of FirstEnergy's obligations under this Agreement.

14. **Independent Contractor.** Neither IEU-OH, nor any member, agent or representative, is an employee or agent of FirstEnergy, but is considered an independent contractor. Neither FirstEnergy, its agent, affiliates or representative, is an employee or agent of IEU-OH or any Pooled Customer. FirstEnergy shall not publicly use or communicate publicly its relationship with IEU-OH absent IEU-OH's express written consent which IEU-OH shall not unreasonably withhold. All expenses and disbursements of any

nature whatsoever, including, without limitation, those expenses related to their employees, office space, computers, telephone, postage, reproduction and travel expenses, which are incurred by IEU-OH in connection with this Agreement shall be borne wholly and completely by IEU-OH, unless otherwise agreed to in writing by FirstEnergy. Each party shall be responsible for payment of all taxes arising out of its activities in connection with this Agreement, including without limitation, its federal, state and local income tax, social security tax, unemployment insurance tax, and any other taxes or business license fees required of any nature whatsoever.

15. **Confidentiality.** Except for matters of public record, information already within the other Party's possession prior to entering into this Agreement, and except to the extent required (through deposition, interrogatory, request for production, subpoena, civil investigative demand or similar process) by a court order, both Parties agree to keep confidential the existence of this Agreement and all information relating to the subject matter hereof, including pricing and any data collected hereunder. In the event that either Party becomes required, in the manner specified above, to disclose any confidential information, such Party shall provide prompt written notice to the other Party so that the other Party may timely seek a protective order or other appropriate remedy. In the event that such protective order or other remedy is not obtained, each Party agrees (i) to furnish only that portion of the confidential information that is required to be furnished; (ii) to exercise reasonable commercial efforts to obtain assurance that confidential treatment will be accorded such confidential treatment; and (iii) provide a copy to the other Party of all confidential information so furnished. Notwithstanding the foregoing, confidential information shall not include: (i) information which was, at the time of disclosure, in the public domain; (ii) information which subsequently becomes, after disclosure, part of the public domain through no act or omission of the Parties; (iii) information which was, prior to disclosure, already in a Party's possession and was not acquired, directly or indirectly, from a third party who, to such Party's knowledge, is under a contractual or fiduciary obligation of confidentiality to the other Party; and (iv) information which is, subsequent to disclosure, lawfully and independently obtained by a Party, to its knowledge, from a third party who is lawfully in possession of such information and who is not under a contractual or fiduciary obligation of confidentiality to the other Party with respect to such information.

16. **Compliance with Laws, Permits, and License Requirements.** Each Party shall, at its sole cost and expense, comply with all

federal, state, and local laws applicable to its work and shall procure all applicable licenses and permits necessary for the fulfillment of its obligations under this Agreement.

17. **Assignment**. FirstEnergy may freely assign or transfer, in whole or in part, this Agreement or any rights or obligations provided IEU-OH consents to such assignment in writing. IEU-OH shall not unreasonably withhold such consent. IEU-OH may assign or transfer, in whole or in part, this Agreement or any rights or obligations hereunder with the prior written consent of FirstEnergy. FirstEnergy shall not unreasonably withhold such consent. All of the covenants, conditions and obligations of this Agreement shall extend to and be binding upon the permitted successors and assigns, respectively, of the parties hereto.

18. **Return of Company Books and Records**. Documents given to or prepared by IEU-OH which pertain to FirstEnergy business remain the property of FirstEnergy, irrespective of whether such documents relate to or contain confidential information. Upon termination of this Agreement, IEU-OH agrees to return any and all such documents to FirstEnergy.

19. **Non-Waiver**. A waiver by FirstEnergy or IEU-OH of any breach of any covenant, condition or provision (whether expressed, implied or otherwise) herein contained shall not be taken to be a waiver of any subsequent breach of the same or any other covenant, condition or provision. The acceptance of any payment by FirstEnergy from IEU-OH for any delivery of electricity for any period shall not be deemed to be a waiver of any default or breach hereunder.

20. **Merger of Agreement**. This Agreement is an integrated agreement and contains the entire agreement regarding matters herein between the parties. No representations, warranties or promises have been made or relied upon by any party hereto other than as set forth herein. This Agreement supersedes and controls any and all prior communications between the parties or their representatives relative to matters contained herein. Any changes, modifications, or additions to this Agreement shall be made by mutual consent in writing in the form of a supplemental Agreement signed by both parties.

21. **Notices.** All notices hereunder shall be in writing and shall be delivered by certified mail, return receipt requested, or by overnight courier, to the following addresses:

As to FirstEnergy:	As to IEU-OH:
FirstEnergy Services Corp. 367 Ghent Road Suite 3A Akron, Ohio 44320 Attention: President	Industrial Energy Users-Ohio 21 East State Street Suite 1700 Columbus, Ohio 43215 Attention: _____

22. **Limitation of Liability**. No party shall be liable hereunder to any other party for special, indirect, incidental or consequential damages. In the event of a default by FirstEnergy, IEU-OH's sole and exclusive remedy shall be direct damages in the amount of the Savings IEU-OH and Pooled Customers would have received based upon the positive difference, if any, between the price ($/kWh) set forth herein and the purchase price ($/kWh) paid by a Pooled Customer for replacement electricity (provided that such Pooled Customer has used commercially reasonable efforts to replace the electricity) multiplied by the amount of undelivered electricity (kWh) measured at the Pooled Customer's billing meter (including losses).

23. **Force Majeure**. No Party shall be considered to be in default in the performance of any of the obligations hereunder if failure of performance shall be 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. Nothing herein shall be construed so as to require a Party to settle any strike or labor dispute in which it may be involved. 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 Majeure under this Agreement.

24. **Arbitration; Waiver of Jury Trial**. Each Party waives its right to a jury trial in any court action arising among the parties, whether under this agreement or otherwise related to this Agreement, and whether made by claim, counterclaim, third party claim or otherwise. If for any reason the jury waiver is held to be unenforceable, the Parties agree to binding arbitration for any

dispute arising out of this Agreement or any claim arising under any federal, state or local statutes, laws or regulations, under the applicable commercial rules of the American Arbitration Association and 9 U.S.C. § 1, et. seq. Any arbitration will be held in the Columbus, Ohio metropolitan area and be subject to the Governing Law provision set forth in Section 21. Discovery in the arbitration will be governed by the local rules applicable in the United States Southern District Court of Ohio. The agreement of each Party to waive its right to a jury trial will be binding on its successors and assignees.

25. **Governing Law**. This Agreement shall be governed by, subject to the jurisdiction of and construed in accordance with, the laws and courts of the State of Ohio.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures as of the day and date first written above.

FIRSTENERGY SERVICES CORP.

By: _____
Arthur R. Garfield
_____
President
_____

INDUSTRIAL ENERGY USERS-OHIO

By: _____

Print: _____

Its: _____

EXHIBIT A

Pooled Customer Services and Supply Agreement

(Work in Process)

Exhibit B
Savings Calculation
(Work in Process)

Col. 1 Year	Col. 2 Big "G"[1]	Col. 3 Shopping Credit with Incentive[2]	Col. 4 = Col. 2-Col. 3 Net Payable for Big G to Utility	Col. 5 Market Price per Agreement	Col. 6 = Col. 4+ Col. 5 Subtotal	Col. 7 Incremental Savings	Col. 8 = Col. 4 x Col. 7 Pooled Customer Credit[3]	Col. 9 = Col. 6 – Col. 8 Net Bill to Customer
2001				3.083				
2002				3.289				
2003				3.275				
2004				3.498				
2005				3.719				

[1] "Big G"= Generation Transition Charges (GTC) + Regulated Transition Charges (RTC) + Generation Charges pursuant to the otherwise applicable standard Utility tariffs. Generation charges shall equal the sum of base rate generation charges plus electric fuel component charges less any applicable transition rate credits and supply voltage discounts.

[2] Shopping credit is calculated pursuant to the Shopping Credit of the otherwise applicable standard tariffs.

[3] The Pooled Customer credit shown in Column 8 would be reduced by the amount determined by the Pooled Customers to be payable to IEU-OH .

AGA Gas, Inc.
Air Liquide America Corporation
Air Products & Chemicals, Inc.
AK Steel Corp.
Alcan Rolled Products Company
Alcoa Inc.
Anheuser-Busch Companies, Inc.
Aristech Chemical Corporation
ASHTA Chemicals Inc.
BP Amoco
Bayer Corp.
Bicron
Buckeye Pipe Line Co.
Buckeye Steel Castings Company
Cargill Incorporated
Central Soya Company, Inc.
Delphi Automotive Systems
Ford Motor Company
General Mills
General Motors Corporation
Glen-Gery Corporation
Honda of America Mfg., Inc.

IEU OHIO
Industrial Energy Users

International Paper
LTV Steel Company
Marathon Ashland Petroleum LLC
Martin Marietta Magnesia Specialties Inc.
The Mead Corporation
Nabisco, Inc.
Nationwide Insurance
Occidental Chemical Corporation
Owens Corning
Owens-Illinois, Inc.
PCS Nitrogen, Inc.
PPG Industries, Inc.
Praxair, Inc.
The Procter & Gamble Company
R.R. Donnelley & Sons Company
Rohm and Haas Company
Sunoco, Inc. (R&M)
Thomson Consumer Electronics
The Timken Company
WCI Steel, Inc.
Whirlpool Corporation
Worthington Industries Inc.

October 9, 2000

Administrator
Competitive Energy Supplier Contacts
FirstEnergy Corp.
General Office 10
76 S. Main St.
Akron, OH 44308

Dear Sirs:

Enclosed herein are materials submitted by the Industrial Energy Users-Ohio ("IEU-OH") to register as a supplier with FirstEnergy. IEU-OH is submitting these materials as identified in Paragraph 5.a. of the Protocol For First-Come-First Served Claims For Market Support and Non-Market Support Generation which is posted in the supplier services section of FirstEnergy's website.

IEU-OH has enclosed its application for certification as an aggregator which is currently pending before the Public Utilities Commission of Ohio ("PUCO") in Case No. 00-1711-EL-AGG. IEU-OH will update this application to provide a copy of its certification from the PUCO once it is available.

IEU-OH has not enclosed an application for service under FirstEnergy's Power Sales tariff or a credit history form. At this time, IEU-OH intends to only function as an aggregator within FirstEnergy's service territory and, therefore, this information is not relevant. As an aggregator, IEU-OH does not intend to obtain coordination services from FirstEnergy.

Please contact either Sam Randazzo (614-719-2840 or srandazzo@mwncmh.com) or me (614-719-2844 or murraykm@mwncmh.com) if there are any questions regarding this application.

Sincerely,

Kevin M. Murray

KMM:dr

Enclosures

{C05706:}

EXHIBIT
8/7/01
Murray 5

Chairman, IEU-OH Peggy Claytor, The Timken Company, 1835 Dueber Avenue, S.W., P.O. Box 6932, Mail Code GNW-35, Canton, OH 44706-0932 - Telephone: (330) 471-6363 / Telecopier: (330) 471-7055/ E-Mail: claytorp@timken.com

Counsel, IEU-OH Samuel C. Randazzo, McNees, Wallace & Nurick, Attorneys at Law, Fifth Third Center, 21 East State Street, 17th Floor, Columbus, OH 43215 - Telephone: (800) 860-3841--Toll-Free: (614) 719-2840--Direct Dial / Telecopier: (614) 469-4653/E-Mail: srandazzo@mwncmh.com or S_Randazzo@msn.com (home)

IEU-OH Website: http://www.mwncmh.com/ieu/\

PUBLIC UTILITIES COMMISSION OF OHIO

Certified as a Competitive Retail Electric Service Provider

Certificate Number:

00-001(1)

Issued Pursuant to Case Number(s):

00-1711-EL-AAG

A certificate as a Competitive Retail Electric Service Provider is hereby granted to, **Industrial Energy Users-Ohio,** whose office or principal place of business is located at **Fifth Third Center, 21 E. State Street, 17th Floor, Columbus, Ohio 43215** to provide **aggregation** services within the State of Ohio, **effective October 21, 2000.**

The certification of competitive retail electric suppliers is governed by Section 4901:1-24-(01-13) of the Ohio Administrative Code, Section 4901:1-21-(01-15) of the Ohio Administrative Code, and Section 4928.08 of the Ohio Revised Code.

This Certificate is revocable if all of the conditions set forth in the aforementioned case(s) are not met.

Subject to all rules and regulations of the Commission, now existing or hereafter promulgated.

Witness the seal of the Commission affixed at Columbus, Ohio.

Dated: OCT 2 5 2000

By Order of

PUBLIC UTILITIES COMMISSION OF OHIO

Ronald D. Rose

Gary E. Vigorito, Secretary
Daisy L. Crockron, Acting Secretary
Ronald D. Rose, Acting Secretary

Certificate Expires: **October 21, 2002**

AGA Gas, Inc.
Air Liquide America Corporation
Air Products & Chemicals, Inc.
AK Steel Corp.
Alcan Rolled Products Company
Alcoa Inc.
Anheuser-Busch Companies, Inc.
Aristech Chemical Corporation
ASHTA Chemicals Inc.
BP Amoco
Bayer Corp.
Bicron
Buckeye Pipe Line Co.
Buckeye Steel Castings Company
Cargill Incorporated
Central Soya Company, Inc.
Delphi Automotive Systems
Ford Motor Company
General Mills
General Motors Corporation
Glen-Gery Corporation
Honda of America Mfg., Inc.

IEU OHIO
Industrial Energy Users

International Paper
LTV Steel Company
Marathon Ashland Petroleum LLC
Martin Marietta Magnesia Specialties Inc.
The Mead Corporation
Nabisco, Inc.
Nationwide Insurance
Occidental Chemical Corporation
Owens Corning
Owens-Illinois, Inc.
PCS Nitrogen, Inc.
PPG Industries, Inc.
Praxair, Inc.
The Procter & Gamble Company
R.R. Donnelley & Sons Company
Rohm and Haas Company
Sunoco, Inc. (R&M)
Thomson Consumer Electronics
The Timken Company
WCI Steel, Inc.
Whirlpool Corporation
Worthington Industries Inc.

October 25, 2000

Via Federal Express (a.m. delivery)

Administrator
Competitive Energy Supplier Contacts
FirstEnergy Corp.
General Office 10
76 S. Main St.
Akron, OH 44308

Dear Sirs:

On October 9, 2000, I submitted materials to begin the registration process for the Industrial Energy Users-Ohio (IEU-OH) as a supplier as identified in Paragraph 5.a. of the Protocol For First-Come-First-Served Claims For Market Support and Non-Market Support Generation which is posted in the supplier services section of FirstEnergy's website. Included with those materials was a copy of IEU-OH's application for certification as an aggregator which was then pending before the Public Utilities Commission of Ohio ("PUCO") in Case No. 00-1711-EL-AGG.

I am enclosing a copy of IEU-OH's certification from the PUCO to update the materials initially supplied with IEU-OH's request for registration.

Please contact either Sam Randazzo (614-719-2840 or srandazzo@mwncmh.com) or me (614-719-2844 or murraykm@mwncmh.com) if there are any questions regarding this application.

Sincerely,

Kevin M. Murray

KMM:dr
Enclosure

EXHIBIT
8/7/01
Murray
6

{C05857:}

Chairman, IEU-OH Peggy Claytor, The Timken Company, 1835 Dueber Avenue, S.W., P.O. Box 6932, Mail Code GNW-35, Canton, OH 44706-0932 - Telephone: (330) 471-6363 / Telecopier: (330) 471-7055/ E-Mail: claytorp@timken.com

Counsel, IEU-OH Samuel C. Randazzo, McNees, Wallace & Nurick, Attorneys at Law, Fifth Third Center, 21 East State Street, 17th Floor, Columbus, OH 43215 - Telephone: (800) 860-3841--Toll-Free; (614) 719-2840--Direct Dial / Telecopier: (614) 469-4653/E-Mail: srandazzo@mwncmh.com or S_Randazzo@msn.com (home)

IEU-OH Website: http://www.mwncmh.com/ieu/\

Debbie Ryan
From: Kevin Murray
Sent: Monday, May 15, 2000 2:40 PM
To:

Subject: IEU-OH Pool - authorization requested

Confidential information - Do not distribute or disclose

IEU-OH's settlement with FirstEnergy in the PUCO transition plan proceeding provides for the creation of the IEU Pool to provide generation service to IEU-OH member facilities served by FirstEnergy operating companies (Ohio Edison, Toledo Edison and Cleveland Electric Illuminating). Participation in the IEU Pool is limited to accounts that are not served under special contracts. Participants in the pool have access to the "market support generation" made available by FirstEnergy as part of its settlement, or may acquire generation from other sources if this creates greater savings.

In order to begin to evaluate supply options for the IEU Pool, we need to begin to assemble historic consumption information and build hourly load profiles for the IEU Pool. The easiest way for us to accomplish this is to get historic consumption information directly from FirstEnergy. In order to do so, we need to receive your written authorization permitting FirstEnergy to release consumption data to IEU-OH.

Attached to this message is a draft form letter (Word format) I have prepared to authorize the release of electric consumption data from FirstEnergy to IEU-OH. Please execute a copy of this letter (on your company's letterhead) and return it to my attention as soon as practical.

The letter references an attachment that identifies the account numbers and locations of facilities for which the release of information is authorized. Many of you have already identified locations and accounts as possible IEU Pool participants. If you have already supplied us with this information, we can prepare the attachment from this information. If you have not supplied this information we will need you to identify accounts numbers and locations for your facilities.

All company specific information will be kept in strict confidence.

If you have any questions, please give me a call.

Kevin Murray
McNees, Wallace & Nurick
murraykm@mwncmh.com
614-719-2844

EXHIBIT
8/7/01
Murray 7

Date

Leila Vespoli
FirstEnergy Corporation
76 S. Main St.
Akron, OH 44308

Dear Ms. Vespoli:

The purpose of this letter is to authorize the release of electric utility consumption data to representatives of the Industrial Energy Users-Ohio (IEU-OH) for the accounts identified in the enclosed attachment. The release of this information is to evaluate participation in buying group under consideration for IEU-OH members (IEU Pool). In addition to release of historic consumption data available from FirstEnergy, please consider the ongoing release of electric utility consumption data authorized until rescinded.

Thank you for your assistance in this matter.

Sincerely,

Debbie Ryan

From: Sam Randazzo
Sent: Wednesday, September 27, 2000 4:13 PM
To:

Cc:

Subject: IEU Aggregation on FirstEnergy's System -- Confidential -- Prompt Action Required

Importance: High

EXHIB
8/7/01
Murray

CONFIDENTIAL - DO NOT DISTRIBUTE OR DISCLOSE.

PROMPT ACTION NECESSARY

The purpose of this e-mail message is to provide information concerning IEU-OH's efforts to help IEU-OH members gain benefits from Ohio's electric choice legislation. The information is specifically directed at IEU-OH members with facilities served by Toledo Edison (TE), Ohio Edison (OE) and Cleveland Electric Illuminating Company (CEI).

The IEU-OH members that opted-in to support IEU-OH's year 2000 electric competition matter guided the transition plan settlement negotiations. The FirstEnergy (FE) settlements provide opportunities for IEU to help IEU members (that do <u>not</u> have special contracts) to obtain access to the beneficial prices of the generation capacity that FE will make available to "jump start" customer choice. [Opportunities exist in the other utility transition plan settlements but the other settlement opportunities are not as certain at this juncture largely due to differences between the nature of the FE cases and the other utility cases.] The FE generation, known as Market Support Generation (MSG), is priced by FE so that those customers that successfully subscribe to the generation should benefit from a lower total bill than non-choice customers. Since the generation if already in

FE's service area and it is available to follow the customers' load, it is a reliable, convenient generation resource and not dependant on securing transmission in an uncertain physical and commercial market. IEU also secured some additional settlement benefits that should improve the economics for eligible IEU member The additional benefits will be first made available to eligible IEU-OH opt-in members and any unused balanc will be available to other IEU members on a first come first serve basis. The additional benefits available to opt-in members in FE's service areas have been identified in the confidential settlement information IEU previously provided to opt-in members. The opportunity for non opt-in IEU members to take advantage of the additional benefits will be provided, if available, on a first come first serve basis through a process that will be identified with the distribution of the IEU member aggregation pool participation agreements. Participants must be IEU members - IEU members are not required to participate (members' choice). Our **preliminary estimate** of the effect of the additional benefits available trough the IEU aggregation opportunity indicates an annual average savings opportunity (including the benefit of obtaining MSG) of between $[redacted] and $[redacted] per kWh depending on load and usage characteristics and the account's current rate schedule. This preliminary *estimate indicates the value of participating in IEU opt-in activities. The additional savings are limited to 200* MW of aggregated load (measured on the participating members' coincident demand basis) and (as already indicated) these added savings will be made available first to the IEU opt-in members (the folks who paid the freight).

FE will make the Market Support Generation (MSG) available (first come, first serve) to aggregators, marketers and brokers during the Market Development Period (1/1/01 - 12/31/05). The opportunity for IEU to provide generation price benefits during the Market Development Period for opt-in and other IEU-Oh member depends on IEU's ability to secure MSG. The MSG available is limited to 1120 MW and the total amount available is divided between residential and other customer classes and allocated to each of the FE operating companies (TE, OE and CEI). Since the MSG is available to aggregators, marketers and brokers, IEU-Oh ha filed an application with the PUCO to be certified as an aggregator. IEU-OH must receive PUCO certification to obtain MSG. IEU was the first party to submit a request to the PUCO for certification as an aggregator.

Since the PUCO approved the FE transition plan settlement, we have been working with FE and other stakeholders to define the process by which MSG claims will be submitted to FE and processed by FE. FE recently issued the final version of the MSG guidelines (Adobe file attached for your information). As things *presently stand, FE intends to open the MSG claims door on* **October 19, 2000**. *Since MSG is awarded on a* first come first serve basis, IEU hopes to be first in line (assuming eligible IEU members wish to take advantage of this opportunity through IEU). IEU will not be buying and selling electricity - it will be acting as a aggregator to facilitate member access to FE's MSG. The physical service and other tasks associated with the operation of this aggregation program will be performed by FirstEnergy Services, Inc. (FES). We are working on the contracts that IEU must have in place with FES and the agreements/commitments that need t be in place between IEU and the members that elect to participate in the pool. We hope to have the IEU/IEU-member agreements distributed within the next few days. But, we know that we will need certain information from IEU members before we can submit a valid MSG claim to FE. Rather than waiting until the final contract are complete, we are sending this message so that you can assemble and return the required information. Again, the FE MSG claim door will open **October 19, 2000** so we can't afford to wait until all the contracts are done before we ask members to assemble the information that IEU will need to submit a valid claim. In many cases, the information needed was collected from IEU opt-in members to help IEU more effectively participat in the settlement negotiations. **We are asking all interested IEU members to assemble the information (even if it was provided previously) because we want to make sure that the information we have is the most current information.** As indicated above, FE retail accounts that are presently served under special contracts are not eligible for the IEU MSG aggregation opportunity (they have other options under the FE *settlement). Special contracts do not include economic development contracts. Information on the MSG* opportunity is included in the Power Point presentation that is attached to this message (the presentation was created for the upcoming Manufacturers Education Council seminars, Oct. 4, Oct. 24 and Oct. 31).

The information that we need to assemble from all interested IEU members with non-special contract accoun served by OE, TE and CEI is listed below. The information must be provided on an account by account basis and separated by FE Operating company. It would be most helpful if the information is provided on a Microsoft Excel spreadsheet. If you provide the information, it will not represent a commitment to participate the IEU aggregation pool on FE's system. The commitment, if any, will not arise until the IEU/IEU member agreement/commitment is executed. Information provided in response to this request shall be confidential,

subject to attorney client protection and not shared with other IEU members.

Information Needed (by account, by operating company):

Account Number _____
Name of Customer on the Account _____
Address of Account _____
Operating Company _____ (CEI, TE or OE)
Current Rate Schedule _____
Annual Peak Demand of the Account _____ (best available information - most recent 12 months)
Annual kWh Usage of the Account _____ (best available information - most recent 12 months)
Contact Person _____ phone number _____ e-mail address _____

IEU members that fail to supply the required information can not participate in the aggregation program. The information must be supplied by any party submitting a claim for MSG.

The content of this message is also contained in the attached MS Word file.

Please call if you have any questions. Sorry for the length of this message --

Untitled

C05620.PPT

C05632.DOC

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PROTOCOL FOR FIRST-COME-FIRST-SERVED CLAIMS FOR MARKET SUPPORT AND NON-MARKET SUPPORT GENERATION

PART A – CLAIM

Section 1 Purpose of Document

1.a. The Stipulation documents in Case 99-1212-EL-ETP et al. (FirstEnergy restructuring case) establish Generation Commitments on behalf of the company.

1.b. Section V.1 of the April 13, 2000 Stipulation and Recommendation calls for Ohio Edison, Cleveland Electric and Toledo Edison to provide 1,120 MW of system level generation capacity to non-affiliated and eligible affiliated marketers and brokers and aggregators (i.e., "suppliers") for the duration of the market development period.

1.c. The Supplemental Settlement Materials agreement further describes the availability and applicability of such market support generation (section 2) and specifies that, during the months of September through May, 1,120 MW of the supply of generation other than market support generation will be "measured at the distribution meter" (section 5). This will be defined as non-market support generation. Under this section 5, FirstEnergy supplies the line losses, within its control area, for the 1,120 MW increment of non-market support generation (non-MSG).

Section 2 Definitions

2.a. FE or the Company – shall refer to FirstEnergy and its operating companies

2.b. MSG – shall mean Market Support Generation as described in Section 1.b. of this document

2.c. Non-MSG – means non-Market Support Generation as described in Section 1.c. of this document[1]

2.d. CRES – refers to Certified Retail Electricity Supplier

2.e. Eligible Supplier – means a supplier that has met the eligibility requirements defined in Section 4 of this document

[1] Under Section 5 of Supplemental Settlement Materials, FE absorbs the service area line losses associated with 1,120 MW of non-Market Support Generation identified in that section. This non-MSG is not a second block of 1,120 MW of capacity. Usage of the term "non-MSG" in this protocol does not modify FE's obligations defined by the Supplemental Settlement Materials.

2.f. Generation Service Agreement – the commitment of a customer to purchase generation from or through an Eligible Supplier

2.g. EDI – means Electronic Data Interchange which format a Supplier will utilize to submit an electronic enrollment of a customer for retail electric service

2.h. Commission or PUCO – means the Public Utilities Commission of Ohio

Section 3 Allocation of Generation Commitments between companies and retail customer classes

Each of the two Generation Commitments is allocated among the companies and retail customer classes, as follows:

3.a. MSG (Market Support Generation)

Category 1	Ohio Edison	Residential[2]	260 MW
Category 2	" "	Other Retail	300 MW
Category 3	The Illuminating Company	Residential	170 MW
Category 4	" " "	Other Retail	230 MW
Category 5	Toledo Edison	Residential	70MW
Category 6	" "	Other Retail	90 MW
	Total MSG commitment		1,120 MW

3.b. Non-MSG (Service area line losses)

Category 7	Ohio Edison	Residential at least	156 MW
Category 8	" "	Total (incl. Res.)	560 MW
Category 9	The Illuminating Company	Residential at least	102 MW
Category 10	" " "	Total (incl. Res.)	400 MW

[2] "Residential" customers include the following: for Ohio Edison, those customers served on Rates 10, 11, 17 and 19; for The Illuminating Company, those customers served on the Residential, Residential Water Heating, Residential Water and Space Heating, and Residential Space Heating; for Toledo Edison, those customers served on Rates R-01, R-01a, R-02, R-06 and R-06a. "Other Retail" customers include customers served on all other shoppable rate schedules.

Category 11	Toledo Edison	Residential at least	42 MW
Category 12	" "	Total (incl. Res.)	160 MW

Total Non-MSG commitment 1,120 MW

Section 4 Eligibility to submit a claim

Only claims by Eligible Suppliers will be considered for approval.

4.a Non-affiliated
Any marketer, broker or aggregator, non-affiliated with any Ohio investor-owned utility, that has submitted an application to the Public Utilities Commission of Ohio to be certified as a CRES and an application to FirstEnergy for registration is eligible to submit a claim.

4.b Affiliated
In addition to the above requirements, a utility affiliate will qualify to submit a claim if the affiliate or utility (1) makes capacity available within the utilities' service areas offering choice in a similar manner and magnitude as the claimed generation or (2) has no owned or leased generating capacity within one wheeling transaction from FE's service areas.

4.c. Government Aggregators
Any supplier that participates as a Government Aggregator will qualify to submit a claim by showing evidence of an enacted ordinance and verification that the residents' opt out procedure has been performed so that the amount of load the Aggregator can supply may be determined.

4.d. Customer Aggregators
A customer seeking to acquire MSG capacity or reserve loss absorption on non-MSG capacity on behalf of its own facilities must become an Eligible Supplier in order to be considered for approval.

Section 5 First-come-first-served process: Initial queues

The Stipulation Documents call for the capacity commitments identified in Section 3 as Categories 1 through 12 to be made available to Eligible Suppliers on a first-come-first-served basis. This section outlines the criteria for establishing the queue.

5.a. A claim for available capacity must be submitted electronically by an Eligible Supplier via the process identified in this protocol. The forms and protocol are available on FirstEnergy's public web site (identify web site

address). Submission of a claim will require a password, which will be made available to the Eligible Supplier that has submitted an application to the Public Utilities Commission of Ohio to be certified as a CRES and an application to FirstEnergy for registration.

5.b. A claim is to be made for one of the Categories 1 through 12, identified in Section 3 of this document.

5.c. A claim can include the load for as many customers as the Eligible Supplier serves[3]. However, each claim must contain only a single duration for all the customers in the claim. If there are multiple durations for the customers for which the supplier is claiming generation, a separate claim must be made for each duration.

The Generation Commitments are available only in increments of twelve consecutive months, or until the end of the market development period, whichever terminates earlier. A monthly period is defined to be the period covered by the company's regularly scheduled cycle bill. The last day of the cycle billing period shall determine in which month the claim falls. The initial period starts with the customer's first bill cycle after January 1, 2001. Requests for capacity for nonconsecutive twelve monthly periods must be made as separate claims.

5.d. Each claim for "Other Retail" MSG or non-MSG must contain the following information (each claim is for one Category only)[4]:

(i) name of each retail customer for whom the supplier has a Generation Service Agreement

(ii) the account number for each retail customer identified in (i.)

(iii) the amount of capacity being claimed on behalf of each retail customer (this amount cannot exceed the amount of the customer's peak load)[5]. For Residential customer claims, the supplier may submit peak monthly kWh in lieu of the calculated peak demand.

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[3] Each claim shall be a separate file. Due to data processing limitations, no claim shall include more than 10,000 customers. If the supplier is requesting generation for more than 10,000 customers, then multiple claims can be made, each of which shall not exceed the maximum number of 10,000.

[4] *A claimant for a Residential category may, at its option, use the requirements of this section* rather than the requirements of Section 5.e.

[5] The historic peak load is defined as the highest measured peak incurred in the most recent available 12 billing months for customers with demand meters, and as the calculated peak load for customers without demand meters, with the calculated peak load based on the customer's energy consumption in the most recent available 12 billing months. For those residential and small commercial customers with new load, or not having 12 months of usage ended, a

(iv) for Market Support Generation, whether the capacity claimed for each retail customer will be classified as "Load Following" or "Capacity Factor" [6]

(v) the time period (duration) for which the claim is made, for which period the supplier must have a Generation Service Agreement for all customers included in the claim

(vi) supplier information, including supplier name, address, telephone and fax numbers, contact person name and e-mail address, or predetermined supplier identifier code provided by FE.

5.e. Each claim for "Residential" MSG or non-MSG must contain the same information as identified in section 5.d (i), (iv), (v) and (vi.) above. In addition, the claimant must specify the aggregate amount of MSG capacity or non-MSG line losses, and the total number of customers for which the claim is being made. The claimant must subsequently, within 40 days of this Initial Claim, provide the information specified in section 5.d (ii) and (iii) for each customer included in the claim. The company's approval process will not begin prior to the time when the information in section 5.d (ii) and (iii) is provided. Failure to supply the data in Section 5.d (ii) and (iii) within 40 days will result in removing the claim from the queue.

5.f. The first-come-first-served rule will be followed based on the time of submittal of the claim on the company's web site.

5.g. Pending claims in the queue

Once an Eligible Supplier's claim is submitted on the web site, the total amount of claimed capacity in the submission will be categorized as "pending", meaning that

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calculated method shall be used to determine the peak load. For all other customers, the peak load shall be quantified and approved by the company.

Only one supplier 's claim for part or all of the customer's load will be accepted, and the supplier may not make more than one claim for MSG and one claim for non-MSG per customer. Per the Supplemental Settlement Materials, the entire customer's load must be served by the Market Support Generation if Load Following option is elected.

[6] The "Load Following" and "Capacity Factor" options are defined in section 2 of the Supplemental Settlement Materials referred to above. For suppliers selecting the capacity factor option, scheduling details will be identified in subsequent supplier/utility communications. For purposes of claiming market support generation capacity, the peak load in the twelve months ended June 2000 as identified in footnote 3, shall be used.

(i) the supplier has reserved a place in the first-come-first-served queue, subject to the approval process, and

(ii) the utility will start the application review to determine that the requirements for approval are met.

(iii) The pending claim for the customer's load will be noted on the company's public web site as a "pending market support or non-market support generation claim". The identity of the customers and Eligible Suppliers will not be posted on the public web site.

Section 6 Approval Process

6.a. The Company will begin the approval process following the receipt of the totality of the information specified in Section 5.d. or 5.e., whichever Section applies to the submitted claim. It is the Company's objective to complete the approval process as soon as possible after receipt of the required information in Section 5.d. or 5.e. The Company's approval process includes:

(i) verification that the supplier (including customers aggregating their own facilities' loads) has been approved as a Certified Retail Electricity Supplier (CRES), by the Public Utilities Commission and has been registered with the utility.[7]

(ii) determination that the retail customer accounts and customers' names match, and that the identified customers are in fact customers of the utility.

(iii) for Market Support Generation, determination that (i) for Load Following Option accounts the claimed market support generation equals each customer's historic peak level, and that (ii) for Capacity Factor Option accounts, the claimed market support generation is equal to or less than the historic peak level for each customer. If the claim exceeds the customer's historic peak load level, the company shall

[7] If an intended supplier has not achieved CRES certification when it has made a claim for market support generation, the supplier's place in the first-come-first-served queue shall be forfeited (a) thirty calendar days following submittal of the claim or (b) thirty calendar days following the date when the PUCO first accepts CRES applications, whichever occurs later. Forfeiture Waivers may be granted by the company on a case-by-case basis for good cause shown (reasons beyond the control of the claimant) and shall be granted for each day that the PUCO extends its certification review period. Delivery of MSG capacity and non-MSG line losses to an Eligible Supplier shall not commence prior to its certification by the Commission.

reduce the claim to that historic peak load level and notify the supplier.

(iv) determination that the supplier has a contract (or an alternative form of verification)[8] with the retail customer that has a duration at least as long as the duration of the claim for MSG capacity non-MSG line losses.[9]

(v) agreement by the supplier to a contract to abide by the terms of the applicable Open Access Transmission Tariff and the applicable service agreement.[10]

(vi) determination that there is remaining capacity to meet the claim for the Company and retail customer class as identified in the application.[11]

(vii) determination that the supplier, if a utility or affiliate, qualifies per the eligibility requirement stated previously in Section 4.2 of this document.

6.b. Should the Company determine that an Eligible Supplier's application not meet the requirements listed in Section 6.a. above, the following provisions apply:

(i) If the Supplier fails to be certified as a Certified Retail Electricity Supplier (CRES) within the stated time limits, the claim shall be denied; should the Supplier subsequently become an approved CRES, a new claim for market support or non-market support generation must be made

(ii) If the insufficiency is the result of the Supplier's failure to register with the company, which includes EDI testing, the supplier shall have 30 days to become registered upon notification by the Company or the Supplier shall forfeit its place in the queue.

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[8] Such alternative to be consistent with the verification required by the PUCO for CRES certification

[9] The utility shall verify the contract term by reviewing that provision in the Generation Service Agreement or alternate verification form, or through appropriate auditing techniques

[10] This tariff and its subsequent service agreement mandate all requirements for scheduling, delivery, and billing.

[11] If the Company affiliates are required to relinquish any generation per the terms of the Supplemental Stipulation, the affiliates shall relinquish such capacity on the next customer meter reading date following notification of the need to relinquish, as long as such date is at least 15 days following the notice. If less than 15 days remain until the next meter reading date following notification, the following month's meter read date shall be the date of relinquishment. .

(iii) If the insufficiency is a result of the retail customer accounts and customers' names not matching or a determination that the listed customers are not customers of the utility, the Supplier shall have five business days[12], after receipt of notification by the utility of such fact, to remedy such mismatch by submitting a replacement retail customer list in the specified electronic form. Such replacement list shall include corrections only to the original application.

(iv) If the replacement list required by Section 6.b.iii is not received in the time period, or if it is deficient, the Supplier shall forfeit its place in the first-come-first-served queue for those customers for whom information is deficient.

(v) If the replacement list required by Section 6.b.iii results in a lesser or equal amount of market support capacity being claimed than was identified in the initial claim, such replacement value shall be deemed to be the Supplier's claim for capacity.

(vi) If the replacement list required by Section 6.b.iii results in a greater amount of market support capacity being claimed, the excess of the new amount of capacity over the initial claim shall be treated as a new claim at the end of the then-existing queue.

(vii) If FE determines that at the time of application, the Eligible Supplier does not have a contract with any retail customer with the required contract duration, the supplier will forfeit its place in the queue for that part of the claim associated with customer who is not under contract. If it is determined for a claim for Residential MSG or non-MSG that the Eligible Supplier does not have a contract for the duration of the claim for 1% or more customers, the claim shall be rejected in its entirety. If it is determined for a claim for Other Retail MSG or non-MSG that the supplier does not have a contract for the duration of the claim for 1% of the claimed load, the claim shall be rejected in its entirety.

(viii) If the Eligible Supplier fails to agree to the requirements of Section 6.b.(v), the application for capacity will be denied in its entirety.

[12] A business day is defined as a day when the general office of FirstEnergy is open for business.

(ix) If the utility or affiliate described in Section 4.b. above, does not make capacity available within its service area in a similar manner and magnitude as the claim or has owned or leased generating capacity within one wheeling transaction from FE's service areas, which would make the utility or affiliate ineligible for the MSG generation, the Eligible Supplier shall forfeit its place in the queue.

(x) If the claim for MSG or non-MSG exceeds the remaining generation in the specified category, the Eligible Supplier will be notified as such and given the option to modify its claim to equal the remaining generation. Such notification may be required for a part of the claim duration submitted by the Eligible Supplier; eg. month 11 of a 24 month claim may exceed the available generation in the specified category.

6.c. An Eligible Supplier may withdraw its claim for market support or non-market support generation on behalf of an individual retail customer in its entirety at any time prior to approval of the application.

6.d. If an Eligible Supplier were to discontinue serving a retail customer for which it had an approved market support or non-market support generation capacity claim and had proceeded with its use, at the Company's option, either the supplier's right to that capacity is forfeited and the claimed generation would be returned to the pool for that category, or the supplier shall be subject to a minimum monthly capacity factor identified in the Stipulation for the term of the approved claim.

6.e. Once the utility has approved an application for the claimed generation, the amount and duration of the claim shall be noted on the utility's public web site as an approved claim for market support or non-market support generation. The identity of the customers and suppliers will not be posted on the public web site.

Section 7 Electronic Data Interchange

In the event that the enrollment process for a particular customer with the company is not completed by the time the supplier schedules the claimed generation, the supplier shall forfeit the approved claim for that customer and the claimed generation would be returned to the pool for that category.

Section 8 FirstEnergy contact

For questions relating to market support generation, the FirstEnergy contact is:

Douglas S. Burnell
Administrator, Competitive Energy Supplier Contracts
FirstEnergy Corp.
76 South Main Street, Akron, Ohio 44308
phone: 330-384-4813 fax: 330-255-1047
e-mail: SupplierSupport@firstenergycorp.com

September 25, 2000

Manufacturers' Education Council℠

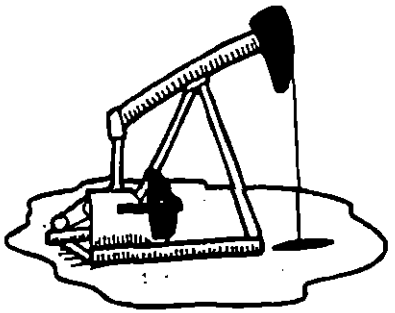
Utility Transition Plans

Sam Randazzo

McNees Wallace & Nurick

G

Customers have the ability to select their generation or production (commodity) supplier, with enhanced opportunities for self-help.



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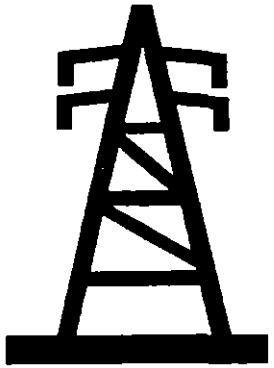
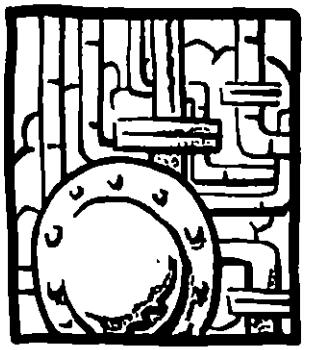




Delivery *and ancillary service* functions continue under traditional price and service regulation with new features and functions to enable effective competition in the commodity market.

D

Electricity

Natural Gas

Transition Plans
- Rate & Service Unbundling – Corp. Separation
- Transition Costs ("GTC" & "RTC") & Reviews
- Customer Switching Goal

PUCO Rules
- Alternate Dispute Resolution
- Long-Term Forecast & Power Siting
- Min. Service Stds. (CRES and Non-CRES)
- Market Monitoring
  - Market Power Abuse Remedies
- CRES Supplier Certification
- Nuclear Decommissioning
- Transmission Plan
  - Regional Transmission Organization
- Interconnection

Tax Changes

Ohio Dept. of Development (ODOD)
- Universal Service Fund
- EERLF

Consumer Education
- Statewide
- Local

Legislature Monitors

Transition Plans
- Transition Costs (Only "RTC" Continues)

Standard Offer "G" Service
- Market Price – Oversight by PUCO (RC 4928.14)
- "Market Price" Applies to All Customers
- PUCO Authority to Address Market Failure
  - Price Regulation (R.C. 4928.06)

Policy Objectives (R.C. 4928.06)

Non-Competitive Services
- Traditional Price & Service Regulation (T&D – FERC Regulation of T)
- PUCO May Declare Other Services Competitive. (R.C. 4928.04)
- PUCO Authority to Address Transmission Constraints (4928.06.E)
- Biennial Reports – PUCO & OCC (2008)

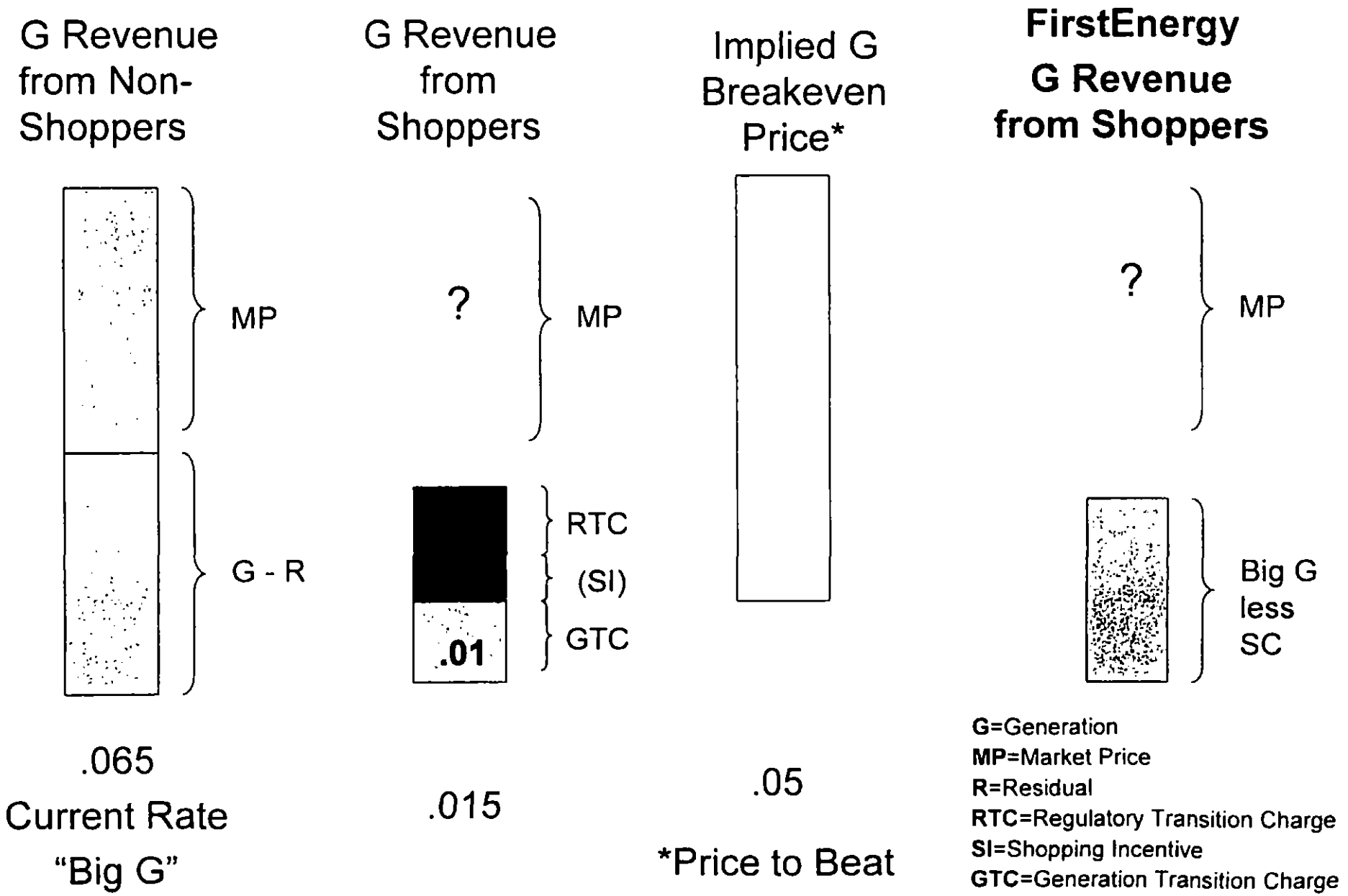
Monitor CRES Certification

Nuclear Decom. Monitoring

ODOD Reports on USF
- USF Rate Changes – Notice & Hearing

Transition Period

1/1/01 ← ***Market Development Period*** → 12/31/05 — 12/31/10



(Illustrative prices in cents per kWh)

Transition Period End Dates Per Settlements

Cleveland Electric Illuminating	12/31/08
Ohio Edison	12/31/06
Toledo Edison	06/30/07
Ohio Power	12/31/07
Columbus Southern	12/31/08
Dayton Power & Light	12/31/03
Cincinnati Gas & Electric	12/31/08* & 12/31/10
Monongahela Power	12/31/03 & 12/31/05*

* Residential

Cost Reduction Opportunities for Non-Residential Customers

Major Variables:

- Residual "G" for your rate schedule [G – (GTC+RTC)]
- Shopping incentive (or credit) for your rate schedule
- Market price of electricity (supply demand dependent)
- Replacement tax effect (unrelated to choice)
    - Self-generation exemption
- USF & EERLF effects (unrelated to choice)
    - Self-generation, municipal utility exemptions
- Transition cost charges
    - Self-generation, municipal utility exemptions
- Strategic energy plan & implementation

FirstEnergy Settlement -- Special Contract Options

Special contract customers have a one-time right through 12/31/01 to cancel the contract without penalty provided the customer remains a distribution customer of OE, TE or CEI.

Special contract customers have a one-time right through 12/31/01 to extend the current contract with OE, TE or CEI through the date at which RTC charges cease.

TE, OE and CEI must provide written notice of this opportunity by no later than 11/1/2000.

FirstEnergy Settlement - Market Support Generation ("MSG")

Designed to "jump start" competitive "G" market

1120 MW available -- *first come first serve* – during the Market Development Period (ends 12/31/05)

- Available to "aggregators", "marketers" and "brokers" (must be certified by PUCO)
- OE - 560 MW (Residential 260, Other 300)
- CEI - 400 MW (Residential 170, Other 230
- TE - 160 MW (Residential 70, Other 90)

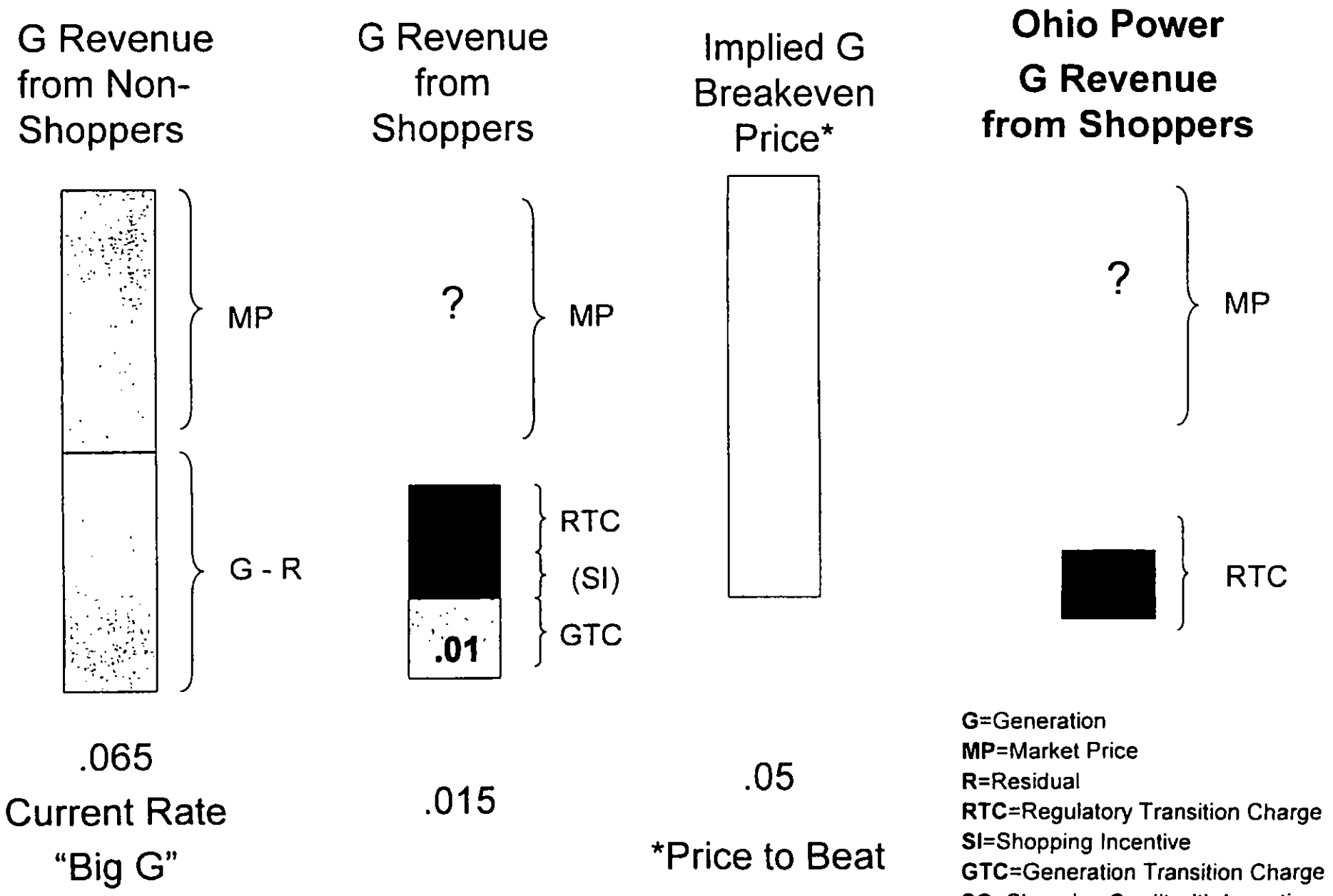
FirstEnergy Settlement - MSG Pricing (cents per kWh)

Commercial	Industrial	Year
3.083	2.623	01
3.289	2.773	02
3.275	2.798	03
3.498	3.004	04
3.719	3.188	05

FirstEnergy Settlement – Shopping Credits (cents per kWh)

Commercial	Industrial	Year
4.008	3.016	01
4.440	3.328	02
4.585	3.498	03
5.072	3.905	04
5.579	4.304	05

Escalation of SC ceases when 20% shopping target reached


G Revenue from Non-Shoppers
G Revenue from Shoppers
Implied G Breakeven Price*
Ohio Power G Revenue from Shoppers
MP
G - R
?
MP
RTC
(SI)
GTC
.01
?
MP
RTC
.065
Current Rate
"Big G"
.015
.05
*Price to Beat
G=Generation
MP=Market Price
R=Residual
RTC=Regulatory Transition Charge
SI=Shopping Incentive
GTC=Generation Transition Charge
SC=Shopping Credit with Incentive
(Illustrative prices in cents per kWh)

Ohio Power Settlement RTC (cents per kWh)

Rate Schedule	First 5 years	Second 2 years
GS 1	.22350	.26250
GS 2, GS TOD	.22516	.26443
GS 3	.19846	.23308
GS 4, IRP	.18552	.21789

Debbie Ryan

From: Sam Randazzo
Sent: Thursday, September 28, 2000 11:42 AM
To:

Cc:

Subject: IEU-OH & FirstEnergy Aggregation Program

Importance: High

Deadline for Submission of Requested Information - October 9, 2000

Howdy:

In the e-mail message we sent around yesterday, we described IEU's efforts to bring together an aggregation option for the FirstEnergy (FE) service area. We identified October 19 as the date that FirstEnergy has set for the first submission of claims for Market Support Generation (MSG). This morning, one IEU member asked about the deadline for IEU-OH members to provide the information we have requested.

