

**TO:** Potential Municipal Participants in the NEO|SO Electricity Program  
**FROM:** Northeast Ohio Sourcing Office  
**RE:** Time is Running Out to Achieve the Greatest Savings on Your Electricity Needs

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The “dog days of summer” are upon us and time is running out to achieve the maximum savings on your electricity needs this summer. On June 1<sup>st</sup>, 2009, the electricity market in northern Ohio changed dramatically as a result of an electric auction that was conducted in May 2009. **Your organization is now able to shop for the company that supplies your electricity – just as you can shop for natural gas or phone service.** This letter announces the Electric Savings Program that NEO|SO has developed with First Energy Solutions as its electricity supplier partner.

**The NEO|SO Electricity Program includes:**

- **Amazing pricing with guaranteed savings:** 5.75% off your electric generation through May 2011.
- **Comfort:** The NEO|SO Electricity Program was created with the input of one of Ohio’s most recognized energy attorneys, Northern Ohio’s leading energy consultants, and approximately 20 local governments, higher education institutions, and not-for-profit organizations.
- **Service:** NEO|SO participants will have access to dedicated customer care representatives through a special NEO|SO toll free enrollment and inquiry line.
- **Education:** NEO|SO participants will have access to exclusive energy market update events, information, and resources through this program.
- **Information:** NEO|SO will provide participating organizations with an annual savings report detailing the value received through this program

**How can your organization participate?**

- Complete the enclosed enrollment materials and fax them back to immediately lock in your savings. These can be directed to FirstEnergy Solutions via fax at 888.820.1416 (no cover necessary) or send a scanned copy to [firstchoice@fes.com](mailto:firstchoice@fes.com).
- Direct any questions to NEO|SO at 216.581.6200 x121, ask for Jani Memorich.

NEO|SO currently has approximately 500,000,000 KWH being purchased through the NEO|SO Electricity Program annually. Enroll today to leverage this purchasing volume, and benefit from the program’s other valuable features, to bring immediate savings to your community. Entities must join NEO|SO to utilize this program. There is no fee to join NEO|SO and the Affiliate Membership document is available for download and completion at [www.neoso.org/electricity](http://www.neoso.org/electricity).

Sincerely,



Jani E. Memorich  
NEO|SO Business Manager



## FREQUENTLY ASKED QUESTIONS

### **WHAT DOES