We want and need to be in position to submit the MSG claim at the first opportunity. FE says that it will permit claims to be submitted beginning October 19. We will need to have our act together prior to the 19th however. So, we would like to have all the information back from interested IEU members by **October 9th**. This will give us time to look at the information, follow up on any problems we find and get the information from all members into acceptable form for submission to FE on October 19. Obviously, if you have the information sooner, send it along; we will be working on the information as soon as we get it to avoid congestion.

For what it may be worth, October 19 is the date that IEU-OH's application for certification by the PUCO (as an aggregator) will be approved automatically unless the PUCO suspends the application.

Thanks.

Sam Randazzo
McNees, Wallace & Nurick
(614) 719-2840 (voice) (614) 469-4653 (fax)

EXHIBIT
8/7/01
Murray
8A

Debbie Ryan

From: Sam Randazzo
Sent: Tuesday, October 10, 2000 2:21 PM
To:

Cc:

Subject: IEU Aggregation Program -- Participation Agreement -- Prompt Action Required.

Importance: High

EXHIBIT
8/7/4
Murray 8

Document Return Deadline - Noon on October 17, 2000

Howdy:

As indicated in our e-mail message dated September 27 (regarding the IEU-OH aggregation program on FirstEnergy's system), we are working hard to create the contracts that will need to be executed to capture, for eligible IEU member accounts, the value associated with the Market Support Generation (MSG) feature of FirstEnergy's (FE) transition plan stipulation and the IEU/FE settlements. The contracts include: (1) an agreement between IEU and participating members (the participation agreement); (2) a master service agreement between IEU and FirstEnergy Services, Inc. (the IEU/FE MSA); and, (3) individual member agreements between FES and the participating IEU members. The purpose of this e-mail message is to provide you with the participation agreement (see attached MS Word file) that must be executed by IEU members to allow IEU to submit an MSG claim when the claim doors open (anticipated on October 19). The participation agreement includes a draft version of the FES/IEU MSA to facilitate your understanding of the program.

MSG is available only to aggregators, marketers and brokers. To submit a sustainable claim for MSG, IEU must demonstrate that it has a verifiable aggregation agreement with customers. This is the participation agreement. The participation agreement includes contingencies that will allow IEU members to withdraw in the event the final program is not consistent with the settlement expectations and for other reasons. We understand the need on the part of members to reserve the ability to "walk" in the event the details of the program are not consistent with warranted expectations. We are

trying to build as much flexibili as we can into the pool program in ognition of this need consistent with the requirement that IEU present a valid MSG claim.

The participation agreement must be executed and returned to IEU before any Member accounts can be included in IEU's MSG claim. If you do not return a signed participation agreement we will not be able to secure MSG for your accounts - we will not be able to demonstrate that we have a verifiable commitment for IEU to act as an aggregator for the eligible accounts. The participation agreement should be executed by the person authorized to make a binding commitment for the accounts and, in some cases, executed by each of the separate companies represented by individual IEU members. You may submit more than one participation agreement if you are acting on behalf of more than one company. Since the MSG claim doors are scheduled to open on October 19, we must have the executed participation agreement returned to us (in our hands) no later than Noon on October 17. To avoid congestion problems, please try to return the form as soon as possible (please -- not all at once).

Please note that there are a few spaces that need to be filed in before the participation agreement is returned. In the 4th whereas paragraph, the member's name must be inserted. In section 2, you will need to insert the date that you sent us your account information. If you sent the account information by other than e-mail, please correct section 2 to reflect the appropriate mode of transmission. If you have sent information to us more than once, pick the date that is associated with the transmission you want us to use for purposes of the MSG claim submission. Last but not least, please provide the information requested in the signature spaces.

The contingencies built into the participation agreement should be sufficient to protect any member from an unacceptable outcome. We will not have the time or resources to customize the participation agreement based on your preferred contract terms and conditions. For example, we have received a request to alter the term of the aggregation program for an individual member. But, the term is controlled by the FE/IEU settlements.

We wish we had more time but we don't. We have been doing the best we can to allow IEU to be first in the MSG claims line. If IEU is successful, the benefits should help to justify the hectic pace. The amount of MSG is limited and IEU's opportunity to provide eligible member accounts with the benefits of the pool program is tied to IEU's ability to get MSG. Through our ongoing communication efforts, we have been trying to let IEU members know what to expect so that they can be ready to act should they wish to participate in the pool program. If IEU is successful, the benefits should help to justify the hectic pace.

Thanks for your understanding and help. Please call or e-mail if you have any questions.

C05729.DOC

Sam Randazzo
McNees, Wallace & Nurick
(614) 719-2840 (voice) (614) 469-4653 (fax)
srandazzo@mwncmh.com (e-mail)

IEU-OH Member Contingent Participation Agreement

FirstEnergy/IEU-OH Aggregation Program

WHEREAS, The Industrial Energy Users-Ohio ("**IEU-OH**") has established an aggregation program for its members with eligible retail electricity loads within the Ohio Edison Company, The Toledo Edison Company, and The Cleveland Electric Illuminating Company (each, a "**Utility**" or collectively "**Utilities**") service areas, to obtain, for such members, benefits from the competitive electricity market contemplated by Chapter 4928, Ohio Revised Code.

WHEREAS, The opportunity to benefit IEU-OH members through an aggregation program is dependent upon IEU-OH securing, on a first come first serve basis, Market Support Generation ("**MSG**") through a claim that must be submitted to FirstEnergy or the Utilities.

WHEREAS, The MSG claim submitted by IEU-OH must include IEU-OH member account numbers and other information including a verifiable commitment between IEU-OH and participating IEU-OH members demonstrating that IEU-OH has been selected by the IEU-OH member to act as an aggregator for a term that is at least as long as duration of the claim for MSG.

WHEREAS _____ (name of participating IEU-OH member—"Member"), desires that its eligible facilities and accounts served by the Utilities be included in IEU-OH's aggregation program and the MSG claim associated with such program.

WHEREAS, FirstEnergy Services Corp. ("**FES**") and IEU-OH shall enter into a Master Service Agreement ("**Agreement**" or "**MSA**") in substantially the form as the draft agreement contained in Appendix A attached hereto under which IEU-OH will act as an aggregator, marketer or broker on behalf of its members to satisfy their annual electricity and other service requirements for up to ten (10) years, FES shall manage the day-to-day aspects of the aggregation program and FES will compensate IEU-OH as described in and subject to the terms and conditions of the MSA.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein contained, the parties hereto agree as follows:

Section 1 – Member's Designation of IEU-OH as Aggregator

In consideration of IEU-OH's inclusion of Member's eligible accounts in IEU-OH's claim for MSG, Member agrees that IEU-OH shall be Member's competitive electric services aggregator for a term that is at least as long as the duration of IEU-OH's related claim for MSG provided that: (1) The MSA between IEU-OH and FirstEnergy is entered into in substantially the same form as the draft document contained in Appendix A; (2) IEU-OH makes a successful claim for MSG in sufficient amount to meet the requirements of Member's eligible accounts; (3) IEU-OH is certified as an aggregator by the Public Utilities Commission of Ohio; and (4) Member executes such other agreements as may be required to participate in the above-mentioned IEU-OH aggregation program.

Section 2 – IEU-OH's Obligation & Member Authorizations

Upon the timely submission of the required information by Member, IEU-OH shall include Member's eligible accounts as identified by Member served by the Utilities in IEU-OH's claim for MSG. Such inclusion in its MSG claim shall be IEU-OH's sole obligation under this Agreement. Member's eligibility for participation in the IEU-OH aggregation program may be terminated by IEU-OH in the event Member discontinues membership in IEU-OH or fails to pay invoices properly rendered by IEU-OH. Member's eligible accounts have been identified by Member to IEU-OH in an attachment to an e-mail message sent to IEU-OH's representatives on October __, 2000 (insert day). Member understands that those IEU-OH members that participated in the IEU-OH electricity competition matter for 2000 ("**IEU-OH Opt-In Members**") have first call on the MSG capacity that offers the best available pricing outcome in the aggregation program. Member hereby authorizes IEU-OH to use such Member-supplied

information as IEU-OH deems necessary to submit IEU's MSG claim provided that IEU-OH shall protect the confidentiality of such information unless Member otherwise agrees. Member also hereby designates IEU-OH as its agent to obtain such information from the Utilities as may be necessary to prepare and submit IEU-OH's MSG claim.

Section 3 – Expected Structure of the IEU-OH Aggregation Program

It is IEU-OH and Member's expectation that FES shall schedule and supply the Member's eligible accounts with electric energy and capacity needs at the existing electric service delivery point for all or that portion of the usage available for customer choice for such accounts as are identified in IEU-OH's claim for MSG provided IEU-OH makes a successful MSG claim. IEU-OH's MSG claim shall request that MSG be provided under the "load following" option. FES' and Member's responsibilities shall be consistent, unless otherwise agreed, with the description of the IEU-OH aggregation program and the supply of MSG claimed by IEU-OH according to the Stipulation and Recommendation, dated April 13, 2000, approved by the Public Utilities Commission of Ohio (the **"Stipulation"**) in Case Nos. 99-1212-EL-ETP, 99-1213-EL-ETP and 99-1214-EL-ETP and any related settlement agreements (the **"Settlement Agreements"**) between FirstEnergy or its affiliates (and their successors) and IEU-OH. Member understands that the IEU-OH aggregation program will combine Member's eligible service requirements with the requirements of other Members' eligible accounts and Member agrees that IEU-OH's and FES' performance obligations shall be guided by the requirements and needs of all aggregation program participants. No individual IEU-OH aggregation program participant shall acquire an individual or unique future interest in the goods or services available from or through the IEU-OH aggregation program. FES shall provide or arrange for firm electric generation and, where applicable transmission services in full compliance with applicable tariffs, rate schedules and contracts including the designation of an appropriate delivery point to the electric distribution utility. FES' services to Member's eligible accounts as part of the IEU-OH's aggregation program, shall include but shall not be limited to electric generation service (capacity or power and energy), transmission, ancillary services, reconciliation services and line losses. Member understands that the exact structure of the IEU-OH aggregation program will be controlled by definitive agreements that shall be executed by FES, IEU-OH and Member.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures as of the day and date first written above.

IEU-OH Member

Member's Name

_____

By: _____

Title _____

_____

_____
Address

_____
Telephone Number

INDUSTRIAL ENERGY USERS-OHIO

By: _____

Print: _____

Its: _____

(C05729:)

DRAFT MASTER SERVICE AGREEMENT – Appendix A

This Agreement is made and entered into as of this 30th day of September, 2000, by and between FirstEnergy Services Corp., (**"FirstEnergy"**) with a location at 367 Ghent Road, Suite 3A, Akron, Ohio 44320, and Industrial Energy Users-Ohio (**"IEU-OH"**), with its principal offices at 21 East State Street, Suite 1700, Columbus, Ohio 43215.

WHEREAS, FirstEnergy desires to assist IEU-OH and its members with retail electricity loads within the Ohio Edison Company, The Toledo Edison Company, and The Cleveland Electric Illuminating Company (each, a **"Utility"** or collectively **"Utilities"**) service areas, in their efforts to obtain benefits from the competitive electricity market contemplated by Chapter 4928, Ohio Revised Code.

WHEREAS, FirstEnergy desires to assist IEU-OH and its members within such other utility service areas as the parties may from time to time agree.

WHEREAS, FirstEnergy and IEU-OH desire to enter into an agreement under which IEU-OH will act as an aggregator, marketer or broker on behalf of its members to satisfy their annual electricity and other service requirements for up to ten (10) years , and FirstEnergy will compensate IEU-OH as described in and subject to the terms and conditions of this Master Service Agreement (**"Agreement"** or **"MSA"**).

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein contained, the parties hereto agree as follows:

1. **"Pooled Customers" Defined**. **"Pooled Customers"** shall mean those IEU-OH members which have retail loads in the Utility service areas that are not under special contract as of the date hereof. Special contracts shall be those contracts approved under Section 4905.31, Revised Code, provided however that Special Arrangement for Economic Development Contracts shall not be considered special contracts. The Parties may, by their mutual agreement, expand the definition of Pooled Customers in conjunction with IEU-OH's efforts to meet the service needs of its members in areas outside the service areas of the Utilities. Such expanded definition shall be documented by the execution of an addendum to this MSA.

2. **Market Development Period Defined**. **"Market Development Period"** means the period commencing January 1, 2001 and ending December 31, 2005.

3. **"Market Support Generation" Defined.** **"Market Support Generation"** means the 1120 megawatts of system level generation made available by the Utilities to non-affiliated marketers, brokers and aggregators for sales to retail customers of each such Utility during the market development period as set forth in the Stipulation and Recommendation, dated April 13, 2000, approved by the Public Utilities Commission of Ohio (the "**Stipulation**").

4. **Assured Pricing Pooled Energy Defined.** "**Assured Pricing Pooled Energy**" means, during the Market Development Period, the power or capacity and energy associated with no more than 200 megawatts measured coincidentally at the billing meters of all Pooled Customers (the "**Assured Pricing Pooled Energy**") provided that IEU-OH obtains a portion of the Market Support Generation pursuant to the procedures set forth in the Stipulation (the "**MSG Share**"). Nothing herein shall prevent FirstEnergy from supplying or IEU-OH arranging for Pooled Customers' energy needs beyond the Assured Pricing Pooled Energy and the MSG Share.

5. **Market Pooled Energy Defined.** **"Market Pooled Energy"** means the power or capacity and energy which is secured by IEU-OH through FirstEnergy for Pooled Customers and is not Assured Pricing Pooled Energy.

6. **Allocation of Assured Pricing Pooled Energy among Pooled Customers.** To the extent the power and energy requirements of participating IEU-OH members exceed the amount of Assured Pricing Pooled Energy, IEU-OH shall allocate (the "**Allocation**") the Assured Pricing Pooled Energy among the Pooled Customers (each an "**Allocated Share**") and shall notify FirstEnergy of such Allocation concurrently with the delivery of Services and Supply Agreements (as hereinafter defined).

7. **Term.** The term of this Agreement shall begin on January 1, 2001 (the "**Commencement Date**") and shall continue in effect for a ten-(10) year period (the "**Term**").

8. **Termination.** This Agreement may be terminated:

   (a) by the non-defaulting party in the event the other Party is in default of any of its obligations or duties under this Agreement and such defaulting party has not cured or

commenced efforts to cure within ten (10) business days of actual notice of its default, or

(b) immediately by one party if the other party files bankruptcy, goes into compulsory liquidation, or if any party makes an assignment of this Agreement for the benefit of creditors provided that the assignment has not been consented to by the non-assigning party, or

(c) by FirstEnergy, which may cancel this Agreement, and each related Services and Supply Agreement (as hereinafter defined), with respect to all loads served within a Utility's service area as of the same date as the Regulatory Transition Charge ("**RTC**") ceases for that Utility, provided that FirstEnergy provides six (6) months' written notice to IEU-OH and each affected Pooled Customer, provided that such cancellation shall not be effective prior to December 31, 2005 and the parties have not agreed to alternative termination provisions in related Services and Supply Agreements.

(d) by the participating IEU-OH member through the provision of a written termination notice to FirstEnergy and IEU-OH no less than twelve (12) months prior to the termination date specified by Pooled Customer provided Pooled Customer agrees to pay to FirstEnergy and IEU-OH for any costs that may not be avoided upon Pooled Customer's termination.

9. **Sale and Purchase of Assured Pricing Pooled Energy and Market Pooled Energy.** FirstEnergy shall sell and deliver to each Pooled Customer within a Utility's service area its Allocated Share of Assured Pricing Pooled Energy and Market Pooled Energy as specified by such Pooled Customer pursuant to a Services and Supply Agreement between each Pooled Customer and FirstEnergy in substantial conformity of this MSA (the "**Services and Supply Agreement**"). FirstEnergy will bill the Pooled Customer directly for the Pooled Customer's Allocated Share of Assured Pricing Pooled Energy and Market Pooled Energy (plus any applicable taxes and costs incurred due to the purchasing, transporting, and/or delivery of the electricity) pursuant to the Services and Supply Agreement with the Pooled Customer. The price paid by each Pooled Customer for Assured Pricing Pooled Energy shall be fixed, and include losses, for the Allocated Share as set forth below:

Year	Pooled Customers (Industrial)	Pooled Customers (Commercial)
2001	2.623 cents per kWh	3.083 cents per kWh
2002	2.773 cents per kWh	3.289 cents per kWh
2003	2.798 cents per kWh	3.275 cents per kWh
2004	3.004 cents per kWh	3.498 cents per kWh
2005	3.188 cents per kWh	3.719 cents per kWh
2006	Market	Market
2007	Market	Market
2008	Market	Market
2009	Market	Market
2010	Market	Market

(a) **Market Price Adjustment for Assured Pricing Pooled Energy in Years 2001-2005.** Notwithstanding the prices set forth above for calendar years 2001 through 2005, FirstEnergy may, based upon instructions from and in coordination with IEU-OH, and only if such action will produce a lower weighted average price for such year, source some or all of the Assured Pricing Pooled Energy in the market for such calendar year (or adjust the price to meet such market price) and the additional savings will be shared 85% to the Pooled Customers (pro rata based on the Allocation) and 15% to FirstEnergy. This price adjustment shall only be effective for the calendar year for which the election is made and must be elected no later than November 1st prior to the commencement of the calendar year for which it relates. Intra-year adjustments are not permitted. FirstEnergy and IEU-OH shall work in good faith to maximize revenue that may be available as a result of releasing to the market any Assured Pricing Pooled Energy otherwise available to IEU-OH and its members and agree upon a gain sharing arrangement that shall operate for the mutual benefit of IEU-OH, its members and FirstEnergy.

(b) **Market Price For Years 2006-2010.** During the Market Development Period, the Parties will use their best efforts to agree upon Market Pooled Energy prices, including losses, for the period commencing 2006. In the event agreement on the prices for Market Pooled Energy is not reached by October 1 of each year for the following calendar year, the Parties shall seek to have the prices for Market Pooled Energy established through mediation or arbitration.

10. **Savings; Fees to IEU-OH.** "**Savings**" shall be determined for each Pooled Customer in its Services and Supply Agreement pursuant to the formula set forth in Exhibit B. The Parties

understand that the Stipulation and Settlement Agreements provide that IEU-OH may retain from 5% to up to 20% of the Savings produced by the program IEU-OH establishes for the benefit of Pooled Customers. IEU-OH shall notify FirstEnergy as to the payment of the Savings for the following year by October 1st of the preceding calendar year and provide such documentation as FirstEnergy shall reasonably request.

(a) **Years 2001-2005**. FirstEnergy (i) on behalf of the Pooled Customers will pay the applicable Utility the amount owed by each such Pooled Customer, and associated with the Assured Pricing Pooled Energy, for generation costs (not including Transmission and Distribution charges, reactive and ancillary services, benefit charges and taxes) less the applicable shopping credit, including incentives, during the period 2001 through 2005, and (ii) will bill such amount to each such Pooled Customer less the following Savings, unless otherwise instructed by IEU-OH to direct a portion of such Savings to IEU-OH:

(incremental savings information per Settlements)

(b) **Years 2006-2010**. The market price billed for Market Pooled Energy to Pooled Customers shall be adjusted so that each Pooled Customer in the service area of a Utility pays the market price as determined in Section 5(B), plus __ (incremental savings information per Settlements) __. To the extent necessary, FirstEnergy shall ensure this outcome by the payment of the RTC charges so as to reduce each Pooled Customer's share to no more than __ (incremental savings information per Settlements) __. An example is attached as Exhibit B to illustrate the operation of this pricing convention. In no event shall the pricing and sharing structure described herein cause any Pooled Customer to pay more than if the Pooled Customer had remained on the Utility's otherwise applicable unbundled tariff during years 2001-2005.

(c) FirstEnergy hereby assumes any risk of non-payment by a Pooled Customer provided that it may establish reasonable credit qualifications that shall be applied to Pooled Customers.

11. **Solicitations and Acceptance.** The prices, charges, terms and conditions of the sale of FirstEnergy's Assured Pricing and Market

Pooled Energy, including warranties, shall be as provided in the Services and Supply Agreement. IEU-OH agrees to conform to the Services and Supply Agreement in meeting the needs of Pooled Customers. All Services and Supply Agreements secured by FirstEnergy through IEU-OH's pool program and executed by Pooled Customers shall be promptly forwarded to FirstEnergy for acceptance. No Services and Supply Agreement shall be binding upon FirstEnergy unless and until accepted in writing by FirstEnergy and such acceptance shall not be unreasonably withheld. Prior to acceptance, FirstEnergy reserves the right to reject any Services and Supply Agreement that does not conform to FirstEnergy's obligations under this Agreement.

12. **Preferred Vendor for Other Services.** IEU-OH will identify FirstEnergy as a preferred supplier to its members and provide FirstEnergy with a good faith opportunity to provide natural gas, HVAC and other service requirements to Pooled Customers and the facilities served under the IEU-OH Pool Program. Pooled Customers shall be obligated to provide FirstEnergy with such good faith opportunity. FirstEnergy shall use its best efforts to identify to IEU-OH and Pooled Customers the natural gas, HVAC and other services that FirstEnergy is ready, willing and able to provide to meet the service needs of Pooled Customers.

13. **Authority/Indemnity.** IEU-OH shall have no authority to make any warranties or representations on behalf of or in the name of FirstEnergy. IEU-OH shall indemnify and hold harmless FirstEnergy against any claims, actions, suits, liabilities, damages and costs, including reasonable attorney fees, arising out of the performance of IEU-OH's obligations under Sections 2, 5, 6 or 7 of this Agreement. FirstEnergy shall have no authority to make any warranties or representations on behalf of or in the name of IEU-OH. FirstEnergy shall indemnify and hold harmless IEU-OH against any claims, actions, suits, liabilities, damages and costs, including reasonable attorney fees, arising out of the performance of FirstEnergy's obligations under this Agreement.

14. **Independent Contractor.** Neither IEU-OH, nor any member, agent or representative, is an employee or agent of FirstEnergy, but is considered an independent contractor. Neither FirstEnergy, its agent, affiliates or representative, is an employee or agent of IEU-OH or any Pooled Customer. FirstEnergy shall not publicly use or communicate publicly its relationship with IEU-OH absent IEU-OH's express written consent which IEU-OH shall not unreasonably withhold. All expenses and disbursements of any

nature whatsoever, including, without limitation, those expenses related to their employees, office space, computers, telephone, postage, reproduction and travel expenses, which are incurred by IEU-OH in connection with this Agreement shall be borne wholly and completely by IEU-OH, unless otherwise agreed to in writing by FirstEnergy. Each party shall be responsible for payment of all taxes arising out of its activities in connection with this Agreement, including without limitation, its federal, state and local income tax, social security tax, unemployment insurance tax, and any other taxes or business license fees required of any nature whatsoever.

15. **Confidentiality.** Except for matters of public record, information already within the other Party's possession prior to entering into this Agreement, and except to the extent required (through deposition, interrogatory, request for production, subpoena, civil investigative demand or similar process) by a court order, both Parties agree to keep confidential the existence of this Agreement and all information relating to the subject matter hereof, including pricing and any data collected hereunder. In the event that either Party becomes required, in the manner specified above, to disclose any confidential information, such Party shall provide prompt written notice to the other Party so that the other Party may timely seek a protective order or other appropriate remedy. In the event that such protective order or other remedy is not obtained, each Party agrees (i) to furnish only that portion of the confidential information that is required to be furnished; (ii) to exercise reasonable commercial efforts to obtain assurance that confidential treatment will be accorded such confidential treatment; and (iii) provide a copy to the other Party of all confidential information so furnished. Notwithstanding the foregoing, confidential information shall not include: (i) information which was, at the time of disclosure, in the public domain; (ii) information which subsequently becomes, after disclosure, part of the public domain through no act or omission of the Parties; (iii) information which was, prior to disclosure, already in a Party's possession and was not acquired, directly or indirectly, from a third party who, to such Party's knowledge, is under a contractual or fiduciary obligation of confidentiality to the other Party; and (iv) information which is, subsequent to disclosure, lawfully and independently obtained by a Party, to its knowledge, from a third party who is lawfully in possession of such information and who is not under a contractual or fiduciary obligation of confidentiality to the other Party with respect to such information.

16. **Compliance with Laws, Permits, and License Requirements.** Each Party shall, at its sole cost and expense, comply with all

federal, state, and local laws applicable to its work and shall procure all applicable licenses and permits necessary for the fulfillment of its obligations under this Agreement.

17. **Assignment**. FirstEnergy may freely assign or transfer, in whole or in part, this Agreement or any rights or obligations provided IEU-OH consents to such assignment in writing. IEU-OH shall not unreasonably withhold such consent. IEU-OH may assign or transfer, in whole or in part, this Agreement or any rights or obligations hereunder with the prior written consent of FirstEnergy. FirstEnergy shall not unreasonably withhold such consent. All of the covenants, conditions and obligations of this Agreement shall extend to and be binding upon the permitted successors and assigns, respectively, of the parties hereto.

18. **Return of Company Books and Records**. Documents given to or prepared by IEU-OH which pertain to FirstEnergy business remain the property of FirstEnergy, irrespective of whether such documents relate to or contain confidential information. Upon termination of this Agreement, IEU-OH agrees to return any and all such documents to FirstEnergy.

19. **Non-Waiver**. A waiver by FirstEnergy or IEU-OH of any breach of any covenant, condition or provision (whether expressed, implied or otherwise) herein contained shall not be taken to be a waiver of any subsequent breach of the same or any other covenant, condition or provision. The acceptance of any payment by FirstEnergy from IEU-OH for any delivery of electricity for any period shall not be deemed to be a waiver of any default or breach hereunder.

20. **Merger of Agreement**. This Agreement is an integrated agreement and contains the entire agreement regarding matters herein between the parties. No representations, warranties or promises have been made or relied upon by any party hereto other than as set forth herein. This Agreement supersedes and controls any and all prior communications between the parties or their representatives relative to matters contained herein. Any changes, modifications, or additions to this Agreement shall be made by mutual consent in writing in the form of a supplemental Agreement signed by both parties.

21. **Notices.** All notices hereunder shall be in writing and shall be delivered by certified mail, return receipt requested, or by overnight courier, to the following addresses:

As to FirstEnergy:	As to IEU-OH:
FirstEnergy Services Corp. 367 Ghent Road Suite 3A Akron, Ohio 44320 Attention: President	Industrial Energy Users-Ohio 21 East State Street Suite 1700 Columbus, Ohio 43215 Attention: _____

22. **Limitation of Liability**. No party shall be liable hereunder to any other party for special, indirect, incidental or consequential damages. In the event of a default by FirstEnergy, IEU-OH's sole and exclusive remedy shall be direct damages in the amount of the Savings IEU-OH and Pooled Customers would have received based upon the positive difference, if any, between the price ($/kWh) set forth herein and the purchase price ($/kWh) paid by a Pooled Customer for replacement electricity (provided that such Pooled Customer has used commercially reasonable efforts to replace the electricity) multiplied by the amount of undelivered electricity (kWh) measured at the Pooled Customer's billing meter (including losses).

23. **Force Majeure**. No Party shall be considered to be in default in the performance of any of the obligations hereunder if failure of performance shall be 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. Nothing herein shall be construed so as to require a Party to settle any strike or labor dispute in which it may be involved. 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 Majeure under this Agreement.

24. **Arbitration; Waiver of Jury Trial**. Each Party waives its right to a jury trial in any court action arising among the parties, whether under this agreement or otherwise related to this Agreement, and whether made by claim, counterclaim, third party claim or otherwise. If for any reason the jury waiver is held to be unenforceable, the Parties agree to binding arbitration for any

dispute arising out of this Agreement or any claim arising under any federal, state or local statutes, laws or regulations, under the applicable commercial rules of the American Arbitration Association and 9 U.S.C. § 1, et. seq. Any arbitration will be held in the Columbus, Ohio metropolitan area and be subject to the Governing Law provision set forth in Section 21. Discovery in the arbitration will be governed by the local rules applicable in the United States Southern District Court of Ohio. The agreement of each Party to waive its right to a jury trial will be binding on its successors and assignees.

25. **Governing Law**. This Agreement shall be governed by, subject to the jurisdiction of and construed in accordance with, the laws and courts of the State of Ohio.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures as of the day and date first written above.

FIRSTENERGY SERVICES CORP.

By: _____
Arthur R. Garfield
_____
President
_____

INDUSTRIAL ENERGY USERS-OHIO

By: _____

Print: _____

Its: _____

EXHIBIT A

Pooled Customer Services and Supply Agreement

(Work in Process)

Exhibit B
Savings Calculation
(Work in Process)

Col. 1 Year	Col. 2 Big "G"[1]	Col. 3 Shopping Credit with Incentive[2]	Col. 4 = Col. 2-Col. 3 Net Payable for Big G to Utility	Col. 5 Market Price per Agreement	Col. 6 = Col. 4+ Col. 5 Subtotal	Col. 7 Incremental Savings	Col. 8 = Col. 4 x Col. 7 Pooled Customer Credit[3]	Col. 9 = Col. 6 – Col. 8 Net Bill to Customer
2001				3.083				
2002				3.289				
2003				3.275				
2004				3.498				
2005				3.719				

[1] "Big G"= Generation Transition Charges (GTC) + Regulated Transition Charges (RTC) + Generation Charges pursuant to the otherwise applicable standard Utility tariffs. Generation charges shall equal the sum of base rate generation charges plus electric fuel component charges less any applicable transition rate credits and supply voltage discounts.

[2] Shopping credit is calculated pursuant to the Shopping Credit of the otherwise applicable standard tariffs.

[3] The Pooled Customer credit shown in Column 8 would be reduced by the amount determined by the Pooled Customers to be payable to IEU-OH .

Debbie Ryan

From: Sam Randazzo
Sent: Tuesday, November 28, 2000 7:43 PM
To:

Cc:
Subject: IEU Aggregation Program -- FirstEnergy Utilities -- Possible 12/6 Meeting Notice

CONFIDENTIAL - RELATED TO PROTECTED SETTLEMENT AGREEMENTS - LAWYER CLIENT COMMUNICATION

Howdy:

The purpose of this message is to provide you with a status report regarding the IEU aggregation program that has been designed to provide non special contract accounts served by FirstEnergy utilities with an opportunity to obtain price and service benefits. The performance time line that we had hoped for has slipped because of forces outside of our control. The PUCO has just acted on the final FirstEnergy transition plan tariffs (required to determine transition charges and shopping credits) and the Market Support Generation (MSG)claim process has not gone very smoothly (despite the commendable efforts of FirstEnergy). We do not know when or if IEU's MSG claim will be granted and this is a threshold condition that must be satisfied for the program to move forward. FirstEnergy is doing an audit of the MSG claims that were submitted on October 19. This audit is designed to correct claim input data (such as in the case of an error in the account number) and to determine if the claimant has a binding agreement with the customer for which the claim was submitted. We think IEU has held up very well in the audit process but we don't have the answer regarding the extent to which IEU's MSG claim will be sustained. In general, it is our understanding that the MSG capacity available on Toledo Edison and CEI was under claimed and with an over claim condition on Ohio Edison. The audit process that is under way may weed out defective claims for the Ohio Edison capacity so that the capacity is sufficient to meet all valid claims. We have heard that some marketers submitted multiple claims for the same accounts and this has caused more than a few problems.

Attached (MS Word files) are the close-to-final drafts of the agreement (Master Service Agreement or "MSA") that will need to run between FirstEnergy Services and IEU. This MSA deals with the responsibilities for the administration of the aggregation program - all the nuts and bolts and provides the pricing formula that shall apply to participants. In general, the pricing formula is designed to allow participating members to access the MSG (at the specified prices) with savings (relative to the standard shopper at MSG prices) manufactured by a savings in the otherwise applicable transition charges. In all cases, transition charges are the net difference between the unbundled G for the applicable rate schedule less the "shopping credit" for the applicable rate schedule. The shopping credit (and accordingly the transition charge) are sensitive to load factor so the evaluation of any advantages of this aggregation program needs eventually be taken down to individual account's load and usage characteristics and rate schedules. But more about that later. Attached is the MSA.

IEU - November 10, 2000 draft ...

The agreement between IEU and participating IEU members mirrors the provisions of the MSA with the addition of some general terms and conditions and some traditional contract boiler plate. Attached is the close-to-final form of the IEU and IEU member agreement.

EXHIBI

8/7/01
Murray

C06056.DOC

These agreements are being sent your way to try to get you something that can be reviewed internally so that you can be better prepared to act once you have all the information needed to make your business decision. I do not expect any changes in the text of the agreements at this point. We are still trying to work through the pricing formula that is in the MSA. Thus, any expected changes should not affect the results of any internal legal review (any changes may affect the business decision to go with the MSG aggregation option).

Since some of you may be headed to Columbus for the IEU meeting on 12/7 and in the interest of trying to get you more information about the structure of the aggregation program that will help you make your business decisions, we are trying to set up a meeting for the afternoon of **12/6** (between **1:00 and 3:00** in our offices). (We at the law firm have a holiday open house the evening of 12/6 and you are welcome to stay for this as well - it starts at 5:00 PM.) We know that this is short notice and will understand if people can not make the meeting. But, if we can pull the meeting together, it may provide you with an important opportunity to get a better understanding of how the program will work and how to determine if the program will benefit the accounts you have asked us to include in the IEU MSG claim. We have included the accounts that you sent our way in the IEU MSG claim. If the aggregation program turns out to not provide value (you are better off on the existing non-shopping rate option of your utility for example) you will have the option to withdraw the claim for the non-benefited account without penalty. We are proceeding to try to keep the MSG option open pending the completion of the analysis that we know you all want completed.

If you can't make a meeting on the afternoon of 12/6, please let us know. If it turns out that this time and day are not good for enough folks we will go back to the meeting drawing board. We will also try to arrange for a conference call participation option - let us know if you like to participate by phone so that we can secure adequate capacity. This is a meeting that should be attended in person if possible - participating by phone may be frustrating on both ends. For those that can't make the meeting, we will try to do it again or (numbers permitting) arrange one-on-one sessions. We anticipate that representatives from FES will be featured presenters at the meeting and available for your questions.

We appreciate your help in getting through this process.

Please call if you have any questions.

McNees, Wallace & Nurick
(614) 219-2840 (voice) (614) 469-4653 (fax)
slandazzo@mwncmh.com (e-mail)

DRAFT 11/10/00

MASTER SERVICE AGREEMENT

IEU AGGREGATION PROGRAM

This Master Service Agreement (**"Agreement"**) is made and entered into as of this -- day of ---------- , 2000, by and between FirstEnergy Services Corp., (**"FES"**) with a location at 395 Ghent Road, Akron, Ohio 44333, and Industrial Energy Users-Ohio (**"IEU-OH"**), with its principal offices at 21 East State Street, Suite 1700, Columbus, Ohio 43215.

WHEREAS, IEU-OH has established an aggregation program (**"Aggregation Program"**) designed to assist its members in satisfying their electric power and energy requirements in the competitive electric market authorized by and contemplated in Chapter 4928, Ohio Revised Code.

WHEREAS, IEU-OH has obtained, as an aggregator, ___ megawatts of Market Support Generation for the Market Development Period for the purpose of meeting the power and energy requirements of the Pooled Customers eligible to receive Market Support Generation.

WHEREAS, IEU-OH desires assistance regarding the day-to-day physical and commercial requirements associated with an effective aggregation program.

WHEREAS, FES desires to assist IEU-OH, in its capacity as an aggregator, administer the Aggregation Program for the benefit of IEU-OH and the Pooled Customer with retail electricity loads within the Ohio Edison Company, The Toledo Edison Company, and The Cleveland Electric Illuminating Company (each, a **"Utility"** or collectively **"Utilities"**) service areas and in such other geographic areas as FES and IEU-OH may subsequently agree.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants herein contained, the parties hereto agree as follows:

1. **Definitions.**

   (a) **"Pooled Customers" Defined.** **"Pooled Customers"** shall mean those IEU-OH members which have retail loads in the Utility service areas that are not under special contract as of the date hereof. Special contracts

shall be those contracts approved under Section 4905.31, Ohio Revised Code, provided however that Special Arrangement for Economic Development Contracts shall not be considered special contracts. The parties may, by their mutual agreement, expand the definition of Pooled Customers in conjunction with IEU-OH's efforts to meet the services needs of its members in areas outside the Utility service areas. Such expanded definition shall be documented by the execution of an addendum to this Agreement.

(b) **"Market Development Period" Defined.** **"Market Development Period"** means the period commencing January 1, 2001 and ending December 31, 2005.

(c) **"Market Support Generation" Defined.** **"Market Support Generation"** means the 1120 megawatts of system level generation made available by the Utilities to non-affiliated marketers, brokers and aggregators for sales to retail customers of each such Utility during the Market Development Period as set forth in the Stipulation and Recommendation, dated April 13, 2000, approved by the Public Utilities Commission of Ohio (the **"Stipulation"**).

2. **Term.** The term of this Agreement shall begin on January 1, 2001 (the **"Commencement Date"**) and shall continue in effect for a ten- (10) year period (the **"Term"**). It is understood that the commencement date for the services contemplated herein as for individual Pooled Customers or specific accounts of Pooled Customers (the **"Accounts"**) be the beginning of the first billing cycle after the "starting date of competitive retail electric service" as defined in Section 4928.01 (A)(29), Ohio Revised Code, provided that such individual Pooled Customers have finalized agreements and made all arrangements to participate in the Aggregation Program .

3. **Termination.** This Agreement may be terminated
   - (a) by the non-defaulting party in the event the other Party is in default of any of its obligations or duties under this Agreement and such defaulting party has not cured or commenced efforts to cure within ten (10) business days of actual notice of its default, or
   - (b) immediately by one party if the other party files bankruptcy, goes into compulsory liquidation, or if any party makes an assignment of this Agreement for the benefit of creditors, or
   - (c) by FES or IEU-OH, which may cancel this Agreement with respect to all loads served within a Utility's service area as of the same date as the Regulatory Transition Charge (**"RTC"**) ceases for that Utility, provided that FES provides six (6) months' written notice to IEU-OH and each affected Pooled Customer,

and provided that such cancellation shall not be effective prior to December 31, 2005. Nothing herein shall operate to preclude FES and IEU-OH from agreeing upon alternate termination provisions as they may relate to the Aggregation Program outside the service areas of the Utilities and such alternate termination provision shall be binding with regard to services related to such other service areas.

4. **Responsibilities of FES**.

(a) **Services to be Provided by FES**. FES shall, upon IEU-OH's reasonable request, administer the Aggregation Program and provide all such services as IEU-OH may reasonably require to commence and maintain an effective Aggregation Program to meet the purchased electric service requirements of the Pooled Customers. These services shall include, but shall not be limited to:

(1) functions related to the procurement and flow of power and energy secured directly or indirectly by IEU-OH for the Aggregation Program;

(2) management of transmission, distribution and ancillary service capacity or capacities secured directly or indirectly by IEU-OH for the Aggregation Program;

(3) all generation, transmission, distribution and ancillary services scheduling, balancing and other activities associated with meeting all the purchased electric requirements of the Pooled Customers;

(4) management of forward physical supply and price risks, bill auditing, billing and collection (Utility consolidated billing will be used, provided however that FES may convert Pooled Customers to dual billing on 30 days' notice);

(5) provision of working capital required to address leads and lags between expenses and revenues;

(6) call center support, pricing, reductions of the transition cost payments otherwise applicable to the Pooled Customers;

(7) price and services discovery designed to increase the value of the Aggregation Program;

(8) identification and management of beneficial electricity capacity release opportunities;

(9) assistance with accessing and interpreting meter data (FES shall reimburse up to one thousand five hundred dollars ($1,500.00) per each Pooled Customer's account, for the acquisition and installation of interval metering for accounts that are required, by PUCO ruling to be interval metered where interval metering does not currently exist and interval metering would be useful for purposes of the Aggregation Porgram. Pooled Customers shall be responsible for payment to the Utility for installation of such interval meters, and shall submit paid receipt to FES for reimbursement.);

(10) identification of demand side management strategies and implementation plans, management of demand side management programs;

(11) such other services as IEU-OH may reasonably request to initiate and maintain an effective Aggregation Program.

(b) FES' shall perform all services in a reasonable, diligent manner in order to satisfy the requirements and needs of the Pooled Customers. Pricing and other attributes associated with discrete sources or types of power, energy or other capacities shall be identified in the Schedule or Schedules attached hereto. Such schedules may be amended, modified and supplemented as the Parties may agree from time to time. Price Schedule 1 (200 MW Layer) and Price Schedule 2 (Incremental Layer) establish the pricing for Market Support Generation provided to the Pooled Customers. Energy supplied to Pooled Customers above Market Support Generation (if any) shall be supplied by FES at FES' then-applicable market-based rates for each such Pooled Customer.

(c) None of the Pooled Customers shall acquire an individual or unique future interest in the goods or services available from or through the Aggregation Program.

(d) FES shall perform its obligations hereunder in full compliance with applicable tariffs, rate schedules and contracts, including the designation of an appropriate delivery point to the electric distribution utility.

(e) To the extent that IEU-OH has secured multiple sources or types of power, energy and other capacities to meet the purchased electric requirements of the Pooled Customers, IEU-OH shall, upon FES' reasonable request, provide FES with an allocation of such power, energy and other capacities as FES may reasonably require to satisfy its responsibilities hereunder.

5. **Fees to FES by IEU-OH.** IEU-OH shall pay FES the fees set forth on Pricing Schedule 3, attached to this Agreement, and as the same may be amended from time to time.

6. **Coordination and Synchronization of FES Services**. The services provided by FES hereunder shall be coordinated and synchronized with the Aggregation Program agreements between IEU-OH and the Pooled Customers. IEU-OH agrees to use its best efforts to conform Pooled Customer agreements with the terms and conditions contained herein and to avoid any conflicts between this Agreement and such Pooled Customer agreements. All Pooled Customer agreements secured by IEU-OH for the Aggregation Program and executed by Pooled Customers shall be

promptly forwarded to FES subject to such confidentiality or protective agreements as may exist as between IEU-OH and FES. *FES' service obligation as contemplated herein shall commence with regard to the requirements of any* Pooled Customer until such time as FES has acknowledged the receipt of the agreement between such Pooled Customer and IEU and such acknowledgement shall not be unreasonably withheld. Prior to acknowledgement, FES reserves the right to reject any Pooled Customer and IEU-OH agreement that does not conform to FES's obligations under this Agreement. In the event FES acts as billing agent for the Utilities, or if FES has instituted dual billing, FES assumes any risk of non-payment by a pooled Customer provided that it may establish reasonable credit qualifications that shall be applied to Pooled Customers.

7. **Preferred Vendor for Other Services.** IEU-OH will identify FirstEnergy as a preferred supplier to its members and provide FirstEnergy with a good faith opportunity to provide natural gas, HVAC and other service requirements to Pooled Customers and the facilities served under the IEU-OH Pool Program. IEU-OH's agreements with Pooled Customers shall also include a requirement that Polled Customers provide FirstEnergy with such good faith opportunity. FirstEnergy shall use its best efforts to identify to IEU-OH and Pooled Customers the natural gas, HVAC and other services that FirstEnergy is ready, willing and able to provide to meet the service needs of Pooled Customers.

8. **Authority/Indemnity.** IEU-OH shall have no authority to make any warranties or representations on behalf of or in the name of FES. IEU-OH shall indemnify and hold harmless FES against any claims, actions, suits, liabilities, damages and costs, including reasonable attorney fees, arising out of the performance of IEU-OH's obligations under this Agreement. FES shall have no authority to make any warranties or representations on behalf of or in the name of IEU-OH. FES shall indemnify and hold harmless IEU-OH against any claims, actions, suits, liabilities, damages and costs, including reasonable attorney fees, arising out of the performance of FES' obligations under this Agreement

9. **Independent Contractor.** Neither IEU-OH, nor any member, agent or representative, is an employee or agent of FES, but is considered independent contractor. Neither FES, nor any agent, affiliate or representative, is an employee or agent of IEU-OH or any Pooled Customer unless otherwise specifically stated herein. All expenses and disbursements of any nature whatsoever, including, without limitation, those expenses related to their employees, office space, computers, telephone, postage, reproduction and travel expenses, which are incurred by IEU-OH in connection with this Agreement shall be borne wholly and completely by IEU-OH, unless otherwise agreed to in writing by FES. Each party shall be responsible for payment of all taxes arising out of its own activities in

connection with this Agreement, including without limitation, its federal, state and local income tax, social security tax, unemployment insurance tax, and any other taxes or business license fees required of any nature whatsoever.

10. **Confidentiality; Publicity.**

(a) Except for matters of public record, information already within the other party's possession prior to entering into this Agreement, and except to the extent required (through deposition, interrogatory, request for production, subpoena, civil investigative demand or similar process) by a court order, both Parties agree to keep confidential the existence of this Agreement and all information relating to the subject matter hereof, including pricing and any data collected hereunder. In the event that either Party becomes required, in the manner specified above, to disclose any confidential information, such Party shall provide prompt written notice to the other Party so that the other Party may timely seek a protective order or other appropriate remedy. In the event that such protective order or other remedy is not obtained, each Party agrees (i) to furnish only that portion of the confidential information that is required to be furnished; (ii) to exercise reasonable commercial efforts to obtain assurance that confidential treatment will be accorded such confidential treatment; and (iii) provide a copy to the other Party of all confidential information so furnished. Notwithstanding the foregoing, confidential information shall not include: (i) information which was, at the time of disclosure, in the public domain; (ii) information which subsequently becomes, after disclosure, part of the public domain through no act or omission of the Parties; (iii) information which was, prior to disclosure, already in a Party's possession and was not acquired, directly or indirectly, from a third party who, to such Party's knowledge, is under a contractual or fiduciary obligation of confidentiality to the other Party; and (iv) information which is, subsequent to disclosure, lawfully and independently obtained by a Party, to its knowledge, from a third party who is lawfully in possession of such information and who is not under a contractual or fiduciary obligation of confidentiality to the other Party with respect to such information.

(b) Neither party shall make any public announcement or press release of any kind with respect to the relationship of the parties or the terms of this Agreement without the prior consent of the other party, which shall not be unreasonably withheld.

11. **Compliance with Laws, Permits, and License Requirements**. Each Party shall, at its sole cost and expense, comply with all federal, state, and local laws applicable to its work and shall procure all applicable licenses and permits necessary for the fulfillment of its obligations under this Agreement.

12. **Assignment**. FES may freely assign or transfer, in whole or in part, this Agreement or any rights or obligations to an affiliate, or successor-by-merger. Otherwise, FES may not otherwise assign or transfer, in whole or in part, this Agreement or any rights or obligations without the prior written consent of IEU-OH, which consent shall not be unreasonably withheld. IEU-OH shall not assign or transfer, in whole or in part, this Agreement or any rights or obligations hereunder without the prior written consent of FES and such consent shall be reasonably provided upon IEU-OH's request. All of the covenants, conditions and obligations of this Agreement shall extend to and be binding upon the permitted successors and assigns, respectively, of the parties hereto.

13. **Return of Company Books and Records**. Documents given to or prepared by IEU-OH which pertain to FES business remain the property of FES, irrespective of whether such documents relate to or contain confidential information. Upon termination of this Agreement, IEU-OH agrees to return any and all such documents to FES.

14. **Non-Waiver**. A waiver by FES or IEU-OH of any breach of any covenant, condition or provision (whether expressed, implied or otherwise) herein contained shall not be taken to be a waiver of any subsequent breach of the same or any other covenant, condition or provision. The acceptance of any payment by FES from IEU-OH for any delivery of electricity for any period shall not be deemed to be a waiver of any default or breach hereunder

15. **Notices.** All notices hereunder shall be in writing and shall be delivered by certified mail, return receipt requested, or by overnight carrier to the following addresses:

As to FES:	As to IEU-OH:
FirstEnergy Services Corp. 395 Ghent Road Akron, Ohio 44333 Attention: President Copy to: Contract Administrator	Industrial Energy Users-Ohio 21 East State Street Suite 1700 Columbus, Ohio 43215 Attention: _____

16. **Limitation of Liability**. No party shall be liable hereunder to any other party for special, indirect, incidental or consequential damages. In the event of a default by FES, IEU-OH's sole and exclusive remedy shall be direct damages in the amount of the benefits IEU-OH and the participating Pooled Customers would have received, if any,

pursuant to the separate agreement between IEU-OH and the Pooled Customers, based upon the positive difference, if any, between the price ($/kWh) that would have applied pursuant to this Agreement including the attached schedule(s) and the purchase price ($/kWh) paid by a Pooled Customer for replacement electricity (provided that IEU-OH or such Pooled Customer has used commercially reasonable efforts to replace the electricity) multiplied by the amount of undelivered electricity (kWh).

17. **Force Majeure**. No Party shall be considered to be in default in the performance of any of the obligations hereunder if failure of performance shall be 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. Nothing herein shall be construed so as to require a Party to settle any strike or labor dispute in which it may be involved. 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 Majeure under this Agreement.

18. **Arbitration; Waiver of Jury Trial**. EACH PARTY WAIVES ITS RIGHT TO A JURY TRIAL IN ANY COURT ACTION ARISING AMONG THE PARTIES, WHETHER UNDER THIS AGREEMENT OR OTHERWISE RELATED TO THIS AGREEMENT, AND WHETHER MADE BY CLAIM, COUNTERCLAIM, THIRD PARTY CLAIM OR OTHERWISE. If for any reason the jury waiver is held to be unenforceable, the parties agree to binding arbitration for any dispute arising out of this Agreement or any claim arising under any federal, state or local statutes, laws or regulations, under the applicable commercial rules of the American Arbitration Association and 9 U.S.C. § 1, et. seq. Any arbitration will be held in the Columbus, Ohio metropolitan area and be subject to the Governing Law provision set forth in Section 21. Discovery in the arbitration will be governed by the local rules applicable in the United States Southern District Court of Ohio. The agreement of each Party to waive its right to a jury trial will be binding on its successors and assignees.

19. **Governing Law**. This Agreement shall be governed by, subject to the jurisdiction of and construed in accordance with, the laws and courts of the State of Ohio.

20. **Merger of Agreement**. This Agreement is an integrated agreement and contains the entire agreement regarding matters herein between FES and IEU-OH. No representations, warranties or promises have been made or relied upon by any party hereto other than as set forth herein. This Agreement supersedes and controls any and all prior

communications between FES and IEU-OHor their representatives relative to matters contained herein. Any changes, modifications, or additions to this Agreement shall be made by mutual consent in writing in the form of a supplemental Agreement signed by both parties.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures as of the day and date first written above.

FIRSTENERGY SERVICES CORP.

By: _____
Arthur R. Garfield
President

INDUSTRIAL ENERGY USERS-OHIO

By: _____
Print: _____
Its: _____

Pricing Schedule No. 1 **Original Sheet No. 1**

Applicability

This Pricing Schedule No. 1 is applicable to no more than 200 megawatts annually measured coincidentally at the billing meters of all Pooled Customers (hereinafter referred to as **"200 MW Layer"**). This pricing schedule shall be in effect for the duration of the foregoing Master Service Agreement [provided IEU-OH obtains a portion of the Market Support Generation].

Billing and Pricing -- January 1, 2001 through December 31, 2005

FES shall manage the pricing and billing of the 200 MW Layer so as to effectively reduce, as specified herein, the delivered total price of electricity to the eligible Accounts identified to FES by IEU-OH relative to the total delivered price that such Accounts would otherwise pay had the Accounts elected to not obtain competitive electric service. Such reduction shall be referred to herein as the **"200 MW Savings"**. Pooled Customers' Accounts receiving the 200 MW Layer shall be billed by and pay the applicable Utility the amount owed by each such Pooled Customer, including a price for generation service specified by FES in such amount as necessary to produce the 200 MW Savings netted for any portion of such savings that IEU-OH is authorized to be paid by FES for IEU-OH's ongoing activities related to the initiation and maintenance of its aggregation program. FES, on IEU-OH's behalf, shall pay for the Market Support Generation associated with the 200 MW Layer and obtain its exclusive reimbursement for such amount as FES may be due hereunder from the applicable Utility as though FES had obtained such Market Support Generation and was functioning as a supplier to the Pooled Customers' Accounts. More specifically, FES shall, on behalf of IEU-OH manage the pricing and billing functions associated with the Accounts receiving the 200 MW Layer so that each participating Account's payment for generation costs (not including Transmission and Distribution charges, reactive and ancillary services, benefit charges and taxes) <u>less</u> the applicable shopping credit, including incentives, during the Market Development Period, as closely as practicable, the following 200 MW Savings, less any amount of such savings paid directly to IEU-OH:

Pricing Schedule No. 1 **Original Sheet No. 2**

Year	Savings
2001	15%
2002	25%
2003	35%
2004	50%
2005	65%

IEU-OH shall allocate (the **"Allocation"**) the 200 MW Layer among the Pooled Customers in its sole discretion (each an **"Allocated Share"**) and shall notify FES of such Allocation. IEU-OH shall indemnify and hold harmless FES for any costs or damages claimed by any IEU-OH member, including Pooled Customers, relating to IEU-OH's Allocation. FES shall arrange for the delivery of the Allocated Share to each Pooled Customer Account which is covered by an agreement between IEU-OH and a Pooled Customer.

On or before November 1 of each year, FES and IEU-OH shall agree upon the price, by eligible rate schedule and by Utility, that FES shall specify for billing purposes to each Utility to produce the 200 MW Savings described herein. Once so agreed and specified, said price shall apply for the following annual period. The price applicable to the eligible accounts of the Pooled Customers for Market Support Generation including losses but excluding the net amount of the 200 MW Savings shall, unless otherwise agreed, be as set forth below:

Year	Pooled Customers (Industrial)	Pooled Customers (Commercial)
2001	2.623 cents per kWh	3.083 cents per kWh
2002	2.773 cents per kWh	3.289 cents per kWh
2003	2.798 cents per kWh	3.275 cents per kWh
2004	3.004 cents per kWh	3.498 cents per kWh
2005	3.188 cents per kWh	3.719 cents per kWh

Pricing Schedule No. 1 **Original Sheet No. 3**

Rate codes are as set forth in Attachment 4 to the Stipulation.

To the extent necessary, FES shall ensure the 200 MW Savings outcome by the payment to the Utility of the applicable Regulatory Transition Charge ("**RTC**") approved by the Public Utilities Commission of Ohio in Case Nos. 99-1212-EL-ETP, 99-1213-EL-ETP and 99-1214-EL-ETP or subsequent regulatory proceedings.

Notwithstanding the prices and pricing mechanism set forth above for calendar years 2001 through 2005, FES may, based upon instructions from and in coordination with IEU-OH, and only if such action will produce a lower price for such year, source the 200 MW Layer in the market for such calendar year (or adjust the price to meet such market price) and the additional savings will be shared 85% to the Pooled Customers (pro rata based on the Allocation) and 15% to FES. This price adjustment shall only be effective for the calendar year for which the election is made and must be elected no later than November 1st prior to the commencement of the calendar year for which it relates. Intra-year adjustments shall not be permitted. In no event shall the pricing and sharing structure described herein cause any Pooled Customer's account to pay more than the amount the account would have otherwise paid had the account remained on the Utility's otherwise applicable unbundled tariff.

Unless otherwise agreed, FES shall pay IEU-OH on a quarterly basis such portion of the 200 MW Savings as IEU-OH receives pursuant to its agreement with the Pooled Customers.

Billing and Pricing -- January 1, 2006 through December 31, 2010

During the Market Development Period, the Parties will use their best efforts to agree upon delivered power and energy prices, including losses, for the 200 MW Layer for the period commencing 2006. It is understood that such prices shall be based on the prevailing market price of power and energy relevant to the Pooled Customer's accounts subject to this Pricing Schedule. In the event agreement on such prices is not reached by October 1 of each year for the following calendar year, the Parties may seek to have the prices established through mediation or arbitration or either Party may terminate the power and energy pricing provisions of this Pricing Schedule 1 for such following calendar year. The market price of power and

energy during the period 2006 through 2010 shall be adjusted so that, in effect, each eligible Pooled Customer's account in the service area of a Utility pays the market price plus no more than thirty percent (30%) of any applicable RTC approved by the

Public Utilities Commission of Ohio in Case Nos. 99-1212-EL-ETP, 99-1213-EL-ETP and 99-1214-EL-ETP or subsequent regulatory proceedings. To the extent necessary, FES shall ensure this outcome by the payment to the Utility of the applicable RTC so as to reduce each Pooled Customer's share to no more than thirty percent (30%) of such RTC.

FirstEnergy.

76 South Main Street
Akron, Ohio 44308

David M. Blank
Manager, Rate Department

330-384-5451

November 9, 2000

Dear Certified Electric Retail Supplier:

You have submitted a claim to FirstEnergy Corp. for Market Support Generation made available pursuant to the Stipulation and Recommendation approved in the Opinion and Order of the Public Utilities Commission of Ohio on July 19, 2000, in Case No. 99-1212-EL-ETP.

Consistent with the Protocol for First-Come-First-Served Claims for Market Support and Non-Market Support Generation ("Protocol"), FirstEnergy is implementing the Approval Process set out in Section 6 of the Protocol, including the verification of the existence of a contract and the confirmation of the relevant parameters (account number, customer identification, duration and size of load) identified in the Protocol. To effect this process, FirstEnergy has engaged its independent outside auditor, Arthur Andersen, to audit and review the retail contracts that support your MSG claim.

The dates available to conduct the audit process are November 14 through November 17, and November 20. You should contact Ms. Denise Dinie at Arthur Andersen directly (216-348-2759) to schedule the time for this audit activity and make other necessary arrangements. The schedule for auditing will be established on a "first-come-first-served" basis with respect to the order in which the auditor is contacted to make arrangements. To the extent that the documents or other materials required for the audit are located outside the State of Ohio, you will be responsible for the auditor's expenses incurred for travel (including meals and lodging if required). To the extent that audit activity occurs within the State, no audit-related expense will be assessed.

At the commencement of the audit process, the auditor will provide you with a list that reflects any apparent irregularities or deficiencies in the claims that have been identified upon preliminary review by FirstEnergy. With respect to claims identified on the list, you have an opportunity to remedy some or all of these items consistent with the procedures outlined in Section 6.b. of the Protocol. To the extent that you are able to remedy such items, they will then be subject to the review process by the auditor. Please direct any questions on this "deficiencies list" to Doug Burnell, Supplier Services Administrator at FirstEnergy, at 330-437-1301. Receipt of this list from the auditor constitutes the start of the five-day period identified in Section 6.b.(iii) of the Protocol.

With respect to any individual customer claims not so identified on the "deficiencies list", the auditor will then commence the review process. The auditor will determine appropriate selection and review processes in conducting the audit.

EXHIBIT
8/7/01
Murray 9

Your cooperation in the audit process is required. If the auditor is unable to verify the existence of a customer contract or confirm the other parameters referenced above, this circumstance will, consistent with Section 6.b. of the Protocol (note especially subsection (vii)), result in forfeiture of the supplier's place in the queue for a portion of the claim or rejection of the claim in its entirety.

This letter is being delivered via e-mail and Federal Express to the identified contact for each supplier who has made a claim pursuant to the Protocol.

Your cooperation with the above is appreciated.

David M. Blank
Manager, Rate Department

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PROTOCOL FOR FIRST-COME-FIRST-SERVED CLAIMS FOR MARKET SUPPORT AND NON-MARKET SUPPORT GENERATION

PART A – CLAIM

Section 1 Purpose of Document

1.a. The Stipulation documents in Case 99-1212-EL-ETP et al. (FirstEnergy restructuring case) establish Generation Commitments on behalf of the company.

1.b. Section V.1 of the April 13, 2000 Stipulation and Recommendation calls for Ohio Edison, Cleveland Electric and Toledo Edison to provide 1,120 MW of system level generation capacity to non-affiliated and eligible affiliated marketers and brokers and aggregators (i.e., "suppliers") for the duration of the market development period.

1.c. The Supplemental Settlement Materials agreement further describes the availability and applicability of such market support generation (section 2) and specifies that, during the months of September through May, 1,120 MW of the supply of generation other than market support generation will be "measured at the distribution meter" (section 5). This will be defined as non-market support generation. Under this section 5, FirstEnergy supplies the line losses, within its control area, for the 1,120 MW increment of non-market support generation (non-MSG).

Section 2 Definitions

2.a. FE or the Company – shall refer to FirstEnergy and its operating companies

2.b. MSG – shall mean Market Support Generation as described in Section 1.b. of this document

2.c. Non-MSG – means non-Market Support Generation as described in Section 1.c. of this document[1]

2.d. CRES – refers to Certified Retail Electricity Supplier

2.e. Eligible Supplier – means a supplier that has met the eligibility requirements defined in Section 4 of this document

[1] Under Section 5 of Supplemental Settlement Materials, FE absorbs the service area line losses associated with 1,120 MW of non-Market Support Generation identified in that section. This non-MSG is not a second block of 1,120 MW of capacity. Usage of the term "non-MSG" in this protocol does not modify FE's obligations defined by the Supplemental Settlement Materials.

2.f. Generation Service Agreement – the commitment of a customer to purchase generation from or through an Eligible Supplier

2.g. EDI – means Electronic Data Interchange which format a Supplier will utilize to submit an electronic enrollment of a customer for retail electric service

2.h. Commission or PUCO – means the Public Utilities Commission of Ohio

Section 3 Allocation of Generation Commitments between companies and retail customer classes

Each of the two Generation Commitments is allocated among the companies and retail customer classes, as follows:

3.a. MSG (Market Support Generation)

Category 1	Ohio Edison	Residential[2]	260 MW
Category 2	" "	Other Retail	300 MW
Category 3	The Illuminating Company	Residential	170 MW
Category 4	" " "	Other Retail	230 MW
Category 5	Toledo Edison	Residential	70MW
Category 6	" "	Other Retail	90 MW
	Total MSG commitment		1,120 MW

3.b. Non-MSG *(Service area line losses)*

Category 7	Ohio Edison	Residential at least	156 MW
Category 8	" "	Total (incl. Res.)	560 MW
Category 9	The Illuminating Company	Residential at least	102 MW
Category 10	" " "	Total (incl. Res.)	400 MW

[2] "Residential" customers include the following: for Ohio Edison, those customers served on Rates 10, 11, 17 and 19; for The Illuminating Company, those customers served on the Residential, Residential Water Heating, Residential Water and Space Heating, and Residential Space Heating; for Toledo Edison, those customers served on Rates R-01, R-01a, R-02, R-06 and R-06a. "Other Retail" customers include customers served on all other shoppable rate schedules.

Category 11	Toledo Edison	Residential at least	42 MW
Category 12	" "	Total (incl. Res.)	160 MW

Total Non-MSG commitment 1,120 MW

Section 4 Eligibility to submit a claim

Only claims by Eligible Suppliers will be considered for approval.

4.a Non-affiliated
Any marketer, broker or aggregator, non-affiliated with any Ohio investor-owned utility, that has submitted an application to the Public Utilities Commission of Ohio to be certified as a CRES and an application to FirstEnergy for registration is eligible to submit a claim.

4.b Affiliated
In addition to the above requirements, a utility affiliate will qualify to submit a claim if the affiliate or utility (1) makes capacity available within the utilities' service areas offering choice in a similar manner and magnitude as the claimed generation or (2) has no owned or leased generating capacity within one wheeling transaction from FE's service areas.

4.c. Government Aggregators
Any supplier that participates as a Government Aggregator will qualify to submit a claim by showing evidence of an enacted ordinance and verification that the residents' opt out procedure has been performed so that the amount of load the Aggregator can supply may be determined.

4.d. Customer Aggregators
A customer seeking to acquire MSG capacity or reserve loss absorption on non-MSG capacity on behalf of its own facilities must become an Eligible Supplier in order to be considered for approval.

Section 5 First-come-first-served process: initial queues

The Stipulation Documents call for the capacity commitments identified in Section 3 as Categories 1 through 12 to be made available to Eligible Suppliers on a first-come-first-served basis. This section outlines the criteria for establishing the queue.

5.a. A claim for available capacity must be submitted electronically by an Eligible Supplier via the process identified in this protocol. The forms and protocol are available on FirstEnergy's public web site (identify web site

address). Submission of a claim will require a password, which will be made available to the Eligible Supplier that has submitted an application to the Public Utilities Commission of Ohio to be certified as a CRES and an application to FirstEnergy for registration, and has supplied to FirstEnergy the supplier name, address, telephone and fax numbers, contact person name and e-mail address, or predetermined supplier identifier code provided by the company.

5.b. A claim is to be made for one of the Categories 1 through 12, identified in Section 3 of this document.

5.c. A claim can include the load for as many customers as the Eligible Supplier serves[3]. However, each claim must contain only a single duration for all the customers in the claim. If there are multiple durations for the customers for which the supplier is claiming generation, a separate claim must be made for each duration.

The Generation Commitments are available only in increments of twelve consecutive months, or until the end of the market development period, whichever terminates earlier. A monthly period is defined to be the period covered by the company's regularly scheduled cycle bill. The last day of the cycle billing period shall determine in which month the claim falls. The initial period starts with the customer's first bill cycle after January 1, 2001. Requests for capacity for nonconsecutive twelve monthly periods must be made as separate claims.

5.d. Each claim for "Other Retail" MSG or non-MSG must contain the following information (each claim is for one Category only)[4]:

(i) name of each retail customer for whom the supplier has a Generation Service Agreement

(ii) the account number for each retail customer identified in (i.)

(iii) the amount of capacity being claimed on behalf of each retail customer (this amount cannot exceed the amount of the customer's

[3] Each claim shall be a separate file. Due to data processing limitations, no claim shall include more than 10,000 customers. If the supplier is requesting generation for more than 10,000 customers, then multiple claims can be made, each of which shall not exceed the maximum number of 10,000.

[4] A claimant for a Residential category may, at its option, use the requirements of this section rather than the requirements of Section 5.e.

peak load)[5]. For customers without demand meters, the supplier shall submit calculated peak demand values using the formula:

kW = .004194 x kWh.

(iv) for Market Support Generation, whether the capacity claimed for each retail customer will be classified as "Load Following" or "Capacity Factor" [6]

(v) the time period (duration) for which the claim is made, for which period the supplier must have a Generation Service Agreement for all customers included in the claim

5.e. Claims for "Residential" MSG or non-MSG shall be submitted in a two-part process containing a "Reservation Claim" and a "Follow-up Claim" unless the supplier uses the provisions of section 5.d. to make the claim. The *Reservation Claim must contain the same information as identified in* section 5.d (i) and (v) above. In addition, the claimant must specify in the Reservation Claim the aggregate amount of MSG capacity or non-MSG line losses, and the total number of customers for which the claim is being made. The claimant must subsequently provide, within 40 days of this Reservation Claim, a Follow-up Claim providing the information specified in section 5.d (ii), (iii) and (iv) for each customer included in the claim. The company's approval process will not begin prior to the time when the information in section 5.d (ii), (iii) and (iv) is provided. Failure to supply the data in Section 5.d (ii), (iii) and (iv) within 40 days will result in removing the claim from the queue.

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[5] The historic peak load is defined as the highest measured peak incurred in the most recent available 12 billing months for customers with demand meters, and as the calculated peak load for customers without demand meters, with the calculated peak load based on the customer's energy consumption in the most recent available 12 billing months. For those residential and small commercial customers with new load, or not having 12 months of usage ended, a calculated method shall be used to determine the peak load. For all other customers, the peak *load shall be quantified and approved by the company.*

Only one supplier 's claim for part or all of the customer's load will be accepted, and the supplier *may not make more than one claim for MSG and one claim for non-MSG per customer.* Per the Supplemental Settlement Materials, the entire customer's load must be served by the Market Support Generation if Load Following option is elected.

[6] The "Load Following" and "Capacity Factor" options are defined in section 2 of the Supplemental Settlement Materials referred to above. For suppliers selecting the capacity factor option, scheduling details will be identified in subsequent supplier/utility communications. For purposes of claiming market support generation capacity, the peak load in the twelve months ended June 2000 as identified in footnote 3, shall be used.

5.f. The first-come-first-served rule will be followed based on the time of submittal of the claim on the company's web site.

5.g. Pending claims in the queue

Once an Eligible Supplier's claim is submitted on the web site, the total amount of claimed capacity in the submission will be categorized as "pending", meaning that

(i) the supplier has reserved a place in the first-come-first-served queue, subject to the approval process, and

(ii) the utility will start the application review to determine that the requirements for approval are met.

(iii) The pending claim for the customer's load will be noted on the company's public web site as a "pending market support or non-market support generation claim". The identity of the customers and Eligible Suppliers will not be posted on the public web site.

Section 6 Approval Process

6.a. The Company will begin the approval process following the receipt of the totality of the information specified in Section 5.d. or 5.e., whichever Section applies to the submitted claim. It is the Company's objective to complete the approval process as soon as possible after receipt of the required information in Section 5.d. or 5.e. The Company's approval process includes:

(i) verification that the supplier (including customers aggregating their own facilities' loads) has been approved as a Certified Retail Electricity Supplier (CRES), by the Public Utilities Commission and has been registered with the utility.[7]

[7] If an intended supplier has not achieved CRES certification when it has made a claim for market support generation, the supplier's place in the first-come-first-served queue shall be forfeited (a) thirty calendar days following submittal of the claim or (b) thirty calendar days following the date when the PUCO first accepts CRES applications, whichever occurs later. Forfeiture Waivers may be granted by the company on a case-by-case basis for good cause shown (reasons beyond the control of the claimant) and shall be granted for each day that the PUCO extends its certification review period. Delivery of MSG capacity and non-MSG line losses to an Eligible Supplier shall not commence prior to its certification by the Commission.

(ii) determination that the retail customer accounts and customers' names match, and that the identified customers are in fact customers of the utility.

(iii) for Market Support Generation, determination that (i) for Load Following Option accounts the claimed market support generation equals each customer's historic peak level, and that (ii) for Capacity Factor Option accounts, the claimed market support generation is equal to or less than the historic peak level for each customer. If the claim exceeds the customer's historic peak load level, the company shall reduce the claim to that historic peak load level and notify the supplier.

(iv) determination that the supplier has a contract (or an alternative form of verification)[8] with the retail customer that has a duration at least as long as the duration of the claim for MSG capacity non-MSG line losses.[9]

(v) agreement by the supplier to a contract to abide by the terms of the applicable Open Access Transmission Tariff and the applicable service agreement.[10]

(vi) determination that there is remaining capacity to meet the claim for the Company and retail customer class as identified in the application.[11]

(vii) determination that the supplier, if a utility or affiliate, qualifies per the eligibility requirement stated previously in Section 4.2 of this document.

6.b. Should the Company determine that an Eligible Supplier's application not meet the requirements listed in Section 6.a. above, the following provisions apply:

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[8] Such alternative to be consistent with the verification required by the PUCO for CRES certification

[9] The utility shall verify the contract term by reviewing that provision in the Generation Service Agreement or alternate verification form, or through appropriate auditing techniques

[10] This tariff and its subsequent service agreement mandate all requirements for scheduling, delivery, and billing.

[11] If the Company affiliates are required to relinquish any generation per the terms of the Supplemental Stipulation, the affiliates shall relinquish such capacity on the next customer meter reading date following notification of the need to relinquish, as long as such date is at least 12 days following the notice. If less than 12 days remain until the next meter reading date following notification, the following month's meter read date shall be the date of relinquishment.

(i) If the Supplier fails to be certified as a Certified Retail Electricity Supplier (CRES) within the stated time limits, the claim shall be denied; should the Supplier subsequently become an approved CRES, a new claim for market support or non-market support generation must be made

(ii) If the insufficiency is the result of the Supplier's failure to register with the company, which includes EDI testing, the supplier shall have 30 days to become registered upon notification by the Company or the Supplier shall forfeit its place in the queue.

(iii) If the insufficiency is a result of the retail customer accounts and customers' names not matching or a determination that the listed customers are not customers of the utility, the Supplier shall have five business days[12], after receipt of notification by the utility of such fact, to remedy such mismatch by submitting a replacement retail customer list in the specified electronic form. Such replacement list shall include corrections only to the original application.

(iv) If the replacement list required by Section 6.b.iii is not received in the time period, or if it is deficient, the Supplier shall forfeit its place in the first-come-first-served queue for those customers for whom information is deficient.

(v) If the replacement list required by Section 6.a.(iii) results in a lesser or equal amount of market support capacity being claimed than was identified in the initial claim, such replacement value shall be deemed to be the Supplier's claim for capacity.

(vi) If the replacement list required by Section 6.b.iii results in a greater amount of market support capacity being claimed, the excess of the new amount of capacity over the initial claim shall be treated as a new claim at the end of the then-existing queue.

(vii) If FE determines that at the time of application, the Eligible Supplier does not have a contract with any retail customer with the required contract duration, the supplier will forfeit its place in the queue for that part of the claim associated with customer who is not under contract. If it is determined for a claim for Residential MSG or non-MSG that the Eligible

[12] A business day is defined as a day when the general office of FirstEnergy is open for business.

Supplier does not have a contract for the duration of the claim for 1% or more customers, the claim shall be rejected in its entirety. If it is determined for a claim for Other Retail MSG or non-MSG that the supplier does not have a contract for the duration of the claim for 1% of the claimed load, the claim shall be rejected in its entirety.

(viii) If the Eligible Supplier fails to agree to the requirements of Section 6.b.(v), the application for capacity will be denied in its entirety.

(ix) If the utility or affiliate described in Section 4.b. above, does not make capacity available within its service area in a similar manner and magnitude as the claim or has owned or leased generating capacity within one wheeling transaction from FE's service areas, which would make the utility or affiliate ineligible for the MSG generation, the Eligible Supplier shall forfeit its place in the queue.

(x) If the claim for MSG or non-MSG exceeds the remaining generation in the specified category, the Eligible Supplier will be notified as such and given the option to modify its claim to equal the remaining generation. Such notification may be required for a part of the claim duration submitted by the Eligible Supplier; eg. month 11 of a 24 month claim may exceed the available generation in the specified category.

6.c. An Eligible Supplier may withdraw its claim for market support or non-market support generation on behalf of an individual retail customer in its entirety at any time prior to approval of the application.

6.d. If an Eligible Supplier were to discontinue serving a retail customer for which it had an approved market support or non-market support generation capacity claim and had proceeded with its use, at the Company's option, either the supplier's right to that capacity is forfeited and the claimed generation would be returned to the pool for that category, or the supplier shall be subject to a minimum monthly capacity factor identified in the Stipulation for the term of the approved claim.

6.e. Once the utility has approved an application for the claimed generation, the amount and duration of the claim shall be noted on the utility's public web site as an approved claim for market support or non-market support generation. The identity of the customers and suppliers will not be posted on the public web site.

Section 7 Electronic Data Interchange

In the event that the enrollment process for a particular customer with the company is not completed by the time the supplier schedules the claimed generation, the supplier shall forfeit the approved claim for that customer and the claimed generation would be returned to the pool for that category.

Section 8 FirstEnergy contact

For questions relating to market support generation, the FirstEnergy contact is:

Douglas S. Burnell
Administrator, Competitive Energy Supplier Contracts
FirstEnergy Corp.
76 South Main Street, Akron, Ohio 44308
phone: 330-384-4813 fax: 330-255-1047
e-mail: SupplierSupport@firstenergycorp.com

October 5, 2000

FirstEnergy.

76 South Main Stree
Akron, Ohio 4430

David M. Blank
Manager, Rate Department

330-384-5451

Hand-delivered

November 14, 2000

Mr. Kevin Murray
Industrial Energy Users
21 E. State St., Suite 1700
Columbus, OH 43215

Dear Mr. Murray:

The purpose of this memo is to bring to your attention a number of issues relating to the claims you have submitted to FirstEnergy for Market Support Generation through November 10, 2000.

The memo includes the following items:

1. A description of problems we have encountered to date regarding the totality of claims from all suppliers. This list includes a definition of the problem encountered. **(MSG Claim Errors)**
2. A description of the types of problems that we have encountered with the claims submitted by you, and an "Action" statement identifying what the options you have regarding each type of problem. **(Actions)**
3. A list of the problem accounts you have submitted, grouped by type of problem, with relevant details for each account. This information is also contained on an excel spreadsheet in a diskette attached to this memo. **(Error Report and Duplicate Claims Report)**

Delivery of this letter to you constitutes the start of the five-day cure period identified in the Protocol at section 6.b.(iii).

We encourage you to contact Doug Burnell at 330-437-1301 should you have any questions regarding the information in this memo. To the extent he is not able to deal with the issues, he will direct you to the analysts on our staff that have studied the details of your claim.

Best regards,

David M. Blank
Manager, Rate Dept.
FirstEnergy Corp.

EXHIBIT
8/7/01
Murray
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IEU ACTIONS

INVALID ACCOUNT NUMBER

ACTION – Using the website, please make the necessary revisions to account numbers for the accounts listed on the **Error Report** or cancel the account from the claim. In no instance shall the requested capacity for the corrected account number exceed the capacity requested for the original account number.

INELIGIBLE CUSTOMER ACCOUNT FOR CLAIM

If you believe the account numbers listed on the **Error Report** for other retail customers to be incorrect, please make the necessary revisions to account numbers using the website. In no instance shall the requested capacity for the corrected account number exceed the capacity requested for the original account number. Also please cancel any residential accounts in the Other Retail claim pool. If you wish to acquire MSG power for any residential customer, you must submit a new claim for them.

UNDER CLAIMED LOAD FOLLOWING ACCOUNT

ACTION –You may either change the option on these accounts listed on the **Error Report** from Load Following to Capacity Factor or cancel the account from the claim using the website. You may submit another claim for those that are cancelled from existing claims.

DUPLICATE ACCOUNT ALREADY ON CLAIM or ACCOUNT ALREADY ON APPROVED CLAIM

ACTION – The attached **Duplicate Account Report** lists accounts that are included in more than one claim. For these accounts we will process the one in the claim submitted first and cancel the remaining duplicates. Any duplicate accounts submitted after 12:00 AM on 11/20/00 will supersede those previously submitted.

MSG CLAIM ERRORS

DUPLICATE CLAIMS DETECTED

DEFINITION - claims from a single supplier for the same time period having identical accounts (each claim has the same number of accounts and the account numbers per FirstEnergy Customer Information System (CIS) records are duplicated in the claims). The MSG/Non-MSG categorization is ignored for purposes of identifying duplicate claims.

INVALID ACCOUNT NUMBER

DEFINITION – FirstEnergy is unable to match the account number submitted by the supplier with an account number contained in the FirstEnergy CIS records.

INACTIVE CUSTOMER STATUS

DEFINITION - the account number (per FirstEnergy CIS records) included in a supplier's claim is coded as "Inactive". Inactive means that FirstEnergy is no longer issuing a bill for this account number because the customer has discontinued service.

INELIGIBLE CUSTOMER ACCOUNT FOR CLAIM

DEFINITION – a residential account that is included in a claim that a supplier has submitted in the Other Retail claim pool; or a non-residential account contained in a claim submitted in the Residential claim pool.

UNDER CLAIMED LOAD FOLLOWING ACCOUNT

DEFINITION – an account that a supplier includes in a claim for which the Load Following option has been selected where the capacity requested is less than the peak registered in the last twelve months. For purposes of this comparison, if the highest historic peak is less than 20% greater than the requested capacity but not more than 200 kw greater than the requested capacity, the account continues to be included as Load Following. The attached **Error Report** does not factor the comparison into determining the accounts listed. It lists <u>all</u> accounts for which the highest historic peak is greater than the requested capacity. You need only take actions on those accounts that do not meet the comparison parameters previously described.

UNDER CLAIMED LOAD FOLLOWING ACCOUNT

DEFINITION – an account that a supplier includes in a claim for which the Load Following option has been selected having the highest historic peak either 20% greater than the requested capacity or having the highest historic peak more than 200kw greater than the requested capacity. Historic peaks are determined using the most recent twelve months of data from the FirstEnergy CIS records.

DUPLICATE ACCOUNT ALREADY ON CLAIM or ACCOUNT ALREADY ON APPROVED CLAIM

DEFINITION – accounts having the same account number (per FirstEnergy Customer Information System records) that are included more than once in the same claim or in more than one claim for the same time period. The MSG/Non-MSG categorization is ignored in making this determination.

FIRSTENERGY CORP.
MSG AUP – FOLLOW UP
NOVEMBER/DECEMBER 2000

INDUSTRIAL ENERGY USERS - OHIO

In order to finalize the review of the initial MSG claims submitted by Industrial Energy Users – Ohio (IEU), I have been asked to follow up on the items indicated below in order to obtain additional support.

1. Does IEU have any documentation of the dates that the following contracts were agreed to by these customers and the dates that the customers submitted their account data to IEU? Unfortunately, during my visit to IEU, I was unable to determine dates for these contracts as the date to be completed within the contracts regarding when the customer submitted account data to IEU was not filled in. In addition, I did not note any facsimile header printed on these contracts or any other verification as to when these customers agreed to these contracts. These customers are as follows:
   - [redacted]
   - [redacted]

   Please provide me with whatever evidence you have to support when these customers agreed to these contracts.

2. In reviewing the accounts for which you made claims, 7 of the accounts claimed are not in the name of the customer for those accounts according to FirstEnergy's customer billing system. Please check your records and provide me with the correct customer names for these accounts. The account numbers are as follows:
   - [redacted] – [redacted]
   - [redacted] – [redacted]
   - [redacted] – [redacted]
   - [redacted] – [redacted]
   - [redacted] – [redacted]
   - [redacted] – [redacted]
   - [redacted] – [redacted]

EXHIBIT
8/7/01
Murray 11

[redacted]

MCNEES, WALLACE & NURICK
ATTORNEYS AT LAW

FIFTH THIRD CENTER
SUITE 1700
21 EAST STATE STREET
COLUMBUS, OHIO 43215
TELEPHONE (614) 469-8000 FAX (614) 469-4653

TELECOPIER TRANSMITTAL SHEET

TO: Denise Dinie **FAX NO.:** 216-781-3683

FROM: KEVIN MURRAY **# OF PAGES:** 10

(614) 719-2844 (DIRECT DIAL)

DATE: December 14, 2000 **TIME:**

MESSAGE:

I am faxing documentation to respond to question #1 from your email sent yesterday. I am compiling responses to question #2.

Please destroy or return all materials after your review.

Thanks - Please let me know if you need additional information

EXHIBIT

8/7/01
Murray 12

Please call Debbie Ryan or Jean Cea (614) 469-8000 if there is a problem receiving a complete fax.

The information contained in this facsimile message is privileged and confidential information intended for the use of the addressee listed above and no on else. If you are not the intended recipient or the employee or agent responsible to deliver this message to the intended recipient, please do not use this transmission in any way, but contact the sender by telephone.

{C00973:}

Identification of faxed materials (bold font)

1. Does IEU have any documentation of the dates that the following contracts were agreed to by these customers and the dates that the customers submitted their account data to IEU? Unfortunately, during my visit to IEU, I was unable to determine dates for these contracts as the date to be completed within the contracts regarding when the customer submitted account data to IEU was not filled in. In addition, I did not note any facsimile header printed on these contracts or any other verification as to when these customers agreed to these contracts. These customers are as follows:

[redacted]

A. Cover and pages 1-2 of a sixteen page fax sent October 18, 2000 from [redacted] to IEU-OH transmitting executed contingent participation agreement.

B. Cover letter and copy of envelope transmitting executed agreement.

[redacted]

A. October 10, 2000 fax from [redacted] identifying accounts to participate in IEU-OH MSG claim.

McNEES, WALLACE & NURICK™
ATTORNEYS AT LAW
FIFTH THIRD CENTER
21 EAST STATE STREET • SUITE 1700
COLUMBUS, OH 43215
(614) 469-8000 • FAX (614) 469-4653
www.mwn.com

Kevin M. Murray
(614) 719-2844--Direct Dial
murraykm@mwncmh.com

December 15, 2000

Via Facsimile @ 216-781-3683

Denise R. Dinie
Arthur Andersen LLP
200 Public Square, Suite 1800
Cleveland, OH 44114

Dear Denise:

The purpose of this letter is to provide additional information regarding the customer names for the seven accounts identified in your December 13, 2000 correspondence. Per our discussion this morning, I have identified the addresses for these accounts. In addition to this information, I have requested copies of invoices from these facilities. If I can obtain copies of invoices, I will forward them if necessary to supplement this information.

Accounts

- [redacted]
- [redacted]

We identified the customer at these accounts as [redacted]. This is a subsidiary owned by [redacted]. I have attached copies of invoices from these accounts which identifies the address used in FirstEnergy's billing system.

Accounts

- [redacted] - [redacted]
- [redacted] - [redacted]
- [redacted] - [redacted]

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8/7/01 Murray 13

We identified the customer at these accounts as [redacted]. These facilities are subsidiary companies of [redacted]). [redacted] has renamed this division [redacted]. The addresses of these facilities are identified above. Name changes at [redacted] may be contributing to the difficulty in matching names with accounts. I also located [redacted] corporate website at: [redacted]

HARRISBURG, PA • HAZLETON, PA • WASHINGTON, DC

[redacted]; however, all content is in [redacted]. I was not able to identify when the name change at [redacted] took place.

Accounts

- [redacted]
- [redacted]2

We identified the customer at these facilities as [redacted]. The customer has identified that the name of the customer in FirstEnergy's billing system may be [redacted]. The addresses of the facilities are identified above.

Please contact me if you need additional information.

Sincerely,

Kevin M. Murray

KMM:dsr
Attachments
cc: Samuel C. Randazzo (W/O Attachments)

FirstEnergy.

395 Ghent Roa
Akron, Ohio 4433

Louis R. Jahn
Executive Director

330-315-684
Fax: 330-315-685
E-Mail: jahnl@firstenergycorp.co

Mr. Samuel C. Randazzo
McNees, Wallace & Nurick
Fifth Third Center, Ste. 1700
21 East State Street
Columbus, Ohio 43215

September 5, 2000

Dear Sam,

Enclosed are two executed copies of the IEU and FES Confidentiality agreement.

Additionally, I have included a copy of the previous agreement, which has been red lined with the new changes.

Best Regards,

Louis R. Jahn

Enclosure

EXHIBIT
Murray 8/17/01 14

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IEU and FES CONFIDENTIALITY AGREEMENT

This agreement entered into this ____ day of August, 2000 by and between FirstEnergy Services Corp. (FES or Party), 395 Ghent Road, Akron, Ohio 44333 and the Industrial Energy Users-Ohio (IEU or Party) 21 East State Street, 17th Floor Columbus, Ohio 43215 (collectively referred to as the Parties).

Whereas, IEU desires to establish a program to permit its members to access conveniently and effectively energy services and products from the marketplace.

Whereas, FES desires to assist IEU and its members in obtaining convenient and effective access to such services and products.

Whereas IEU has entered into agreements for the benefit of its participating members in conjunction with the resolution of transition plan settlements arising proceedings initiated under Chapter 4928, Ohio Revised Code.

Whereas FES desires to assist IEU in utilizing the transition plan agreements for the purpose of meeting IEU's participating members energy services and products needs.

Whereas, FES ability to provide assistance to IEU requires that certain information confidential to individual IEU members be provided to FES.

Now therefore, the Parties agree as follows for the purpose of protecting Confidential Materials.

1. This Confidentiality Agreement shall govern the use of all Confidential Information disclosed by, or on behalf of, any Party. Notwithstanding a termination of the service relationship contemplated by the Parties, this Confidentiality Agreement shall remain in effect with regard to any information exchanged between the Parties.

2. Either Party may designate as Confidential any information, which customarily is treated by that Party as sensitive or proprietary, which is not available to the public, and which, if disclosed freely, would subject that Party or its customers or members to risk of competitive disadvantage or other business injury.

3. Definitions -- For purposes of this Agreement:
   (a) The term "Party" shall mean a person subject to the terms of this Agreement.

   (b) The term "Confidential Information" means any written materials designated by either Party as confidential, and all verbal discussions between the Parties. Confidential Information also includes memoranda, handwritten notes, or any other form of information (including electronic form) which copies or discloses

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Confidential Information. Both Parties shall use their best efforts to mark or otherwise designate information as Confidential, provided however that the failure to designate information as Confidential shall not remove such information from the protections of this Agreement.

(c) The term "Non-Disclosure Certificate" shall mean the certificate annexed hereto by which Parties to whom Confidential Information has been disclosed shall certify their understanding that such access to Confidential Information is provided pursuant to the terms and restrictions of this Confidentiality Agreement, and that such Parties have read the Confidentiality Agreement and agree to be bound by it.

4. Confidential Information shall be made available under the terms of this Confidentiality Agreement only to the Parties and shall not be used for any other purposes than the purposes for which the Confidential Information has been provided. Unless otherwise stated, the Confidential Information shall be deemed to have been provided for the purpose of forming and administering the Industrial Energy Users-Ohio (IEU-OH) pool program referenced in settlement agreements entered into by FirstEnergy Corp. (FE) or its affiliates.

5. Confidential Information shall remain available until the Party providing the Confidential Information requests their return or directs that they be destroyed. Upon a request to return or destroy Confidential Information, the Party in possession of such Information shall comply with such request as soon a possible and promptly notify with requesting Party in writing of such compliance. Each Party, if requested to do so, shall also submit to the producing Party an affidavit stating that, to the best of its knowledge, all Confidential Information has been returned or have been destroyed. To the extent Confidential Information are not returned or destroyed, they shall remain subject to the Confidentiality Agreement.

6. All Confidential Materials shall be maintained by the Party in a secure place. Access to those materials shall be limited to those persons specifically authorized pursuant to this Agreement.

7. Confidential Information shall be treated as confidential by each Party and by in accordance with the Non-Disclosure Certificate executed pursuant to this Agreement. Confidential Information shall not be disclosed in any manner to any person unless such person is specifically authorized to receive such information and is a person who needs to know the information in order to carry out that person's responsibilities as defined by agreements between the Parties.

8. The contents of Confidential Information or any other form of information that copies or discloses Confidential Information shall not be disclosed to anyone other than in accordance with this Confidentiality Agreement and shall be used only in connection with the purposes for which the Information is provided.

On behalf of FirstEnergy Services Corp. — Date: 9/5/00

On behalf of Industrial Energy Users-Ohio — Date: 9/6/00

NON-DISCLOSURE CERTIFICATE

I hereby certify my understanding that access to Confidential Information is provided to me pursuant to the terms and restrictions of the foregoing Confidentiality Agreement, that I have read the Confidentiality Agreement, and that I agree to be bound by it. I understand that the Confidential Information, any notes or other memoranda, or any other form of information that copies or discloses Confidential Information shall not be disclosed to anyone other than in accordance with that Confidentiality Agreement.

By: Lorna P John

Title: EXEC - DIRECTOR - OMEC

Representing: FIRSTENERGY SERVICES

Date: 9/05/06

McNEES, WALLACE & NURICK
ATTORNEYS AT LAW
FIFTH THIRD CENTER
21 EAST STATE STREET • SUITE 1700
COLUMBUS, OH 43215
(614) 469-8000 • FAX (614) 469-4653
www.mwn.com

Samuel C. Randazzo
(614) 719-2840--Direct Dial
srandazzo@mwncmh.com

September 6, 2000

Louis R. Jahn
Executive Director
FirstEnergy Corp.
395 Ghent Road
Akron, OH 44333

Dear Lou:

Enclosed is an executed copy of the IEU/FES Confidentiality Agreement. We have retained one executed copy for our files.

If you have any questions regarding the enclosed agreement, please don't hesitate to contact me.

Sincerely,

Samuel C. Randazzo

Samuel C. Randazzo

SCR:dsr

{C05484:}

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AGA Gas, Inc.
Air Liquide America Corporation
Air Products & Chemicals, Inc.
AK Steel Corp.
Alcan Rolled Products Company
Alcoa Inc.
Anheuser-Busch Companies, Inc.
Aristech Chemical Corporation
ASHTA Chemicals Inc.
BP Amoco
Bayer Corp.
Bicron
Buckeye Pipe Line Co.
Buckeye Steel Castings Company
Cargill Incorporated
Central Soya Company, Inc.
Delphi Automotive Systems
Ford Motor Company
General Mills
General Motors Corporation
Glen Gery Corporation
Honda of America Mfg., Inc.
International Paper
LTV Steel Company

IEU OHIO
Industrial Energy Users

Marathon Ashland Petroleum LLC
Martin Marietta Magnesia Specialties Inc.
The Mead Corporation
Nabisco, Inc.
Nationwide Insurance
Occidental Chemical Corporation
Owens Corning
Owens-Illinois, Inc.
PCS Nitrogen, Inc.
PMI Food Equipment Group
PPG Industries, Inc.
Praxair, Inc.
The Procter & Gamble Company
R.R. Donnelley & Sons Company
Rohm and Haas Company
Rosa Products Division
Smurfit-Stone Container Corporation
Sunoco, Inc. (R&M)
Thomson Consumer Electronics
The Timken Company
WCI Steel, Inc.
Whirlpool Corporation
Worthington Industries Inc.

January 4, 2001

Louis R. Jahn
Executive Director--Retail Energy Commodities Group
FirstEnergy Services Corp.
395 Ghent Road
Suite 411
Akron, OH 44333

Dear Lou,

Pursuant to Pricing Schedule No. 1 of the Master Service Agreement between FirstEnergy Services Corp. ("FES") and Industrial Energy Users-Ohio ("IEU-OH"), the attached schedule identifies the pricing, by eligible rate schedule and by utility, as well as the payment to IEU-OH that FES shall specify for billing purposes during calendar year 2001.

Please indicate acceptance of calendar year 2001 pricing by returning an executed copy of this letter at your earliest convenience.

FIRSTENERGY SERVICES CORP.

By: _____

INDUSTRIAL ENERGY USERS-OHIO

By: _____
Print: Samuel C. Randazzo
Its: Counsel

EXHIB

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{C06408:}

Chairman, IEU-OH Joseph T. Ewing, Strategic Sourcing Manager, Energy - Global, The Procter & Gamble Company, Winton Hill Technical Center, 6105 Center Hill Avenue, Cincinnati, OH 45224 - Telephone: (513) 634-2941 / Telecopier: (513) 634-1633 / E-Mail: ewing.jt@pg.com

Counsel, IEU-OH Samuel C. Randazzo, McNees, Wallace & Nurick, Attorneys at Law, Fifth Third Center, 21 East State Street,

Utility	Rate Schedule	FES Generation Price	IEU Payment
Ohio Edison	Rate 28 – High Use Manufacturing 3% voltage discount	[redacted]	[redacted]
	Rate 28 – High Use Manufacturing 5% voltage discount	[redacted]	[redacted]
	Rate 28 – High Use Manufacturing 7.5% voltage discount	[redacted]	[redacted]
	Rate 23 – General Service Large 0% voltage discount	[redacted]	[redacted]
	Rate 23 – General Service Large 3% voltage discount	[redacted]	[redacted]
	Rate 23 – General Service Large 5% voltage discount	[redacted]	[redacted]
	Rate 21 – General Service	[redacted]	[redacted]
Cleveland Electric Illuminating	Rate 105 - General Service	[redacted]	[redacted]
	Rate 125 - Small General Service	[redacted]	[redacted]
	Rate 130 - All Electric Large General Service	[redacted]	[redacted]
	Rate 145 - Medium General Service	[redacted]	[redacted]
	Rate 175 - Large General Service	[redacted]	[redacted]
Toledo Edison	Rate 669 - Small General Service	[redacted]	[redacted]
	Rate 628 - Medium General Service	[redacted]	[redacted]
	PV45 - Large General Service	[redacted]	[redacted]

cc: Don Morrison

The Public Utilities Commission of Ohio

PUCO USE ONLY		
Date Received	Case Number	Certification Number
	00-1711-EL-AGG	

CERTIFICATION APPLICATION FOR AGGREGATORS

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

A. APPLICANT INFORMATION

RECEIVED-DOCKETING DIV
00 SEP 20 PM 1:40
PUCO

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

Legal Name Industrial Energy Users-Ohio
Address Fifth Third Center
21 East State Street, 17th Floor
Columbus, Ohio 43215
Telephone # 614-469-8000 Web site address (if any) http://www.mwncmh.com/ieu

A-2 List all names under which the applicant does business in North America

Industrial Energy Users-Ohio

A-3 Contact person for regulatory or emergency matters

Name Samuel C. Randazzo, Esq.
Title
Business address c/o McNees, Wallace & Nurick
Fifth Third Center
21 East State Street, 17th Floor
Columbus, Ohio 43215
Telephone # 614-469-8000 Fax # 614-469-4653
E-mail address (if any) srandazzo@mwncmh.com

A-4 Contact person for Commission Staff use in investigating customer complaints

Name Samuel C. Randazzo, Esq.
Title

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Exhibit B-3
Summary of Experience

The experience of contractors engaged by IEU-OH to facilitate aggregation opportunities for IEU-OH members is as follows:

Samuel C. Randazzo, Esq. is a partner in the Columbus, Ohio, office of McNees, Wallace & Nurick. Sam has spent more than twenty-five years solving issues affecting the price and availability of communications, natural gas, electricity and other regulated services. The range of his experience includes developing Ohio's innovative self-help natural gas program, implementation of the Telecommunications Act of 1996, chief guide on Ohio utility legislation and counsel to the Industrial Energy Users-Ohio. Since 1997, Sam has been selected as one of the *Best Lawyers in America* in Public Utility Law.

Gretchen J. Hummel, Esq. practices out of the Columbus, Ohio office of McNees, Wallace & Nurick. Gretchen has devoted more than twenty years to the legal and technical aspects of utility regulation from the perspectives of both advocate and regulator. In that time, she has achieved a high level of knowledge in a wide range of issues involving rate, fuel, complaint, rulemaking, and legislative matters, as well as a large number of processes, including litigation, alternative dispute resolution, facilitation, mediation and collaboration. Gretchen has significant experience in the evolution of natural gas deregulation and the development of natural gas choice programs in Ohio.

Kevin M. Murray is a Technical Specialist in the Columbus, Ohio office of McNees, Wallace & Nurick. Kevin focuses on monitoring and evaluating regulatory proceedings at the Federal Energy Regulatory Commission, the Federal Communications Commission and various state agencies; provides analysis of proposed tariff or rate offerings; assists in the development of regulatory and commercial strategies; and provides clients' assistance in utility contract negotiations, utility and site selections for new facilities, competitor analysis and analysis of customer usage patterns. Kevin spent twelve years with Timken Company managing a 20,000 dth per day natural gas portfolio for the company's Midwest facilities and participated in natural gas, pipeline and electric utility contract negotiation. As the company's member representative at the Electricity Consumers Resource Council (ELCON) and Process Gas Consumers (PGC), he participated in the development of regulatory advocacy positions and worked with outside counsel representing the company in regulatory proceedings. Kevin held several additional supervisory positions at The Timken Company, where his duties included performing computer modeling and costs analysis to provide product pricing support for marketing, and also management of raw materials, logistics and management information systems in steelmaking operations.

Exhibit C-4
Financial Arrangements

At the present time, IEU-OH has no definitive financial arrangements to conduct CRES as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.).

Please see the attached affidavit of Peggy Claytor, Chairman, IEU-OH that describes the contractor arrangements IEU-OH intends to pursue.

STATE OF OHIO)
)
COUNTY OF FRANKLIN)

AFFIDAVIT

Peggy Claytor, being first duly sworn, hereby states that the representations below are true based upon information available to Industrial Energy Users-Ohio ("IEU-OH").

1. Applicant is likely to employ the services of a contractor(s). The scope of the services which will be provided and the identity(ies) of the contractor(s) will be determined by the applicant's members, taking into account such things as the manner in which the market evolves and members' needs. Applicant will amend or supplement this application as this information becomes known.

2. Based on the information presently available, IEU-OH, as an aggregator, will seek market support generation from FirstEnergy Corp. ("FE") or the FE operating companies under the terms of the settlement approved by the Commission on July 19, 2000. Availability of and price for this market support generation are governed by FE's transition plan order

Peggy R. Claytor
Peggy Claytor
Chairman
Industrial Energy Users-Ohio

Sworn to before me and subscribed in my presence this 20th day of September 2000.

Debbie Ryan
Notary Public

DEBBIE S. RYAN
NOTARY PUBLIC, STATE OF OHIO
MY COMMISSION EXPIRES OCT. 1, 2000

{C05565:}

P. U. C. O. NO. S-1

OHIO EDISON COMPANY
AKRON, OHIO

Electric Generation Supplier Coordination Tariff

Issued by
H. P. BURG
President
Akron, Ohio

Issued: January 1, 2001 **Effective: January 1, 2001**

Filed under authority of Order No. 00-813-EL-EDI and Order No. 99-1212-EL-ETP issued by The Public Utilities Commission of Ohio

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DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS

Ancillary Services – any function necessary to the provision of electric transmission or distribution service to a retail customer and includes, but is not limited to, scheduling, system control, and dispatch services; reactive supply and voltage control service from generation resources; reactive supply from transmission resources service; regulation service; frequency response service; energy imbalance service; operating reserve-spinning reserve service; operating reserve-supplemental reserve service; load following; back-up supply service; dynamic scheduling; system black start capability; and network stability service

Bad Credit – a Certified Supplier has Bad Credit if it is insolvent (as evidenced by a credit report prepared by a reputable credit bureau or credit reporting agency or public financial data showing liabilities exceeding assets or generally being unable to pay debts as they become due) or has failed to pay Company invoices when they become due on one or more occasions within the last thirty-six billing cycles.

Billing Cycle – the time frame between two regularly scheduled meter readings. Customer meter readings are obtained on a regular schedule, which is managed by the Company.

Certified Supplier - is an Electric Generation Supplier that has received final certification from the Commission pursuant to Ohio Revised Code Section ("R.C.") 4928.08 to provide Competitive Retail Electric Service and has received written notification of registration pursuant to Section V (E) herein.

Charge - any fee or charge that is billable by the Company to a Certified Supplier under this Tariff, including any Coordination Services Charge.

Commission or The Commission - the Public Utilities Commission of Ohio.

Company – Ohio Edison or FirstEnergy. All references to FirstEnergy in this Tariff are for purposes of the FERC tariffs referenced herein where FirstEnergy is acting on behalf of Ohio Edison, Toledo Edison, and Cleveland Electric Illuminating Company. Following approval and implementation of the Company's corporation separation plan, as part of its transition plan, all actions or obligations of FirstEnergy under this Tariff, if any, will be performed by the regulated utility business unit of FirstEnergy. American Transmission System Incorporated may be the Company for purposes of certain functions related to energy imbalance and other transmission related functions.

Competitive Retail Electric Service - retail electric generation, aggregation, power marketing, and power brokerage services supplied to Customers of the Company.

Consolidated Billing – a billing service where the Company bills for both the Regulated Utility Charges as well as the Certified Supplier's Charges, unless otherwise provided in the Company's tariff.

Control Area - has the meaning given in Section 1.6 of the FE OATT.

Coordinated Certified Supplier – a Certified Supplier who has appointed a Scheduling Coordinator as its designated agent for certain Coordination Services.

Coordination Activities - all activities related to the provision of Coordination Services.

Coordination Agreement – an agreement between the Company and an EGS or Certified Supplier that arranges for the provision of Coordination Services pursuant to this Tariff.

Coordination Obligations - all obligations identified in this Tariff relating to the provision of Coordination Services.

Coordination Services - those services that permit the interface and coordination between Certified Supplier and the Company in connection with the delivery of Competitive Retail Electric Service to serve Customers located within the Company's service territory including, but not limited to, Ancillary Services (offered under the FE OATT), transmission losses, and distribution losses.

Coordination Services Charges - all charges stated in the Charges section of this Tariff, the FE OATT and the FE Market-Based Rate Tariff that are billed by the Company (on behalf of itself or any FirstEnergy affiliate or subsidiary) for Coordination Services performed hereunder.

Creditworthiness – For the purpose of determining the ability of the Certified Supplier to meet its obligations related to service hereunder, the Company may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices. In addition, the Company may require the Certified Supplier to provide and maintain in effect during the term of the Coordination Agreement an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under the Supplier Tariff, or an alternative form of security proposed by the Certified Supplier and acceptable to the Company and consistent with commercial practices established by the Uniform Commercial Code that protects the Company against the risk of non-payment and default of the Certified Suppliers.

Customer - any person, partnership, association, or corporation receiving Competitive Retail Electric Service from a Certified Supplier in accordance with the Restructuring Act.

DASR (Direct Access Service Request) – an electronic form of communication that shall be exchanged between the Company and a Certified Supplier.

Electric Generation Supplier ("EGS") - all of the entities set forth in R.C. 4928.08(A) and (B) that have not received either certification by the Commission or written notification of registration pursuant to Section V (E) herein.

FERC - the Federal Energy Regulatory Commission.

FirstEnergy ("FE") – the parent company of Ohio Edison Company (and Ohio Edison's wholly owned subsidiary, Pennsylvania Power Company), The Cleveland Electric Illuminating Company, and The Toledo Edison Company.

FirstEnergy ("FE") Market-Based Rate Tariff – the FE Market-Based Rate Tariff (or its successor) on file with the FERC and which sets forth the rates, terms and conditions of the sale of power by FirstEnergy and its subsidiary utility companies including any service agreement executed there under.

FirstEnergy Open Access Transmission Tariff ("FE OATT") - the FirstEnergy Open Access Transmission Tariff (or its successor which may be through a successor organization) on file with the FERC and which sets forth the rates, terms and conditions of transmission service over transmission facilities located in the FirstEnergy System Control Area.

FirstEnergy System Control Center ("FE-SCC") - the control center for the FE System Control Area or its successor.

FirstEnergy ("FE") System Control Area - that certain Control Area recognized by the North American Electric Reliability Council as the "FirstEnergy System Control Area."

Interest Index - an annual interest rate determined by the average of 1-Year Treasury Bills for September, October and November of the previous year.

Interval Meter – an electricity meter which records an End-use Customer's electric usage for defined intervals (e.g., 15 minutes, half-hour, hour, etc.), allowing the possibility for consumption during different time periods to be billed at different rates and providing a means for a Customer's load pattern to be analyzed.

Meter Read Date - the date on which the Company schedules a meter to be read for purposes of producing a customer bill in accordance with the regularly scheduled billing cycles of the Company as the same may be modified from time to time.

Network Integration Transmission Service – transmission service provided under Section III of the FE OATT.

Open Access Same-Time Information System ("OASIS") – has the same meaning as set forth in the FE OATT.

Restructuring Act - Am. Sub. Senate Bill No. 3.

Regulated Utility Charges - utility charges for noncompetitive retail electric services including, but not limited to, tariffed transmission and distribution and generation services that are under the jurisdiction of the Commission. May also include utility charges for noncompetitive gas services.

Schedule – a schedule for the delivery of energy for the benefit of retail customers, prepared by the Certified Supplier or its designated Scheduling Coordinator and submitted to the FE-SCC in the format prescribed by FirstEnergy.

Scheduling Coordinator – an entity that performs one or more of a Certified Supplier's Coordination Obligations.

Service Agreement – the initial agreement and any amendments or supplements thereto entered into by the Certified Supplier and the Company for service under the FE OATT and the FE Market-Based Rate Tariff.

Standard Offer Supply – the provision of energy and capacity by the Company to customers that (1) choose not to obtain Competitive Retail Electric Services from a Certified Supplier other than the Company, (2) return to the Company after having obtained Competitive Retail Electric Services, or (3) contract for Competitive Retail Electric Services from a Certified Supplier that breaches its obligation to deliver such energy or capacity.

Standard Rules and Regulations - The Company's Standard Rules and Regulations in effect as approved by the Public Utilities Commission of Ohio.

Value Added Network ("VAN") – a data transfer network that allows information to be sent and received electronically using an electronic mailbox. This method must meet the following minimum criteria:

- Security and/or encryption of transactions and customer information.
- Proof of transmission and receipt.
- Positive identity of sender and recipient (non-repudiation).
- Reliability.
- Data and file integrity.
- Network performance and availability.
- Recoverability and archiving of data.

RULES AND REGULATIONS

I. THE CERTIFIED SUPPLIER TARIFF

A. Filing And Posting

A copy of this Tariff, which comprises the Charges, Rules and Regulations and Coordination Agreement under which the Company will provide Coordination Services to Certified Suppliers, is on file with the Commission and is posted and open to inspection at the offices of the Company during regular business hours.

B. Revisions

Subject to Section II (B), this Tariff may be revised, amended, supplemented or otherwise changed from time to time in accordance with law, and such changes, when effective, shall have the same force as the present Tariff.

C. Application

The Tariff provisions apply to all Certified Suppliers providing Competitive Retail Electric Services to Customers located in the Company's service territory, including an affiliate or division of the Company that provides Competitive Retail Electric Services, and with whom the Company has executed a Coordination Agreement as required herein. An EGS which has failed to receive certification as a Certified Supplier by the Public Utilities Commission is not lawfully permitted to supply customers with Competitive Retail Electric Service. The Charges herein shall apply as well to anyone receiving service unlawfully or to any unauthorized or fraudulent receipt of Coordination Services in addition to any other remedies available

D. Rules and Regulations

The Rules and Regulations, filed as part of this Tariff, are a part of every Coordination Agreement entered into by the Company pursuant to this Tariff and govern all Coordination Activities. The obligations imposed on Certified Suppliers in the Rules and Regulations apply as well to anyone receiving service unlawfully or to any unauthorized or fraudulent receipt of Coordination Services in addition to any other remedies available to the Company.

E. Statement By Agents

No Company representative has authority to modify a Tariff rule or provision, or to bind the Company by any promise or representation contrary thereto or inconsistent therewith.

II. SCOPE AND PURPOSE OF TARIFF

A. Scope and Purpose of Tariff

This Tariff sets forth the basic requirements for interactions and coordination between the Company and Certified Suppliers necessary for ensuring the delivery of Competitive Retail Electric Service from Certified Suppliers to their Customers commencing on and after January 1, 2001.

B. FERC Jurisdiction

The inclusion of FERC-jurisdictional matters within the scope of the Tariff is intended solely for informational purposes and is not intended to accord any jurisdictional authority over such matters to the Public Utilities Commission of Ohio. Furthermore, to the extent that anything stated herein is found by FERC to conflict with or to be inconsistent with any provision of the Federal Power Act ("FPA"), or any rule, regulation, order or determination of FERC under FPA, then such FERC rule, regulation, order or determination of FERC shall control. To the extent required under any provision of the FPA, or any rule, regulation, order or determination of FERC under the FPA, the Company shall endeavor to secure, from time to time, all necessary orders, approvals, and determinations from FERC necessary to implement this Tariff.

III. RELATIONSHIPS AMONG CUSTOMER CHOICE PROGRAM PARTICIPANTS

A. Provision of Coordination Services

The Company shall provide all Coordination Services, as provided herein, necessary for the delivery of a Certified Supplier's Competitive Retail Electric Services to serve retail load located within the Company's certified service territory.

B. Timeliness and Due Diligence

The Company and Certified Suppliers shall exercise due diligence in meeting their obligations and deadlines under this Tariff so as to facilitate supply of Competitive Retail Electric Service to customers.

C. Duty of Cooperation

The Company and Certified Supplier will cooperate in order to ensure delivery of Competitive Retail Electric Service to Customers as provided for by this Tariff, the Standard Rules and Regulations, the FE OATT, the FE Market-Based Rate Tariff.

D. State Certification

Certified Supplier must have and maintain in good standing a certificate from the Commission as a Certified Supplier. The Certified Supplier shall notify the Company within three (3) business days of any amendment, revocation, termination or other change in its Certification.

E. Energy Procurement

A Certified Supplier must make all necessary arrangements for supply and delivery of capacity and energy in a quantity sufficient to serve its own Customers. In the event the Certified Supplier fails to supply sufficient capacity and energy to serve its customers, the Certified Supplier shall be responsible for payment for such capacity and energy as provided in Section XV of this Tariff (Imbalance Service) and all other applicable sections of this tariff.

IV. COMPANY AND CERTIFIED SUPPLIER OBLIGATIONS (GENERAL TERMS)

A. Multiple Certified Suppliers

Only one Certified Supplier shall provide Competitive Retail Electric Service to a specific Customer's Account during any given Billing Cycle, unless otherwise provided by the Company's tariff.

B. Partial Competitive Retail Electric Service

A Customer's Account is not permitted to have partial Competitive Retail Electric Service. The Certified Supplier shall be responsible for providing the total energy consumed by the Customer's Account during any given Billing Cycle, unless otherwise provided by the Company's tariff.

C. Consolidated Scheduling

Schedules may be combined if submitted to a single dispatch center using a single class of transmission service (e.g. network service) and the transmission service, for all loads scheduled, provides for the same method of calculating energy imbalance settlements. Such consolidated scheduling shall, for example, permit the combined scheduling of retail loads across the FirstEnergy Companies in Ohio that use a single dispatch center and for combined scheduling for retail and wholesale loads under the above stated circumstances.

Combining retail and wholesale schedules is permitted only if the same method of calculating energy imbalance settlements is used for both. It is anticipated there will be different methods when competition begins, and combining schedules will not be permitted. However, there may eventually be a single method when scheduling is done by a regional transmission (RTO), and then combining schedules would be permitted, if otherwise permitted by the RTO.

D. FE-SCC Services and Obligations

1. A Certified Supplier is responsible for procuring, taking and paying for those services provided by the FE-SCC that are necessary for the delivery of Competitive Retail Electric Services to its Customers pursuant to the Service Agreement for Network Integration Transmission Service under the FE OATT and this Tariff.

2. Ancillary services will be provided by the Company to customers at the rates included in the applicable Company retail tariff. A Certified Supplier may acquire Regulation and Frequency Response, Operating Reserve – Spinning, and Operating Reserves – Supplemental from another source if it demonstrates to the Company that it meets all North America Electric Reliability Council ("NERC") and regional requirements, and will be subject to all associated sanctions for failure to provide Ancillary Services as specified in the FE OATT. Ancillary Services provided by a Certified Supplier must be provided for all of the Customers it supplies and must be provided as long as the Certified Supplier is supplying its Customers. The Certified Supplier may not supply such services one month and then decline to supply them the next month. Failure to supply Ancillary Services will result in a suspension of the Certified Supplier's registration until resumption of such services by the Certified Supplier occurs.

3. The Certified Supplier is responsible for providing all real power losses that are necessary for the delivery of Competitive Retail Services to its Customers. The amount of losses to be provided by the Certified Supplier are as specified in the FE OATT and the Service Agreement for Network Integration Transmission. If mutually agreed, the Certified Supplier may acquire real power losses from the Company at the rate specified in the FE OATT.

E. Energy Scheduling

A Certified Supplier must make all necessary arrangements for scheduling the delivery of energy with FE-SCC.

F. Reliability Requirements

A Certified Supplier shall satisfy the reliability requirements of the Commission, or any other governmental agency or NERC or regional reliability council or their successor which apply to service provided under this Tariff.

G. Supply of Data

Upon reasonable request a Certified Supplier and the Company shall supply to the other all data, materials or other information specified in this Tariff, or otherwise reasonably required by the Certified Supplier or Company in connection with the provision of Coordination Services, in a timely manner.

H. Communication Requirements A Certified Supplier shall implement:

1. A VAN and a single EDI file transfer protocol, as determined by the Company. Both data transfer methods must meet the minimum criteria of, and be endorsed by, the Company.

2. **Internet Access.** A Certified Supplier shall have appropriate software for access to the Company's secure internet site for file viewing and downloads

3. **Electronic Mail.** A Certified Supplier shall have electronic mail ("e-mail") capable of transferring energy schedules to FE-SCC.

I. Payment Obligation

The Company's provision of Coordination Services to a Certified Supplier is contingent upon the Certified Supplier's payment of all charges provided for in this Tariff.

J. Record Retention

A Certified Supplier shall comply with all applicable laws and the Commission rules and regulations for record retention.

K. Emergency Operation

1. Transmission service shall be provided pursuant to the FE OATT. The Certified Supplier shall accept the FE-SCC determination that an emergency exists and will comply with all FE-SCC directives issued pursuant to the FE OATT

2. The Certified Supplier shall require its Customer to shed load to rectify any imbalance it has created in failing to meet its Schedule in the event that the FE-SCC is unable to secure energy/capacity. The Company shall use reasonable commercial efforts to supply the load of the Certified Supplier's customers, including the imbalance load if any. However, the Certified Supplier shall curtail its schedule to rectify any imbalance between its actual load and its lesser schedule in the event that the FE-SCC is unable to secure energy and or capacity to supply that difference in load.

3. **Emergency shutoff.** The Company has the right to curtail a Certified Supplier's schedule in order to maintain system integrity or to otherwise prevent the occurrence of a system emergency or to rectify the occurrence of a system emergency. The Company has the right to require redispatching of generation resources in accordance with the FE OATT, Section 33, Load Shedding and Curtailment to relieve an existing or potential system emergency

V. SUPPLIER REGISTRATION AND PARTICIPATION REQUIREMENTS

A. Registration Process

The Company shall approve or disapprove the EGS registration within thirty (30) calendar days of receipt of complete registration information from the supplier. The thirty (30) day time period may be extended for up to thirty (30) days for good cause shown, or until such other time as is mutually agreed to by the EGS and the Company.

The approval process shall include, but is not limited to: successful completion of the credit requirements and receipt of the required collateral if any by the Company, executed EDI Trading Partner Agreement and Certified Supplier Service Agreement, payment and receipt of any supplier registration fee and completion of EDI testing for applicable transaction sets necessary to commence service.

B. Registration for Coordination Services

An EGS seeking to obtain Coordination Services hereunder must deliver to the Company a completed registration, consisting of the following.

1. a Coordination Agreement fully executed in triplicate by a duly authorized representative of the EGS;

2. a) for all customers served at less than 69 kV and those above 69 kV who request Network Integration Transmission Service, a Service Agreement For Network Integration Transmission Service under the FE OATT fully executed in triplicate by a duly authorized representative of the EGS;

   b) for Certified Suppliers supplying service to transmission level retail customers, i.e., 69 kV and above, a Service Agreement for any applicable service related provision of the FE OATT fully executed in triplicate by a duly authorized representative of the EGS;

3. a Service Agreement under the FE Market-Based Rate Tariff, fully executed in triplicate by a duly authorized representative of the EGS;

4. the EGS's Ohio sales tax identification number;

5. a copy of the EGS's certification issued by the Commission to provide Competitive Retail Electric Services to the Company's retail customers;

6. a copy of the EGS's certification application submitted to the Commission to apply for its certificate;

7. a Credit History Form, available from the Company, fully completed in duplicate; and

8. for Customers that have elected the one-bill option, a copy of the Certified Supplier's rate schedule must be provided to the Company, which will seek to implement such rate schedule within two weeks, but in no event longer than 90 days of receipt. The Company reserves the right to limit the number of rates per Certified Supplier prior to the start date of competition.

9. the EGS must demonstrate to the Company's satisfaction that its Electronic Data Interchange ("EDI") is fully functional and capable of performing the necessary data transference functions required to supply the Company with data necessary to operate its business.

10. a Service Agreement for Electronic Data Interchange Trading Partner fully executed in triplicate by a duly authorized representative of the EGS.

C. Incomplete Registrations

In the event the EGS fails to provide all of the information specified in Section V (B), the Company shall provide written notice to the EGS of the registration's deficiencies within ten (10) calendar days after the Company's receipt of the registration. The Company will not process an incomplete registration until the EGS corrects the deficiencies and delivers a completed registration to the Company.

D. Grounds for Rejecting Registration

The Company may reject a registration for Coordination Services on any of the following grounds:

1. the EGS has undisputed outstanding debts to the Company arising from its previous receipt of Coordination Services from the Company.

2. the EGS has failed to comply with payment and billing requirements specified in Rule 12 of the Tariff;

3. the Company has provided written notice to the EGS that a registration is incomplete and the EGS has failed to submit a completed registration within thirty (30) business days of deficiency notification.

4. the EGS has been rejected by the Company as not being creditworthy.

5. the EGS has failed to comply with all applicable requirements of the FE-OATT and the FE Market-Based Rate Tariff for its registration to be accepted as complete.

6. the EGS has contracted to use the services of more than one Scheduling Coordinator for service to customers within the Company's certified service territory. Use of more than one Scheduling Coordinator is not permitted.

7. The EGS has failed to execute an EDI Trading Partner Agreement, and/or has not completed EDI testing for applicable transaction sets necessary for the commencement of service.

E. Approval of Registration

Upon its approval of a registration for Coordination Services, the Company shall execute the Coordination Agreement tendered by the registrant and shall provide one copy to the EGS and maintain a copy for its own records. The Company shall send written notification of approval of registration to the EGS and the Commission.

F. Identification Numbers

Upon its approval of a registration for Coordination Services, the Company will use the assigned EGS identification number in subsequent electronic information exchange between the EGS and the Company. In addition, the Company may also assign to the EGS identification numbers that may be required by FE-SCC in connection with the submission and/or confirmation of load schedules for serving load in the Company's service territory.

G. Commencement of Coordination Services

Coordination Services shall commence within thirty (30) business days after the Commission issues its certification following the Company's approval of an EGS's registration for Coordination Services, provided that all of the information necessary for the Company to provide Coordination Services has been provided to the Company. Following certification by the Commission and registration with the Company, the EGS is considered a Certified Supplier, subject to compliance with this Tariff and the Commission's continuing authority.

VI. CREDIT REQUIREMENTS

The Company will apply, on a non-discriminatory and consistent basis, reasonable financial standards to assess and examine an EGS's creditworthiness. These standards will take into consideration the scope of operations of each EGS and the level of risk to the Company. This determination will be aided by appropriate data concerning the EGS, including load data or reasonable estimates thereof, where applicable.

An EGS shall satisfy its creditworthiness requirement and receive an unsecured credit limit by demonstrating that it has, and maintains, investment grade long-term bond ratings from any two of the following four rating agencies:

AGENCY	SENIOR SECURITIES RATING (BONDS)
Standard & Poors	BBB- or higher
Moody's Investors' Services	Baa3 or higher
Fitch IBCA	BBB- or higher
Duff & Phelps Credit Rating Company	BBB- or higher

The EGS will provide the Company with its or its parent's most recent independently-audited financial statements, (if applicable) and, its or its parent's most recent Form 10-K and Form 10-Q (if applicable).

The Company shall make reasonable alternative credit arrangements with an EGS that is unable to meet the aforementioned criteria and with those EGSs whose credit requirements exceed their allowed unsecured credit limit. The EGS may choose from any of the following credit arrangements in a format acceptable to the Company: a guarantee of payment; an irrevocable Letter of Credit; a Prepayment Account established with the Company; a Surety Bond, including the Company as a beneficiary; or other mutually agreeable security or arrangement. The alternate credit arrangements may be provided by a party other than the Certified Supplier, including one or more ultimate customers. The fact that a guarantee of payment, irrevocable Letter of Credit, Prepayment Account, or Surety Bond is provided by a party other than the Certified Supplier shall not be a factor in the determination of the reasonableness of any alternative credit arrangement, as long as such party and the related credit arrangements meet the Company's standard credit requirements. The amount of the security required must be and remain commensurate with the financial risks placed on the Company by that EGS, including recognition of that EGS's performance.

The Company will make available on request its credit requirements. An EGS may appeal the Company's determination of credit requirements to the Commission or seek Staff mediation as to any dispute.

VII. CUSTOMER ENROLLMENT PROCESS

A. Pre-Enrollment Customer Information List

Upon request, the Company will electronically provide to any Certified Supplier the most recent Customer information list. The Certified Supplier will pay the Company $150.00 per list for providing the list to the Certified Supplier.

The Company will offer the Customer information list to Certified Suppliers beginning in October 2000 with updates available quarterly throughout the market development period. Once the list has been updated, a Certified Supplier may not use a Customer information list from a prior quarter to contact Customers, but Certified Suppliers shall not be required to purchase subsequent lists.

The Company will provide Customers the option to have all the Customer's information listed in the section below removed from the Customer information list. At the same time the Company will also provide Customers the option to have all Customer's information listed below reinstated on the Customer information list. The Customer will be notified of his or her options quarterly throughout the market development period.

The following information will be provided on the Customer information list for each Customer who has not requested that all information be removed from this list:

i) End-use Customer name
ii) Service Address
iii) Service City
iv) Service State and Zip Code
v) Mailing Address
vi) Mailing City
vii) Mailing State and Zip Code
viii) Rate Schedule under which service is rendered, including class and sub-class (if applicable)
ix) Rider (if applicable)
x) Load Profile Reference Category
xi) Meter Type (will provide information that is readily available)
xii) Interval Meter data indicator (will provide information that is readily available)
xiii) Budget Bill / PIPP indicator
xiv) Meter Read Cycle
xv) Most recent twelve (12) months of historical consumption data (actual energy usage plus demand, if available)

The Company will provide the Customer information list by either a compact disc or on a designated website. The information will be prepared and distributed in a uniform and useable format that allows for data sorting. Customers participating in the percentage of income payment plan (PIPP) program will be coordinated exclusively through the PIPP program administered by the Ohio Department of Development.

B. Certified Supplier Requests for Customer Information

Certified Suppliers may request historical Interval Meter data through a DASR after receiving the appropriate Customer authorization. The Interval Meter data will be transferred in a standardized electronic transaction. The Certified Supplier will be responsible for the costs incurred to prepare and send such data per the Schedule of Fees and Charges attached hereto.

C. Direct Access Service Requests (DASRs)

Enrollment of Customers is done through a DASR, which may be submitted only by a Certified Supplier.

DASRs will be effective on the next Meter Read Date provided that it is received by the Company at least twelve (12) calendar days before the next Meter Read Date, unless otherwise provided in the Company's tariff.

All DASRs will be submitted to the Company no more than thirty (30) calendar days prior to the scheduled Meter Read Date when the Certified Supplier desires the switch to occur, unless otherwise agreed upon by the parties. The Company will process all valid DASRs and send the Customer confirmation within two business days. Simultaneous with the sending of the notice to the Customer, the Company will electronically advise the Certified Supplier of acceptance. Notice of rejection of the DASR to the Certified Supplier shall be sent in one business day, if possible, but in no event later than four (4) calendar days, and include the reasons for the rejection. The Company shall provide a rescission period as provided by the Commission's rules. If the Customer rescinds, the Company shall send a drop notice to the Certified Supplier. In the event of Customer rescission, the previous Certified Supplier will continue to serve the Customer under the same terms and conditions.

Enrollments will be processed on a "first in" priority basis based on the received date, and using contract date as the tie-breaker. Any subsequent enrollment DASRs received within the same Billing Cycle will be rejected and returned to the Certified Supplier who submitted the DASR.

To participate in the Customer Choice Program, a Customer must have an active electric service account with the Company. After the electric service account is active, a Certified Supplier may submit a DASR as described herein.

D. Certified Supplier Selection

The Certified Supplier will obtain appropriate authorization from the Customer, or from the person authorized, per Commission requirements, to act on the Customer's behalf, indicating the Customer's choice of the Certified Supplier. The authorization must provide the customer's name, address, and account number. It is the Certified Supplier's responsibility to maintain records of the Customer's authorization in order to provide documented evidence of authorization to the Company and the Commission.

A Customer may have only one firm power Certified Supplier for any billing month for each customer account with the Company. For each customer account with the Company, a Customer may not split non-interruptible generation supply between two Certified Suppliers or between the Company's Standard Offer Supply and service by a Certified Supplier during a billing month. No Customer shall be provided with Competitive Retail Electric Services by more than one Certified Supplier during the same billing month for each customer account.

If a Customer contacts the Company to request initial service from a Certified Supplier or to request a change of Certified Supplier, the Company will inform the Customer that the Certified Supplier must be contacted directly with the request.

If a Customer contacts the Company to discontinue electric service at the Customer's then current location, and initiates a request for service at a new location in the Company's service territory, the Company will notify the current Certified Supplier of the Customer's discontinuance of service for the account at the Customer's old location.

If the Company elects to change the account number for a Customer receiving Competitive Retail Electric Service from a Certified Supplier, the Company will notify the Certified Supplier of the change in account number at the same Customer location.

E. Provisions relating to a Certified Supplier's Customers

1. Arrangements with Certified Supplier's Customers

Certified Suppliers shall be solely responsible for having appropriate contractual or other arrangements with their Customers necessary to implement Competitive Retail Electric Service consistent with all applicable laws, Commission requirements, and this Tariff. The Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

2. Transfer of Cost Obligations Between Certified Suppliers and Customers

Nothing in this Tariff is intended to prevent a Certified Supplier and a Customer from agreeing to reallocate between them any Charges that this Tariff imposes on the Certified Supplier, provided that any such agreement shall not change in any way the Certified Supplier's obligation to pay such Charges to the Company, and that any such agreement shall not confer upon the Company any right to seek recourse directly from the Certified Supplier's Customer for any charges owed to the Company by the Certified Supplier.

F. Customer Return to Standard Offer Supply

A Customer's return to Standard Service Offer may be a result of Customer choice, supplier default, termination of a supplier contract, opt out or termination of a governmental aggregation program, or supplier withdrawal.A Customer may contact the Company to return to the Company's Standard Offer Supply. The return to the Standard Offer Supply shall be conducted under the same terms and conditions applicable to an enrollment with a Certified Supplier. Thus, the Company will provide a rescission period consistent with the Commission rules. Provided the Customer has observed the applicable notification requirements and the Company has effectuated the request to return to the Standard Offer Supply twelve (12) calendar days prior to the next regularly scheduled Meter Read Date, the Customer will be returned to the Standard Offer Supply on the next regularly scheduled Meter Read Date.

Large Commercial and Industrial Customers Return to Standard Offer Rate

Return to Standard Offer Supply will be pursuant to the Company's Standard Rules and Regulations Section XIV Return to Standard Offer Supply.

Residential and Small Commercial Customers Return to Standard Offer Rate

Residential and Small Commercial Customers return to Standard Offer Supply will be pursuant to the Company's Standard Rules and Regulations Section XIV Return to Standard Offer Supply.

VIII. CUSTOMER INQUIRIES AND REQUESTS FOR INFORMATION

A. Customer Requests for Program Information and/or Usage Data

Upon request, Customers will be sent an information package containing a summary of the program and a current list of Certified Suppliers, which will be sent to the Customer's service or mailing address.

The list of Certified Suppliers will be provided to any Customer upon request, all new Customers, any Customer who is dropped for nonpayment by a Certified Supplier, an Customer who returns due to default by a Certified Supplier, and as otherwise required by Commission rules.

The list of Certified Suppliers will be posted on a designated website. The list of Certified Suppliers will contain suppliers currently registered to enroll Customers in the Company's service territory and, until March 1, 2001, EGSs that have a registration pending with the Company. The list of Certified Suppliers will also designate, if available, which customer classes Certified Suppliers will be serving.

IX. METERING SERVICES AND OBLIGATIONS

A. Meter Requirements

Interval Meters will be required for Customers who select a Certified Supplier and have a maximum annual peak demand greater than or equal to 400kW in 2001-2002, 300kW in 2003, and 200kW thereafter for the most recent twelve (12) month period and for all Customers whose expected load pattern does not match one of the Company's standard load profiles.

B. Interval Meter Charges and Installation Process

The Customer or Certified Supplier may request an Interval Meter for use at any account below the interval meter threshold. The Customer shall be responsible for the incremental costs of upgrading the present meter plus all incremental costs associated with the installation of required or requested interval metering.

The Customer or the Customer's Certified Supplier may select a meter from the Company's approved equipment list. The Customer or its Certified Supplier may communicate with the meter for the purpose of obtaining usage data, subject to the Company's communication protocol. Any changes in the Customer's meter necessary to accommodate a Certified Supplier's systems, price schedules, telemetry or other requirements must be compatible with and meet the Company's specifications for metering and any applicable regulations. Either the Customer or the Certified Supplier shall provide, at its sole cost and expense, the installation, operation and maintenance of the required compatible communication/telephone link(s) in order to transmit metered information from meters equipped for telemetry of metered data.

A Customer that is required to have interval metering must approve a work order for Interval meter installation before it can be served by a Certified Supplier. For Customers who are required to have an Interval Meter for the requested service, service may begin, assuming an approved work order, using a Company load profile for settlement; consumption meter reads would continue to be used for billing. This would be the approach during the period between when the Customer has requested an Interval Meter and the time that the Company is able to install such a meter. Customer shall provide adequate space for such Interval metering; should provide access for meter reading, meter testing, etc.

C. Billing Meters

Any meter used for billing, capacity and energy obligations and reconciliation determinations shall be installed, owned and maintained by the Company. All meters used for billing shall be maintained and tested in accordance with applicable Commission regulations.

D. Meter Testing

The Company will test designated Company-owned meters upon the written request of the Certified Supplier. If the accuracy of a Company-owned meter is found to be outside Commission requirements, the costs of such test shall be borne by the Company. If a Company-owned meter is tested and found to be within Commission accuracy requirements, the costs of such test shall be borne by the Certified Supplier. Any Company-owned meter found to be outside Commission accuracy requirements or otherwise defective shall be adjusted, repaired or replaced at the sole cost or expense of the Company, unless such deviation is determined to be the fault of the Customer or the Certified Supplier. Imbalance reconciliations under Section XV shall not be adjusted for any meter inaccuracies. If the Customer requests these meter tests then the rate charged is determined by the regulations.

E. Meter Reading

The Company shall read Customer meters on a monthly basis or as otherwise provided in its Standard Rules and Regulations or in Commission regulations. It is understood that it may not be possible in some circumstances to read a Customer's meter in a particular month. In such case, the Company shall estimate the meter reading in accordance with its standard procedures and Standard Rules and Regulations, and such estimate shall constitute the meter reading for the month.

F. Billing Cycles

Meters will be read and billed on a monthly basis on a predetermined meter reading schedule. The Company uses 21 billing cycles per revenue month. Each business day[1] one of the cycles will be read until all 21 cycles have been read and the month is considered complete for reporting and revenue purposes. Meter reading intervals will be performed on the Company's existing schedules and will cover approximately 30 days, but may vary between 27 to 35 days. The Company may change its meter reading schedules at its discretion. If a Certified Supplier requires or requests more consumption data than is normally provided by the monthly meter reading, the additional information will be obtained provided that appropriate metering is installed by the Company and that any incremental costs are paid by the Certified Supplier.

1 "Business days" for purposes of billing cycles shall include all days in a calendar year except: Saturdays and Sundays and Company observed holidays as specified in its Standard Rules and Regulations.

G. Meter Data Provided by the Company to a Certified Supplier

Regardless of whether the Company or a Certified Supplier performs Customer billing for a Certified Supplier's energy charges, the Company will make available to a Certified Supplier monthly files containing meter readings, total kWh usage, registered maximum demand (where applicable), and reading type information (i.e., actual or estimated), and any other relevant information mutually agreed upon by the Company and Certified Supplier, for each of the Certified Supplier's Customers, as it becomes available by billing route.

Summary Interval Meter Data. Interval meters are read on a monthly schedule, and raw hourly data is processed through the Company's metering subsystem, which in turn provides summary information to the Company's Customer billing system. This summary information consists of total kWh usage over the billing cycle, and maximum on-peak and off-peak demands over the billing cycle. This summary information will be provided to a Certified Supplier on a monthly basis for that Certified Supplier's Customers equipped with interval metering equipment. Should an interval metered Customer, or that Customer's Certified Supplier, request hardcopy or electronic file formats of non-summary information (detailed hourly or sub-hourly metering information), the Company will provide such information, to the extent that it is available, by account, with the Certified Supplier being responsible for the Company's cost of providing such information per the Schedule of Fees and Charges.

H. Interval Meter Interrogation

If a Certified Supplier wants to interrogate a Interval Meter directly, via a read-only software product, this request must be in writing to the Company and a one time fee of $65.00 will be charged in order to password protect the billing parameters of the Interval Meter.

X. BILLING SERVICES AND OBLIGATIONS

A. Customer Billing by the Company

All Certified Supplier charges to Customers, if billed by the Company, shall be billed in accordance with the Standard Rules and Regulations and individual service tariffs and the following provisions:

B. Company Billing for Certified Supplier

Nothing in this Rule shall require the Company to manually bill more Customers within a rate class than it bills manually for its distribution service Customers. Within this context, if the Company's billing system has the capability to bill the price plans offered by the Certified Supplier, the Certified Supplier may request the Company to do all or some of the billing for the Certified Supplier's Customers based on the Customers' preferences. Pricing must be compatible with existing metering.

In those situations where the Company's billing system is unable to calculate the Certified Supplier charges under the pricing format being used by the Certified Supplier, the Company will provide the Certified Supplier with sufficient meter data on a timely basis so that the Certified Supplier can bill the Customer directly under the two-bill method. The Company billing for Certified Suppliers will be done through a rate ready method only. Under the rate ready method, the Company bills the Customer under a rate schedule provided by the Certified Supplier.

C. Billing Files

Where the Certified Supplier has requested the Company to act as the Certified Supplier's billing agent, the Company shall electronically transmit files of billing detail daily to the Certified Supplier. Such files shall include the Customer account number, rate codes, usage information, demand and energy charges, sales tax, and other Certified Supplier charges

XI. CUSTOMER PAYMENT PROCESSING AND COLLECTIONS FOR CONSOLIDATED BILLING

A. Company Reimbursement to Certified Supplier for Customer Payments

Where the Company acts as the billing agent for the Certified Supplier, the Company shall reimburse the Certified Supplier for all energy charges, late fees, sales taxes, and other charges collected on behalf of the Certified Supplier at least every two weeks. The Certified Supplier assumes all risks of non-payment by a Customer and the Company is obligated to remit to the Certified Supplier only the difference between (a) amounts received from Customers taking service from the Certified Supplier and (b) any amounts owed to the Company by or with respect to such Customer, consistent with the application of payment procedures set forth in Section XI (B) below.

B. Application of Payment

The Company will conduct all remittance processing of current customer charges. In the event that a Customer remits a partial payment of a bill, the remittance will be applied against the various amounts that may be due and owing to the Company and the Certified Supplier, in the order set forth in O.A.C 4901:1-10-22(I). Any amount remitted by a Customer in excess of the total due and owing the Company will be held in the Customer's account with the Company for distribution in the following billing cycle(s) or, at the Customer's request, will be refunded to the Customer. In the event that any Customer checks are returned dishonored by a bank, the corresponding debits will be applied in inverse order to the order set forth above for the application of remittances. The Company will correct any misapplied payments or transactions. The Company will also provide the Certified Supplier an electronic file consisting of Customer payments and any returned checks and/or Customer adjustments. The monthly billing statement and invoice rendered by the Company to the Certified Supplier, as described in Section XII (B) below, will include charges to be paid by the Certified Supplier for costs associated with this electronic funds transfer, as set forth in the Schedule of Fees and Charges.

C. *Certified Supplier Billing Data*

The Certified Supplier shall provide all data in its possession necessary for the timely generation of bills. A failure of the Certified Supplier to provide necessary data to the Company in a timely fashion may delay generation of a bill for the month to which the data pertains. In such instances, the Certified Supplier is responsible for all fines and violations, if any, arising as a consequence of the Company's inability to render a timely bill.

D. No Certified Supplier Termination of Service

The Certified Supplier will not be permitted to physically terminate electric service to a Customer for nonpayment.

XII. CERTIFIED SUPPLIER BILLING TERMS AND CONDITIONS

A. Netting of Customer Payment and Certified Supplier Charges Billed by the Company

If the Certified Supplier defaults and the Company is performing Consolidated Billing of Customers for the Certified Supplier, the Company reserves the right to retain the payments collected from the Customers and apply the payments to the Company's charges.

B. Certified Supplier Payment of Obligations to the Company

A Certified Supplier shall pay all Coordination Services Charges or any other Charge it incurs hereunder in accordance with the following provisions:

1. **Billing Procedure.** Each month, the Company shall submit an invoice to the Certified Supplier for all Coordination Service Charges provided under this Tariff. The invoice may be transmitted to the Certified Supplier by any reasonable method requested by the Certified Supplier. A Certified Supplier shall make payment for Charges incurred on or before the due date shown on the bill. The due date shall be determined by the Company and shall not be less than three (3) banking days from the date of transmittal of the bill.

2. **Manner of Payment.** The Certified Supplier shall make payments of funds payable to the Company by wire transfer to a bank designated in Section XII.(B.3.). The Company may require that a Certified Supplier that is not Creditworthy tender payment by means of a certified, cashier's, teller's, or bank check, or by wire transfer, or other immediately available funds. If disputes arise regarding a Certified Supplier bill, the Certified Supplier must pay the undisputed portion of disputed bills under investigation.

3. **Wire Transfer.** Payment to the Company by the Certified Supplier must be made by electronic wire transfer or such other means as will cause payment to be available for the use of the Company on the due date. All payments shall be wire transferred to the bank designated by the Company.

4. **Late Fee for Unpaid Balances.** If payment is made to the Company after the due date shown on the bill, a late fee will be added to the unpaid balance until the entire bill is paid. This late fee will be 1 1/2% per month on the unpaid balance.

5. **Certified Supplier's Failure To Pay.** In the event the Certified Supplier fails, for any reason other than a billing dispute as described below, to make payment to the Company on or before the due date as described above, and such failure of payment is not corrected within five (5) business days after the Company notifies the Certified Supplier to cure such failure, a breach by the Certified Supplier shall be deemed to exist. In the event of a billing dispute between the Company and the Certified Supplier, the Company will continue to provide service pursuant to the Coordination Agreement and the Tariff as long as the Certified Supplier continues to make all payments not in dispute.

   (a) **Certified Supplier Offset.** In the event a Certified Supplier is deemed to be delinquent under XII.(B.5.)., the Company, may at its sole discretion, reduce the reimbursement to the Certified Supplier for amounts collected by the Company by the amount owed to the Company.

C. Billing for Supplier Obligations to Other Parties

The Company will assume no responsibility for billing between a Certified Supplier and any party other than the Company.

D. Guarantee of Payments

Before the Company will render service or continue to render service, the Company will require an applicant for Coordination Service or a Certified Supplier currently receiving such service that has Bad Credit to provide a cash deposit, letter of credit, surety bond, guarantee, or other financial instrument satisfactory to the Company. The Company will use the financial instrument as security for the payment of final bills, protection against Certified Supplier default on breaches, and compliance with the Company's Rules and Regulations. In addition, the Company may require a Certified Supplier to post a deposit at any time if the Company determines that the Certified Supplier is no longer Creditworthy.

E. Amount of Deposits

The deposit shall be equal to the value of Coordination Services Charges the Company projects the Certified Supplier will incur during the next three billing periods based on that Certified Supplier's forecasted load obligation.

F. Return of Deposits

Upon discontinuance or termination of service, deposits will be returned with accrued interest to the Certified Supplier upon payment of all service charges and guarantees or with deduction of unpaid accounts.

G. Interest on Deposits

The Company will allow simple interest on cash deposits calculated at the lower of the Interest Index or six (6) percent. Deposits shall cease to bear interest upon discontinuance of service (or, if earlier, when the Company closes the account).

H. The Company may increase the required amount of the financial instrument to an amount equivalent to the Certified Supplier's sales for the three peak months of the year, to protect against a breach or default by the Certified Supplier in the event the Certified Supplier fails to deliver energy to a Customer.

I. Credit Information

In addition to information required otherwise hereunder, a Certified Supplier shall be required to provide to the Company such credit information as the Company reasonably requires.

XIII. LOAD PROFILING AND FORECASTING

A. *Customer Load and Weather Forecasting*

The Company shall make available a day-ahead forecast of total control area load to Certified Supplier. The Certified Supplier is responsible for developing an aggregated load forecast for its Customer's load. The aggregated load forecast shall include transmission and distribution losses pursuant to Section XIII (C). The aggregated load forecast is subject to the Monthly Energy Imbalance Service and Rate provisions in XV as well as all other relevant sections of this Tariff. Day-ahead weather forecasting will be provided through an Internet web site link to an applicable source. The Company has no liability for the inaccuracy of such load and weather forecasts or any party's reliance thereon.

B. Forecasting Methodology

The load forecast developed by the Certified Supplier shall conform to Sections XIII (B.1) and XIII (B.2) as well as all other relevant sections of this Tariff and the FE OATT.

1. **Monthly Metered Customer Forecasts**
   The Company shall provide to the Certified Supplier hourly load profiles including transmission and distribution losses for the various rate classes of the Company's retail customers that do not have interval metering. The Company at its discretion may update, add, or modify the load profiles for any or all customer rate classes during the term of the Tariff on a prospective basis.

2. **Hourly Metered Customer Forecasts**
   The Certified Supplier shall forecast its Customers' load for hourly metered Customers, adjusted for the inclusion of losses.

C. Real Power Losses

Losses will be calculated by multiplying the Retail Customer(s) load times the applicable Real Power Loss Factor specified below:

Service Voltage Level	Cumulative Loss Factor
138 kV	2.0%
69 kV	3.4%
23 kV to < 69 kV	3.5%
2.4 kV to < 23 kV	6.4%
< 2.4 kV	10.1%

XIV. LOAD SCHEDULING

A. Whole Megawatts (MWs)

For any hour when the entity acting as a Scheduling Coordinator supplies electric energy to its Customer it must submit a schedule. Scheduling shall be done in whole MW amounts. Scheduling of ones (1) and zeros (0) will be permitted for loads of less than one (1) MW. All Scheduling Coordinators must follow the required scheduling mechanisms in accordance with the FE OATT.

B. Energy Schedules

The Certified Supplier, or its designated Scheduling Coordinator, shall be responsible for scheduling energy and purchasing all transmission services (including Ancillary Services) necessary to get energy to the Customer's point of delivery. Transmission services, losses and Ancillary Services from the point of receipt to the Customer's point of delivery shall be provided pursuant to the Service Agreement for Network Integration Transmission Service under the FE OATT.

C. Submitting Energy Schedules

The format of the energy schedule shall be that provided by the Company to the Certified Supplier or its designated Scheduling Coordinator. Schedules shall be e-mailed to FE-SCC (aggregated by source of supply) no later than 10:00 a.m. of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated if practical. In the event e-mail is unavailable, suppliers will be informed of an alternative method of communication. Separate Certified Supplier specific hourly Schedules must be provided by the Certified Supplier or its designated Scheduling Coordinator for each point of receipt to which energy is to be delivered to the FirstEnergy System. Hour-to-hour energy schedules that are to be delivered must be stated in increments of whole MW values per hour. The Company reserves the right to require a Certified Supplier or its designated Scheduling Coordinator to schedule hourly loads based upon the appropriate load profiles for the forecasted conditions.

D. Energy Schedule Changes

Schedule changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the delivering party and receiving party both agree to the schedule modification.

E. Participation through a Scheduling Coordinator

If a Certified Supplier chooses not to interact directly with the Company for scheduling purposes, a Certified Supplier may become a Coordinated Certified Supplier by entering into a business arrangement with another Certified Supplier that will act as a Scheduling Coordinator. A Coordinated Certified Supplier may enter into this business arrangement with a Scheduling Coordinator for an individual service, such as load forecasting, or for a variety of services including assessing import capability, load forecasting, scheduling, and reconciliation rights and responsibilities. To the extent it is responsible for the following activities, the Scheduling Coordinator's assessment of import capability, load forecasting, scheduling, and reconciliation rights and responsibilities shall include its own Customers and the Customers of its Coordinated Certified Suppliers. All actions of the Scheduling Coordinator that relate to one of its Coordinated Certified Suppliers are binding on, and attributable to, said Coordinated Certified Supplier.

F. Designation a Scheduling Coordinator

To designate a Scheduling Coordinator, a Certified Supplier must provide the Company with a completed Scheduling Coordinator Designation Form, which is a part of this Tariff, fully executed by both the Certified Supplier and the Scheduling Coordinator. The Scheduling Coordinator Designation Form is not intended to supplement or replace any agency contract between a Certified Supplier and a Scheduling Coordinator.

G. Change in or Termination of Scheduling Coordinator

To change Scheduling Coordinators, or cease using a Scheduling Coordinator, a Certified Supplier shall notify the Company in writing and said notice shall specify the effective month of the change or termination. The effective day of the change or termination shall be the first day of the calendar month after the date of the notification letter unless notification is received by the Company less than ten business days before the first day of that month, in which case the effective day of the change shall be the first day of the subsequent month. In the event a Certified Supplier ceases using a Scheduling Coordinator, a Certified Supplier shall immediately resume the direct performance of all Certified Supplier obligations under this Tariff.

H. Scheduling and Reconciliation through a Scheduling Coordinator

Coordinated Certified Suppliers cannot, on an individual basis, submit Schedules or propose scheduling changes to the Company. Rather, the Scheduling Coordinator is responsible for submitting all Schedules and changes thereto on behalf of itself as well as its Coordinated Certified Suppliers. The Scheduling Coordinator shall submit separate Schedules on behalf of itself as well as its Coordinated Suppliers. The Scheduling Coordinator shall be the sole point of contact with the FE-SCC in regard to all scheduling activities, and to the FirstEnergy Competitive Retail Electric Service Certified Supplier Contracts Administrator for all reconciliation activities.

I. Primary Obligations of a Coordinated Supplier

Notwithstanding their designations of Scheduling Coordinators, each and every Certified Supplier remains primarily responsible for fully satisfying the requirements of this Supplier Tariff.

J. Multiple Scheduling Coordinators

A Certified Supplier is prohibited from contracting with multiple Scheduling Coordinators for service under this Supplier Tariff.

XV. TRANSMISSION AND RETAIL ENERGY IMBALANCE SERVICE

A. Monthly Settlement

Energy Imbalances will be calculated and settled within sixty (60) calendar days after the end of a calendar month, unless otherwise stated in accordance with the Company's OATT.

B. General Description

The Energy Imbalance Service accounts for mismatches between the energy delivered by a Certified Supplier's Schedule for serving its Customers and the energy that was actually used by those Customers. The energy imbalance calculation shall occur after the monthly reading of Customers' meters. The Certified Supplier agrees that Energy Imbalance Service will be provided under the rates, terms, and conditions of the FE OATT. The Certified Supplier shall enter into a Service Agreement for Network Integration Transmission Service prior to providing electric service to any Company retail customers. The Company shall be the default supplier in all instances when the Certified Supplier does not meet its Customer load and the Certified Supplier shall pay the Company for such supply.

C. Billing

Billing for energy imbalances shall be rendered by the Company on a monthly basis. Amounts owed by a Certified Supplier to the Company, or vice versa, shall be netted against one another and an invoice or payment, as the case may be, shall be sent by the Company in the appropriate amount. Failure by the Certified Supplier to render payment to the Company by electronic funds transfer within 14 banking days from the date of the invoice shall subject the Certified Supplier to a late penalty fee of 1-1/2% per month until paid in full. The Company shall have the right, but shall not be required, to net amounts owed by the Certified Supplier for energy imbalance against amounts owed to the Certified Supplier under the combined billing option in Section XII. If the Company does not receive written notification from the Certified Supplier of an objection to a transaction statement within fourteen (14) calendar days from the rendering thereof, said transaction statement shall be deemed conclusive and binding on the Certified Supplier.

D. Metered Data Collection

Meter data collected by the Company shall be used to calculate the quantity of energy actually used by a Certified Supplier's Customers for a particular energy imbalance period.

1. **Monthly Metered Customers**
Data from monthly metered Customers is collected corresponding to Customers' billing cycles. To reconcile energy mismatches on an hourly basis, the Company shall convert such meter data for Customers to equivalent hourly usage. Load profiles may be used at generation level for the inclusion of losses to derive an hour-by-hour usage.

2. **Hourly Metered Customers**
Data from hourly metered Customers will be collected by the Company on a monthly basis. To reconcile energy mismatches on an hourly basis, the Company will use the actual time interval data. The actual hourly metered energy consumption will be used at generation level for the inclusion of losses.

E. Monthly Energy Imbalance Service

On a calendar month basis, monthly metered Customers' actual usage and hourly metered Customers' actual usage shall be aggregated by the Company to arrive at the total hourly aggregated load for each Certified Supplier. The Monthly Energy Imbalance will be calculated for each individual Certified Supplier.

1. **Energy Imbalance and Unaccounted For Energy**
The total hourly aggregated load shall be used at generation level for the inclusion of losses. The hourly energy imbalance quantity shall be calculated by subtracting the Certified Supplier's hourly energy schedule submitted to the FE-SCC, including the effect of any confirmed changes to the energy schedule entered before FE-SCC deadlines from the Certified Supplier's total hourly aggregated load.

Energy Imbalance and Unaccounted For Energy will be calculated in accordance with the FE OATT.

F. Rates for Energy Imbalances

The rates for energy imbalances shall be those specified in the FE OATT and the Service Agreement for Network Integration Transmission Service or successor agreement between the Company and the Certified Supplier.

XVII. CONFIDENTIALITY OF INFORMATION

A. Generally

All confidential or proprietary information made available by one party to the other in connection with the registration by a supplier with the Company and/or the subsequent provision and receipt of Coordination Services under this Tariff, including but not limited to load curve data, and information regarding the business processes of a party and the computer and communication systems owned or leased by a party, shall be used only for purposes of registration with the Company, receiving Coordination Services and/or providing Competitive Retail Electric Service to Customers in the Company's service territory. Other than disclosures to representatives of the Company or Certified Supplier for the purposes of enabling that party to fulfill its obligations under this Tariff or for a Certified Supplier to provide Competitive Retail Electric Service to Customers in the Company's service territory, a party may not disclose confidential or proprietary information without the prior authorization and/or consent of the other party.

B. Customer Information

The Certified Supplier shall keep all Customer-specific information supplied by the Company confidential unless the Certified Supplier has the Customer's written authorization to do otherwise.

XVI. SCHEDULING COORDINATORS

A. Designation or Change of a Scheduling Coordinator

A Certified Supplier may only designate one Scheduling Coordinator at a time. Nothing in this Tariff shall prohibit the Scheduling Coordinator from transacting with multiple generation sources.

XVIII. VOLUNTARY WITHDRAWAL BY A CERTIFIED SUPPLIER FROM THE CUSTOMER CHOICE PROGRAM

A. Notice of Withdrawal to the Company

Notice of Withdrawal to the Company. A Certified Supplier shall provide electronic notice to the Company in a form specified by the Company of withdrawal by the Certified Supplier from Competitive Retail Electric Service on a per customer class basis in a manner consistent with any applicable Commission requirements.

B. Notice to Customers

Notice to Customers. A Certified Supplier shall provide notice to its Customers of withdrawal by the Certified Supplier from retail service in accordance with the Commission rules, regulations, or orders.

C. Costs for Noncompliance

A Certified Supplier that withdraws from Competitive Retail Electric Service and fails to provide at least ninety (90) days electronic notice of said withdrawal shall reimburse the Company for any of the following costs associated with the withdrawal:

1. mailings by the Company to the Certified Supplier's Customers to inform them of the withdrawal and their options;

2. non-standard/manual bill calculation and production performed by the Company;

3. Certified Supplier data transfer responsibilities that must be performed by the Company;

4. charges, costs, or penalties imposed on the Company by other parties resulting from Certified Supplier non-performance; and

5. Any and all other out-of-pocket expenses incurred by the Company as a result of the withdrawal.

D. Certified Supplier's Discontinuance of Service to Particular Customers

1. **Notice of Discontinuance to the Company**
   A Certified Supplier shall provide electronic notice to the Company in a form specified by the Company of all intended discontinuance of service to Customers in a manner consistent with applicable Commission requirements.

2. **Notice to Customers**
   A Certified Supplier shall provide advance notice to any Customer it intends to stop serving of such intended discontinuance in a manner consistent with any applicable Commission requirements.

3. **Effective Date of Discontinuance**
   Any discontinuance will be effective only on a Meter Read Date and in accordance with the Certified Supplier switching rules in this Tariff and the Standard Rules and Regulations.

XIX. LIABILITY

A. General Limitation on Liability

The Company shall have no duty or liability with respect to Competitive Retail Electric Service before it is delivered by a Supplier toward an interconnection point with the Control Area. After its receipt of Competitive Retail Electric Service at the point of delivery, the Company shall have the same duty and liability for transmission and distribution service to customers receiving Competitive Retail Electric Service as to those customers receiving electric energy and capacity from the Company.

B. Limitation on Liability for Service Interruptions and Variations

The Company does not guarantee continuous, regular and uninterrupted supply of service. The Company may, without liability, interrupt or limit the supply of service for the purpose of making repairs, changes, or improvements in any part of its system for the general good of the service or the safety of the public or for the purpose of preventing or limiting any actual or threatened instability or disturbance of the system. The Company is also not liable for any damages due to accident, strike, storm, riot, fire, flood, legal process, state or municipal interference, or any other cause beyond the Company's control.

C. Additional Limitations On Liability In Connection With Direct Access

Except as provided in this Tariff, the Company shall have no duty or liability to a Certified Supplier providing Competitive Retail Electric Services arising out of or related to a contract or other relationship between a Certified Supplier and a Customer of the Certified Supplier. The Company shall implement Customer selection of a Certified Supplier consistent with applicable rules of the Commission and shall have no liability to a Certified Supplier providing Competitive Retail Electric Services arising out of or related to switching Certified Suppliers, unless and to the extent that the Company is negligent in switching or failing to switch a Customer.

D. PUCO Approval of Above Tariff Language

The PUCO approval of the above tariff language in respect to the limitation of liability arising from the Company's negligence does not constitute a determination that such limitation language should be upheld in a court of law. Approval by the Commission merely recognizes that since it is a court's responsibility to adjudicate negligence and consequent damage claims, it should also be the court's responsibility to determine the validity of the exculpatory clause.

XX. DEFAULT, SUSPENSION, AND TERMINATION OF A CERTIFIED SUPPLIER

A. Events of Breach

An Event of Breach described in this Section XX (A), shall include, but is not limited to, the following:

1. failure to perform any material obligation under this Tariff;
2. a Certified Supplier's failure to maintain its certification as a Certified Supplier from the Commission;
3. a Certified Supplier's failure to make payment of any undisputed Coordination Services Charges in the time prescribed and nonpayment is not cured within five (5) business days;
4. the involuntary bankruptcy/insolvency of the Certified Supplier, including but not limited to, the appointment of a receiver, liquidator or trustee of the Certified Supplier, or a decree by such a court adjudging the Certified Supplier bankrupt or insolvent or sequestering any substantial part of its property or a petition to declare bankruptcy as to reorganize the Certified Supplier; or
5. a Certified Supplier's filing of a voluntary petition in bankruptcy under any provision of any federal or state bankruptcy law, or its consent to the filing of any bankruptcy or reorganization petition against it under any similar law; or, without limiting the generality of the foregoing, a Certified Supplier admits in writing its inability to pay its debts generally as they become due or consents to the appointment of a receiver, trustee or liquidator of it or of all or any part of its property.

B. Rights Upon Breach

Upon the occurrence of any such Event of Breach, the Company may, at any time, declare any amount owing to be immediately due and payable. Such amount will thereupon be immediately due and payable, without presentment, demand, protest, notice of protest or other notice of any kind, all of which are hereby expressly waived by the Certified Supplier. In case any one or more of the Events of Breach shall happen and be continuing, the Company may proceed to protect and enforce its rights by suit in equity, action at law or by other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Tariff or in aid of the exercise of any power granted in this Tariff or may proceed to enforce any other legal right which the Company may have, all of which it hereby expressly reserves.

C. Rights, Remedies, or Powers

All rights, remedies, or powers hereby conferred upon the Company will, to the extent not prohibited by law, be deemed cumulative and not exclusive of any other thereof, or any other rights, remedies or powers available to the Company. No delay or omission of the Company to exercise any right, remedy, or power will impair any such right, remedy or power or will be construed to be a waiver of an Event of Breach or an acquiescence therein. Any right, remedy or power conferred upon the Company hereunder may be exercised from time to time, independently or concurrently, and as often as it shall deem expedient. No waiver of any Event of Breach by the Company will extend to or will effect any subsequent Event of Breach. No single or partial exercise of any right, remedy or power by the Company will preclude further exercise thereof by the Company. Acceptance by the Company of partial payments will not constitute a waiver by the Company of any rights or remedies the Company may otherwise have.

D. Termination of Coordination Agreement

A Coordination Agreement will or may be terminated as follows:

1. **Withdrawal of the Certified Supplier from Retail Service.** In the event the Certified Supplier ceases to participate in or otherwise withdraws the provision of Competitive Retail Electric Services to Customers in the Company's Service Territory, the Coordination Agreement between the Certified Supplier and the Company shall terminate thirty (30) days following the date on which the Certified Supplier has no more active Customers.

2. **The Company's Termination Rights Upon an Event of Violation by Certified Supplier.** Notwithstanding any other provision of this Tariff or the Coordination Agreement, in the event of a default, the Company shall serve written notice of such default in reasonable detail and with a proposed remedy to the Certified Supplier and the Commission. On, or after, the date the default notice has been served, the Company may file with the Commission a written request for authorization to terminate or suspend the Coordination Agreement. Except for default due to non-delivery, if the Commission does not act within ten business days upon receipt of the request, the Company's request to terminate or suspend shall be deemed authorized on the 11th (eleventh) business day. If the default is due to nondelivery, and if the Commission does not act within five business days upon receipt of the request, the Company's request to terminate or suspend shall be deemed authorized on the 6th (sixth) business day. Terminations or suspensions shall require authorization from the Commission. The Company shall send notices pursuant to this section by e-mail, fax, overnight mail, or hand delivery to the Commission and staff at the Commission's offices. The Company shall notify all Commissioners, the Chief of Staff, the Director of the Consumer Services Department, the Director of the Utilities Department, the Director of the Legal Department, and the Chief of the Attorney General's Public Utilities section. The Company shall send the notice to the address and fax number provided by the Certified Supplier in its Coordination Agreement.

E. Effect of Termination of Coordination Agreement

Termination of Coordination Agreements will have the same effect on a Certified Supplier's Customers as the Certified Supplier's discontinuance of supply to such Customers. If a Customer of a terminated Certified Supplier has not switched to another Certified Supplier prior to termination, said Customer will receive Standard Offer Supply from the Company pending its selection of another Certified Supplier.

F. Survival of Obligations

Termination of a Coordination Agreement for any reason shall not relieve the Company or a Certified Supplier of any obligation accrued or accruing prior to such termination.

XXI. ALTERNATIVE DISPUTE RESOLUTION

Alternative Dispute Resolution shall be offered to both Certified Suppliers and the Company as a means to address disputes and differences between Certified Suppliers and the Company. Alternative Dispute Resolution shall be conducted in accordance with the Commission rules which provide for the service.

XXII. MISCELLANEOUS

A. Notices

Unless otherwise stated herein, any notice contemplated by this Tariff shall be in writing and shall be given to the other party at the addresses stated in the notice section of the Coordination Agreement. If given by electronic transmission (including fax, telex, telecopy or Internet email), notice shall be deemed given on the date sent and shall be confirmed by a written copy sent by first class mail. If sent in writing by first class mail, notice shall be deemed given on the fifth business day following deposit in the United States mail (as noted by the postmark), properly addressed, with postage prepaid. If sent by same-day or overnight delivery service, notice shall be deemed given on the day of delivery. The Company and a Certified Supplier may change their representative for receiving notices contemplated by this Tariff by delivering written notice of their new representatives to the other.

B. No Prejudice of Rights

The failure by either the Company or the Certified Supplier to enforce any of the terms of this Tariff or Coordination Agreement shall not be deemed a waiver of the right of either to do so.

C. Assignment

1. A Coordination Agreement hereunder may not be assigned by either the Company or the Certified Supplier without (a) any necessary regulatory approval and (b) the prior written consent of the other party, which consent shall not be unreasonably withheld.

2. Any assignment occurring in accordance with Section XXII (C.1) hereunder shall be binding upon, and oblige and inure to the benefit of, the successors and assigns of the parties to the Coordination Agreement.

D. Governing Law

To the extent not subject to the exclusive jurisdiction of FERC, the formation, validity, interpretation, execution, amendment and termination of this Tariff or any Coordination Agreement shall be governed by the laws of Ohio.

The Tariff or any Coordination Agreement, and the performance of the parties' obligations thereunder, is subject to and contingent upon (i) present and future local, state and federal laws, and (ii) present and future regulations or orders of any local, state or federal regulating authority having jurisdiction over the matter set forth herein.

TECHNICAL SUPPORT AND ASSISTANCE CHARGE

AVAILABILITY/APPLICABILITY

Technical Support and Assistance is defined as support and assistance that may be provided by the Company to a Certified Supplier in connection with questions raised and research requests by the Certified Supplier in support of its energy supply business. The Company is under no obligation to provide technical support and assistance, with the exception of the services described in the "Conditions" section below. Such support and assistance for which the charge applies is categorized in three general areas:

1. Explanation of the Company's communications related to information posted to the VAN site;
2. Manual verification and confirmation of Customer account data beyond the information and messages available through the standard automated process; and
3. Explanation and definition of the Company's filings, Commission rulings and FERC orders.

Such Technical Support and Assistance may include time spent by Company personnel conducting research in connection with a Certified Supplier inquiry.

TABLE OF CHARGES

Per hour

$ 53 / hr

CONDITIONS

There will be no time recorded in connection with inquiries covering required business interactions, specifically:

1. Load profiling and energy scheduling;
2. Standard automated processing of Certified Supplier data files by the Company;
3. Website availability and access; and
4. Erroneous data communicated by the Company via the VAN site.

SCHEDULE OF FEES AND CHARGES

A. Schedule of Fees to be Charged to Certified Supplier

1. **Interval Meter Reading:** For Hourly or Sub-Hourly meter reading information in excess of that provided elsewhere in this Tariff, retrieving and processing data from Hourly or Sub-Hourly Meters - $14.50 per Meter per read, per month.

2. **Certified Supplier Selection:** $5.00 per Customer processing fee will be charged to the Certified Supplier for each customer selecting or switching to the Certified Supplier. The $5.00 switching fee will not be assessed the first time a retail customer makes a voluntary choice to switch to an alternative generation supplier; such voluntary choice shall not include "opt-out" in governmental aggregation.

3. **Unscheduled Meter Read:** $25.00 per meter read.

4. **Historical Customer Usage Data:** The Company requires Customer authorization for providing historical customer usage data over and above data normally provided for billing purposes. For historical customer usage data in excess of what is provided elsewhere in this Tariff the charges will be: Up to Twelve (12) months of monthly kW and/or kWh data - $5.00 per account per request. One (1) month of Hourly Load Data (where available) - $37.50 per account per request. Twelve (12) months of Hourly Load Data (where available) - $150 per account per request.

B. Future Fee and Charge Adjustments. The Company may petition the Commission for an adjustment in the fees and charges applicable to Certified Suppliers to reflect current or anticipated costs. Such request will be subject to applicable Commission rules and procedures.

COORDINATION AGREEMENT

1.0 This Coordination Agreement ("Agreement"), dated as of _____ _____ is entered into, by and between OHIO EDISON COMPANY (the "Company") and _____ (Certified Electric Generation Supplier or "Certified Supplier").

2.0. The Company agrees to supply, and the Certified Supplier agrees to have the Company supply, all "Coordination Services" specified in the Supplier Tariff ("Tariff"). Both Parties agree that such services are necessary to coordinate the delivery of Competitive Retail Electric Services to Customers located within the Company's service territory.

3.0 Representations and Warranties.

(a) The Certified Supplier hereby represents, warrants and covenants as follows:

(i) The Certified Supplier is in compliance, and will continue to comply, with all obligations, rules and regulations, as established and interpreted by the FirstEnergy System Control Center ("FE-SCC"), that are applicable to the Certified Supplier's serving Customers located in the FirstEnergy Control Area; and

(ii) The Certified Supplier is certified by the Commission to provide Competitive Retail Electric Service to Customers in Ohio and has and will continue to satisfy all other Commission requirements applicable to Certified Suppliers.

(b) The Company and the Certified Supplier, individually referred to hereafter as the "Party," each represents, warrants and covenants as follows:

(i) Each Party's performance of its obligations hereunder has been duly authorized by all necessary action on the part of the Party and does not and will not conflict with or result in a breach of the Party's charter documents or bylaws or any indenture, mortgage, other agreement or instrument, or any statute or rule, regulation, order, judgment, or decree of any

judicial or administrative body to which the Party is a party or by which the Party or any of its properties is bound or subject.

(ii) This Agreement is a valid and binding obligation of the Party, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect that affect creditors' rights generally or by general principles of equity.

4.0 The Certified Supplier shall provide notice to the Company via facsimile, with a copy delivered pursuant to overnight mail, at such time that the Certified Supplier learns that any of the representations, warranties, or covenants in Section 3.0 of this Agreement have been violated.

5.0 As consideration for Coordination Services provided by the Company, the Certified Supplier shall pay the Company those Coordination Services Charges billed to the Certified Supplier in accordance with the terms and conditions of the Supplier Tariff.

6.0 Coordination Services between the Company and the Certified Supplier will commence on

_____.

7.0 Any notice or request made to or by either Party regarding this Agreement shall be made to the representative of the other Party as indicated below.

To Ohio Edison Company:

Competitive Energy Supplier Contracts Administrator
Ohio Edison Company
76 South Main Street
Akron, Ohio 44308

To the Certified Supplier:

_____

_____

_____

_____

Telephone: _____

Facsimile: _____

8.0 If at any time during the term of the Tariff or this Agreement, FERC, the Commission or a court of competent jurisdiction issues an order under which a party hereto believes that its rights and/or interests under the Coordination Agreement are materially affected, the party so affected shall within thirty (30) days of said final order provide the other party with notice setting forth in reasonable detail how said order has materially affected its rights and/or interests in the Coordination Agreement. Within thirty (30) days from the receiving party's receipt of said notice the parties agree to attempt through good faith negotiations to resolve the issue. If the parties are unable to resolve the issue within thirty (30) days from the commencement of negotiations, either party may at the close of said thirty (30) day period terminate the Agreement, subject to any applicable regulatory requirements, following an additional thirty (30) days prior written notice to the other party without any liability or responsibility whatsoever, except for obligations arising prior to the date of service termination.

9.0 The Supplier Tariff is incorporated herein by reference and made a part hereof. All terms used in this Agreement that are not otherwise defined shall have the meaning provided in the Supplier Tariff.

IN WITNESS WHEREOF, and intending to be legally bound thereby, OHIO EDISON COMPANY and the Certified Supplier identified above have caused this Coordination Agreement to be executed by their respective authorized officials.

OHIO EDISON COMPANY

By:_____

Signature

_____

Print or Type Name

_____ _____

Title

Date

_____

CERTIFIED SUPPLIER COMPANY NAME

By:_____

Signature

_____

Print or Type Name

_____ _____

Title

Date

Scheduling Coordinator Designation Form

1.0 This Scheduling Coordinator Designation Form, dated _____, is being submitted to FirstEnergy ("FE") by the following Certified Supplier:

_____.

2.0 By submitting this form, the Certified Supplier hereby notifies FE that it has appointed the following entity to act as its Scheduling Coordinator, effective the first day of _____, in accordance with Section 7 of the Supplier Tariff:

_____

Scheduling Coordinator Name

3.0 The Certified Supplier further notifies the Company that it is designating the Certified Supplier identified in the preceding paragraph as its Scheduling Coordinator for the following specific purpose(s) (please check and/or fill in):

_____ Load Forecasting
_____ Assessing Import Capability
_____ Scheduling Energy Delivery
_____ Assumption of Reconciliation Rights and Responsibilities

4.0 FE may use the Scheduling Coordinator as the sole point of contact with the Certified Supplier in connection with FE's provision of Coordination Services to the Certified Supplier. Likewise, the Scheduling Coordinator appointed by the Certified Supplier shall be responsible for the performance of all Coordination Obligations of the Certified Supplier that are specifically delegated to said Scheduling Coordinator in this Form.

5.0 If the Certified Supplier delegates assumption of reconciliation rights and responsibilities to the Scheduling Coordinator, the Certified Supplier agrees that FE may bill the Scheduling Coordinator directly for all Coordination Service Charges attributable to the Certified Supplier, and that the Scheduling Coordinator will pay the Company such charges on behalf of the Certified Supplier in accordance with the terms and conditions of the Supplier Tariff.

6.0 The Certified Supplier and its appointed Scheduling Coordinator shall comply with all terms and conditions of the Supplier Tariff, including those pertaining to Scheduling Coordinators and to payment and billing.

7.0 All inquiries, communications, or notices by the Company relating to Certified Supplier's use of the Scheduling Coordinator designated above may be directed to the following representatives of the Certified Supplier or Scheduling Coordinator:

To the Certified Supplier:

_____

_____

_____

Attention: _____

Title: _____

Telephone: _____

Fax: _____

Internet e-mail: _____

To the Scheduling Coordinator:

_____

_____

_____

Attention: _____

Title: _____

Telephone: _____

Fax: _____

Internet e-mail: _____

8.0 The Supplier Tariff is incorporated herein by reference and made a part hereof. All capitalized terms used, but not defined, in this designation form shall have the meaning stated in the Supplier Tariff.

9.0 The Certified Supplier has executed this designation form below by its duly authorized representative as follows:

Signature: _____

Name: _____

Title: _____

Date: _____

10.0 The Certified Supplier has obtained the following Acknowledgment and Consent to this designation, which is executed below by the duly authorized representative of the Scheduling Coordinator:

Acknowledgment and Consent

Intending to be legally bound thereby, the duly authorized representative of above designated Scheduling Coordinator has executed this document below to acknowledge and consent to its appointment as a Scheduling Coordinator, and to further state its agreement to abide by the terms and conditions of its designation set forth above in the Scheduling Coordinator Designation Form prepared by the Certified Supplier, including the terms and conditions of the Supplier Tariff, which is incorporated therein by reference.

Signature: _____

Name: _____

Title: _____

Date: _____

6/5

Hawbaker, Barbara J

From: Burnelld@firstenergycorp.com
Sent: Tuesday, June 05, 2001 8:48 AM
To: SupplierSupport@firstenergycorp.com
Subject: Market Support Generation Service Agreement

MSG Service Agreement.pdf

I would like to thank you for your continued participation and teamwork with FirstEnergy Corp. in making the Market Support Generation program, and subsequently, the Ohio Electric Choice program in the service territories of Ohio Edison, Toledo Edison, and The Illuminating Company such a success.

This communication is to officially transmit to you the latest version of the Market Support Generation tariff recently re-filed with FERC. Your participation in the Market Support Generation program with the Ohio operating companies of FirstEnergy Corp. requires that this document be executed and returned to FirstEnergy at the address listed below.

Should you have questions regarding the execution of this documentation or any further questions regarding the Market Support Program in general, please contact me so that we can discuss.

Submission Address:

FirstEnergy Corp.
Attn: Douglas Burnell
76 S. Main St. (CAN)
Akron, OH 44308

Sincerely,

Douglas S. Burnell
Customer Choice Services
FirstEnergy Corp.

Attachment

(See attached file: MSG Service Agreement.pdf)

EXHIBIT
8/7/01
Murray 20

FIRSTENERGY CORP.

MARKET-BASED RATE WHOLESALE POWER SALES TARIFF (MRT)

FORM OF SERVICE AGREEMENT FOR SALES OF MARKET SUPPORT GENERATION AND LOSS-FREE, NON-MARKET SUPPORT GENERATION

FORM OF SERVICE AGREEMENT
FOR
SALES OF MARKET SUPPORT GENERATION
AND
LOSS FREE, NON MARKET SUPPORT GENERATION
UNDER
THE OHIO RETAIL ELECTRIC PROGRAM

THIS SERVICE AGREEMENT, made and entered into this _____ day of _____, 200 , by and between [Name of Customer] (hereinafter referred to as "Customer" or "Certified Supplier"), a [Legal/Corporate Description of Customer], and FirstEnergy Corp., as Agent for Ohio Edison Company, The Cleveland Electric Illuminating Company, Pennsylvania Power Company, and The Toledo Edison Company (hereinafter referred to as "FirstEnergy Operating Companies" or "Company"). Customer and the FirstEnergy Operating Companies are sometimes hereinafter referred to individually as "Party" and collectively as "Parties" where appropriate.

WITNESSETH:

WHEREAS, Customer is a (description of Customer) and is a competitive retail electric supplier certified by the Public Utilities Commission of Ohio ("Certified Supplier") that has qualified for the purchase of Market Support Generation or Loss Free, Non-Market Support Generation under the Ohio Retail Electric Program of the FirstEnergy Operating Companies;

WHEREAS, FirstEnergy Corp., an Ohio corporation, is acting as agent for the FirstEnergy Operating Companies in administering Service Agreements pursuant to the FirstEnergy Operating Companies FERC Electric Tariff, Original Volume No. 2, Market-Based Rate Wholesale Power Sales Tariff; (Tariff) and

WHEREAS, Customer and the FirstEnergy Operating Companies desire to establish terms and conditions of Market-Based Rate Wholesale Power Sales Service upon which utility operations may be conducted under the Tariff.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the Parties hereto covenant and agree as follows:

ARTICLE 1
SCOPE OF SERVICE AGREEMENT

1.1 **Availability** - FirstEnergy Operating Companies agree to furnish Power to Customer and Customer agrees to purchase and pay for such service subject to conditions of service outlined in the Tariff and this Service Agreement.

1.2 **Rate Schedule** - The terms and conditions on which the Market-Based Rate Wholesale Power Service is offered and accepted are pursuant to the Tariff or as the same may be amended or superseded due to appropriate filings from time to time with the Federal Energy Regulatory Commission ("FERC") or such other agency as may have jurisdiction. The Tariff in effect at any time is hereby incorporated by this reference and made a part of this Service Agreement. Capitalized terms shall have the meaning ascribed to them in the Tariff, unless otherwise defined in this Service Agreement.

ARTICLE 2
SCHEDULING

2.1 **Schedules** – Scheduling of Power under this Tariff shall be conducted pursuant to the terms of the Protocol for Market Support and Non-Market Support Generation Scheduling and Billing attached hereto as Appendix A.

ARTICLE 3
TERM OF AGREEMENT

3.1 **Agreement Term** - This Service Agreement shall become effective upon the date of its execution, or if necessary, approval by the FERC, or any successor regulatory agency having jurisdiction. This initial term of this Service Agreement shall commence on _____ and shall terminate on _____. Thereafter, this Service Agreement shall continue for successive annual terms until terminated by either Party giving the other Party written notice of termination of this Service Agreement, but in no event shall the Service Agreement continue beyond December 31, 2005. Such written notice of termination must be given at least 30 days prior to the intended date of termination.

3.2 ***After Termination*** - The applicable provisions of this Service Agreement shall continue in effect after termination thereof to the extent necessary to provide for final billing, billing adjustments and payments.

ARTICLE 4
BILLING AND PAYMENTS

4.1 **Payment of Bills** – Billing and payments under this Tariff shall be conducted pursuant to the terms of Appendix B, Certified Supplier Billing Terms and Conditions.

4.2 **Customer Billing Address** - All billings to the Customer shall be sent to:

_____

_____

_____

_____

4.3 **FirstEnergy Operating Companies Billing** - All questions concerning the billings and payments of invoices under this Service Agreement shall be directed to the following:

Administrator, Supplier Support Services
FirstEnergy Corp.
76 South Main Street Attn: CAN
Akron, OH 44308
Voice (330) 437-1301
FAX (330) 437-1319

ARTICLE 5
MISCELLANEOUS

5.1 **Governing Law** - The validity, interpretation and performance of this Service Agreement and each of its provisions shall be governed by the laws of the State of Ohio.

5.2 **Notices Relating to Provisions of Service Agreement** - Any notice, request, demand, or statement which may be given to or made upon either Party by the other Party under any of the provisions of this Service Agreement shall be in writing, unless specifically provided otherwise, and shall be considered delivered when the same is either: (i) personally delivered to the representative of the Party designated below; (ii) deposited in the United States mail, by certified mail, postage prepaid; or (iii) sent by a nationally recognized overnight delivery service, such as, Federal Express and properly addressed to the Party to be served as follows:

To Customer: [Insert Customer Language Here]

To FirstEnergy Operating Companies: Administrator, Supplier Support Services
FirstEnergy Corp.
76 South Main Street Attn: CAN
Akron, OH 44308
Voice (330) 437-1301
FAX (330) 437-1319

5.3 **Notices of an Operating Nature** - Any notice, request or demand pertaining to matters of an operating nature, which matters do not include requests for additional transmission service or modified transmission service under a FirstEnergy FERC transmission tariff, may be served in person or by United States mail, messenger, telephone, telegraph, facsimile transmission or orally, as circumstances dictate, to the person designated in writing by the Party as its representative for such purposes; provided that should the notice not be written, confirmation thereof shall be made in writing as soon as reasonably practicable thereafter, upon request of the Party being served.

5.4 **Section Headings Not to Affect Meaning** - The descriptive headings of the various sections of this Service Agreement have been inserted for convenience of reference only and shall in no way define, modify or restrict any of the terms and provisions thereof.

5.5 **Further Assurances** - From time to time after the execution of this Service Agreement, the Parties may execute such instruments, upon the request of the other, as may be necessary or appropriate, to carry out the intent of this Service Agreement.

5.6 **Execution Date of Agreement** - The Execution Date of this Service Agreement shall be the date appearing at the beginning of this Service Agreement.

5.7 **Amendments** - This Service Agreement may be amended upon mutual agreement of the Parties, which amendment shall be reduced to writing and executed by both Parties.

5.8 **Severability** - In the event any of the terms, covenants or conditions of this Service Agreement, or any amendment hereto, or the application of any such terms, covenants or conditions shall be held invalid as to any Party or circumstance by any Court having jurisdiction, all other terms, covenants and conditions of this Service Agreement or any amendment hereto and their application shall not be affected thereby and shall remain in full force and effect.

5.9 **Computation of Time** - In computing any period of time prescribed or allowed by this Service Agreement, the day of the act, event or default from which the designated period of time begins to run shall not be included. The last day of this period so computed shall be included unless it is a Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next business day which is neither a Saturday, Sunday or legal holiday. For purposes of the administration of this Service Agreement, the prevailing time in effect is the prevailing time in Akron, Ohio.

5.10 **Limitation** - This Service Agreement is not intended to and shall not create rights of any character whatsoever in favor of any persons, corporation, associations, or entity other than the Parties to this Service Agreement, and the obligations herein assumed are solely for the use and benefit of the Parties to this Service Agreement, their successors in interest or assigns.

5.11 **No Dedication of Facilities** - Any undertaking by one Party to the other under any provisions of this Service Agreement shall not constitute the dedication of the electric system, or any portion thereof, of any Party to the public or to the other Party, and it is understood and agreed that any such undertaking by any Party shall cease upon termination of this Service Agreement.

5.12 **Interconnection with Other Systems** - Nothing contained in this Service Agreement shall restrict or limit either Party from establishing, altering or terminating interconnection points with any entity not a party to this Service Agreement or amending or entering into such agreements.

5.13 **No Partnership** - Notwithstanding any provisions of this Service Agreement to the contrary, the Parties do not intend to create hereby a joint venture, partnership, association taxable as a corporation, or other entity for the conduct of any business for profit, and any construction of this Service Agreement to the contrary which has an adverse tax effect on either Party shall render this Service Agreement null and void from its inception.

5.14 **Waivers** - Any waiver at any time by either Party of its rights with respect to a default under this Service Agreement, or with respect to any other matter arising in connection with this Service Agreement, shall not be deemed a waiver with respect to any other or subsequent default or matter.

5.15 **Entire Agreement** - The Tariff and this Service Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and there are no other understandings or agreements between the Parties with respect thereof. No previous or contemporary representation or agreement made by an officer, agent or employee of the Customer, or the FirstEnergy Operating Companies shall be binding upon either Party unless contained herein.

5.16 **Representations and Warranties** - On the Execution Date of this Service Agreement and on the date of entering into each Transaction, Customer represents and warrants to the FirstEnergy Operating Companies that: (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and is qualified by it; (b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Service Agreement and any other documentation relating to this Service Agreement or such Transaction; (c) the execution, delivery and performance of this Service Agreement and any other documentation relating to this Service Agreement or such Transaction are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or similar provision applicable to it; (d) this Service Agreement and each other document executed and delivered in accordance with this Service Agreement constitutes its legally valid and binding obligations enforceable against it in accordance with its terms; (e) there are no bankruptcy proceedings pending or being contemplated by it or, to its knowledge, threatened against it; (f) there is not pending nor, to its knowledge, threatened against it or any of its affiliates, any legal proceedings that could materially adversely affect its ability to perform its obligation under this Service Agreement or any other document relating to this Service Agreement to which it is a party; (g) no Event of Default or event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Service Agreement or any other document relating to this Service Agreement or any Transaction; and (h) it is acting for its own account, has made its own independent decision to enter into each Transaction and as to whether each such Transaction is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party

In so doing, and is capable of assessing the merits of and understanding and understands and accepts, the terms, conditions and risks of each such Transaction.

IN WITNESS WHEREOF, the duly authorized representatives of Customer and the FirstEnergy Operating Companies have executed this Agreement as of the date first above written.

FIRSTENERGY CORP.

Signature: _____

Name/Title: _____

Date: _____

CUSTOMER

Signature: _____

Name/Title: _____

Date: _____

Appendix A

PROTOCOL FOR MARKET SUPPORT AND NON-MARKET SUPPORT GENERATION SCHEDULING AND BILLING

PART A – SCHEDULING

The Certified Supplier must submit a separate schedule for Market Support Generation ("MSG"), Loss-Free, nonMSG, and nonMSG Power. All scheduling must be made through the FirstEnergy SES Scheduling Website, and is subject to the relevant provisions of the applicable Open Access Transmission Tariff.

The Company will not require the submittal of an Etag for scheduling of MSG for delivery within the Company's control area. However, an Etag will be required for a MSG Capacity Factor excess power transaction scheduled to be delivered outside the Company's control area and for Loss-Free, nonMSG. Where MSG is sold outside of the Company's control area, the Certified Supplier is responsible for reserving and purchasing the Point-to-Point transmission service necessary to deliver MSG to the interconnection designated as the Point of Delivery.

Section 1 – Load Following

1.a If the approved MSG claim is for Load Following, it must be used to serve the Customer's entire load.

1.b Load Following will not require scheduling or load factor commitment with the Company and will be treated similar to the Company's native load.

Section 2 – Capacity Factor

2.a If the approved MSG claim is for Capacity Factor, it may be used to serve either the Customer's entire load or a portion of the Customer's load.

2.b All Certified Suppliers must submit a capacity election for the aggregate of its retail customers, by class, no later than the 25th of the month before scheduled use of the MSG capacity in the following month. This election shall be the basis for the minimum monthly and annual bills. Customer classes shall be defined as Residential, Commercial less than 30kW, All Other Commercial, and Industrial.

2.c All Certified Suppliers must maintain at least 12 monthly schedules on the SES Scheduling Website in advance of capacity usage for each month that the Certified Supplier has an approved Capacity Factor claim. The intent of this requirement is to assist the Company in power supply planning. Therefore, the schedules submitted should reflect the projected hourly load levels of the retail customers being served as closely as possible. The Company will audit the schedules submitted to ensure this intent is being fulfilled.

2.d All schedules must be submitted on a 365-day by 24-hour aggregated schedule.

2.e Schedules may be submitted to the tenth of a MW for each retail customer class; however, the Company will summarize the retail customer class schedules by Certified Supplier and round to the nearest whole MW for purposes of imbalance calculations.

2.f If Capacity Factor is elected for all or a part of the retail customer's load, the Certified Supplier may resell the scheduled MW per hour if the retail customer does not take all the Ppower. The Certified Supplier shall pay the same price for the MW per hour, whether taken by the retail customer or not.

2.g If the Certified Supplier decides to sell excess Power outside the Company control area, a sale schedule through the Company's SES Scheduling Website and an Etag must be submitted. The Certified Supplier is also responsible for reserving and purchasing the Point-to-Point transmission service necessary to deliver MSG to the interconnection designated as the Point of Delivery.

2.h The Certified Supplier will be required to schedule between 0 and 100% of the elected capacity by retail rate class.

Section 3 – Loss-Free, NonMSG

3.a All scheduling of approved claims for Loss Free, nonMSG shall be made through the FirstEnergy SES Scheduling Website, and in accordance with the applicable Open Access Transmission Tariff. An Etag must be submitted.

Section 4 – Company Approval of the Schedule

4.a MSG Schedules

The Company shall review the Certified Supplier's schedule for MSG and take the following actions if the schedule is not in compliance with this Service Agreement:

4.a.1 In any one hour, if the Certified Supplier's monthly election and schedule exceeds the aggregated retail customers' historic peak load for any month in the same season from the historic year, the Company will not allow the schedule to be submitted.1 If there is no historic usage available for the retail customers that are included in the schedule, the Company shall proceed to the step below for approval.

4.a.2 In any one hour, if the Certified Supplier's monthly election and schedule exceeds the approved MSG claimed amount, the Company will not allow the schedule to be submitted.

4.a.3 If, any one hour, the Certified Supplier's schedule exceeds that particular month's election then the Company will not allow the schedule to be submitted.

The Company shall review all schedule changes and not accept the changes if they do not comply with this Service Agreement as specified below:

4.a.4 The percentage change of capacity scheduled daily during off-peak periods must be the same percentage change of capacity scheduled daily during on-peak periods, except for increases in capacity for the off-peak period only.2 On and off-peak periods shall have the same definition as provided for in the Tariff.

4.a.5 The hourly schedule may be changed on a day ahead basis, as long as the minimum and maximum capacity percentages are maintained.

4.b Loss Free, NonMSG Schedules

The Company shall review the Certified Supplier's schedule for Loss Free, nonMSG and take the following actions if the schedule is not in compliance with this Service Agreement (Note: Etags must always be submitted).

4.b.1 If the Certified Supplier does not have an approved Loss Free, nonMSG claim for any one retail customer, the Certified Supplier's entire schedule shall be deemed a nonMSG schedule.

4.b.2 If the Certified Supplier's monthly schedule exceeds the approved Loss Free, nonMSG claim amount, the Company will not allow the schedule to be submitted.

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1 A season shall be defined as follows in any given year: Summer – June, July, August; Fall – September, October, November; Winter – December, January, February; Spring – March, April, May.
2 In the event that the original schedule for either period is zero, the change for that period must be equal to the incremental amount that was added to the alternate period. If the alternate period was adjusted downward, the zero period shall remain zero.

PART B- BILLING

Section 1 – Load Following

1.a The Company shall bill the Certified Supplier for all kWh measured at the meter and used by the Certified Supplier, at the MSG price up to the aggregated retail customer's historic annual peak load. For all usage above the aggregated retail customer's historic annual peak (aggregated by Certified Supplier), load following imbalances shall apply.

1.b The Company shall bill the Certified Supplier in accordance with Appendix B of this Service Agreement.

Section 2 – Loss Free, NonMSG

2.a The Company shall bill the Certified Supplier for imbalances as specified in the applicable Open Access Transmission Tariff taking into account the treatment of losses for Loss Free, non-MSG as specified in this Service Agreement.

Section 3 – Capacity Factor

3.a The Company shall bill the Certified Supplier for all scheduled MW per hour in accordance with its existing Certified Supplier billing practices and at the MSG price. All imbalances shall apply for Power used in excess of or less than the scheduled MW per hour. Imbalances shall be billed in accordance with the relevant provisions of the applicable Open Access Transmission Tariff.

3.b For Capacity Factor schedules that include more than one of the FirstEnergy Operating Companies, MW per hour shall be allocated to each FirstEnergy Operating Company at the same percentage as the Certified Supplier's allocation in its original claim.

3.c The Certified Supplier shall be obligated to take or pay for at least the monthly minimum capacity factor and imputed annual usage specified below.

3.d On a monthly basis, the schedule must be between the minimum and maximum capacity factor multiplied by the number of hours in the month (i.e. elected capacity x capacity factor between min and max x hours in the month). Minimum capacity factor shall be used to determine a minimum bill. Minimum MW per hour measured monthly shall be 60% of the elected capacity for residential and small commercial customers, 70% for commercial customers, 80% for all other retail customers. Maximum MW per hour measured monthly shall be 100% of the elected capacity for any rate class.

3.e Additionally, an annual minimum bill (broken down by rate class) shall be determined based on the following;

3.e.1 compare the peak hourly load elected in any summer month with the historic peak measured load in that same month;3

3.e.2 determine the MSG Percentage Factor by dividing the elected summer peak MW by the historic peak MW measured load for that same month;

3.e.3 this MSG Percentage Factor shall be multiplied by the monthly peak recorded for retail customers enrolled and served by the Certified Supplier during that month. This Factor will only apply to those months in the year that the Certified Supplier is serving the retail customer to determine the imputed minimum peak MW for each month in the year. *The imputed monthly minimum peak will not be* retroactively increased for the months before a Supplier begins serving a retail customer;

3.e.4 the minimum capacity factor shall be applied to the monthly imputed minimum peak MW in order that a minimum monthly usage may be imputed and summarized for an annual minimum billed usage.

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3 Summer months are defined as June, July, and August.

Part C – Enrollment

Section 1 – Intent

1.a. The purpose of offering 1120 MW of MSG at fixed prices is to "jump start" the market for retail competition in Ohio. It is in the best interest of retail customers for Certified Suppliers to enroll them as soon as possible following approval of the MSG claim. Therefore, if a Certified Supplier fails to enroll a retail customer within sixty days of the start date of an approved claim or by March 1, 2001, whichever is later, the retail customer will be dropped from the claim. The power associated with retail customers dropped from the claim will be returned to the MSG queue for assignment to another claim within the same queue. The sixty day period may be extended by the Company for good cause shown.

Part D – Environmental Disclosure

On request of the marketer, the Company will provide the marketer with information about MSG reasonably necessary for the marketer to meet its environmental disclosure requirements under Ohio law.

Appendix B

Certified Supplier Billing Terms and Conditions

A. Netting of Customer Payment and Certified Supplier Charges Billed by the Company

If the Certified Supplier defaults on payments due the Company, and the Company is performing Consolidated Billing of retail customers for the Certified Supplier, the Company reserves the right to retain the payments collected from the retail customers and apply the payments to the amounts due the Company.

Certified Supplier Payment of Obligations to the Company

A Certified Supplier shall pay all Charges it incurs hereunder in accordance with the following provisions:

1. ***Billing Procedure.*** *Each month, the Company shall submit an invoice to the* Certified Supplier for all Charges provided under this Tariff. Such invoice shall be submitted to the Certified Supplier not earlier than the fourth banking day following electronic or other submission of a pre-bill that contains the billing quantities and amounts anticipated by the Company to be included in the invoice. The invoice may be transmitted to the Certified Supplier by any reasonable method requested by the Certified Supplier. A Certified Supplier shall make payment for Charges incurred on or before the due date shown on the bill. The due date shall be determined by the Company in accordance with Article XII of the Tariff.

2. **Manner of Payment.** The Certified Supplier shall make payments of funds payable to the Company by wire transfer to a bank designated in Section 3 below. The Company may require such assurances of creditworthiness and security as are permitted by the Tariff. If disputes arise regarding a Certified Supplier bill, the Certified Supplier must pay the undisputed portion of *disputed bills under investigation.*

3. **Wire Transfer.** Payment to the Company by the Certified Supplier must be made by electronic wire transfer or such other means as will cause payment to be available for the use of the Company on the due date. All payments shall be wire transferred to the bank designated by the Company.

4. **Late fee for Unpaid Balances.** If payment is made to the Company after the due date shown on the bill, accrued interest will be added to the unpaid balance at the Interest Rate until the entire bill is paid.

5. **Certified Supplier's Failure to Pay.** In the event the Certified Supplier fails, for any reason other than a billing dispute as described below, to make payment to the Company on or before the due date as described above, and such failure of payment is not corrected within five (5) business days after the Company notifies the Certified Supplier to cure such failure, a breach by the Certified Supplier shall be deemed to exist. In the event of a billing dispute between the Company and the Certified Supplier, the Company will continue to provide service pursuant to this Tariff as long as the Certified Supplier continues to make all payments not in dispute.

6. **Certified Supplier Offset.** In the event a Certified Supplier is deemed to be in Default under Section 17.01(a) of the Tariff, the Company, may at its sole discretion, reduce the reimbursement to the Certified Supplier for amounts collected by the Company by the amount owed to the Company that is not in dispute.

FirstEnergy Corp.
Market-Based Rate Wholesale
Power Sales Tariff (MRT)

Form of Confirmation Letter

Market Support Generation and Non-Market Support Generation

This letter shall confirm the terms and conditions of the Parties' agreed-upon Transaction under the Tariff as follows:

Date of Transaction: _____

Buyer: _____

Seller: _____

Type of Transaction: _____

(Market Support Generation or Non-Market Support Generation)

Quantity: _____

(Amount of Market Support Generation or Non-Market Support Generation allotted to the buyers' claims, in Megawatts)

Price: See Attachment 1

Delivery Points: Network service

Delivery Period: _____

Specific Terms: This transaction is being conducted pursuant to the terms of (1) the Stipulation and Recommendation and (2) the Supplemental Settlement Materials filed with the Public Utilities Commission of Ohio (PUCO) on April 17, and May 9, 2000, respectively, and as approved by the PUCO on July 19, 2000.

This Transaction shall be governed by the Service Agreement entered into between the Parties, which Service Agreement is incorporated herein by reference.

Please confirm that the foregoing correctly sets forth the terms of our agreement with respect to this Transaction by signing this confirmation and immediately returning a copy of the executed confirmation to: Administrator, Supplier Support Services at facsimile number (330) 437-1319. If you disagree with this confirmation, notify us by facsimile within two business days. Failure to notify us within this time period will constitute binding and conclusive evidence of the transaction. We look forward to receiving your prompt reply.

FirstEnergy Corp.

Name/Title: _____

Address: _____

Phone: _____

Fax: _____

Customer

Name/Title: _____

Address: _____

Phone: _____

Fax: _____

FirstEnergy Corp.
Market-Based Rate Wholesale
Power Sales Tariff (MRT)

Form of Confirmation Letter, Attachment 1

Pricing for Market Support Generation – $ per MWh

Ohio Edison	2001	2002	2003	2004	2005
Residential	31.19	32.98	33.22	35.66	37.69
Commercial	30.83	32.89	32.75	34.98	37.19
Industrial	26.23	27.73	27.98	30.04	31.88

CEI	2001	2002	2003	2004	2005
Residential	31.64	33.46	33.70	36.18	38.24
Commercial	30.83	32.89	32.75	34.98	37.19
Industrial	26.23	27.73	27.98	30.04	31.88

Toledo Edison	2001	2002	2003	2004	2005
Residential	30.03	31.75	31.98	34.33	36.28
Commercial	30.83	32.89	32.75	34.98	37.19
Industrial	26.23	27.73	27.98	30.04	31.88

The pricing stated above includes losses to the retail customer's meter.

For Market Support Generation delivered under the Capacity Factor option, the provisions of Section B.3 of Appendix A, Protocol for Market Support and Non-Market Support Generation Scheduling and Billing also apply.

Loss Free, Non-Market Support Generation

1,120 MW of Non-Market Support Generation was made available on a first-come first-served basis. This capacity is measured at the retail customer's distribution meter during the months of September through May; that is, no distribution losses need be supplied for this capacity during the stated time. All appropriate losses shall apply to Non-Market Support Generation during the months of June, July and August.

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BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of FirstEnergy Corp. on Behalf of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Approval of their Transition Plans and for Authorization to Collect Transition Revenues	)	Case No. 99-1212-EL-ETP
In the Matter of the Application of FirstEnergy Corp. on Behalf of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Tariff Approval	)	Case No. 99-1213-EL-ATA
In the Matter of the Application of FirstEnergy Corp. on Behalf of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Certain Accounting Authority	)	Case No. 99-1214-EL-AAM

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STIPULATION AND RECOMMENDATION

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Akron, OH 44308
(330) 384-5849
Fax: (330) 384-3875

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Technician Sue Date Processed 4-18-00

BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of FirstEnergy Corp. on Behalf of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Approval of their Transition Plans and for Authorization to Collect Transition Revenues	)	Case No. 99-1212-EL-ETP
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In the Matter of the Application of FirstEnergy Corp. on Behalf of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Certain Accounting Authority	)	Case No. 99-1214-EL-AAM

STIPULATION AND RECOMMENDATION

I. INTRODUCTION

Rule 4901-1-30, Ohio Administrative Code ("OAC") provides that any two or more parties to a proceeding may enter into a written or oral stipulation covering the issues presented in such a proceeding. The purpose of this document is to set forth the understanding of the parties who have signed below (the "Signatory Parties") and to recommend that the Public Utilities Commission of Ohio (the "Commission") approve and adopt, as part of its Opinion and Order in these proceedings, this Stipulation resolving all of the issues in the above-captioned proceedings. This Stipulation is supported by adequate data and information; represents a just and reasonable resolution of all issues in this proceeding; violates no regulatory principle or precedent; and is the

product of lengthy, serious bargaining among knowledgeable and capable parties in a cooperative process, encouraged by this Commission and undertaken by the Signatory Parties to settle these cases. While this Stipulation is not binding on the Commission, it is entitled to careful consideration by the Commission, where, as here, it is sponsored by parties representing a wide range of interests, including the Commission's Staff. For purpose of resolving all issues raised by these proceedings, the Signatory Parties stipulate, agree and recommend as set forth below.

II. PARTIES

This Stipulation is entered into by and among Ohio Edison Company ("OE"), The Cleveland Electric Illuminating Company ("CEI"), The Toledo Edison Company ("TE") (OE, CEI and TE herein referred to the "Companies"), FirstEnergy Corp. ("FE"), and such other parties as are signatory hereto. All Signatory Parties fully support this Settlement Agreement and urge the Commission to accept and approve the terms hereof.

III. RECITALS

WHEREAS, the State of Ohio enacted Am. Sub. S. B. No. 3, which provides for customer choice effective January 1, 2001;

WHEREAS, the Companies on December 22, 1999, filed transition plans as required by Am. Sub. S. B. No. 3 and the Commission's rules adopted under the authority of Am. Sub. S. B. No. 3, and supplemented such plans through the date hereof (the "Filing");

WHEREAS, the Signatory Parties have reviewed and discussed the transition plan and the Filing of the Companies in detail and are fully aware of its contents;

WHEREAS, the agreements herein represent a comprehensive solution to the issues raised in these proceedings and more importantly create a unique and substantial

opportunity to bring real customer choice to Ohio. The issues and concerns raised by the Signatory Parties have been addressed in the substantive provisions of this agreement, and reflect as a result of such discussions compromises by all parties to achieve an overall reasonable solution. This agreement is the product of the discussions and negotiations of the Signatory Parties, and is not intended to reflect the views or proposals which any individual party may have advanced acting unilaterally. Accordingly, this agreement represents an accommodation of the diverse interests represented by the Signatory Parties, and is entitled to careful consideration by the Commission;

WHEREAS, this Stipulation and Recommendation represents a serious compromise of complex issues and involves substantial benefits that would not otherwise have been achievable. The combination of the offer to marketers, brokers and aggregators of capacity and a substantial shopping credit for customers encourages the timely initiation and smooth and rapid development of an effective, functioning competitive electric generation market in Ohio, which is critical to the overall compromise. The Stipulation and Recommendation makes available 1120 MW of electric generating capacity at a price significantly below the stipulated levels of shopping incentive. It thus provides for what the Commission could not assure, that an electric commodity supply will be available in FirstEnergy's service territory at prices that will be economically attractive for both buyers and sellers. Not only is such capacity firmly committed to; it is committed to in a quantity sufficient to achieve the switching targets established by Am. Sub. S.B. No. 3. Also beyond what the Commission could order, the Stipulation and Recommendation provides substantial energy efficiency grants, creating opportunities that would not otherwise exist for low-

income customers; freezes distribution rates for an additional two years beyond the statutory requirement, and extends rate plan reductions for residential customers beyond the end of the market development period; and

WHEREAS, the Parties believe that the agreements herein represent a solution to the issues raised in these proceedings that is designed to facilitate customer choice consistent with state policy as set forth in Section 4928.02 of the Revised Code and in compliance with Chapter 4928's determination of transition costs.

NOW, THEREFORE, the Signatory Parties stipulate, agree and recommend that the Commission make the following findings and issue its Opinion and Order in these proceedings in accordance with the following:

IV. RATE AND TARIFF ISSUES

1. Base Distribution Rate Freeze

Base distribution electric rates as unbundled in the Filing for OE, CEI and TE will be frozen through December 31, 2007, except for additional revenues necessary to recover the costs of complying with changes in environmental (distribution-related), tax and regulatory laws or regulations or in the event of an emergency under Section 4909.16 of the Revised Code. For purposes of determining any additional revenues that could be recovered due to the changes noted above, all reductions in such costs of complying will be used to reduce the additional revenue requirement. The rate freeze does not preclude any change in rate design that is designed to be revenue neutral within a class or any new service offering, both as approved by the Commission.

This recommendation does not affect the right of any party or the Commission to take action to address questions pertaining to service quality or the adequacy of the service rendered by any of the Companies.

2. Continuation of Certain Rate Reductions

OE, CEI and TE will refile the unbundled tariffs contained in the Filing so that the residential customer charge rate reductions set forth in the rate plans previously approved by the Commission for each such Company will be reflected as a separate rider for all residential customers, instead of as a reduction to the generation charge.

Furthermore, such credit to residential customers, i.e., $1.50 per month for OE customers and $5.00 per month for CEI and TE customers, shall be continued for the same period as the RTC charge is in effect for the respective Company, but not less than through the end of the market development period.

3. Contract Options

OE, CEI and TE will give customers with contracts approved pursuant to Section 4905.31 of the Revised Code a one-time right through December 31, 2001 to cancel any such contract without penalty, provided that the customer remains a distribution customer of such Company.

OE, CEI and TE will also give such customers a one-time right through December 31, 2001 to extend their current contracts through the date at which the RTC charges cease for each such Company.

The Companies will provide written notice to such customers by no later than November 1, 2000 of the rights set forth herein, along with a verification form which shall be used by the customer to exercise any such rights.

4. Generation Rate Reduction

OE, CEI and TE will refile the unbundled residential tariffs contained in the Filing so as to reflect a 5% reduction in the generation component, including the RTC

and GTC components, and will not seek to reduce such 5% generation component rate reduction for residential customers during the market development period.

V. MARKET SUPPORT

1. Generation Commitment

OE, CEI and TE will make available 1120 Mw of system level generation capacity to non-affiliated marketers and brokers (non-affiliated with any Ohio investor-owned utility) and aggregators for sales to retail customers of each such Company during the market development period. The amount of capacity to be made available by each of OE, CEI and TE, and by customer class will be as set forth in Attachment 1 hereto. For purposes of qualifying for such capacity, a utility affiliate will qualify if the affiliate or utility (1) makes capacity available within the utility's service areas offering choice in a similar manner and magnitude or (2) has no owned or leased generating capacity within one wheeling transaction from FE's service areas. This commitment of the Companies will survive and not be affected by any transfer, sale or other disposition of generating assets. Notwithstanding the above, affiliates of OE, CEI and TE qualify to participate in this generation capacity commitment on the same terms as non-affiliated marketers, except that the amount available to affiliates of OE, CEI and TE from the residential capacity allocation will be limited to 100 Mw.

The capacity will be made available on: (a) a first-come-first-served basis for committed capacity sales to a Company's customers, and (b) a 365-day by 24-hour schedule at a 60% (minimum) to 100% capacity factor measured monthly, but with the peak capacity not exceeding the commitment above, for residential and small commercial (less than 30 kW) loads, or (c) a 365-day by 24-hour schedule at an 80% (minimum) to 100% capacity factor measured monthly, but with the peak capacity not exceeding the

commitment above, for all other loads. The purchaser may resell the capacity and energy to the extent the end user does not take such amount, and will pay the same price for contracted capacity and energy whether taken or not.

The price for the capacity and energy to inside each Company's system at the generation level and for each (a) Company, (b) customer class, and (c) year 2001 through 2005, will be fixed as set forth in Attachment 2 hereto.

2. Shopping Credit and Incentives

The shopping credit and incentives applicable during the market development period will be as set forth in Attachment 3. The initial shopping incentives effective January 1, 2001 will be equal to 45% for residential customers, 25% for commercial customers and 10% for industrial customers above the otherwise unconstrained shopping credit reflected in Attachment 2. Such shopping incentives for the commercial and industrial classes determined on a Company by Company basis will be increased annually by 5%, effective January 1 of each year, if such class of customers has not attained a 20% shopping level. If more than a 20% shopping level is attained for the commercial or industrial class determined on a Company by Company basis, the incentive will not be further increased for such class and may be adjusted in subsequent years as deemed appropriate by the Commission to minimize deferrals pursuant to Section VIII.2 herein, but such adjustments shall not result in a shopping incentive that would result in customer switching falling below 20%. If the shopping level for the residential class determined on a Company by Company basis exceeds 20%, then the incentive may be adjusted in subsequent years as deemed appropriate by the Commission to minimize deferrals pursuant to Section VIII.2 herein, but such adjustments shall not result in a shopping

incentive that would result in customer switching falling below 20%. Notwithstanding the above, if the shopping level for any class determined on a Company by Company basis is less than 20% as of the end of calendar year 2003, then the Commission will increase the incentive as determined appropriate so as to attain a 20% shopping level. The shopping credit, including the incentive, may not be so great as to reduce the transmission, distribution, reactive power, ancillary service, energy efficiency funds, universal service or tax charges. The Companies' compliance filing will set forth the shopping credit and incentives by rate schedule for 2001 as reflected in Attachment 3, and to the extent that by October 1 of each year, commencing with calendar year 2000, the 20% goal is not met or the Commission determines that a change in the incentive is appropriate as set forth above, then compliance filings will be made prior to November 1 of that year to reflect the incentive to be effective on the next January 1. The Signatory Parties will be given notice of said compliance filing concurrent with the filing being made.

The kWh level by customer class, schedule and Company that will be used to determine whether the 20% shopping level has been satisfied will be at the fixed level set forth in Attachment 4. The calculation of whether the 20% shopping level has been satisfied will be measured based upon any 12-month consecutive period during the market development period, and once achieved will satisfy all applicable provisions of this Stipulation requiring a 20% shopping level. For purposes of determining whether 20% of customers have shopped, only those customers who switch after January 1, 2001, including contract customers whose contracts have either terminated or been cancelled provided that such contract customer selects a supplier other than the applicable

Company, will be counted. Also, the kWh associated with PIPP customers will not be included in either the numerator or denominator used in the determination. The parties recognize that as of October 1, 2001, twelve months of data will not be available to measure the level of shopping; accordingly for purposes of determining whether the incentive should be adjusted effective January 1, 2002, the level of shopping will be determined using actual data for the month of September 2001. For purposes of determining shopping levels under this Stipulation, sales of competitive generation service by an affiliate of OE, CEI or TE shall count toward the determination of shopping levels.

3. Transition Cost Recovery Incentive

OE, CEI and TE will reduce the period of recovery of the RTC so as to not recover up to $500 million, prorated among the Companies as set forth below, if an adequate level of shopping during the market development period has not occurred within the service area of the respective Company. The amount placed at risk by each Company will be: $250 million for OE, $170 million for CEI and $80 million for TE, and in each instance 50% of such amount shall be attributable to the residential class, with the remaining amount attributed equally to the commercial and industrial classes. If a class of customers by Company has not attained at least a 20% shopping rate by the end of the market development period measured using a 12-month consecutive period of shopping, as determined above, then the amount placed at risk by such Company and attributed to that class will be determined and used to reduce the RTC recovery period. The amount used to reduce the recovery period shall be prorated based upon the percentage of shopping below the 20% goal in such class. Attachment 5 sets forth an example of the

calculation contemplated by this section. The reduction in the RTC recovery period shall be made using the tracking mechanism discussed below.

4. Transmission

OE, CEI and TE will, and each such Company will cause FE, to actively work with the Alliance, the MISO, PJM and other RTO/ISOs and transmission-level customers in the area to develop and implement specific proposals to address reciprocity and interface/seam issues. The Companies and FE recognize that resolution of these issues is critical to a fully functioning retail market and will endeavor to propose and resolve issues as promptly as possible. In the event a filing is not made by the Alliance to deal with these issues by September 1, 2000, then the Companies will cause a filing at the FERC to be made which will deal with these issues as to their respective areas and interfaces.

OE, CEI and TE will reimburse any supplier serving retail customers within their respective service areas for the cost of any associated transmission charges imposed by PJM and/or by the MISO, if the MISO is fully operating on a single tariff, on generation originating in the MISO or PJM. The transmission charges to be reimbursed will not include losses, redispatch charges or other charges specifically impacting the transaction. Reimbursement will apply only until FE's transmission system is within a FERC approved and operating RTO.

During the market development period, transmission level retail customers, i.e., 69 kV and above, may (a) utilize through the Company any applicable service related provision of the FERC transmission tariff which may cause the rate to be less than the network rate used in the PUCO tariffs for transmission service of OE, CEI and TE, and

(b) retain one-half of the benefit, with the remaining one-half paid by the customer but used to reduce the period of recovery of RTC charges, instead of in each instance increasing the distribution charge. The customer must agree to any lesser service provisions and all other applicable service requirements or terms of the FERC tariff, and accordingly would waive the right to network service under the PUCO tariff. This provision shall be applicable only until the one-half of savings used to reduce the period of RTC charges exceeds $25 million in the aggregate for all three Companies. Notwithstanding the above, any customer taking such service shall continue to be deemed a distribution customer of the Company.

VI. LOW INCOME EFFICIENCY

In order to continue support for low income housing energy efficiency improvements, the Companies will make available grants of $2 million per year by each of OE and CEI, and $1 million per year by TE, during the market development period. As much as possible, the methods for distribution and administration of these type programs developed under the prior rate plans will be continued, provided that the grants may be offered to agencies other than those currently receiving such funds as determined appropriate by the Companies.

VII. TRANSITION PLANS

The transition plans of OE, CEI and TE as filed on December 22, 1999, and as supplemented and corrected through the date herein, will be approved, except as specifically modified herein or as is necessary to update tariff provisions to reflect the agreements made herein and the attachments hereto through a compliance filing.

OE, CEI and TE recognize that the OSP working group is engaged in discussions to resolve and/or address the issues arising in that area. OE, CEI and TE agree to accept

any resolution of such issues agreed to by the working group participants and to incorporate any such changes in its transition plan. Further, unless any agreed upon changes by the OSP working group are less restrictive for customers than the terms of this Stipulation, the Companies agree that during the market development period customers that take generation service from CEI, OE or TE during any part of May, June, July or August must remain a customer through April 30 of the following year before they may elect to switch to another supplier, provided that (1) customers may switch suppliers at any time if they have not previously switched; (2) following the stay out period through April 30, customers may switch to another supplier as of the end of the period but must exercise the right to switch by May 15 of that same year; and (3) during the first year of the market development period, residential customers returning to CEI's, OE's or TE's standard offer service will not be subject to a minimum stay. By March 15, 2002 and again by April 15, 2002, and thereafter before each March 15 and April 15 during the market development period, OE, CEI and TE will provide notice to their respective residential customers informing them of their right to choose another supplier by May 15 and the consequences of not choosing another supplier and staying on their standard service offer.

Notwithstanding the above, if the Commission elects to resolve the issues arising in the technical and operational plans of the utilities through a generic hearing or other Commission process that results in a state-wide solution, then the result of such hearing or process shall be incorporated herein.

OE, CEI and TE will establish a technical task force to include representatives from the Companies, the Commission, the OCC, marketers and customers which will

address and attempt to resolve technical and operational issues involving the Companies that may arise following the beginning of customer choice. The task force will be in place for at least 2 years and may be continued if all participants agree to do so. It is the intention of the Companies to utilize this task force to identify and resolve issues early through a non-confrontational, technically competent working group. A part of this task force's assignment shall be to evaluate the timetable and steps required in order for OE, CEI and TE to implement supplier consolidated billing. OE, CEI and TE shall use their best efforts in taking the actions necessary to implement supplier consolidated billing in a reasonable fashion and with a target date of January 1, 2002, it being understood that such best efforts shall not require the Companies to take any action that would hinder or delay the implementation of the competitive framework necessary to facilitate customer choice in their respective service territories. It is also understood that the implementation of supplier consolidated billing shall not be contingent upon the Commission making a determination under Section 4828.04 of the Revised Code with respect to the unbundling of the billing function, but shall proceed independent of any supplier compensation for such billing service. Notwithstanding, nothing herein precludes the Commission's determination, or subsequent settlement, of the issue.

VIII. REGULATORY ASSETS

1. The initial regulatory assets as determined pursuant to Section 4828.39 of the Revised Code will be as set forth in the Filing, except that: (a) for CEI and TE, the allowance for funds used during construction on nuclear assets will be reclassified as a regulatory asset, and (b) for CEI, the gain on the sale/leaseback transaction will be reclassified as generation costs and not included as a regulatory asset. Attachment 6 sets

forth the resulting RTC charge for each Company, which will remain in effect for the duration of the RTC recovery period.

2. The difference between the market support price, as reflected in Attachment 2, and the incentivized shopping credit, as reflected in Attachment 3, both as reflected in the respective tariff of the customers who shop times their kWh usage will be deferred as RTC and tracked as set forth below. No interest charges will be capitalized on such deferrals.

3. The charges assumed by OE, CEI and TE for MISO and PJM transmission in excess of $10 million will be deferred as RTC and tracked as set forth below. No interest charges will be capitalized on such deferrals.

4. If OE, CEI and/or TE sell any generating asset to a non-affiliated company for cash at a price above the fair market value used in the Filing, then any net after tax gain using that fair market value as the basis will be used to adjust RTC recovery. In addition, interest at the rate of return otherwise used for RTC purposes will be added to the net gain and be used to further reduce RTC recovery. The adjustments will be made using the tracking mechanism discussed below. FE will apply this methodology across its Ohio utilities, e.g., if OE sells a generating plant and has already recovered its regulatory assets, then the net gain as determined above, including the interest added above, will be used to reduce the RTC recovery period of either CEI or TE or both. Any losses on the sale of such assets will be borne by the Companies.

5. The changes in taxes as a result of Am. Sub. S. B. No. 3 will be addressed such that rates will be frozen at current levels as provided below: (a) higher customer rates as a result of the taxes will be deferred by OE, CEI and TE during calendar year

2001 and 2002 as a distribution cost; the embedded cost of debt for the applicable Company will be used to capitalize interest on such balances; and the deferred amounts will be recovered in the next distribution rate case of such Company using an amortization period not to exceed five years; and (b) any rate discounts that would have otherwise resulted during the market development period as a result of the taxes, plus interest on such amounts using the rate of return otherwise applicable to RTC costs, will be used to reduce the period of recovery of regulatory assets using the tracking mechanism set out below.

6. The Signatory Parties recommend that the Commission consider the concerns raised by the Companies with respect to potential violations of the normalization rules in the Internal Revenue Code relating to amortization of investment tax credits (ITC) and related regulatory liabilities recognized under Statement of Financial Accounting Standards 109 (SFAS 109), and deferred taxes related to accelerated depreciation deductions. Accordingly, the Parties recommend that the Opinion and Order in this case reflect the following language: "The customer rates embodied in this Opinion and Order include the amortization of ITC and their associated SFAS 109 regulatory liabilities no more rapidly than ratably, and the amortization of 'excess deferred taxes' using the Average Rate Assumption Method in order to avoid any potential normalization violations."

7. The Signatory Parties recommend that the Commission grant the necessary accounting authority for its regulatory books in order to accommodate the provisions of this Stipulation.

IX. REGULATORY ASSET TRACKING

1. A tracking mechanism will be established such that when a specific level of kWh distribution sales are met on a Company-by-Company basis, then the RTC recovery for that Company will cease at that point, but in any event not beyond December 31, 2010. The specific level of kWh distribution sales by Company are set forth in Attachment 7.

2. The net gain and tax differences that impact the RTC recovery period discussed above will be converted to an equivalent kWh and be subtracted from the otherwise specified number of kWh as set forth in Attachment 7. Also, any new deferrals or adjustments as discussed above will be similarly converted into an equivalent kWh and be added to the otherwise specified number of kWh as set forth in Attachment 7. An example of the conversion formula is set forth in Attachment 8.

3. Notwithstanding anything to the contrary, the RTC recovery periods shall not extend beyond December 31, 2006 for OE, June 30, 2007 for TE and December 31, 2008 for CEI, unless the additional time is necessary to amortize the deferrals resulting from more than 20% of any class by Company having shopped, and/or to accommodate a significant change in the business environment or economy which results in a substantial deviation from the estimated sales used herein as determined by the Commission.

X. RESTRUCTURING SECURITIES

The Signatory Parties agree for purposes of this section that the Commission may consider RTC recovery in a manner similar to accounts receivable, and accordingly may allow the Companies to pledge such RTC recovery receipts as security for any financing, provided that (a) the proceeds of such financing are used to redeem or pay-off debt or other overlapping obligations so as to accelerate the corporate separation required by the

Filing, and (b) the net savings in interest actually accruing to the Companies as a result of such financing are used to reduce the RTC recovery period using the tracking mechanism discussed above. The use of this financing device and the approval of its use by the Commission is totally discretionary, and accordingly, if the Companies elect not to use it, or the Commission elects not to approve a specific request for such financing, no consequences will inure to this agreement.

XI. UNIVERSAL SERVICE FUND

OE, CEI and TE, as of July 1, 2000 will establish Universal Service Fund Riders at the following levels to reflect their respective PIPP rates: OE $.000570; CEI $0.000568; and TE $0.000561, and thereafter each Company will remit all such collections to the Department of Development. The difference between the respective Universal Service Fund Riders above and those set forth in the Filing will be used to reduce the generation component, but will not have any impact on the otherwise determined shopping incentives. The audit to be performed by the Commission pursuant to Section 4928.51(D) will be used only to establish a base line for the PIPP component of the low income payment programs, and for no other purposes.

XII. EFFECT OF STIPULATION

Nothing in this Stipulation shall be used or construed for any purpose to imply, suggest or otherwise indicate that the results produced through the compromise reflected herein represent fully the objectives of any Signatory Party.

This Stipulation is submitted for purposes of this proceeding only, and is not deemed binding in any other proceeding, except as expressly provided herein, nor is it to be offered or relied upon in any other proceedings, except as necessary to enforce the terms of this Stipulation. In fact, none of the Signatory Parties have submitted the

entirety of the case they would have otherwise filed or will file if this Stipulation is rejected. The agreement of the Signatory Parties reflected in this document is expressly conditioned upon its acceptance in its entirety and without alteration by the Commission. The parties agree that if the Commission rejects all or any part of this Stipulation, or otherwise materially modifies its terms, any adversely affected party shall have the right, within thirty (30) business days of the Commission's order, either to file an application for rehearing or to terminate and withdraw from the Stipulation by filing a notice with the Commission. If an application for rehearing is filed, and if the Commission does not, on rehearing, accept the Stipulation without material modification, any party may terminate and withdraw from the Stipulation by filing a notice with the Commission within ten (10) business days of the Commission's order or entry on rehearing. In such an event, a hearing shall go forward, and the parties shall be afforded the opportunity to present evidence through witnesses, to cross-examine all witnesses, to present rebuttal testimony, and to file briefs on all issues.

The Signatory Parties agree and intend to support the reasonableness of this Stipulation before the Commission, and to cause their counsel to do the same, and in any appeal from the Commission's adoption and/or enforcement of this Stipulation.

IN WITNESS HEREOF, this Stipulation and Recommendation has been agreed to as of this 13th day of April, 2000. The undersigned parties respectfully request the Commission to issue its Opinion and Order approving and adopting this Stipulation.

Ohio Edison Company

The Cleveland Electric Illuminating Company

The Toledo Edison Company

FirstEnergy Corp.

STAFF of Public Utilities Commission

Maureen R. Grady /HU
Neighborhood Housing Services of Toledo, Inc.

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Via Telefax Transmission

April 17, 2000

Leila L. Vespoli, Esq.
General Counsel
FirstEnergy Corp
76 South Main Street
Akron, OH 44308

In re: Case No. 99-1212-EL-ETP, Case No. 99-1213-EL-ATA and Case No. 99-1214-EL-AAM

Dear Leila:

This is to confirm that [redacted] is willing to sign the Stipulation and Recommendation submitted on 4/14/00 in the above-referenced case.

Very truly yours,

David F. Boehm, Esq.
BOEHM, KURTZ & LOWRY

DFBkcw

ADDENDUM TO STIPULATION AND RECOMMENDATION

Revised Paragraph VI.
LOW INCOME EFFICIENCY

In order to continue support for low income housing energy efficiency improvements, the Companies will make available grants of $2 million per year by each of OE and CEI, and $1 million per year by TE, during the market development period. The methods for distribution and administration of these grants shall be consistent with the administration and distribution of similar programs developed under the Companies' prior rate plans. Previous recipients of Residential Efficiency Improvements Program funds, identified in the May 1, 1997 Stipulation and Recommendation, filed in Case Nos. 96-1211-EL-UNC, and 96-1322-EL-MER, will continue to receive program funding, at a minimum, that is equal to funding levels previously set forth in that Stipulation and Recommendation which sum shall not exceed the dollar amount shown above. Such funding will continue to be provided, through the grants herein, provided that the recipients perform adequately under contract.

Any remaining grant funds will be remitted to the USF fund to enable grants to appropriate community based agencies within the service territories of OE, CEI, and TE. Appropriate community based agencies include organizations that are involved in energy efficiency, weatherization, HWAP and/or the Housewarming program.

Agreed to by FirstEnergy 4/17/00

Lulas L. Vespoli/HU

Attachment 1

Market Support
Avg. Mw Allocations
Generation Level Capacity

	2001	2002	2003	2004	2005
Ohio Edison					
Residential	260	260	260	260	260
Other Retail	300	300	300	300	300
	560	560	560	560	560
CEI					
Residential	170	170	170	170	170
Other Retail	230	230	230	230	230
	400	400	400	400	400
Toledo Edison					
Residential	70	70	70	70	70
Other Retail	90	90	90	90	90
	160	160	160	160	160
TOTAL OHIO					
Residential	500	500	500	500	500
Other Retail	620	620	620	620	620
	1,120	1,120	1,120	1,120	1,120

Market Support Pricing
($/Mhr)

	2001	2002	2003	2004	2005
Ohio Edison					
Residential	31.19	32.98	33.22	35.66	37.69
Commercial	30.83	32.89	32.75	34.98	37.19
Industrial	26.23	27.73	27.98	30.04	31.88
CEI					
Residential	31.64	33.46	33.70	36.18	38.24
Commercial	30.83	32.89	32.75	34.98	37.19
Industrial	26.23	27.73	27.98	30.04	31.88
Toledo Edison					
Residential	30.03	31.75	31.98	34.33	36.28
Commercial	30.83	32.89	32.75	34.98	37.19
Industrial	26.23	27.73	27.98	30.04	31.88

Prices are based on the unconstrained shopping credits proposed by FE in its Filing

Market Support
Shopping Credits with Incentives

	2001	2002	2003	2004	2005
Ohio Edison					
Residential	45.23	47.82	48.17	51.71	54.65
Commercial	38.54	42.76	44.21	48.97	53.93
Industrial	28.85	31.89	33.58	37.55	41.44
CEI					
Residential	45.88	48.52	48.87	52.46	55.45
Commercial	38.54	42.76	44.21	48.97	53.93
Industrial	28.85	31.89	33.58	37.55	41.44
Toledo Edison					
Residential	43.54	46.04	46.37	49.78	52.61
Commercial	38.54	42.76	44.21	48.97	53.93
Industrial	28.85	31.89	33.58	37.55	41.44
Shopping Credit Incentive %					
Residential	45%	45%	45%	45%	45%
Commercial	25%	30%	35%	40%	45%
Industrial	10%	15%	20%	25%	30%

Prices are based on the unconstrained shopping credits proposed by FE in its Filing plus an incentive % above such levels. The amount of shopping credit can not be so great as to reduce the transmission, distribution, ancillary service, tax, universal service, reactive power, or EEF rider charges, and will only increase to the extent shopping levels in any given class, by Company, have not exceeded 20%.

Annual kWh Targets
20% Shopping Level

	kWh Rounded Up to Nearest Million kWh
Ohio Edison	
Residential	1,483,000,000
Commercial	1,267,000,000
Industrial	1,098,000,000
CEI	
Residential	956,000,000
Commercial	813,000,000
Industrial	773,000,000
Toledo Edison	
Residential	272,000,000
Commercial	471,000,000
Industrial	75,000,000

Excludes contracts and full service accounts

Based on October 1999 Filing - 12 Months Ended Summer 1999 Data

Annual kWh Targets
20% Shopping Level
Ohio Edison

Ohio Edison	1999 kWh*	20% Level	kWh Rounded Up to Nearest Million kWh
Residential			
Rate 10	4,340,556,011		
Rate 11	1,069,703,915		
Rate 17	2,318,283,747		
Rate 19	19,041,434		
PIP KWH	(334,740,269)		
	7,412,844,838	1,482,568,968	1,483,000,000
Commercial			
Rate 21	6,287,819,541		
Traffic Ltg.	23,200,644		
Street Ltg.	21,331,013		
ANODL	524,000		
	6,332,875,198	1,266,575,040	1,267,000,000
Industrial			
Rate 23	4,533,512,145		
Rate 28	957,329,297		
	5,490,841,442	1,098,168,288	1,098,000,000

* Excludes contracts and full service accounts

Annual kWh Targets
20% Shopping Level
CEI

Cleveland Electric Illuminating

	1999 kWh*	20% Level	kWh Rounded Up to Nearest Million kWh
Residential			
Residential	4,063,717,719		
Residential Water Heating	330,854,633		
Residential Water & Space Heating	534,623,701		
Residential Space Heating	35,770,678		
PIP KWH	(184,977,042)		
	4,779,989,689	955,997,938	956,000,000
Commercial			
General Service	1,075,071,832		
Small School	50,723,386		
Small General Service	1,977,713,551		
All Electric Large General Service	576,830,811		
Large School	141,337,696		
Traffic Lighting	27,110,732		
Outdoor Lighting	74,420,865		
Outdoor Night Lighting	1,339,135		
Street Lighting	138,195,268		
	4,062,743,276	812,548,655	813,000,000
Industrial			
Medium General Service	2,244,725,374		
Low Load Factor	5,041,430		
Large General Service	1,617,510,912		
	3,867,277,716	773,455,543	773,000,000

* Excludes contracts and full service accounts

Annual kWh Targets
20% Shopping Level
Toledo Edison

Toledo Edison	1999 kWh*	20% Level	kWh Rounded Up to Nearest Million kWh
Residential			
R-01	1,375,630,296		
R-01a	54,122,317		
R-02	122,593		
R-06	7,869,367		
R-06a	499,394		
PIP KWH	(79,150,755)		
	1,359,093,212	271,818,642	272,000,000
Commercial			
GS-13	1,717,696		
GS-14	289,806,152		
GS-17	88,748,773		
Med GS	812,838,808		
GS-3	47,549,520		
GS-18	14,625,354		
SR-1a	53,354,900		
SR-2a	41,159,745		
Street	52,325,167		
Small GS	950,459,721		
	2,352,585,836	470,517,167	471,000,000
Industrial			
WR-1	8,092,641		
WR-2	87,624,400		
PV-45	280,362,100		
	376,079,141	75,215,828	75,000,000

* Excludes contracts and full service accounts

RTC Recovery Incentive

Formula Example for Ohio Edison

Shopping Test	Actual Shopping	Target Shopping	Subject to RTC Recovery Adj?	RTC Adjust %
Residential	10%	20%	Yes	10/20 = 50%
Commercial	30%	20%	No	na
Industrial	50%	20%	No	na

RTC Recovery Adj	$MM At Risk	RTC Adjust %	RTC Lost
Residential	$ 125.00	50%	$ 62.50 Million
Commercial	$ 62.50	na	na
Industrial	$ 62.50	na	na

Regulatory Assets
RTC Rates

	OEC	CEI	TE
Residential	$ 0.015200	$ 0.028660	$ 0.033774
Commercial	$ 0.014670	$ 0.023460	$ 0.029170
Industrial	$ 0.010320	$ 0.016550	$ 0.012481

OEC rates per supplemental filing

CEI rates adjusted to include Nuclear AFUDC, and reclassify Gain on Sale/Leaseback transaction to GTC

TE rates adjusted to include Nuclear AFUDC

The RTC values are allocated based on energy, but vary among the rate classes due to the impact of special contracts. The composition of the Commercial and Industrial RTC values need to be conformed to the class compositions found on Attachment 4.

Regulatory Asset Tracking
kWh

	OEC	CEI	TE
kWh Total	141,466,775,832	166,653,665,406	71,613,788,718

Regulatory Asset Tracking
Conversion Formula Example

Conversion Formula

Conversion formula to equate to equivalent kWh the net gain and tax differences, and any new deferrals or adjustments.

$$\text{Number of kilowatthours} = \frac{\text{dollars}}{\text{company average RTC rate}}$$

Conversion factors

	Average RTC Rate	kWh adjustment per $1,000,000
Ohio Edison	$0.012920	77,000,000
CEI	$0.021790	46,000,000
Toledo Edison	$0.021166	47,000,000

example calculation (Ohio Edison)

$$\frac{\$\ 1{,}000{,}000}{\$\ 0.012920} = 77{,}399{,}381$$

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7

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

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00 APR 19 PM 5:14
PUCO

In the Matter of the Application of FirstEnergy Corp. on Behalf of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Approval for Their Transition Plans and for Authorization to Collect Transition Revenues	)	Case No. 99-1212-EL-ETP
and	)	
In the Matter of the Application of FirstEnergy Corp. on Behalf of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Tariff Approval	)	Case No. 99-1213-EL-ATA
and	)	
In the Matter of the Application of FirstEnergy Corp. on Behalf of Ohio Edison Company, The Cleveland Electric Illuminating Company and The Toledo Edison Company for Certain Accounting Authority	)	Case No. 99-1214-EL-AAM

SIGNING OF STIPULATION AND RECOMMENDATION
BY THE OHIO MANUFACTURERS' ASSOCIATION

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April 19, 2000

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Re: PUCO Cases Nos. 99-1212-EL-ETP, 99-1213-EL-ATA and 99-1214-EL-AAM

Dear Tony:

This letter represents the signing by The Ohio Manufacturers' Association of the Stipulation and Recommendation filed in the above described cases on April 17, 2000.

Very truly yours,

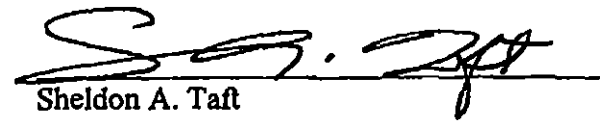
Sheldon A. Taft, Counsel for
The Ohio Manufacturers' Association

SAT/css

Enclosure

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Signing of the Stipulation and Recommendation in these cases was served upon all parties to this proceeding by first class mail, postage prepaid, this 19th day of April, 2000.



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5

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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of First-Energy Corp. on Behalf of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Approval of Their Transition Plans and For Authorization to Collect Transition Revenues.	)	Case No. 99-1212-EL-ETP
In the Matter of the Application of First-Energy Corp. on Behalf of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Tariff Approval	)	Case No. 99-1213-EL-ATA
In the Matter of the Application of First-Energy Corp. on Behalf of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Certain Accounting Authority	)	Case No. 99-1214-EL-AAM

SIGNING OF "STIPULATION AND RECOMMENDATION"
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BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of First-Energy Corp. on Behalf of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Approval of Their Transition Plans and For Authorization to Collect Transition Revenues.	)	Case No. 99-1212-EL-ETP
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In the Matter of the Application of First-Energy Corp. on Behalf of Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company for Certain Accounting Authority	)	Case No. 99-1214-EL-AAM

SIGNING OF "STIPULATION AND RECOMMENDATION"
BY
THE GREATER CLEVELAND GROWTH ASSOCIATION

This filing represents the signing of the Stipulation and Recommendation filed in the above described cases on April 17, 2000 by The Greater Cleveland Growth Association.

Respectfully submitted,

Langdon D. Bell
Counsel for the Greater Cleveland Growth Assoc.

CERTIFICATE OF SERVICE

I certify that a copy of the foregoing was served upon the following via First Class U.S. Mail, postage prepaid, this 24th day of April 2000.

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PUCO

VIA OVERNIGHT MAIL

April 24, 2000

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PUCO Docketing
180 E. Broad Street, 10th Floor
Columbus, Ohio 43266-0573

In re: 99-1212-EL-ETP, 99-1213-EL-ATA and 99-1214-EL-AAM

Dear Sir/Madam:

Please find enclosed herewith a facsimile of the signature page of the Stipulation and Recommendation previously filed in the above-referenced cases containing the original signature of AK Steel. Please accept this page for docketing.

Copies have been served on all parties on the attached certificate of service. Please place this document of file.

Respectfully yours,

David F. Boehm

David F. Boehm, Esq.
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DFB/kew
Encl.
cc: Certificate of Service

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CERTIFICATE OF SERVICE

I hereby certify that true copy of the foregoing was served by regular U.S. main, postage prepaid, unless otherwise noted, this 24th day of April, 2000 to the following:

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FirstEnergy Corp.
Supplemental Settlement Materials

The Ohio operating companies of FirstEnergy Corp. (Ohio Edison Company. The Cleveland Electric Illuminating Company and The Toledo Edison Company) commit to the following additions to and clarifications of the Stipulation and Recommendation (the "Stipulation") in Case No. 99-1212-EL-ETP, 99-1213-EL-ATA, 99-1214-EL.-AAM at the Public Utilities Commission of Ohio ("PUCO"), subject to acceptance as described below and the agreement of such parties to the Stipulation:

1. Any Market Support Generation described in Section V (1) of the Stipulation and reserved, directly or indirectly, by a FirstEnergy affiliate will be made available on a first-come, first-served basis to marketers or brokers. if the 1.120 MW is otherwise fully subscribed, and the marketer/broker has a retail customer or customers of the operating companies for whom such capacity will be used. The relinquishment of any such over-subscribed capacity will not be extended to governmental aggregators.

2. With respect to the Market Support Generation ("MSG") described in Section V (1) of the Stipulation, the allocation of the Market Support Generation will be based on the customer's highest annual peak which shall be identified at the time of the direct access request. The marketers/brokers/aggregators may elect, on a customer by customer basis, at the time of the direct access service request one of the following options:

   a) Load Following: The Market Support Generation, which must be used to serve the customers' entire load under this option, will be treated similarly to native load in that FirstEnergy will not require scheduling or load factor commitment, will provide load-following service and will not assess imbalance charges up to the customer(s)' annual peak load or apply such imbalance amounts in the determination as to whether a net retail imbalance in excess of 88 MW exists pursuant to Section III (A) of Supplemental Attachment 1 hereto; or

   b) Capacity Factor: (i) use the Market Support Generation for the entire load of the customer in which event the capacity factor will be determined under the Stipulation on a monthly basis, or (ii) use the Market Support Generation for a part of the Customer's load, using any other generation purchased to serve the customer, under the following procedure.

      A level of MSG capacity shall be elected for all 12 months, which election can not exceed the customer's historic load levels in any given month. The MSG shall be scheduled on an hourly basis, such schedule shall be submitted monthly, between 0% and 100% of the elected monthly capacity. This schedule may be changed on a day ahead basis; however, the percentages of capacity scheduled daily during off-peak periods shall be the same as the capacity scheduled during on-peak periods, both calculated as a percentage of the customer's load during the applicable period. The elected monthly capacity schedule will result in monthly

minimum and maximum energy usage requirements between the capacity factor specified in the Stipulation as modified by this Supplemental Settlement and 100%. The highest level of MSG capacity elected in any month counts toward the 1,120 MW of available MSG capacity.

The level of summer MSG capacity elected in any month is compared to the historical demand for the corresponding summer month (June/July/August). The highest percentage of summer MSG capacity elected in any one summer month is used to impute MSG capacity in all other months (i.e., highest summer MSG capacity percentage is calculated for each month based on the imputed MSG capacity and the minimum monthly load factor as provided for in the Stipulation. The sum of the monthly minimum usage is the imputed annual minimum usage that must be achieved in the calendar year.

On a hourly basis, the MSG must be scheduled, such schedule to be submitted monthly or changed on a day ahead basis, between 0% and 100% of elected MSG capacity. However, the percentage capacity scheduled daily during off-peak periods, shall be the same as the capacity scheduled during on-peak periods, both calculated as a percentage of the customer's load during the applicable period. On a monthly basis, the MSG energy schedule must be between the capacity factor specified in the Stipulation and 100% of elected MSG capacity multiplied times the number of hours in the month. On a calendar year basis, the schedule must be between the minimum required (higher of annual minimum quantity elected or imputed annual minimum quantity) and maximum elected quantity. In the event that the minimum monthly amount is not taken, then the shortfall shall be paid for at the MSG price. An example of the application of the procedure is attached as Supplemental Attachment 2. The purchaser may resell the capacity and energy to the extent the end user does not take such amount, and will pay the same price for contracted capacity and energy whether taken or not. And such resold amounts will be included as being taken for purposes of calculating whether the foregoing scheduling has been met.

3. The capacity factor requirement for Market Support Generation as set forth in the Stipulation will be modified as follows: committed capacity sales made available to serve commercial customers (as described on Attachment 4 to the Stipulation), except small commercial customers (less than 30 kW), will be made available on a 365-day by 24-hour schedule at a 70% (minimum) to 100% capacity factor measured monthly, but with the peak capacity not exceeding the commitment above.

4. The Shopping Credits with Incentives reflected on Attachment 3 to the Stipulation will not be increased in years in which "shopping" exceeds 20%. However, because such credits represent a percentage of the Market Support Pricing shown on Attachment 2 to the Stipulation, the absolute dollar value of such Shopping Credits with Incentives would increase each year as a result of the scheduled

increases in the prices shown on Attachment 2; e.g.. assuming a 20% shopping rate and absent Commission action. because the shopping incentive for industrials represents 110% of the market support price in each year, the shopping incentive in each subsequent year will be 110% of an increasingly larger number, thus increasing itself.

5. The Market Support Generation pricing reflected in Attachment 2 to the Stipulation shall be deemed to include losses to the retail customer's meter. Further, the operating companies of FirstEnergy agree to treat on a first in basis, including FirstEnergy non-Market Support Generation, an additional 1.120 MW as being measured at the distribution meter during the months of September through May. All appropriate losses shall apply to such non-Market Support Generation during the months of June, July and August. This additional non-Market Support Generation will be allocated as follows: 560 MW for Ohio Edison, 400 MW for CEI and 160 MW for TE of non-Market Support Generation for delivery to identified retail customers of the respective operating company; 300 MW of such total amount shall be reserved for residential retail customers and allocated to each operating company in the same proportion as the MSG for residential customers.

6. Until such time as the Alliance RTO or its successor organization becomes operational, FirstEnergy and/or its affiliates shall provide transmission service for the delivery of all power, including transmission of default service power and transmission of power for both affiliated and non-affiliated energy service providers, only under the same rates, terms and conditions of their transmission tariff. FirstEnergy and/or its affiliates will comply with the OASIS and Standards of Conduct requirements promulgated by the Federal Energy Regulatory Commission ("FERC") for delivery of all power. The FirstEnergy operating companies will provide distribution service for the delivery of power to default service customers, or customers of any affiliated or non-affiliated supplier, on a fair and nondiscriminatory basis. As to distribution service and upon PUCO approval, any discounts in distribution service shall be available on a fair and nondiscriminatory basis to similarly situated customers and regardless of their generation supplier.

7. The Ohio operating companies of FirstEnergy, subject to approval of the FERC which approval shall be sought expeditiously and in good faith by such operating companies upon approval of the Stipulation by the PUCO as contemplated in the Stipulation, will alter their Transition Plans to include Supplemental Attachment 1 and to amend Section 29.2 — Application Procedures. last bullet point of subpart (v), which appears on Original Sheet No. 69 of the FirstEnergy Open Access Transmission Tariff to read as follows:

> Description of purchased power designated as Network Resource including source Control Area location, transmission arrangements and delivery point(s) to the Transmission Provider's Transmission System, additionally specifying the owner of the power supply in the event the source Control Area is the Transmission Provider;

8. Under Section IV (3) of the Stipulation, the "Fresh Look" provision does not prohibit or penalize the use of distributed generation to supplant a portion of a customer s usage.

9. The Ohio operating companies of FirstEnergy agree not assess the $5.00 switching fee the first time a retail customer makes a voluntary choice to switch to an alternate generation supplier; such voluntary choice shall not include "opt-out" governmental aggregation.

10. The Ohio operating companies of FirstEnergy agree to modify their respective Transition Plans to increase the 100 kW threshold for the installation of an interval meter to 400 kW for customers who shop in 2001 and 2002, 300 kW in 2003 and 200 kW thereafter.

11. The Ohio operating companies of FirstEnergy agree that the provision contained in Section V (3) of the Stipulation that would permit the PUCO to increase the incentive for any class if 20% switching had not occurred "as of the end of the calendar year 2003" shall be changed to read, "by January 1, 2003."

12. The Technical Task Force described in the last paragraph of Section VII of the Stipulation and Recommendation shall maintain an open dialogue regarding the status of the retail generation market and give consideration to any problems associated with, the causes thereof and possible solutions thereto, any disfunctionality in the competitive retail market.

13. The Ohio operating companies of FirstEnergy will add another 5% to the shopping credit incentive applicable to both the commercial and the industrial class as shown on Attachment 3 to the Stipulation so that the Initial Credit Incentive shall be 30% for the commercial class and 15% for the industrial class. Supplemental Attachment 3 hereto shows the amendment to Attachment 3 to the Stipulation.

14. Non-opposing Signatory and Signatory parties hereto agree to withdraw any testimony including the testimony of any employee of such party whether or not such employee offers testimony on behalf a larger group.

15. The Ohio operating companies of FirstEnergy will provide a list of all contract customers receiving notification pursuant to Section IV (3) of the Stipulation, including address and date of contract expiration, to any certified supplier. The operating companies will also make available upon request any such contract that is a public record to any certified supplier.

16. The signatory and non-opposing signatory parties state that by not contesting the application, such parties are not agreeing to the FirstEnergy's interpretation of the PUCO's Code of Conduct and corporate separation rules. Further, that by adopting FirstEnergy's Transition Plans, FirstEnergy's interpretation of the rules shall not have any precedential effect except with respect to such matters as are included in the FirstEnergy operating companies' Transition Plans as filed or supplemented.

The terms, conditions and understandings contained herein are all contingent upon the PUCO accepting the Stipulation dated April 13, 2000 in its entirety and without alteration, consistent with Section XII of the Stipulation.

FirstEnergy Corp.

NewEnergy Midwest, LLC

Columbia Energy Services Corporation

Columbia Energy Power Marketing Corporation

WPS Energy Services, Inc.

NON OPPOSING STIPULATING PARTIES:

Mid-Atlantic Power Supply Association

National Energy Marketers Association

Strategic Energy LLC

Unicom Energy, Inc.

Enron Energy Services, Inc.

Exelon Energy

This proposal is subject to the approval of the Federal Energy Regulatory Commission.

Energy Imbalance

I. In each clock hour, the Company will compare the amount of power scheduled by all TSAs purchasing OATT Retail Energy Imbalance Ancillary Service from the Transmission Provider to the amount of power consumed by the Customers of those TSAs, plus the hourly Unaccounted For Energy Allocation Adjustment[1] as defined in Section IX, and real power losses (unless not required by the Stipulation and Recommendation), to determine if the net imbalance is under-scheduled or over-scheduled.

II. **Net Imbalance is Within NERC Performance Control Criteria**

If the net imbalance of all TSAs purchasing Retail Energy Imbalance Service for any given hour is less than or equal to the NERC L Sub-10 Performance Control Criteria amount, which presently is 88 megawatts for FirstEnergy, then the following provisions apply:

A. Regardless of a net under-scheduled or over-scheduled situation, a TSA that is under-scheduled during that hour will be assessed 100% of the Transmission Provider's Incremental Cost during that hour times the number of megawatts it was under-scheduled.

B. In a net under-scheduled situation, TSAs that are over-scheduled will be paid 100% of the Transmission Provider's Incremental Cost during that hour times the number of megawatts it was over-scheduled.

C. In a net over-scheduled situation, TSA's that are over-scheduled will be paid their pro rata share of the sum of the following: 1) 100% of Transmission Provider's Incremental Cost times the megawatts that were under-scheduled by TSAs during the hour, and 2) 100% of avoided decremental generation cost rate that the Company avoided to balance the system in that hour times the number of megawatts it was over-scheduled during the hour.

D. However, in instances where such over-scheduling causes an Increase In The Transmission Provider's Hourly Cost, all TSAs that

[1] TSAs will continue to be assessed Unaccounted For Energy charges under the Load Following provision contained in Section 2(a) of the Supplemental Settlement Materials.

were over-scheduled shall pay 100% of Increased Transmission Provider's Cost, on a pro rata basis.

III. Net Imbalance Amount Outside of NERC Performance Control Criteria

A. The net retail imbalance in excess of 88 MW will be charged an adder or applied a discount of 10% of the applicable amount set forth in Section II. This charge will be allocated among those TSAs who are out of balance in the direction of the net and whose imbalance exceeds their individual deviation bandwidth as described in Section III(B) below. The allocation will be based on the ratio-share of the amount by which these individual TSAs retail imbalance exceeds their individual bandwidths. The ratio-share is the amount by which the individual TSA retail imbalance exceed their individual bandwidth over the total amount by which those responsible for the charge (10% adder/discount) under this paragraph exceeded their individual bandwidths.

B. The bandwidth to be utilized for purposes of determining which TSAs will be responsible for the charges arising from Section III(A), above, is as follows:

a) the greater of 15% of a TSAs hourly schedule or one megawatt for January 1 through June 30, 2001,
b) the greater of 5% of a TSAs hourly schedule or one megawatt for July 1 through December 31, 2001, and
c) the greater of 2% of a TSAs hourly schedule or 1 megawatt thereafter

IV. Additional Payments if Imbalance Exceeds Described Parameters

A. In addition to the foregoing provisions, those TSAs whose retail imbalances exceed 25% of their own individual schedules shall be charged an adder or applied a discount of 25% of the applicable amount set forth in Section II. Adjustments shall be made to avoid double counting of adders and discounts applicable to those TSAs that are otherwise subject to the adder or discount provided in Section III of this Schedule.

B. These imbalance costs will be phased-in as follows:

- From January 1, 2001 through March 31, 2001 – no adder will apply under this Section IV.

- From April 1, 2001 through June 30, 2001 – 25 % adder/discount will apply to those TSAs whose retail imbalances exceed 25% of their schedules in 20% or more of the hours of the month. If the 20% of the hours are exceeded, the adder/discount shall apply to all hours in which the imbalance exceeded 25%.

- Starting July 1, 2001 – 25 % adder/discount will apply to those TSAs whose retail imbalances exceed 25% of their schedules in 10% or more of the hours of the month. If the 10% of the hours are exceeded, the adder/discount shall apply to all hours in which the imbalance exceeded 25%.

V. Retail Imbalances beyond TSAs control

Retail imbalances will be assumed to be within the bandwidth (i.e, no adders/discounts) when the imbalances are due to: 1) Transmission Provider interruptions, curtailments, and restorations, if the OATT-required notice was not provided or 2) TSAs' customer force majeure events in the FE System Control Area that are material to the TSAs schedule and that the TSA could not reasonably be aware in sufficient time to adjust its schedule.

VI. Transmission Provider's Incremental Cost (definition)

Transmission Provider's Incremental Cost shall mean out-of-pocket costs, measured in dollars per megawatt-hour, associated with producing the highest cost MWh of energy on the Transmission Provider's system in a given hour, whether that energy is produced by generation owned or under contract to the Transmission Provider, purchased from a third party, sold to a third party, or otherwise.

VII. Increase In The Transmission Provider's Hourly Costs (definition)

Increased Transmission Provider's Costs shall mean, those instances during minimum load conditions, where the over-delivery of imbalance energy causes the Transmission Provider to perform operations, such as, but not limited to the cycling of a unit, which causes an increase in the Transmission Provider's cost, inclusive of the over-delivered energy.

VIII. Use of Energy Imbalance Service

Energy Imbalance Service is intended to be used by TSAs when a good faith attempt to schedule power to meet the requirements of the TSA's

customers results in a difference between scheduled power and Customer load in any given hour. In no event is Energy Imbalance Service intended to provide TSAs with an alternative power supply option to meet the load of retail customers in the Company's control area. Any TSA found to be misusing Energy Imbalance Service (i.e., underscheduling or overscheduling power on a consistent basis) will be subject to the default provisions set forth in this tariff and may result in Commission revocation of the supplier's certification to provide competitive retail generation service in the State of Ohio.

IX. Unaccounted for Energy Allocation Adjustment

The unaccounted for energy allocation adjustment will be determined by comparing the aggregate load of the TSAs and the Companies to the FE System Control Area load for the Ohio jurisdiction for each respective hour. This difference will then be allocated to individual TSAs based on a ratio of each individual TSAs load to the total load of the TSAs and the Companies, on an hourly basis.

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Market Support Generation (MSG) Allocation

Historical

Months	Historical Quarterly Consumption: Days	Peak Demand	Usage	Load Factor
June/July/August	90	100	151,200	70.0%
September/October/November	90	75	113,400	70.0%
December/January/February	90	50	75,600	70.0%
March/April/May	90	75	113,400	70.0%
Total	360	100 max	453,600	52.5% annual

Assume the customer's monthly load factor is 70% in every month. Annual load factor equates to 52.5% due to maximum monthly demand being twice as high as minimum monthly demand.

Elections/Maximums

Customer Elections

Months	Elected Quantities: Days	Peak Demand	Minimum Usage	Maximum Usage
June/July/August	90	60	90,720	129,600
September/October/November	90	20	30,240	43,200
December/January/February	90	20	30,240	43,200
March/April/May	90	40	60,480	86,400
Total	360	60 max	211,680	302,400

Assume customer elects monthly MSG capacity which results in max/min monthly and annual usage levels.

Maximum monthly MSG elected counts toward available system capacity.

Imputed Minimum

Imputed Minimum Usage

60 June/July/August elected MSG capacity
60.0% Similar % To Historical Imputed For All Months
70.0% Minimum Monthly Load Factor

Months	Imputed: Days	MSG	Minimum Load Factor	Minimum Usage
June/July/August	90	60	70%	90,720
September/October/November	90	45	70%	68,040
December/January/February	90	30	70%	45,360
March/April/May	90	45	70%	68,040
Total	360	60 max	52.5% annual	[redacted]

Assume customer has elected MSG under the capacity factor method. Customer has elected summer MSG at 60, or 60% of historical maximum summer demand. On an imputed calendar basis, customer must schedule sufficient power and energy to achieve a 70% monthly load factor in relation to imputed MSG capacity. On a calendar basis, must schedule 272,160.

Actual Usage

Months	Minimum Required: Elected	Imputed	Higher Of	Actual	Elected Maximum	Between Max and Min Compliance
June/July/August	90,720			110,000	129,600	Yes
September/October/November	30,240			37,500	43,200	Yes
December/January/February	30,240			40,000	43,200	Yes
March/April/May	60,480			85,000	86,400	Yes
	211,680	272,160	272,160	272,500	302,400	Yes

Attachment 3

Market Support
Shopping Credits with Incentives

	2001	2002	2003	2004	2005
Ohio Edison					
Residential	45.23	47.82	48.17	51.71	54.65
Commercial	40.08	44.40	45.85	50.72	55.79
Industrial	30.16	33.28	34.98	39.05	43.04
CEI					
Residential	45.88	48.52	48.87	52.46	55.45
Commercial	40.08	44.40	45.85	50.72	55.79
Industrial	30.16	33.28	34.98	39.05	43.04
Toledo Edison					
Residential	43.54	46.04	46.37	49.78	52.61
Commercial	40.08	44.40	45.85	50.72	55.79
Industrial	30.16	33.28	34.98	39.05	43.04
Shopping Credit Incentive %					
Residential	45%	45%	45%	45%	45%
Commercial	30%	35%	40%	45%	50%
Industrial	15%	20%	25%	30%	35%

Prices are based on the unconstrained shopping credits proposed by FE in its Filing plus an incentive % above such levels. The amount of shopping credit can not be so great as to reduce the transmission, distribution, ancillary service, tax, universal service, reactive power, or EEF rider charges, and will only increase to the extent shopping levels in any given class, by Company, have not exceeded 20%.

Supplemental Attachment 4

FirstEnergy.

76 South Main Street
Akron, Ohio 44308

Leila L. Vespoli
Vice President and General Counsel

330-384-5800
Fax: 330-384-3875

May 5, 2000

Dear Marketers:

You have raised concerns regarding FirstEnergy's Corporate Separation Plan. This letter is intended to address those concerns.

FirstEnergy has requested such waivers of the Commission's Corporate Separation Rules as are necessary for the implementation of the FirstEnergy Transition Plan, as filed and as amended by the Stipulation. In addition, I would note that FirstEnergy has sought a waiver of OAC § 4901:1-20-16 (G)(3) as set out in Mr. Navin's testimony. It is not possible to further delineate all the specific waivers that might be required, however, while what follows is not intended to be an extensive list, it is our attempt to address what we perceive to be some of the concerns raised by various marketers.

- Sharing of Confidential Information
  The FirstEnergy Ohio utility companies will not share confidential customer information, except at the direction of the customer, with non-regulated entities, whether or not affiliated.

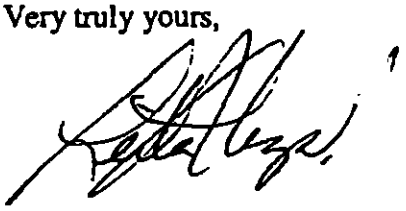
- Sales Calls
  Employees of the FirstEnergy Ohio utility companies will not make sales calls on behalf of FirstEnergy's unregulated affiliates, or visa versa.

- Billing Information
  Billing support employees will not share customer confidential information with employees of FirstEnergy non-regulated affiliates except at the direction of the customer.

- Job Descriptions
  The FirstEnergy Cost Allocation Manual will include job descriptions of employees transferring among affiliates as required by the Commission's Rules.

I hope this will be helpful in alleviating your concerns. As we have explained, it is not possible for us to identify now all of the situations in which you may have questions about a specific activity. We remain willing to address any specific concern you identify and present to us.

Very truly yours,



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P. U. C. O. NO. S-1

CLEVELAND ELECTRIC ILLUMINATING COMPANY
CLEVELAND, OHIO

Electric Generation Supplier Coordination Tariff

Issued by
H. P. BURG
President
Akron, Ohio

Issued: January 1, 2001 **Effective: January 1, 2001**

Filed under authority of Order No. 00-813-EL-EDI and Order No. 99-1212-EL-ETP issued by The Public Utilities Commission of Ohio

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DEFINITION OF TERMS AND EXPLANATION OF ABBREVIATIONS

Ancillary Services – any function necessary to the provision of electric transmission or distribution service to a retail customer and includes, but is not limited to, scheduling, system control, and dispatch services; reactive supply and voltage control service from generation resources; reactive supply from transmission resources service; regulation service; frequency response service; energy imbalance service; operating reserve-spinning reserve service; operating reserve-supplemental reserve service; load following; back-up supply service; dynamic scheduling; system black start capability; and network stability service

Bad Credit – a Certified Supplier has Bad Credit if it is insolvent (as evidenced by a credit report prepared by a reputable credit bureau or credit reporting agency or public financial data showing liabilities exceeding assets or generally being unable to pay debts as they become due) or has failed to pay Company invoices when they become due on one or more occasions within the last thirty-six billing cycles.

Billing Cycle – the time frame between two regularly scheduled meter readings. Customer meter readings are obtained on a regular schedule, which is managed by the Company.

Certified Supplier - is an Electric Generation Supplier that has received final certification from the Commission pursuant to Ohio Revised Code Section ("R.C.") 4928.08 to provide Competitive Retail Electric Service and has received written notification of registration pursuant to Section V (E) herein.

Charge - any fee or charge that is billable by the Company to a Certified Supplier under this Tariff, including any Coordination Services Charge.

Commission or The Commission - the Public Utilities Commission of Ohio.

Company – Cleveland Electric Illuminating Company or FirstEnergy. All references to FirstEnergy in this Tariff are for purposes of the FERC tariffs referenced herein where FirstEnergy is acting on behalf of Ohio Edison, Toledo Edison, and Cleveland Electric Illuminating Company. Following approval and implementation of the Company's corporation separation plan, as part of its transition plan, all actions or obligations of FirstEnergy under this Tariff, if any, will be performed by the regulated utility business unit of FirstEnergy. American Transmission System Incorporated may be the Company for purposes of certain functions related to energy imbalance and other transmission related functions.

Competitive Retail Electric Service - retail electric generation, aggregation, power marketing, and power brokerage services supplied to Customers of the Company.

Consolidated Billing – a billing service where the Company bills for both the Regulated Utility Charges as well as the Certified Supplier's Charges, unless otherwise provided in the Company's tariff.

Control Area - has the meaning given in Section 1.6 of the FE OATT.

Coordinated Certified Supplier – a Certified Supplier who has appointed a Scheduling Coordinator as its designated agent for certain Coordination Services.

Coordination Activities - all activities related to the provision of Coordination Services.

Coordination Agreement – an agreement between the Company and an EGS or Certified Supplier that arranges for the provision of Coordination Services pursuant to this Tariff.

Coordination Obligations - all obligations identified in this Tariff relating to the provision of Coordination Services.

Coordination Services - those services that permit the interface and coordination between Certified Supplier and the Company in connection with the delivery of Competitive Retail Electric Service to serve Customers located within the Company's service territory including, but not limited to, Ancillary Services (offered under the FE OATT), transmission losses, and distribution losses.

Coordination Services Charges - all charges stated in the Charges section of this Tariff, the FE OATT and the FE Market-Based Rate Tariff that are billed by the Company (on behalf of itself or any FirstEnergy affiliate or subsidiary) for Coordination Services performed hereunder.

Creditworthiness – For the purpose of determining the ability of the Certified Supplier to meet its obligations related to service hereunder, the Company may require reasonable credit review procedures. This review shall be made in accordance with standard commercial practices. In addition, the Company may require the Certified Supplier to provide and maintain in effect during the term of the Coordination Agreement an unconditional and irrevocable letter of credit as security to meet its responsibilities and obligations under the Supplier Tariff, or an alternative form of security proposed by the Certified Supplier and acceptable to the Company and consistent with commercial practices established by the Uniform Commercial Code that protects the Company against the risk of non-payment and default of the Certified Suppliers.

Customer - any person, partnership, association, or corporation receiving Competitive Retail Electric Service from a Certified Supplier in accordance with the Restructuring Act.

DASR (Direct Access Service Request) – an electronic form of communication that shall be exchanged between the Company and a Certified Supplier.

Electric Generation Supplier ("EGS") - all of the entities set forth in R.C. 4928.08(A) and (B) that have not received either certification by the Commission or written notification of registration pursuant to Section V (E) herein.

FERC - the Federal Energy Regulatory Commission.

FirstEnergy ("FE") – the parent company of Cleveland Electric Illuminating Company (and Ohio Edison's wholly owned subsidiary, Pennsylvania Power Company), The Cleveland Electric Illuminating Company, and The Toledo Edison Company.

FirstEnergy ("FE") Market-Based Rate Tariff – the FE Market-Based Rate Tariff (or its successor) on file with the FERC and which sets forth the rates, terms and conditions of the sale of power by FirstEnergy and its subsidiary utility companies including any service agreement executed there under.

FirstEnergy Open Access Transmission Tariff ("FE OATT") - the FirstEnergy Open Access Transmission Tariff (or its successor which may be through a successor organization) on file with the FERC and which sets forth the rates, terms and conditions of transmission service over transmission facilities located in the FirstEnergy System Control Area.

FirstEnergy System Control Center ("FE-SCC") - the control center for the FE System Control Area or its successor.

FirstEnergy ("FE") System Control Area - that certain Control Area recognized by the North American Electric Reliability Council as the "FirstEnergy System Control Area."

Interest Index - an annual interest rate determined by the average of 1-Year Treasury Bills for September, October and November of the previous year.

Interval Meter – an electricity meter which records an End-use Customer's electric usage for defined intervals (e.g., 15 minutes, half-hour, hour, etc.), allowing the possibility for consumption during different time periods to be billed at different rates and providing a means for a Customer's load pattern to be analyzed.

Meter Read Date - the date on which the Company schedules a meter to be read for purposes of producing a customer bill in accordance with the regularly scheduled billing cycles of the Company as the same may be modified from time to time.

Network Integration Transmission Service – transmission service provided under Section III of the FE OATT.

Open Access Same-Time Information System ("OASIS") – has the same meaning as set forth in the FE OATT.

Restructuring Act - Am. Sub. Senate Bill No. 3.

Regulated Utility Charges - *utility charges for noncompetitive retail electric services including,* but not limited to, tariffed transmission and distribution and generation services that are under the jurisdiction of the Commission. May also include utility charges for noncompetitive gas services.

Schedule – a schedule for the delivery of energy for the benefit of retail customers, prepared by the Certified Supplier or its designated Scheduling Coordinator and submitted to the FE-SCC in the format prescribed by FirstEnergy.

Scheduling Coordinator – an entity that performs one or more of a Certified Supplier's Coordination Obligations.

Service Agreement – the initial agreement and any amendments or supplements thereto entered into by the Certified Supplier and the Company for service under the FE OATT and the FE Market-Based Rate Tariff.

Standard Offer Supply – the provision of energy and capacity by the Company to customers that (1) choose not to obtain Competitive Retail Electric Services from a Certified Supplier other than the Company, (2) return to the Company after having obtained Competitive Retail Electric Services, or (3) contract for Competitive Retail Electric Services from a Certified Supplier that breaches its obligation to deliver such energy or capacity.

Standard Rules and Regulations - The Company's Standard Rules and Regulations in effect as approved by the Public Utilities Commission of Ohio.

Value Added Network ("VAN") – a data transfer network that allows information to be sent and received electronically using an electronic mailbox. This method must meet the following minimum criteria:

- Security and/or encryption of transactions and customer information.
- Proof of transmission and receipt.
- Positive identity of sender and recipient (non-repudiation).
- Reliability.
- Data and file integrity.
- Network performance and availability.
- Recoverability and archiving of data.

RULES AND REGULATIONS

I. THE CERTIFIED SUPPLIER TARIFF

A. Filing And Posting

A copy of this Tariff, which comprises the Charges, Rules and Regulations and Coordination Agreement under which the Company will provide Coordination Services to Certified Suppliers, is on file with the Commission and is posted and open to inspection at the offices of the Company during regular business hours.

B. Revisions

Subject to Section II (B), this Tariff may be revised, amended, supplemented or otherwise changed from time to time in accordance with law, and such changes, when effective, shall have the same force as the present Tariff.

C. Application

The Tariff provisions apply to all Certified Suppliers providing Competitive Retail Electric Services to Customers located in the Company's service territory, including an affiliate or division of the Company that provides Competitive Retail Electric Services, and with whom the Company has executed a Coordination Agreement as required herein. An EGS which has failed to receive certification as a Certified Supplier by the Public Utilities Commission is not lawfully permitted to supply customers with Competitive Retail Electric Service. The Charges herein shall apply as well to anyone receiving service unlawfully or to any unauthorized or fraudulent receipt of Coordination Services in addition to any other remedies available

D. Rules and Regulations

The Rules and Regulations, filed as part of this Tariff, are a part of every Coordination Agreement entered into by the Company pursuant to this Tariff and govern all Coordination Activities. The obligations imposed on Certified Suppliers in the Rules and Regulations apply as well to anyone receiving service unlawfully or to any unauthorized or fraudulent receipt of Coordination Services in addition to any other remedies available to the Company.

E. Statement By Agents

No Company representative has authority to modify a Tariff rule or provision, or to bind the Company by any promise or representation contrary thereto or inconsistent therewith.

II. SCOPE AND PURPOSE OF TARIFF

A. Scope and Purpose of Tariff

This Tariff sets forth the basic requirements for interactions and coordination between the Company and Certified Suppliers necessary for ensuring the delivery of Competitive Retail Electric Service from Certified Suppliers to their Customers commencing on and after January 1, 2001. A Customer served by a Certified Supplier pursuant to this tariff shall remain a distribution Customer of the Company.

B. FERC Jurisdiction

The inclusion of FERC-jurisdictional matters within the scope of the Tariff is intended solely for informational purposes and is not intended to accord any jurisdictional authority over such matters to the Public Utilities Commission of Ohio. Furthermore, to the extent that anything stated herein is found by FERC to conflict with or to be inconsistent with any provision of the Federal Power Act ("FPA"), or any rule, regulation, order or determination of FERC under FPA, then such FERC rule, regulation, order or determination of FERC shall control. To the extent required under any provision of the FPA, or any rule, regulation, order or determination of FERC under the FPA, the Company shall endeavor to secure, from time to time, all necessary orders, approvals, and determinations from FERC necessary to implement this Tariff.

III. RELATIONSHIPS AMONG CUSTOMER CHOICE PROGRAM PARTICIPANTS

A. Provision of Coordination Services

The Company shall provide all Coordination Services, as provided herein, necessary for the delivery of a Certified Supplier's Competitive Retail Electric Services to serve retail load located within the Company's certified service territory.

B. Timeliness and Due Diligence

The Company and Certified Suppliers shall exercise due diligence in meeting their obligations and deadlines under this Tariff so as to facilitate supply of Competitive Retail Electric Service to customers.

C. Duty of Cooperation

The Company and Certified Supplier will cooperate in order to ensure delivery of Competitive Retail Electric Service to Customers as provided for by this Tariff, the Standard Rules and Regulations, the FE OATT, the FE Market-Based Rate Tariff.

D. State Certification

Certified Supplier must have and maintain in good standing a certificate from the Commission as a Certified Supplier. The Certified Supplier shall notify the Company within three (3) business days of any amendment, revocation, termination or other change in its Certification.

E. Energy Procurement

A Certified Supplier must make all necessary arrangements for supply and delivery of capacity and energy in a quantity sufficient to serve its own Customers. In the event the Certified Supplier fails to supply sufficient capacity and energy to serve its customers, the Certified Supplier shall be responsible for payment for such capacity and energy as provided in Section XV of this Tariff (Imbalance Service) and all other applicable sections of this tariff.

IV. COMPANY AND CERTIFIED SUPPLIER OBLIGATIONS (GENERAL TERMS)

A. Multiple Certified Suppliers

Only one Certified Supplier shall provide Competitive Retail Electric Service to a specific Customer's Account during any given Billing Cycle, unless otherwise provided by the Company's tariff.

B. Partial Competitive Retail Electric Service

A Customer's Account is not permitted to have partial Competitive Retail Electric Service. The Certified Supplier shall be responsible for providing the total energy consumed by the Customer's Account during any given Billing Cycle, unless otherwise provided by the Company's tariff.

C. Consolidated Scheduling

Schedules may be combined if submitted to a single dispatch center using a single class of transmission service (e.g. network service) and the transmission service, for all loads scheduled, provides for the same method of calculating energy imbalance settlements. Such consolidated scheduling shall, for example, permit the combined scheduling of retail loads across the FirstEnergy Companies in Ohio that use a single dispatch center and for combined scheduling for retail and wholesale loads under the above stated circumstances.

Combining retail and wholesale schedules is permitted only if the same method of calculating energy imbalance settlements is used for both. It is anticipated there will be different methods when competition begins, and combining schedules will not be permitted. However, there may eventually be a single method when scheduling is done by a regional transmission (RTO), and then combining schedules would be permitted, if otherwise permitted by the RTO.

D. FE-SCC Services and Obligations

1. A Certified Supplier is responsible for procuring, taking and paying for those services provided by the FE-SCC that are necessary for the delivery of Competitive Retail Electric Services to its Customers pursuant to the Service Agreement for Network Integration Transmission Service under the FE OATT and this Tariff.

2. Ancillary services will be provided by the Company to customers at the rates included in the applicable Company retail tariff. A Certified Supplier may acquire Regulation and Frequency Response, Operating Reserve – Spinning, and Operating Reserves – Supplemental from another source if it demonstrates to the Company that it meets all North America Electric Reliability Council ("NERC") and regional requirements, and will be subject to all associated sanctions for failure to provide Ancillary Services as specified in the FE OATT. Ancillary Services provided by a Certified Supplier must be provided for all of the Customers it supplies and must be provided as long as the Certified Supplier is supplying its Customers. The Certified Supplier may not supply such services one month and then decline to supply them the next month. Failure to supply Ancillary Services will result in a suspension of the Certified Supplier's registration until resumption of such services by the Certified Supplier occurs.

3. The Certified Supplier is responsible for providing all real power losses that are necessary for the delivery of Competitive Retail Services to its Customers. The amount of losses to be provided by the Certified Supplier are as specified in the FE OATT and the Service Agreement for Network Integration Transmission. If mutually agreed, the Certified Supplier may acquire real power losses from the Company at the rate specified in the FE OATT.

E. Energy Scheduling

A Certified Supplier must make all necessary arrangements for scheduling the delivery of energy with FE-SCC.

F. Reliability Requirements

A Certified Supplier shall satisfy the reliability requirements of the Commission, or any other governmental agency or NERC or regional reliability council or their successor which apply to service provided under this Tariff.

G. Supply of Data

Upon reasonable request a Certified Supplier and the Company shall supply to the other all data, materials or other information specified in this Tariff, or otherwise reasonably required by the Certified Supplier or Company in connection with the provision of Coordination Services, in a timely manner.

H. Communication Requirements - A Certified Supplier shall implement:

1. A VAN and a single EDI file transfer protocol, as determined by the Company. Both data transfer methods must meet the minimum criteria of, and be endorsed by, the Company.

2. **Internet Access.** A Certified Supplier shall have appropriate software for access to the Company's secure internet site for file viewing and downloads

3. **Electronic Mail.** A Certified Supplier shall have electronic mail ("e-mail") capable of transferring energy schedules to FE-SCC.

I. Payment Obligation

The Company's provision of Coordination Services to a Certified Supplier is contingent upon the Certified Supplier's payment of all charges provided for in this Tariff.

J. Record Retention

A Certified Supplier shall comply with all applicable laws and the Commission rules and regulations for record retention.

K. Emergency Operation

1. Transmission service shall be provided pursuant to the FE OATT. The Certified Supplier shall accept the FE-SCC determination that an emergency exists and will comply with all FE-SCC directives issued pursuant to the FE OATT

2. The Certified Supplier shall require its Customer to shed load to rectify any imbalance it has created in failing to meet its Schedule in the event that the FE-SCC is unable to secure energy/capacity. The Company shall use reasonable commercial efforts to supply the load of the Certified Supplier's customers, including the imbalance load if any. However, the Certified Supplier shall curtail its schedule to rectify any imbalance between its actual load and its lesser schedule in the event that the FE-SCC is unable to secure energy and or capacity to supply that difference in load.

3. **Emergency shutoff.** The Company has the right to curtail a Certified Supplier's schedule in order to maintain system integrity or to otherwise prevent the occurrence of a system emergency or to rectify the occurrence of a system emergency. The Company has the right to require redispatching of generation resources in accordance with the FE OATT, Section 33, Load Shedding and Curtailment to relieve an existing or potential system emergency

V. SUPPLIER REGISTRATION AND PARTICIPATION REQUIREMENTS

A. Registration Process

The Company shall approve or disapprove the EGS registration within thirty (30) calendar days of receipt of complete registration information from the supplier. The thirty (30) day time period may be extended for up to thirty (30) days for good cause shown, or until such other time as is mutually agreed to by the EGS and the Company.

The approval process shall include, but is not limited to: successful completion of the credit requirements and receipt of the required collateral if any by the Company, executed EDI Trading Partner Agreement and Certified Supplier Service Agreement, payment and receipt of any supplier registration fee and completion of EDI testing for applicable transaction sets necessary to commence service.

B. Registration for Coordination Services

An EGS seeking to obtain Coordination Services hereunder must deliver to the Company a completed registration, consisting of the following.

1. a Coordination Agreement fully executed in triplicate by a duly authorized representative of the EGS;

2. a) for all customers served at less than 69 kV and those above 69 kV who request Network Integration Transmission Service, a Service Agreement For Network Integration Transmission Service under the FE OATT fully executed in triplicate by a duly authorized representative of the EGS;

   b) for Certified Suppliers supplying service to transmission level retail customers, i.e., 69 kV and above, a Service Agreement for any applicable service related provision of the FE OATT fully executed in triplicate by a duly authorized representative of the EGS;

3. a Service Agreement under the FE Market-Based Rate Tariff, fully executed in triplicate by a duly authorized representative of the EGS;

4. the EGS's Ohio sales tax identification number;

5. a copy of the EGS's certification issued by the Commission to provide Competitive Retail Electric Services to the Company's retail customers;

6. a copy of the EGS's certification application submitted to the Commission to apply for its certificate;

7. a Credit History Form, available from the Company, fully completed in duplicate; and

8. for Customers that have elected the one-bill option, a copy of the Certified Supplier's rate schedule must be provided to the Company, which will seek to implement such rate schedule within two weeks, but in no event longer than 90 days of receipt. The Company reserves the right to limit the number of rates per Certified Supplier prior to the start date of competition.

9. the EGS must demonstrate to the Company's satisfaction that its Electronic Data Interchange ("EDI") is fully functional and capable of performing the necessary data transference functions required to supply the Company with data necessary to operate its business.

10. a Service Agreement for Electronic Data Interchange Trading Partner fully executed in triplicate by a duly authorized representative of the EGS.

C. Incomplete Registrations

In the event the EGS fails to provide all of the information specified in Section V (B), the Company shall provide written notice to the EGS of the registration's deficiencies within ten (10) calendar days after the Company's receipt of the registration. The Company will not process an incomplete registration until the EGS corrects the deficiencies and delivers a completed registration to the Company.

D. Grounds for Rejecting Registration

The Company may reject a registration for Coordination Services on any of the following grounds:

1. the EGS has undisputed outstanding debts to the Company arising from its previous receipt of Coordination Services from the Company.

2. the EGS has failed to comply with payment and billing requirements specified in Rule 12 of the Tariff;

3. the Company has provided written notice to the EGS that a registration is incomplete and the EGS has failed to submit a completed registration within thirty (30) business days of deficiency notification.

4. the EGS has been rejected by the Company as not being creditworthy.

5. the EGS has failed to comply with all applicable requirements of the FE-OATT and the FE Market-Based Rate Tariff for its registration to be accepted as complete.

6. the EGS has contracted to use the services of more than one Scheduling Coordinator for service to customers within the Company's certified service territory. Use of more than one Scheduling Coordinator is not permitted.

7. The EGS has failed to execute an EDI Trading Partner Agreement, and/or has not completed EDI testing for applicable transaction sets necessary for the commencement of service.

E. Approval of Registration

Upon its approval of a registration for Coordination Services, the Company shall execute the Coordination Agreement tendered by the registrant and shall provide one copy to the EGS and maintain a copy for its own records. The Company shall send written notification of approval of registration to the EGS and the Commission.

F. Identification Numbers

Upon its approval of a registration for Coordination Services, the Company will use the assigned EGS identification number in subsequent electronic information exchange between the EGS and the Company. In addition, the Company may also assign to the EGS identification numbers that may be required by FE-SCC in connection with the submission and/or confirmation of load schedules for serving load in the Company's service territory.

G. Commencement of Coordination Services

Coordination Services shall commence within thirty (30) business days after the Commission issues its certification following the Company's approval of an EGS's registration for Coordination Services, provided that all of the information necessary for the Company to provide Coordination Services has been provided to the Company. Following certification by the Commission and registration with the Company, the EGS is considered a Certified Supplier, subject to compliance with this Tariff and the Commission's continuing authority.

VI. CREDIT REQUIREMENTS

The Company will apply, on a non-discriminatory and consistent basis, reasonable financial standards to assess and examine an EGS's creditworthiness. These standards will take into consideration the scope of operations of each EGS and the level of risk to the Company. This determination will be aided by appropriate data concerning the EGS, including load data or reasonable estimates thereof, where applicable.

An EGS shall satisfy its creditworthiness requirement and receive an unsecured credit limit by demonstrating that it has, and maintains, investment grade long-term bond ratings from any two of the following four rating agencies:

AGENCY	SENIOR SECURITIES RATING (BONDS)
Standard & Poors	BBB- or higher
Moody's Investors' Services	Baa3 or higher
Fitch IBCA	BBB- or higher
Duff & Phelps Credit Rating Company	BBB- or higher

The EGS will provide the Company with its or its parent's most recent independently-audited financial statements, (if applicable) and, its or its parent's most recent Form 10-K and Form 10-Q (if applicable).

The Company shall make reasonable alternative credit arrangements with an EGS that is unable to meet the aforementioned criteria and with those EGSs whose credit requirements exceed their allowed unsecured credit limit. The EGS may choose from any of the following credit arrangements in a format acceptable to the Company: a guarantee of payment; an irrevocable Letter of Credit; a Prepayment Account established with the Company; a Surety Bond, including the Company as a beneficiary; or other mutually agreeable security or arrangement. The alternate credit arrangements may be provided by a party other than the Certified Supplier, including one or more ultimate customers. The fact that a guarantee of payment, irrevocable Letter of Credit, Prepayment Account, or Surety Bond is provided by a party other than the Certified Supplier shall not be a factor in the determination of the reasonableness of any alternative credit arrangement, as long as such party and the related credit arrangements meet the Company's standard credit requirements. The amount of the security required must be and remain commensurate with the financial risks placed on the Company by that EGS, including recognition of that EGS's performance.

The Company will make available on request its credit requirements. An EGS may appeal the Company's determination of credit requirements to the Commission or seek Staff mediation as to any dispute.

VII. *CUSTOMER ENROLLMENT PROCESS*

A. Pre-Enrollment Customer Information List

Upon request, the Company will electronically provide to any Certified Supplier the most recent Customer information list. The Certified Supplier will pay the Company $150.00 per list for providing the list to the Certified Supplier.

The Company will offer the Customer information list to Certified Suppliers beginning in October 2000 with updates available quarterly throughout the market development period. Once the list has been updated, a Certified Supplier may not use a Customer information list from a prior quarter to contact Customers, but Certified Suppliers shall not be required to purchase subsequent lists.

The Company will provide Customers the option to have all the Customer's information listed in the section below removed from the Customer information list. At the same time the Company will also provide Customers the option to have all Customer's information listed below reinstated on the Customer information list. The Customer will be notified of his or her options quarterly throughout the market development period.

The following information will be provided on the Customer information list for each Customer who has not requested that all information be removed from this list:

i) End-use Customer name
ii) Service Address
iii) Service City
iv) Service State and Zip Code
v) Mailing Address
vi) Mailing City
vii) Mailing State and Zip Code
viii) Rate Schedule under which service is rendered, including class and sub-class (if applicable)
ix) Rider (if applicable)
x) Load Profile Reference Category
xi) Meter Type (will provide information that is readily available)
xii) Interval Meter data indicator (will provide information that is readily available)
xiii) Budget Bill / PIPP indicator
xiv) Meter Read Cycle
xv) Most recent twelve (12) months of historical consumption data (actual energy usage plus demand, if available)

The Company will provide the Customer information list by either a compact disc or on a designated website. The information will be prepared and distributed in a uniform and useable format that allows for data sorting. Customers participating in the percentage of income payment plan (PIPP) program will be coordinated exclusively through the PIPP program administered by the Ohio Department of Development.

B. Certified Supplier Requests for Customer Information

Certified Suppliers may request historical Interval Meter data through a DASR after receiving the appropriate Customer authorization. The Interval Meter data will be transferred in a standardized electronic transaction. The Certified Supplier will be responsible for the costs incurred to prepare and send such data per the Schedule of Fees and Charges attached hereto.

C. Direct Access Service Requests (DASRs)

Enrollment of Customers is done through a DASR, which may be submitted only by a Certified Supplier.

DASRs will be effective on the next Meter Read Date provided that it is received by the Company at least twelve (12) calendar days before the next Meter Read Date, unless otherwise provided in the Company's tariff.

All DASRs will be submitted to the Company no more than thirty (30) calendar days prior to the scheduled Meter Read Date when the Certified Supplier desires the switch to occur, unless otherwise agreed upon by the parties. The Company will process all valid DASRs and send the Customer confirmation within two business days. Simultaneous with the sending of the notice to the Customer, the Company will electronically advise the Certified Supplier of acceptance. Notice of rejection of the DASR to the Certified Supplier shall be sent in one business day, if possible, but in no event later than four (4) calendar days, and include the reasons for the rejection. The Company shall provide a rescission period as provided by the Commission's rules. If the Customer rescinds, the Company shall send a drop notice to the Certified Supplier. In the event of Customer rescission, the previous Certified Supplier will continue to serve the Customer under the same terms and conditions.

Enrollments will be processed on a "first in" priority basis based on the received date, and using contract date as the tie-breaker. Any subsequent enrollment DASRs received within the same Billing Cycle will be rejected and returned to the Certified Supplier who submitted the DASR.

To participate in the Customer Choice Program, a Customer must have an active electric service account with the Company. After the electric service account is active, a Certified Supplier may submit a DASR as described herein.

D. Certified Supplier Selection

The Certified Supplier will obtain appropriate authorization from the Customer, or from the person authorized, per Commission requirements, to act on the Customer's behalf, indicating the Customer's choice of the Certified Supplier. The authorization must provide the customer's name, address, and account number. It is the Certified Supplier's responsibility to maintain records of the Customer's authorization in order to provide documented evidence of authorization to the Company and the Commission.

A Customer may have only one firm power Certified Supplier for any billing month for each customer account with the Company. For each customer account with the Company, a Customer may not split non-interruptible generation supply between two Certified Suppliers or between the Company's Standard Offer Supply and service by a Certified Supplier during a billing month. No Customer shall be provided with Competitive Retail Electric Services by more than one Certified Supplier during the same billing month for each customer account.

If a Customer contacts the Company to request initial service from a Certified Supplier or to request a change of Certified Supplier, the Company will inform the Customer that the Certified Supplier must be contacted directly with the request.

If a Customer contacts the Company to discontinue electric service at the Customer's then current location, and initiates a request for service at a new location in the Company's service territory, the Company will notify the current Certified Supplier of the Customer's discontinuance of service for the account at the Customer's old location.

If the Company elects to change the account number for a Customer receiving Competitive Retail Electric Service from a Certified Supplier, the Company will notify the Certified Supplier of the change in account number at the same Customer location.

E. Provisions relating to a Certified Supplier's Customers

1. Arrangements with Certified Supplier's Customers

Certified Suppliers shall be solely responsible for having appropriate contractual or other arrangements with their Customers necessary to implement Competitive Retail Electric Service consistent with all applicable laws, Commission requirements, and this Tariff. The Company shall not be responsible for monitoring, reviewing or enforcing such contracts or arrangements.

2. Transfer of Cost Obligations Between Certified Suppliers and Customers

Nothing in this Tariff is intended to prevent a Certified Supplier and a Customer from agreeing to reallocate between them any Charges that this Tariff imposes on the Certified Supplier, provided that any such agreement shall not change in any way the Certified Supplier's obligation to pay such Charges to the Company, and that any such agreement shall not confer upon the Company any right to seek recourse directly from the Certified Supplier's Customer for any charges owed to the Company by the Certified Supplier.

F. Customer Return to Standard Offer Supply

A Customer's return to Standard Service Offer may be a result of Customer choice, supplier default, termination of a supplier contract, opt out or termination of a governmental aggregation program, or supplier withdrawal. A Customer may contact the Company to return to the Company's Standard Offer Supply. The return to the Standard Offer Supply shall be conducted under the same terms and conditions applicable to an enrollment with a Certified Supplier. Thus, the Company will provide a rescission period consistent with the Commission rules. Provided the Customer has observed the applicable notification requirements and the Company has effectuated the request to return to the Standard Offer Supply twelve (12) calendar days prior to the next regularly scheduled Meter Read Date, the Customer will be returned to the Standard Offer Supply on the next regularly scheduled Meter Read Date.

Large Commercial and Industrial Customers Return to Standard Offer Rate

Return to Standard Offer Supply will be pursuant to the Company's Standard Rules and Regulations Section XIV Return to Standard Offer Supply.

Residential and Small Commercial Customers Return to Standard Offer Rate

Residential and Small Commercial Customers return to Standard Offer Supply will be pursuant to the Company's Standard Rules and Regulations Section XIV Return to Standard Offer Supply.

VIII. CUSTOMER INQUIRIES AND REQUESTS FOR INFORMATION

A. Customer Requests for Program Information and/or Usage Data

Upon request, Customers will be sent an information package containing a summary of the program and a current list of Certified Suppliers, which will be sent to the Customer's service or mailing address.

The list of Certified Suppliers will be provided to any Customer upon request, all new Customers, any Customer who is dropped for nonpayment by a Certified Supplier, an Customer who returns due to default by a Certified Supplier, and as otherwise required by Commission rules.

The list of Certified Suppliers will be posted on a designated website. The list of Certified Suppliers will contain suppliers currently registered to enroll Customers in the Company's service territory and, until March 1, 2001, EGSs that have a registration pending with the Company. The list of Certified Suppliers will also designate, if available, which customer classes Certified Suppliers will be serving.

IX. METERING SERVICES AND OBLIGATIONS

A. Meter Requirements

Interval Meters will be required for Customers who select a Certified Supplier and have a maximum annual peak demand greater than or equal to 400kW in 2001-2002, 300kW in 2003, and 200kW thereafter for the most recent twelve (12) month period and for all Customers whose expected load pattern does not match one of the Company's standard load profiles.

B. Interval Meter Charges and Installation Process

The Customer or Certified Supplier may request an Interval Meter for use at any account below the interval meter threshold. The Customer shall be responsible for the incremental costs of upgrading the present meter plus all incremental costs associated with the installation of required or requested interval metering.

The Customer or the Customer's Certified Supplier may select a meter from the Company's approved equipment list. The Customer or its Certified Supplier may communicate with the meter for the purpose of obtaining usage data, subject to the Company's communication protocol. Any changes in the Customer's meter necessary to accommodate a Certified Supplier's systems, price schedules, telemetry or other requirements must be compatible with and meet the Company's specifications for metering and any applicable regulations. Either the Customer or the Certified Supplier shall provide, at its sole cost and expense, the installation, operation and maintenance of the required compatible communication/telephone link(s) in order to transmit metered information from meters equipped for telemetry of metered data.

A Customer that is required to have interval metering must approve a work order for Interval meter installation before it can be served by a Certified Supplier. For Customers who are required to have an Interval Meter for the requested service, service may begin, assuming an approved work order, using a Company load profile for settlement; consumption meter reads would continue to be used for billing. This would be the approach during the period between when the Customer has requested an Interval Meter and the time that the Company is able to install such a meter. Customer shall provide adequate space for such Interval metering; should provide access for meter reading, meter testing, etc.

C. Billing Meters

Any meter used for billing, capacity and energy obligations and reconciliation determinations shall be installed, owned and maintained by the Company. All meters used for billing shall be maintained and tested in accordance with applicable Commission regulations.

D. Meter Testing

The Company will test designated Company-owned meters upon the written request of the Certified Supplier. If the accuracy of a Company-owned meter is found to be outside Commission requirements, the costs of such test shall be borne by the Company. If a Company-owned meter is tested and found to be within Commission accuracy requirements, the costs of such test shall be borne by the Certified Supplier. Any Company-owned meter found to be outside Commission accuracy requirements or otherwise defective shall be adjusted, repaired or replaced at the sole cost or expense of the Company, unless such deviation is determined to be the fault of the Customer or the Certified Supplier. Imbalance reconciliations under Section XV shall not be adjusted for any meter inaccuracies. If the Customer requests these meter tests then the rate charged is determined by the regulations.

E. Meter Reading

The Company shall read Customer meters on a monthly basis or as otherwise provided in its Standard Rules and Regulations or in Commission regulations. It is understood that it may not be possible in some circumstances to read a Customer's meter in a particular month. In such case, the Company shall estimate the meter reading in accordance with its standard procedures and Standard Rules and Regulations, and such estimate shall constitute the meter reading for the month.

F. Billing Cycles

Meters will be read and billed on a monthly basis on a predetermined meter reading schedule. The Company uses 21 billing cycles per revenue month. Each business day[1] one of the cycles will be read until all 21 cycles have been read and the month is considered complete for reporting and revenue purposes. Meter reading intervals will be performed on the Company's existing schedules and will cover approximately 30 days, but may vary between 27 to 35 days. The Company may change its meter reading schedules at its discretion. If a Certified Supplier requires or requests more consumption data than is normally provided by the monthly meter reading, the additional information will be obtained provided that appropriate metering is installed by the Company and that any incremental costs are paid by the Certified Supplier.

1 "Business days" for purposes of billing cycles shall include all days in a calendar year except: Saturdays and Sundays and Company observed holidays as specified in its Standard Rules and Regulations.

G. Meter Data Provided by the Company to a Certified Supplier

Regardless of whether the Company or a Certified Supplier performs Customer billing for a Certified Supplier's energy charges, the Company will make available to a Certified Supplier monthly files containing meter readings, total kWh usage, registered maximum demand (where applicable), and reading type information (i.e., actual or estimated), and any other relevant information mutually agreed upon by the Company and Certified Supplier, for each of the Certified Supplier's Customers, as it becomes available by billing route.

Summary Interval Meter Data. Interval meters are read on a monthly schedule, and raw hourly data is processed through the Company's metering subsystem, which in turn provides summary information to the Company's Customer billing system. This summary information consists of total kWh usage over the billing cycle, and maximum on-peak and off-peak demands over the billing cycle. This summary information will be provided to a Certified Supplier on a monthly basis for that Certified Supplier's Customers equipped with interval metering equipment. Should an interval metered Customer, or that Customer's Certified Supplier, request hardcopy or electronic file formats of non-summary information (detailed hourly or sub-hourly metering information), the Company will provide such information, to the extent that it is available, by account, with the Certified Supplier being responsible for the Company's cost of providing such information per the Schedule of Fees and Charges.

H. Interval Meter Interrogation

If a Certified Supplier wants to interrogate a Interval Meter directly, via a read-only software product, this request must be in writing to the Company and a one time fee of $65.00 will be charged in order to password protect the billing parameters of the Interval Meter.

X. BILLING SERVICES AND OBLIGATIONS

A. Customer Billing by the Company

All Certified Supplier charges to Customers, if billed by the Company, shall be billed in accordance with the Standard Rules and Regulations and individual service tariffs and the following provisions:

B. Company Billing for Certified Supplier

Nothing in this Rule shall require the Company to manually bill more Customers within a rate class than it bills manually for its distribution service Customers. Within this context, if the Company's billing system has the capability to bill the price plans offered by the Certified Supplier, the Certified Supplier may request the Company to do all or some of the billing for the Certified Supplier's Customers based on the Customers' preferences. Pricing must be compatible with existing metering.

In those situations where the Company's billing system is unable to calculate the Certified Supplier charges under the pricing format being used by the Certified Supplier, the Company will provide the Certified Supplier with sufficient meter data on a timely basis so that the Certified Supplier can bill the Customer directly under the two-bill method. The Company billing for Certified Suppliers will be done through a rate ready method only. Under the rate ready method, the Company bills the Customer under a rate schedule provided by the Certified Supplier.

C. Billing Files

Where the Certified Supplier has requested the Company to act as the Certified Supplier's billing agent, the Company shall electronically transmit files of billing detail daily to the Certified Supplier. Such files shall include the Customer account number, rate codes, usage information, demand and energy charges, sales tax, and other Certified Supplier charges.

XI. CUSTOMER PAYMENT PROCESSING AND COLLECTIONS FOR CONSOLIDATED BILLING

A. Company Reimbursement to Certified Supplier for Customer Payments

Where the Company acts as the billing agent for the Certified Supplier, the Company shall reimburse the Certified Supplier for all energy charges, late fees, sales taxes, and other charges collected on behalf of the Certified Supplier at least every two weeks. The Certified Supplier assumes all risks of non-payment by a Customer and the Company is obligated to remit to the Certified Supplier only the difference between (a) amounts received from Customers taking service from the Certified Supplier and (b) any amounts owed to the Company by or with respect to such Customer, consistent with the application of payment procedures set forth in Section XI (B) below.

B. Application of Payment

The Company will conduct all remittance processing of current customer charges. In the event that a Customer remits a partial payment of a bill, the remittance will be applied against the various amounts that may be due and owing to the Company and the Certified Supplier, in the order set forth in O.A.C 4901:1-10-22(I). Any amount remitted by a Customer in excess of the total due and owing the Company will be held in the Customer's account with the Company for distribution in the following billing cycle(s) or, at the Customer's request, will be refunded to the Customer. In the event that any Customer checks are returned dishonored by a bank, the corresponding debits will be applied in inverse order to the order set forth above for the application of remittances. The Company will correct any misapplied payments or transactions. The Company will also provide the Certified Supplier an electronic file consisting of Customer payments and any returned checks and/or Customer adjustments. The monthly billing statement and invoice rendered by the Company to the Certified Supplier, as described in Section XII (B) below, will include charges to be paid by the Certified Supplier for costs associated with this electronic funds transfer, as set forth in the Schedule of Fees and Charges.

C. Certified Supplier Billing Data

The Certified Supplier shall provide all data in its possession necessary for the timely generation of bills. A failure of the Certified Supplier to provide necessary data to the Company in a timely fashion may delay generation of a bill for the month to which the data pertains. In such instances, the Certified Supplier is responsible for all fines and violations, if any, arising as a consequence of the Company's inability to render a timely bill.

D. No Certified Supplier Termination of Service

The Certified Supplier will not be permitted to physically terminate electric service to a Customer for nonpayment.

XII. CERTIFIED SUPPLIER BILLING TERMS AND CONDITIONS

A. Netting of Customer Payment and Certified Supplier Charges Billed by the Company

If the Certified Supplier defaults and the Company is performing Consolidated Billing of Customers for the Certified Supplier, the Company reserves the right to retain the payments collected from the Customers and apply the payments to the Company's charges.

B. Certified Supplier Payment of Obligations to the Company

A Certified Supplier shall pay all Coordination Services Charges or any other Charge it incurs hereunder in accordance with the following provisions:

1. **Billing Procedure.** Each month, the Company shall submit an invoice to the Certified Supplier for all Coordination Service Charges provided under this Tariff. The invoice may be transmitted to the Certified Supplier by any reasonable method requested by the Certified Supplier. A Certified Supplier shall make payment for Charges incurred on or before the due date shown on the bill. The due date shall be determined by the Company and shall not be less than three (3) banking days from the date of transmittal of the bill.

2. **Manner of Payment.** The Certified Supplier shall make payments of funds payable to the Company by wire transfer to a bank designated in Section XII.(B.3.). The Company may require that a Certified Supplier that is not Creditworthy tender payment by means of a certified, cashier's, teller's, or bank check, or by wire transfer, or other immediately available funds. If disputes arise regarding a Certified Supplier bill, the Certified Supplier must pay the undisputed portion of disputed bills under investigation.

3. **Wire Transfer.** Payment to the Company by the Certified Supplier must be made by electronic wire transfer or such other means as will cause payment to be available for the use of the Company on the due date. All payments shall be wire transferred to the bank designated by the Company.

4. **Late Fee for Unpaid Balances.** If payment is made to the Company after the due date shown on the bill, a late fee will be added to the unpaid balance until the entire bill is paid. This late fee will be 1 1/2% per month on the unpaid balance.

5. **Certified Supplier's Failure To Pay.** In the event the Certified Supplier fails, for any reason other than a billing dispute as described below, to make payment to the Company on or before the due date as described above, and such failure of payment is not corrected within five (5) business days after the Company notifies the Certified Supplier to cure such failure, a breach by the Certified Supplier shall be deemed to exist. In the event of a billing dispute between the Company and the Certified Supplier, the Company will continue to provide service pursuant to the Coordination Agreement and the Tariff as long as the Certified Supplier continues to make all payments not in dispute.

   (a) **Certified Supplier Offset.** In the event a Certified Supplier is deemed to be delinquent under XII.(B.5.)., the Company, may at its sole discretion, reduce the reimbursement to the Certified Supplier for amounts collected by the Company by the amount owed to the Company.

C. Billing for Supplier Obligations to Other Parties

The Company will assume no responsibility for billing between a Certified Supplier and any party other than the Company.

D. Guarantee of Payments

Before the Company will render service or continue to render service, the Company will require an applicant for Coordination Service or a Certified Supplier currently receiving such service that has Bad Credit to provide a cash deposit, letter of credit, surety bond, guarantee, or other financial instrument satisfactory to the Company. The Company will use the financial instrument as security for the payment of final bills, protection against Certified Supplier default on breaches, and compliance with the Company's Rules and Regulations. In addition, the Company may require a Certified Supplier to post a deposit at any time if the Company determines that the Certified Supplier is no longer Creditworthy.

E. Amount of Deposits

The deposit shall be equal to the value of Coordination Services Charges the Company projects the Certified Supplier will incur during the next three billing periods based on that Certified Supplier's forecasted load obligation.

F. Return of Deposits

Upon discontinuance or termination of service, deposits will be returned with accrued interest to the Certified Supplier upon payment of all service charges and guarantees or with deduction of unpaid accounts.

G. Interest on Deposits

The Company will allow simple interest on cash deposits calculated at the lower of the Interest Index or six (6) percent. Deposits shall cease to bear interest upon discontinuance of service (or, if earlier, when the Company closes the account).

H. The Company may increase the required amount of the financial instrument to an amount equivalent to the Certified Supplier's sales for the three peak months of the year, to protect against a breach or default by the Certified Supplier in the event the Certified Supplier fails to deliver energy to a Customer.

I. Credit Information

In addition to information required otherwise hereunder, a Certified Supplier shall be required to provide to the Company such credit information as the Company reasonably requires.

XIII. LOAD PROFILING AND FORECASTING

A. Customer Load and Weather Forecasting

The Company shall make available a day-ahead forecast of total control area load to Certified Supplier. The Certified Supplier is responsible for developing an aggregated load forecast for its Customer's load. The aggregated load forecast shall include transmission and distribution losses pursuant to Section XIII (C). The aggregated load forecast is subject to the Monthly Energy Imbalance Service and Rate provisions in XV as well as all other relevant sections of this Tariff. Day-ahead weather forecasting will be provided through an Internet web site link to an applicable source. The Company has no liability for the inaccuracy of such load and weather forecasts or any party's reliance thereon.

B. Forecasting Methodology

The load forecast developed by the Certified Supplier shall conform to Sections XIII (B.1) and XIII (B.2) as well as all other relevant sections of this Tariff and the FE OATT.

1. **Monthly Metered Customer Forecasts**
   The Company shall provide to the Certified Supplier hourly load profiles including transmission and distribution losses for the various rate classes of the Company's retail customers that do not have interval metering. The Company at its discretion may update, add, or modify the load profiles for any or all customer rate classes during the term of the Tariff on a prospective basis.

2. **Hourly Metered Customer Forecasts**
   The Certified Supplier shall forecast its Customers' load for hourly metered Customers, adjusted for the inclusion of losses.

C. Real Power Losses

Losses will be calculated by multiplying the Retail Customer(s) load times the applicable Real Power Loss Factor specified below:

Service Voltage Level	Cumulative Loss Factor
138 kV	2.0%
69 kV	3.4%
23 kV to < 69 kV	3.5%
2.4 kV to < 23 kV	6.4%
< 2.4 kV	10.1%

XIV. LOAD SCHEDULING

A. Whole Megawatts (MWs)

For any hour when the entity acting as a Scheduling Coordinator supplies electric energy to its Customer it must submit a schedule. Scheduling shall be done in whole MW amounts. Scheduling of ones (1) and zeros (0) will be permitted for loads of less than one (1) MW. All Scheduling Coordinators must follow the required scheduling mechanisms in accordance with the FE OATT.

B. Energy Schedules

The Certified Supplier, or its designated Scheduling Coordinator, shall be responsible for scheduling energy and purchasing all transmission services (including Ancillary Services) necessary to get energy to the Customer's point of delivery. Transmission services, losses and Ancillary Services from the point of receipt to the Customer's point of delivery shall be provided pursuant to the Service Agreement for Network Integration Transmission Service under the FE OATT.

C. Submitting Energy Schedules

The format of the energy schedule shall be that provided by the Company to the Certified Supplier or its designated Scheduling Coordinator. Schedules shall be e-mailed to FE-SCC (aggregated by source of supply) no later than 10:00 a.m. of the day prior to commencement of such service. Schedules submitted after 10:00 a.m. will be accommodated if practical. In the event e-mail is unavailable, suppliers will be informed of an alternative method of communication. Separate Certified Supplier specific hourly Schedules must be provided by the Certified Supplier or its designated Scheduling Coordinator for each point of receipt to which energy is to be delivered to the FirstEnergy System. Hour-to-hour energy schedules that are to be delivered must be stated in increments of whole MW values per hour. The Company reserves the right to require a Certified Supplier or its designated Scheduling Coordinator to schedule hourly loads based upon the appropriate load profiles for the forecasted conditions.

D. Energy Schedule Changes

Schedule changes will be permitted up to twenty (20) minutes before the start of the next clock hour provided that the delivering party and receiving party both agree to the schedule modification.

E. Participation through a Scheduling Coordinator

If a Certified Supplier chooses not to interact directly with the Company for scheduling purposes, a Certified Supplier may become a Coordinated Certified Supplier by entering into a business arrangement with another Certified Supplier that will act as a Scheduling Coordinator. A Coordinated Certified Supplier may enter into this business arrangement with a Scheduling Coordinator for an individual service, such as load forecasting, or for a variety of services including assessing import capability, load forecasting, scheduling, and reconciliation rights and responsibilities. To the extent it is responsible for the following activities, the Scheduling Coordinator's assessment of import capability, load forecasting, scheduling, and reconciliation rights and responsibilities shall include its own Customers and the Customers of its Coordinated Certified Suppliers. All actions of the Scheduling Coordinator that relate to one of its Coordinated Certified Suppliers are binding on, and attributable to, said Coordinated Certified Supplier.

F. Designation a Scheduling Coordinator

To designate a Scheduling Coordinator, a Certified Supplier must provide the Company with a completed Scheduling Coordinator Designation Form, which is a part of this Tariff, fully executed by both the Certified Supplier and the Scheduling Coordinator. The Scheduling Coordinator Designation Form is not intended to supplement or replace any agency contract between a Certified Supplier and a Scheduling Coordinator.

G. Change in or Termination of Scheduling Coordinator

To change Scheduling Coordinators, or cease using a Scheduling Coordinator, a Certified Supplier shall notify the Company in writing and said notice shall specify the effective month of the change or termination. The effective day of the change or termination shall be the first day of the calendar month after the date of the notification letter unless notification is received by the Company less than ten business days before the first day of that month, in which case the effective day of the change shall be the first day of the subsequent month. In the event a Certified Supplier ceases using a Scheduling Coordinator, a Certified Supplier shall immediately resume the direct performance of all Certified Supplier obligations under this Tariff.

H. Scheduling and Reconciliation through a Scheduling Coordinator

Coordinated Certified Suppliers cannot, on an individual basis, submit Schedules or propose scheduling changes to the Company. Rather, the Scheduling Coordinator is responsible for submitting all Schedules and changes thereto on behalf of itself as well as its Coordinated Certified Suppliers. The Scheduling Coordinator shall submit separate Schedules on behalf of itself as well as its Coordinated Suppliers. The Scheduling Coordinator shall be the sole point of contact with the FE-SCC in regard to all scheduling activities, and to the FirstEnergy Competitive Retail Electric Service Certified Supplier Contracts Administrator for all reconciliation activities.

I. Primary Obligations of a Coordinated Supplier

Notwithstanding their designations of Scheduling Coordinators, each and every Certified Supplier remains primarily responsible for fully satisfying the requirements of this Supplier Tariff.

J. Multiple Scheduling Coordinators

A Certified Supplier is prohibited from contracting with multiple Scheduling Coordinators for service under this Supplier Tariff.

XV. TRANSMISSION AND RETAIL ENERGY IMBALANCE SERVICE

A. Monthly Settlement

Energy Imbalances will be calculated and settled within sixty (60) calendar days after the end of a calendar month, unless otherwise stated in accordance with the Company's OATT.

B. General Description

The Energy Imbalance Service accounts for mismatches between the energy delivered by a Certified Supplier's Schedule for serving its Customers and the energy that was actually used by those Customers. The energy imbalance calculation shall occur after the monthly reading of Customers' meters. The Certified Supplier agrees that Energy Imbalance Service will be provided under the rates, terms, and conditions of the FE OATT. The Certified Supplier shall enter into a Service Agreement for Network Integration Transmission Service prior to providing electric service to any Company retail customers. The Company shall be the default supplier in all instances when the Certified Supplier does not meet its Customer load and the Certified Supplier shall pay the Company for such supply.

C. Billing

Billing for energy imbalances shall be rendered by the Company on a monthly basis. Amounts owed by a Certified Supplier to the Company, or vice versa, shall be netted against one another and an invoice or payment, as the case may be, shall be sent by the Company in the appropriate amount. Failure by the Certified Supplier to render payment to the Company by electronic funds transfer within 14 banking days from the date of the invoice shall subject the Certified Supplier to a late penalty fee of 1-1/2% per month until paid in full. The Company shall have the right, but shall not be required, to net amounts owed by the Certified Supplier for energy imbalance against amounts owed to the Certified Supplier under the combined billing option in Section XII. If the Company does not receive written notification from the Certified Supplier of an objection to a transaction statement within fourteen (14) calendar days from the rendering thereof, said transaction statement shall be deemed conclusive and binding on the Certified Supplier.

D. Metered Data Collection

Meter data collected by the Company shall be used to calculate the quantity of energy actually used by a Certified Supplier's Customers for a particular energy imbalance period.

1. **Monthly Metered Customers**
   Data from monthly metered Customers is collected corresponding to Customers' billing cycles. To reconcile energy mismatches on an hourly basis, the Company shall convert such meter data for Customers to equivalent hourly usage. Load profiles may be used at generation level for the inclusion of losses to derive an hour-by-hour usage.

2. **Hourly Metered Customers**
   Data from hourly metered Customers will be collected by the Company on a monthly basis. To reconcile energy mismatches on an hourly basis, the Company will use the actual time interval data. The actual hourly metered energy consumption will be used at generation level for the inclusion of losses.

E. Monthly Energy Imbalance Service

On a calendar month basis, monthly metered Customers' actual usage and hourly metered Customers' actual usage shall be aggregated by the Company to arrive at the total hourly aggregated load for each Certified Supplier. The Monthly Energy Imbalance will be calculated for each individual Certified Supplier.

1. **Energy Imbalance and Unaccounted For Energy**

The total hourly aggregated load shall be used at generation level for the inclusion of losses. The hourly energy imbalance quantity shall be calculated by subtracting the Certified Supplier's hourly energy schedule submitted to the FE-SCC, including the effect of any confirmed changes to the energy schedule entered before FE-SCC deadlines from the Certified Supplier's total hourly aggregated load.

Energy Imbalance and Unaccounted For Energy will be calculated in accordance with the FE OATT.

F. Rates for Energy Imbalances

The rates for energy imbalances shall be those specified in the FE OATT and the Service Agreement for Network Integration Transmission Service or successor agreement between the Company and the Certified Supplier.

XVI. SCHEDULING COORDINATORS

A. Designation or Change of a Scheduling Coordinator

A Certified Supplier may only designate one Scheduling Coordinator at a time. Nothing in this Tariff shall prohibit the Scheduling Coordinator from transacting with multiple generation sources.

XVII. CONFIDENTIALITY OF INFORMATION

A. Generally

All confidential or proprietary information made available by one party to the other in connection with the registration by a supplier with the Company and/or the subsequent provision and receipt of Coordination Services under this Tariff, including but not limited to load curve data, and information regarding the business processes of a party and the computer and communication systems owned or leased by a party, shall be used only for purposes of registration with the Company, receiving Coordination Services and/or providing Competitive Retail Electric Service to Customers in the Company's service territory. Other than disclosures to representatives of the Company or Certified Supplier for the purposes of enabling that party to fulfill its obligations under this Tariff or for a Certified Supplier to provide Competitive Retail Electric Service to Customers in the Company's service territory, a party may not disclose confidential or proprietary information without the prior authorization and/or consent of the other party.

B. Customer Information

The Certified Supplier shall keep all Customer-specific information supplied by the Company confidential unless the Certified Supplier has the Customer's written authorization to do otherwise.

XVIII. VOLUNTARY WITHDRAWAL BY A CERTIFIED SUPPLIER FROM THE CUSTOMER CHOICE PROGRAM

A. Notice of Withdrawal to the Company

Notice of Withdrawal to the Company. A Certified Supplier shall provide electronic notice to the Company in a form specified by the Company of withdrawal by the Certified Supplier from Competitive Retail Electric Service on a per customer class basis in a manner consistent with any applicable Commission requirements.

B. Notice to Customers

Notice to Customers. A Certified Supplier shall provide notice to its Customers of withdrawal by the Certified Supplier from retail service in accordance with the Commission rules, regulations, or orders.

C. Costs for Noncompliance

A Certified Supplier that withdraws from Competitive Retail Electric Service and fails to provide at least ninety (90) days electronic notice of said withdrawal shall reimburse the Company for any of the following costs associated with the withdrawal:

1. mailings by the Company to the Certified Supplier's Customers to inform them of the withdrawal and their options;

2. non-standard/manual bill calculation and production performed by the Company;

3. Certified Supplier data transfer responsibilities that must be performed by the Company;

4. charges, costs, or penalties imposed on the Company by other parties resulting from Certified Supplier non-performance; and

5. Any and all other out-of-pocket expenses incurred by the Company as a result of the withdrawal.

D. Certified Supplier's Discontinuance of Service to Particular Customers

1. **Notice of Discontinuance to the Company**
   A Certified Supplier shall provide electronic notice to the Company in a form specified by the Company of all intended discontinuance of service to Customers in a manner consistent with applicable Commission requirements.

2. **Notice to Customers**
   A Certified Supplier shall provide advance notice to any Customer it intends to stop serving of such intended discontinuance in a manner consistent with any applicable Commission requirements.

3. **Effective Date of Discontinuance**
   Any discontinuance will be effective only on a Meter Read Date and in accordance with the Certified Supplier switching rules in this Tariff and the Standard Rules and Regulations.

XIX. LIABILITY

A. General Limitation on Liability

The Company shall have no duty or liability with respect to Competitive Retail Electric Service before it is delivered by a Supplier toward an interconnection point with the Control Area. After its receipt of Competitive Retail Electric Service at the point of delivery, the Company shall have the same duty and liability for transmission and distribution service to customers receiving Competitive Retail Electric Service as to those customers receiving electric energy and capacity from the Company.

B. Limitation on Liability for Service Interruptions and Variations

The Company does not guarantee continuous, regular and uninterrupted supply of service. The Company may, without liability, interrupt or limit the supply of service for the purpose of making repairs, changes, or improvements in any part of its system for the general good of the service or the safety of the public or for the purpose of preventing or limiting any actual or threatened instability or disturbance of the system. The Company is also not liable for any damages due to accident, strike, storm, riot, fire, flood, legal process, state or municipal interference, or any other cause beyond the Company's control.

C. Additional Limitations On Liability In Connection With Direct Access.

Except as provided in this Tariff, the Company shall have no duty or liability to a Certified Supplier providing Competitive Retail Electric Services arising out of or related to a contract or other relationship between a Certified Supplier and a Customer of the Certified Supplier. The Company shall implement Customer selection of a Certified Supplier consistent with applicable rules of the Commission and shall have no liability to a Certified Supplier providing Competitive Retail Electric Services arising out of or related to switching Certified Suppliers, unless and to the extent that the Company is negligent in switching or failing to switch a Customer.

D. PUCO Approval of Above Tariff Language

The PUCO approval of the above tariff language in respect to the limitation of liability arising from the Company's negligence does not constitute a determination that such limitation language should be upheld in a court of law. Approval by the Commission merely recognizes that since it is a court's responsibility to adjudicate negligence and consequent damage claims, it should also be the court's responsibility to determine the validity of the exculpatory clause.

XX. DEFAULT, SUSPENSION, AND TERMINATION OF A CERTIFIED SUPPLIER

A. Events of Breach

An Event of Breach described in this Section XX (A), shall include, but is not limited to, the following:

1. failure to perform any material obligation under this Tariff;
2. a Certified Supplier's failure to maintain its certification as a Certified Supplier from the Commission;
3. a Certified Supplier's failure to make payment of any undisputed Coordination Services Charges in the time prescribed and nonpayment is not cured within five (5) business days;
4. the involuntary bankruptcy/insolvency of the Certified Supplier, including but not limited to, the appointment of a receiver, liquidator or trustee of the Certified Supplier, or a decree by such a court adjudging the Certified Supplier bankrupt or insolvent or sequestering any substantial part of its property or a petition to declare bankruptcy as to reorganize the Certified Supplier; or
5. a Certified Supplier's filing of a voluntary petition in bankruptcy under any provision of any federal or state bankruptcy law, or its consent to the filing of any bankruptcy or reorganization petition against it under any similar law; or, without limiting the generality of the foregoing, a Certified Supplier admits in writing its inability to pay its debts generally as they become due or consents to the appointment of a receiver, trustee or liquidator of it or of all or any part of its property.

B. Rights Upon Breach

Upon the occurrence of any such Event of Breach, the Company may, at any time, declare any amount owing to be immediately due and payable. Such amount will thereupon be immediately due and payable, without presentment, demand, protest, notice of protest or other notice of any kind, all of which are hereby expressly waived by the Certified Supplier. In case any one or more of the Events of Breach shall happen and be continuing, the Company may proceed to protect and enforce its rights by suit in equity, action at law or by other appropriate proceeding, whether for the specific performance of any covenant or agreement contained in this Tariff or in aid of the exercise of any power granted in this Tariff or may proceed to enforce any other legal right which the Company may have, all of which it hereby expressly reserves.

C. Rights, Remedies, or Powers

All rights, remedies, or powers hereby conferred upon the Company will, to the extent not prohibited by law, be deemed cumulative and not exclusive of any other thereof, or any other rights, remedies or powers available to the Company. No delay or omission of the Company to exercise any right, remedy, or power will impair any such right, remedy or power or will be construed to be a waiver of an Event of Breach or an acquiescence therein. Any right, remedy or power conferred upon the Company hereunder may be exercised from time to time, independently or concurrently, and as often as it shall deem expedient. No waiver of any Event of Breach by the Company will extend to or will effect any subsequent Event of Breach. No single or partial exercise of any right, remedy or power by the Company will preclude further exercise thereof by the Company. Acceptance by the Company of partial payments will not constitute a waiver by the Company of any rights or remedies the Company may otherwise have.

D. Termination of Coordination Agreement

A Coordination Agreement will or may be terminated as follows:

1. **Withdrawal of the Certified Supplier from Retail Service.** In the event the Certified Supplier ceases to participate in or otherwise withdraws the provision of Competitive Retail Electric Services to Customers in the Company's Service Territory, the Coordination Agreement between the Certified Supplier and the Company shall terminate thirty (30) days following the date on which the Certified Supplier has no more active Customers.

2. **The Company's Termination Rights Upon an Event of Violation by Certified Supplier.** Notwithstanding any other provision of this Tariff or the Coordination Agreement, in the event of a default, the Company shall serve written notice of such default in reasonable detail and with a proposed remedy to the Certified Supplier and the Commission. On, or after, the date the default notice has been served, the Company may file with the Commission a written request for authorization to terminate or suspend the Coordination Agreement. Except for default due to non-delivery, if the Commission does not act within ten business days upon receipt of the request, the Company's request to terminate or suspend shall be deemed authorized on the 11th (eleventh) business day. If the default is due to nondelivery, and if the Commission does not act within five business days upon receipt of the request, the Company's request to terminate or suspend shall be deemed authorized on the 6th (sixth) business day. Terminations or suspensions shall require authorization from the Commission. The Company shall send notices pursuant to this section by e-mail, fax, overnight mail, or hand delivery to the Commission and staff at the Commission's offices. The Company shall notify all Commissioners, the Chief of Staff, the Director of the Consumer Services Department, the Director of the Utilities Department, the Director of the Legal Department, and the Chief of the Attorney General's Public Utilities section. The Company shall send the notice to the address and fax number provided by the Certified Supplier in its Coordination Agreement.

E. Effect of Termination of Coordination Agreement

Termination of Coordination Agreements will have the same effect on a Certified Supplier's Customers as the Certified Supplier's discontinuance of supply to such Customers. If a Customer of a terminated Certified Supplier has not switched to another Certified Supplier prior to termination, said Customer will receive Standard Offer Supply from the Company pending its selection of another Certified Supplier.

F. Survival of Obligations

Termination of a Coordination Agreement for any reason shall not relieve the Company or a Certified Supplier of any obligation accrued or accruing prior to such termination.

XXI. ALTERNATIVE DISPUTE RESOLUTION

Alternative Dispute Resolution shall be offered to both Certified Suppliers and the Company as a means to address disputes and differences between Certified Suppliers and the Company. Alternative Dispute Resolution shall be conducted in accordance with the Commission rules which provide for the service.

XXII. MISCELLANEOUS

A. Notices

Unless otherwise stated herein, any notice contemplated by this Tariff shall be in writing and shall be given to the other party at the addresses stated in the notice section of the Coordination Agreement. If given by electronic transmission (including fax, telex, telecopy or Internet email), notice shall be deemed given on the date sent and shall be confirmed by a written copy sent by first class mail. If sent in writing by first class mail, notice shall be deemed given on the fifth business day following deposit in the United States mail (as noted by the postmark), properly addressed, with postage prepaid. If sent by same-day or overnight delivery service, notice shall be deemed given on the day of delivery. The Company and a Certified Supplier may change their representative for receiving notices contemplated by this Tariff by delivering written notice of their new representatives to the other.

B. No Prejudice of Rights

The failure by either the Company or the Certified Supplier to enforce any of the terms of this Tariff or Coordination Agreement shall not be deemed a waiver of the right of either to do so.

C. Assignment

1. A Coordination Agreement hereunder may not be assigned by either the Company or the Certified Supplier without (a) any necessary regulatory approval and (b) the prior written consent of the other party, which consent shall not be unreasonably withheld.

2. Any assignment occurring in accordance with Section XXII (C.1) hereunder shall be binding upon, and oblige and inure to the benefit of, the successors and assigns of the parties to the Coordination Agreement.

D. Governing Law

To the extent not subject to the exclusive jurisdiction of FERC, the formation, validity, interpretation, execution, amendment and termination of this Tariff or any Coordination Agreement shall be governed by the laws of Ohio.

The Tariff or any Coordination Agreement, and the performance of the parties' obligations thereunder, is subject to and contingent upon (i) present and future local, state and federal laws, and (ii) present and future regulations or orders of any local, state or federal regulating authority having jurisdiction over the matter set forth herein.

TECHNICAL SUPPORT AND ASSISTANCE CHARGE

AVAILABILITY/APPLICABILITY

Technical Support and Assistance is defined as support and assistance that may be provided by the Company to a Certified Supplier in connection with questions raised and research requests by the Certified Supplier in support of its energy supply business. The Company is under no obligation to provide technical support and assistance, with the exception of the services described in the "Conditions" section below. Such support and assistance for which the charge applies is categorized in three general areas:

1. Explanation of the Company's communications related to information posted to the VAN site;
2. Manual verification and confirmation of Customer account data beyond the information and messages available through the standard automated process; and
3. Explanation and definition of the Company's filings, Commission rulings and FERC orders.

Such Technical Support and Assistance may include time spent by Company personnel conducting research in connection with a Certified Supplier inquiry.

TABLE OF CHARGES

Per hour

$ 53 / hr

CONDITIONS

There will be no time recorded in connection with inquiries covering required business interactions, specifically:

1. Load profiling and energy scheduling;
2. Standard automated processing of Certified Supplier data files by the Company;
3. Website availability and access; and
4. Erroneous data communicated by the Company via the VAN site.

SCHEDULE OF FEES AND CHARGES

A. Schedule of Fees to be Charged to Certified Supplier

1. **Interval Meter Reading:** For Hourly or Sub-Hourly meter reading information in excess of that provided elsewhere in this Tariff, retrieving and processing data from Hourly or Sub-Hourly Meters - $14.50 per Meter per read, per month.

2. **Certified Supplier Selection:** $5.00 per Customer processing fee will be charged to the Certified Supplier for each customer selecting or switching to the Certified Supplier. The $5.00 switching fee will not be assessed the first time a retail customer makes a voluntary choice to switch to an alternative generation supplier; such voluntary choice shall not include "opt-out" in governmental aggregation.

3. **Unscheduled Meter Read:** $25.00 per meter read.

4. **Historical Customer Usage Data:** The Company requires Customer authorization for providing historical customer usage data over and above data normally provided for billing purposes. For historical customer usage data in excess of what is provided elsewhere in this Tariff the charges will be: Up to Twelve (12) months of monthly kW and/or kWh data - $5.00 per account per request. One (1) month of Hourly Load Data (where available) - $37.50 per account per request. Twelve (12) months of Hourly Load Data (where available) - $150 per account per request.

B. Future Fee and Charge Adjustments. The Company may petition the Commission for an adjustment in the fees and charges applicable to Certified Suppliers to reflect current or anticipated costs. Such request will be subject to applicable Commission rules and procedures.

COORDINATION AGREEMENT

1.0 This Coordination Agreement ("Agreement"), dated as of _____ _____ is entered into, by and between CLEVELAND ELECTRIC ILLUMINATING COMPANY (the "Company") and _____ _____ (Certified Electric Generation Supplier or "Certified Supplier").

2.0. The Company agrees to supply, and the Certified Supplier agrees to have the Company supply, all "Coordination Services" specified in the Supplier Tariff ("Tariff"). Both Parties agree that such services are necessary to coordinate the delivery of Competitive Retail Electric Services to Customers located within the Company's service territory.

3.0 Representations and Warranties.

(a) The Certified Supplier hereby represents, warrants and covenants as follows:

(i) The Certified Supplier is in compliance, and will continue to comply, with all obligations, rules and regulations, as established and interpreted by the FirstEnergy System Control Center ("FE-SCC"), that are applicable to the Certified Supplier's serving Customers located in the FirstEnergy Control Area; and

(ii) The Certified Supplier is certified by the Commission to provide Competitive Retail Electric Service to Customers in Ohio and has and will continue to satisfy all other Commission requirements applicable to Certified Suppliers.

(b) The Company and the Certified Supplier, individually referred to hereafter as the "Party," each represents, warrants and covenants as follows:

(i) Each Party's performance of its obligations hereunder has been duly authorized by all necessary action on the part of the Party and does not and will not conflict with or result in a breach of the Party's charter documents or bylaws or any indenture, mortgage, other agreement or instrument, or any statute or rule, regulation, order, judgment, or decree of any

judicial or administrative body to which the Party is a party or by which the Party or any of its properties is bound or subject.

(ii) This Agreement is a valid and binding obligation of the Party, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency or similar laws from time to time in effect that affect creditors' rights generally or by general principles of equity.

4.0 The Certified Supplier shall provide notice to the Company via facsimile, with a copy delivered pursuant to overnight mail, at such time that the Certified Supplier learns that any of the representations, warranties, or covenants in Section 3.0 of this Agreement have been violated.

5.0 As consideration for Coordination Services provided by the Company, the Certified Supplier shall pay the Company those Coordination Services Charges billed to the Certified Supplier in accordance with the terms and conditions of the Supplier Tariff.

6.0 Coordination Services between the Company and the Certified Supplier will commence on

_____.

7.0 Any notice or request made to or by either Party regarding this Agreement shall be made to the representative of the other Party as indicated below.

To Cleveland Electric Illuminating Company:

Competitive Energy Supplier Contracts Administrator
Cleveland Electric Illuminating Company
76 South Main Street
Akron, Ohio 44308

To the Certified Supplier:

_____

_____

_____

_____

Telephone: _____

Facsimile: _____

8.0 If at any time during the term of the Tariff or this Agreement, FERC, the Commission or a court of competent jurisdiction issues an order under which a party hereto believes that its rights and/or interests under the Coordination Agreement are materially affected, the party so affected shall within thirty (30) days of said final order provide the other party with notice setting forth in reasonable detail how said order has materially affected its rights and/or interests in the Coordination Agreement. Within thirty (30) days from the receiving party's receipt of said notice the parties agree to attempt through good faith negotiations to resolve the issue. If the parties are unable to resolve the issue within thirty (30) days from the commencement of negotiations, either party may at the close of said thirty (30) day period terminate the Agreement, subject to any applicable regulatory requirements, following an additional thirty (30) days prior written notice to the other party without any liability or responsibility whatsoever, except for obligations arising prior to the date of service termination.

9.0 The Supplier Tariff is incorporated herein by reference and made a part hereof. All terms used in this Agreement that are not otherwise defined shall have the meaning provided in the Supplier Tariff.

IN WITNESS WHEREOF, and intending to be legally bound thereby, CLEVELAND ELECTRIC ILLUMINATING COMPANY and the Certified Supplier identified above have caused this Coordination Agreement to be executed by their respective authorized officials.

CLEVELAND ELECTRIC ILLUMINATING COMPANY

By:_____

Signature

_____

Print or Type Name

_____ _____

Title

Date

_____

CERTIFIED SUPPLIER COMPANY NAME

By:_____

Signature

_____

Print or Type Name

_____ _____

Title

Date

Scheduling Coordinator Designation Form

1.0 This Scheduling Coordinator Designation Form, dated _____, is being submitted to FirstEnergy ("FE") by the following Certified Supplier:

_____.

2.0 By submitting this form, the Certified Supplier hereby notifies FE that it has appointed the following entity to act as its Scheduling Coordinator, effective the first day of _____, in accordance with Section 7 of the Supplier Tariff:

_____

Scheduling Coordinator Name

3.0 The Certified Supplier further notifies the Company that it is designating the Certified Supplier identified in the preceding paragraph as its Scheduling Coordinator for the following specific purpose(s) (please check and/or fill in):

_____ Load Forecasting
_____ Assessing Import Capability
_____ Scheduling Energy Delivery
_____ Assumption of Reconciliation Rights and Responsibilities

4.0 FE may use the Scheduling Coordinator as the sole point of contact with the Certified Supplier in connection with FE's provision of Coordination Services to the Certified Supplier. Likewise, the Scheduling Coordinator appointed by the Certified Supplier shall be responsible for the performance of all Coordination Obligations of the Certified Supplier that are specifically delegated to said Scheduling Coordinator in this Form.

5.0 If the Certified Supplier delegates assumption of reconciliation rights and responsibilities to the Scheduling Coordinator, the Certified Supplier agrees that FE may bill the Scheduling Coordinator directly for all Coordination Service Charges attributable to the Certified Supplier, and that the Scheduling Coordinator will pay the Company such charges on behalf of the Certified Supplier in accordance with the terms and conditions of the Supplier Tariff.

6.0 The Certified Supplier and its appointed Scheduling Coordinator shall comply with all terms and conditions of the Supplier Tariff, including those pertaining to Scheduling Coordinators and to payment and billing.

7.0 All inquiries, communications, or notices by the Company relating to Certified Supplier's use of the Scheduling Coordinator designated above may be directed to the following representatives of the Certified Supplier or Scheduling Coordinator:

To the Certified Supplier:

_____

_____

_____

Attention: _____

Title: _____

Telephone: _____

Fax: _____

Internet e-mail: _____

To the Scheduling Coordinator:

_____

_____

_____

Attention: _____

Title: _____

Telephone: _____

Fax: _____

Internet e-mail: _____

8.0 The Supplier Tariff is incorporated herein by reference and made a part hereof. All capitalized terms used, but not defined, in this designation form shall have the meaning stated in the Supplier Tariff.

9.0 The Certified Supplier has executed this designation form below by its duly authorized representative as follows:

Signature: _____

Name: _____

Title: _____

Date: _____

10.0 The Certified Supplier has obtained the following Acknowledgment and Consent to this designation, which is executed below by the duly authorized representative of the Scheduling Coordinator:

Acknowledgment and Consent

Intending to be legally bound thereby, the duly authorized representative of above designated Scheduling Coordinator has executed this document below to acknowledge and consent to its appointment as a Scheduling Coordinator, and to further state its agreement to abide by the terms and conditions of its designation set forth above in the Scheduling Coordinator Designation Form prepared by the Certified Supplier, including the terms and conditions of the Supplier Tariff, which is incorporated therein by reference.

Signature: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

FirstEnergy.

76 South Main Street
Akron, Ohio 44308

David M. Blank
Manager, Rate Department

330-384-5451

February 6, 2001

Ms. Elizabeth H. Watts, Esq.
Bricker & Eckler
100 South Third Street
Columbus, Ohio 43215-4291

Dear Elizabeth:

This letter is in response to your letter dated January 8, 2001, commenting both on my January 16, 2001, letter to Sally Bloomfield and on discussions at a meeting we attended on January 17, 2001, at the Public Utilities Commission of Ohio. I received your letter by e-mail after the close of regular business hours on January 29, 2001.

You request that we verify that the several items recited in the letter accurately portray the facts as I represented them in the January 17 meeting. In addition you request that should there be anything in your recitals that is factually incorrect, you want us to correct any inaccuracies.

Your letter appears to be an obvious attempt to set up litigation and short cut the normal procedure of legal discovery without going through the standard procedure and without notification to all the parties in interest. Nevertheless, we will respond, and will docket this response and your letter in the restructuring case docket (99-1212-EL-ETP) at the PUCO.

In the material that follows, the "Recitals" reflect your characterization of the issues as stated in your letter. We do not necessarily agree with the characterization.

Recital No. 1
No MSG claimed by nongovernmental aggregators is being supplied, directly or indirectly, by FES.

Response to Recital No. 1
We agree with the statement.

Recital No. 2
FirstEnergy affiliates are associated with three entities, which presented claims for MSG-Parma, Industrial Energy Users, and National City Bank.

Response to Recital No. 2
We agree with the statement, subject to the recognition that (1) the "association" is limited to a contract to provide services (2) the Recital implicitly refers only to the non-EDU affiliates, and (3) Recital No. 3 further elaborates on this issue.

Recital No. 3
In all three cases identified in Recital No. 2, none of the FirstEnergy affiliates, including FES, ever acquire any rights to the MSG power and none acts as a supplier.

Response to Recital No. 3
We agree with the statement, again with the recognition that the Recital implicitly refers only to the non-EDU affiliates.

Recital No. 4
The marketers questioned whether IEU was receiving power from FirstEnergy Services (FES) and was told that FES was not supplying power to the IEU or its customers.

Response to Recital No. 4
We agree with the statement.

Recital No. 5
The utility's generation assets have been transferred to FES which in turn has entered into an agreement with the electric distribution companies to sell power directly to them for distribution to their customers.

Response to Recital No. 5
Control of the fossil generation plants has been transferred to FirstEnergy Generation Corp., an exempt wholesale generator and subsidiary of FES, via an operating lease. The nuclear plants are operated by FirstEnergy Nuclear Operating Company. Output of all FirstEnergy generation plants is sold to FES. FES supplies power to the EDU's under a full requirements contract, which requirements include electric load of customers that have not chosen an alternative supplier, certain wholesale obligations and the Market Support Generation obligations. These transactions are undertaken pursuant to the Corporate Separation Plan approved by the Public Utilities Commission.

Recital No. 6
With respect to the MSG allocated to IEU, that power is being delivered from the electric distribution company directly to the individual IEU customers in the aggregation group.

Response to Recital No. 6
The power is being delivered from the electric distribution company directly to the individual IEU customers in the aggregation group.

Recital No. 7
Thus, it is the distribution company and not FES or the IEU as aggregator that is delivering the power.

Response to Recital No. 7
See response to Recital No. 6.

Very truly yours,

David Blank
Manager, Rate Department
FirstEnergy Corp.

cc: Christine Pirik, PUCO
Doug Maag
Dan Johnson
Chris Kotting
Ed Hess
Joe Buckley
P.U.C.O. Docketing Division

FirstEnergy.

76 South Main Street
Akron, Ohio 44308

David M. Blank
Manager, Rate Department

330-384-5451

January 16, 2001

Ms. Sally W. Bloomfield
Bricker & Eckler
100 South Third Street
Columbus, Ohio 43215-4291

Dear Sally:

This letter is in response to your letter of January 8, 2001, in which you have made a number of requests for action by FirstEnergy with respect to Market Support Generation.

Your requests for action and the FirstEnergy responses are as follows:

Marketer request 1.: Ascertain whether any of the MSG claimed by nongovernmental aggregators is being supplied by FES by the close of business on Wednesday, January 10th. We believe that this is information that should either already be in your possession or be easily retrievable.

Response: No MSG claimed by nongovernmental aggregators is being supplied, directly or indirectly, by FES. It is true that FirstEnergy affiliates are associated with three entities which presented claims for MSG—Parma, Industrial Energy Users, and National City Bank. In all three cases, however, none of the FirstEnergy affiliates, including FES, ever acquire any rights to the MSG power and none acts as a supplier. The Market Support Generation is delivered by the FirstEnergy utility to the MSG claimant or to the claimant's supplier.

Marketer request 2: To the Extent that there is MSG reserved by nongovernmental aggregators who have chosen FES as their supplier, FirstEnergy should release the MSG made available to those entities so that the next customers in line who are served by nonaffiliated marketers can have their claims approved.

Response:	Since no MSG has been reserved by nongovernmental aggregators who have chosen FES as their supplier, there is no MSG to release.
Marketer request 3:	A mechanism, such as posting the allocations on the web, should be promptly established in order to monitor the allocation of MSG to suppliers and their customers.
Response:	The staff of the Public Utilities Commission has been informed of the MSG allocations, including the name of the claimant and the amount of the claim allocated to the claimant. As you know, the MSG Reservation Protocol indicates that the names of the parties to which MSG allocations are made will not be publicly disclosed. Should all suppliers consent to the disclosure, we would be willing to release the list.

If you have questions regarding this information, please contact me.

Best regards,

David M. Blank
Manager, Rate Department

cc : Doug Maag
Ed Hess
Carl Evans
Dan Johnson
Chris Kotting

)

QUESTIONS TO AND ANSWERS FROM FIRSTENERGY CORP. TO PREPARE STIPULATED FACTS

1. **Please identify who at FirstEnergy retained and directed the actions of the independent accounting firm ("Auditor") to evaluate compliance with the Protocol and Stipulation.**

ANSWER: David M. Blank. (3/9/01)

2. **Please set forth the specific instructions given to the Auditor to enable the Auditor to understand its role and function in the process specified in the Protocol and the Stipulation. (including, without limitation, specific instructions given to determine if the Stipulation requirement of "committed capacity sales" was met; e.g. the percentage of contracts the Auditor was to review to determine compliance with committed capacity sales).**

ANSWER: The only instructions or guidelines given to the Auditor, other than in occasional conversations between the Auditor and Mr. Blank, which were not memorialized and the details of which Mr. Blank does not specifically recall, are in the November 9, 2000 letter to David M. Blank, Attachment CLE-I-8 to the responses of FirstEnergy Corp. and CEI to the first set of discovery requests for the City of Cleveland and WPS Energy Services, Inc. (3/9/01)

3. **Please set forth any guidelines or instruction or definition given to the Auditor with respect to dealing with a power broker or power marketer or "CRES provider" as defined in the Ohio Administrative Code §4901:1-21(A)(10); 4901:1-21(A)(27) and 4901:1-21(A)(29).**

ANSWER: See Response to Question 2. (3/9/01)

4. **Please set forth any guidelines or instruction or definition given to the Auditor with respect to dealing with a government aggregator as defined in the Revised Code Section 4928.01(A)(13).**

ANSWER: See Response to Question 2. (3/9/01)

5. **Please set forth any guidelines or instruction or definition given to the Auditor with respect to dealing with a non-governmental aggregator as defined in Ohio Administrative Code §4901:1-21-03(A)(2).**

ANSWER: See Response to Question 2. (3/9/01)

6. **When claims were submitted for Market Support Generation ("MSG") by the Industrial Energy Users of Ohio ("IEU") please describe what documents were reviewed by the Auditor to determine compliance with the terms of the Protocol.**

DEPOSITION EXHIBIT
11
Blank 11-25-01

ANSWER: The Auditor reviewed a document produced by FirstEnergy that verified the active accounts included in the claim, and the contracts between IEU and the members of the aggregation group. (3/20/01)

7. **What documents or rationale supported a claim the IEU had "committed capacity sales" at the time of the audit?**

ANSWER: The contracts between IEU and the members of the aggregation group. (3/20/01)

8. **Does IEU or any IEU member have a contract with any EDU affiliated with FirstEnergy?**

ANSWER: Yes. (3/9/01)

If so, is it a contract for MSG?

ANSWER: No. (3/9/01)

9. **Who is the supplier in the transaction for each IEU member? Is the supplier certified to provide Retail Electric Generation Service (as defined in the Commission's rules)? Was there a supplier agreement in place prior to IEU's submission of its MSG reservation?**

ANSWER: For purposes of applying the Protocol, IEU was considered to be the supplier. IEU was certified by the Commission as a Competitive Retail Electric Service Provider. Before submitting its claim for MSG, IEU had entered into contracts with the members of the aggregation group. (3/20/01)

10. **Who were the parties in the contract(s) the Auditor reviewed with respect to MSG approval and allocation to IEU and/or its members.**

ANSWER: IEU and the members of the aggregation group. (3/20/01)

11. **Is there a contractual relationship for CRES (as defined in the Revised Code) services or services ancillary thereto between IEU and FirstEnergy?**

ANSWER: No. (3/9/01)

Is there a contractual relationship for CRES (as defined in the Revised Code) services or services ancillary thereto between IEU and FirstEnergy Services?

ANSWER: Yes, but not for MSG. (3/9/01)

Is there a contractual relationship for CRES (as defined in the Revised Code) services or services ancillary thereto between IEU and the EDUs?

ANSWER: No. (3/9/01)

12. **Does FirstEnergy Corp. assert that an EDU may provide competitive services directly to a non-governmental aggregator after 1/1/01? (as amended in letter dated 3/15/01).**

ANSWER: Yes, but not with respect to retail electric generation service. (3/20/01)

13. **Does FirstEnergy contend that providing MSG is a competitive service (as amended in letter dated 3/15/01)?**

ANSWER: No. (3/20/01)

14. **Please state whether or not FirstEnergy's "utility services unit" may provide services at other than tariffed rates after 1/1/01. (as amended in letter dated 3/15/01).**

ANSWER: Yes. (3/20/01)

15. **If your answer to 14 above is "yes", please set forth specifically what service may be provided and what rate may be charged for that service. (as amended in letter dated 3/15/01).**

ANSWER: The Utilities Services Unit may provide, at negotiated rates, unregulated "Special Customer Services," regulated services pursuant to special contracts, and services to the United States, to the State of Ohio, or to any political subdivision of the state. (3/20/01). Another service that may be provided by the Utilities Services Unit at other than tariffed rates is MSG, which may be provided at the rates set out in the Stipulation adopted by the Commission in Case Nos. 99-1212-EL-ETP, et al. (3/23/01).

16. **Describe the comments with respect to the Protocol that were submitted to FirstEnergy by non-affiliated entities.**

ANSWER: Comments on the Protocol were made by various entities, in various forms. Some comments were made in writing -- by fax, e-mail, and surface mail -- and some by telephone or in other personal communications. No record of the comments was prepared, although all comments were considered. The written comments retained by FirstEnergy are being provided to you. (3/21/01)

Which of these comments were implemented prior to the 10/19 version?

ANSWER: We assume the reference to the "10/19" version of the Protocol is to the version of the Protocol on the FirstEnergy website, which was operational as of October

19, 2000. The Protocol is actually dated October 5, 2000. Because not all of the comments were recorded, the following list of modifications to the Protocol is based on the information available. It is not purported to be exhaustive. The list includes a description not only of changes made in the October 5 version from earlier versions, but also of how some of the sections have been implemented. A number of the concerns raised in the comments were addressed in the Scheduling Protocol, issued for comment in 2001, and included in the Service Agreement filed with FERC.

a. Concerns were raised that claims would be restricted to a single billing cycle. No limits were established regarding billing cycles on claims.

b. The need for "signed contracts" was expanded to include any agreement sufficient for CRES purposes.

c. In section 6.a., specific identification of the approval process replaced "will take into account" language.

d Section 6.b.viii. was modified to include the 1% threshold levels for claim rejection, replacing specific numbers of contracts as the threshold.

e. Footnote 5 was modified to have peak demand based on the most recent 12 months. In response to concerns raised, Suppliers were given the opportunity, after the Protocol was issued, to use the highest recorded peak for the customer, as long as evidence could be shown. This opportunity was taken advantage of a number of times.

f. Footnote 11 was changed to 12 days to match the Supplier Tariff.

g. Section 5.e. was added to provide a two-step process for claiming residential MSG. The modification allowed suppliers additional time to provide account numbers, amount of capacity claimed for each customer, and identification of load following or capacity factor. The requirement to identify at the time of the claim customers with Generation Service Agreements and the claim duration continued.

h. The Supplemental Stipulation required relinquishment of FE affiliate claims in favor of other suppliers' claims. Although this was not specifically included in the Protocol, in practice no MSG claims by FE affiliates were considered for processing.

i. Section 4.b. has been implemented on a "relative basis," taking size into account as opposed to absolute numbers.

j. Regarding Section 6.b.vii, as Eligible Suppliers identified that they did not have a contract for the duration of the claim for 1% or more customers (or

load), Eligible Suppliers were permitted to withdraw claims for such accounts so the need for the remedy was not triggered.

k. Concerns were raised about unnecessary disclosure of supplier-customer contract terms to FirstEnergy. That has been addressed by having the outside auditor enter into confidentiality agreements, allowing her to see what she needed for her fact-gathering, without disclosure to FirstEnergy of matters unrelated to the allocation of MSG.

l. Pursuant to issues raised by suppliers, contracts with the condition precedent of MSG allocation to the supplier for that customer were permitted for a supplier to enter a claim and establish a place in the queue.

m. Concerns were raised about Section 6.d. Although the section was not changed, the impact is alleviated by the ability to select Load Following, in which case the section has no meaning.

n. Concerns were raised regarding the submission of individual claims for residential customers. Section 5.c. addresses this issue; up to 10,000 accounts can be included on each claim. That limit was established to assure that data processing issues can be minimized.

o. Concerns were raised regarding balancing and settlement issues. The Scheduling Protocol permits aggregation of all of supplier's MSG accounts for purposes of application of the balancing and settlement procedure.

p. In response to supplier concerns, FE did permit suppliers to test "sample claims" to assure that the claiming system worked as intended.

q. A number of clerical and typographical adjustments were made in response to supplier comments.

(3/21/01)

17. Describe the modifications to the Protocol from the 9/26 version to the 10/19 version.

ANSWER: We are aware of versions of the Protocol dated September 25 and October 5. The changes are shown on Exh. B.2.A from Mr. Blank's March 7, 2001 deposition, except that Modification 4 shown on that page was not made. (3/9/01)

18. To obtain approval of an MSG claim was a contract between a Commission-certified supplier of the MSG and the retail customer required? If so, when did such contract need to be in place?

ANSWER: Yes. In order to file a claim, a supplier has to have a commitment from retail customers to purchase generation from or through the supplier. (3/20/01)

19. Describe the meaning of "supplier" and "Supplier" when used in the Protocol.

ANSWER: As indicated in Section 1.b. of the Protocol, a "supplier" can be a marketer, broker, or aggregator, including a municipal aggregator. There is no separately defined "Supplier," only an "Eligible Supplier." (3/20/01)

20. Under the Protocol, is the Eligible Supplier required to be registered with FirstEnergy?

ANSWER: Yes. (3/9/01)

Is the Supplier required to be registered?

ANSWER: Yes, as an Eligible Supplier. (3/9/01)

Identify the proper entity to which a claimant must submit its registration?

ANSWER: Supplier Services Department of FirstEnergy Corp. (3/9/01)

Identify the timing needed for approval.

ANSWER: Before approval of the claim. (3/9/01)

21. FirstEnergy has indicated that it hired the Auditor in part because of submitted "claims without associated committed capacity sales". Please provide the standards upon which FirstEnergy categorized a claim as being "without associated committed capacity sales".

ANSWER: A claim by or on behalf of a municipal aggregator is "without associated committed capacity sales" if the opt-out procedure has not been completed. For all other claims, there are no committed capacity sales if there is no commitment by retail customers to purchase generation from or through the claimant. (3/9/01)

22. Is IEU registered with FirstEnergy to sell electricity in CEI, TE or OE service areas?

ANSWER: No. IEU is, however, registered under the Protocol to be an Eligible Supplier in order to file a claim for MSG. (3/20/01)

If so, when did IEU apply and when was IEU's registration finalized?

ANSWER: IEU registered with FirstEnergy under the Protocol to be an Eligible Supplier on October 10, 2000; that registration was complete as filed. (3/20/01)

What certification status (e.g. marketer, broker, aggregator) did IEU have with the PUCO at the time its registration with FirstEnergy was submitted?

ANSWER: It's CRES application for "certification as an aggregator" was pending on October 10, 2000. (3/20/01)

What certification status (e.g. marketer, broker, aggregator) did IEU have with the PUCO at the time its registration with FirstEnergy was approved?

ANSWER: A registration under the Protocol to be an Eligible Supplier in order to file a claim for MSG is not "approved." IEU's CRES application for "certification as an aggregator" was pending on October 10, 2000. (3/20/01)

23. Please list all requirements to become registered with FirstEnergy as a supplier. Are there different categories of suppliers? If there are different categories of suppliers, please state what they are.

ANSWER: The minimum requirement for every supplier to be registered under the Protocol to be an Eligible Supplier in order to submit a claim for MSG is to submit a copy of its application to the Commission to be certified as a Certified Retail Electric Supplier. Aggregators and municipal aggregators have to meet only that minimum requirement. Marketers and brokers also have to file credit information. (3/20/01)

***The answers provided to questions 22 and 23 are also designated as answers by FirstEnergy to the following questions posed on 3/14/01: When was IEU's registration finalized and approved?; What security was provided to FirstEnergy by IEU for its registration?; Were there different categories of registrants? If so, what are the categories?; How are the categories "differentiated in terms of authorization to obtain services from the operating companies?; For what category has IEU's registration been approved?*

24. Other than the FirstEnergy website, how else was information regarding registration with FirstEnergy made publicly available?

ANSWER: Information regarding registration under the Protocol to be an Eligible Supplier was provided at the October 2, 2000 MSG Protocol meeting. (3/20/01)

If there was another means to obtain information, did the registration requirements differ between the website requirements and this other means?

ANSWER: We are not aware of any differences. (3/20/01)

If there is a difference, describe the difference in the requirements?

ANSWER: N/A (3/20/01)

25. Are IEU members receiving MSG from CEI, TE or OE pursuant to a special contract approved by the Commission under R.C. 4905.31?

ANSWER: No. (3/9/01)

26. Has FirstEnergy Services, CEI, TE or OE released MSG to unaffiliated marketers or brokers since the MSG has been fully subscribed as a result of the Supplemental Settlement Materials, Section 1 requirements ?

ANSWER: No. FirstEnergy Services, CEI, TE and OE had no MSG to release. (3/9/01)

27. Describe the materials reviewed by FirstEnergy (including materials submitted by the Auditor) to demonstrate that IEU had complied with all provisions of the Stipulation and Protocol required for approval of a claim.

ANSWER: The materials reviewed were: a document produced by FirstEnergy that verified the active accounts included in the claim, IEU's CRES application to the Commission, and the certificate issued by the Commission. (3/20/01)

28. Describe the materials reviewed by the Auditor and described or provided to FirstEnergy that demonstrated IEU had complied with the Stipulation requirement of a committed capacity sale.

ANSWER: The document produced by FirstEnergy that verified the active accounts included in the claim, and the contracts between IEU and the members of the aggregation group. (3/20/01)

29. Identify who submitted the MSG reservation claims on behalf of IEU.

ANSWER: Kevin Murray. (3/9/01)

30. Set forth any specific instructions given to the Auditor with respect to her review of IEU's compliance the Protocol and Stipulation (including instructions given prior to, during or after the review of IEU).

ANSWER: No specific instructions were given to the Auditor with respect to IEU. (3/9/01)

31. Have any special contracts been submitted for approval that include MSG?

ANSWER: No.

32. **At the time of IEU's application for MSG, who was the supplier certified to provide Retail Electric Generation Service that had a Generation Services Agreement with IEU or any IEU member?**

ANSWER: At the time of IEU's application for MSG, none was needed. (3/9/01)

33. **Have any of the IEU members been enrolled to receive MSG?**

ANSWER: Yes. (3/20/01)

34. **Has MSG begun to flow to any IEU member?**

ANSWER: Power is flowing to IEU members, as it did before January 1, 2001, although, due to a processing error, the power is not currently characterized as MSG. This error will be corrected, and the power will be characterized as MSG retroactively. (3/20/01)

35. **Have confirmation notices (as described in 4901:1-10-29 Sec. (F)(1)) been mailed to any IEU members who are to receive MSG? If yes, please state the supplier or Supplier that is listed in the notice?**

ANSWER: Confirmation notices have been mailed to IEU members who have been enrolled to receive MSG. Due to the processing error referenced in the response to question 34, FirstEnergy Services is incorrectly named in the notice as the supplier. (3/20/01)

36. **Were any notices of non-compliance provided by the Auditor, FirstEnergy, CEI, TE or OE to parties submitting MSG claims? If so, were such parties given an opportunity to correct the non-compliance? If correction was allowed, what types of non-compliance were allowed to be corrected?**

ANSWER: Parties submitting MSG claims have been notified of non-compliances. Where non-compliance resulted from a mistake in the information submitted in making the MSG claim, claimants have been allowed to correct the mistake. The types of mistakes that have been corrected include: accidentally submitting a claim for the wrong company's MSG or for the wrong customer category; accidentally canceling a claim; and classifying a claim as "load following" that should have been "capacity factor." Where the non-compliance was a failure to comply with a requirement for approval of a claim under the Protocol, the non-compliance cannot be corrected. (3/20/01)

Question raised in 3/14/01 letter:
Who is executing the FERC-filed MSG contract with the FirstEnergy operating companies on behalf of IEU?

ANSWER: A copy of the FERC-filed MSG contract has been sent to IEU for execution.

FirstEnergy

76 South Main Street
Akron, Ohio 44308

Arthur E. Korkosz
Senior Attorney

330-384-5849
Fax: 330-384-3875

Via FAX and U.S. Mail

April 18, 2001

Ms. Benita Kahn, Esq.
Vorys, Sater, Seymour & Pease, LLP
52 East Gay Street
Columbus, OH 43216

Re: Enron Energy Services v. FirstEnergy Corp.
PUCO Case No. 01-393-EL-CSS

Dear Ms. Kahn:

The following comprises the requested supplementation of certain responses made during the deposition of Douglas S. Burnell on April 12, 2001. The Supplemental Responses set out below reflect answers by Mr. Burnell to the questions posed at deposition based upon his subsequent review of material in his files.

Q Do you know whether or not IEU submitted an application to be a certified supplier as it's defined in your supplier tariff?

Supplemental Response:
IEU did not submit an application to be a Certified Supplier within the meaning of that term as defined in the Supplier Coordination Tariff.

Q So are you indicating that you never saw an application from IEU for registration pursuant to Roman numeral 5 of the supplier tariff?

Supplemental Response:
Correct.

Q Have you seen an application from IEU?
A Can you please be more specific?
Q Any type of application that would be submitted to you?
A Yes, I have.
Q And what was included in that application?

Supplemental Response:
Included were the materials necessary for an entity operating as an aggregator who was interested in participating in the MSG program to become an Eligible Supplier under the Market Support Generation Claiming Protocol.

Q Do you recall whether or not they [IEU] sent you information with respect to a coordination agreement?

Supplemental Response:
IEU did not.

Q Do you recall whether or not they sent information with respect to credit? They being IEU.

Supplemental Response:
They did not.

Q Do you know whether or not IEU has submitted information with respect to rate schedules?

Supplemental Response:
IEU has not.

Q Along those lines when you are supplementing, I would appreciate if that was submitted if you could indicate who submitted on behalf of IEU as well if that's information included in your file.

Supplemental Response:
Kevin M. Murray.

Q Okay. When you are supplementing the other questions I asked, if there's something in IEU's file with respect to written notification of approval of registration under your supplier tariff could you also advise of that, please?

Supplemental Response:
There is no such document in the IEU file.

Please contact me should you have any question as to the above.

Yours very truly,

Arthur E. Korkosz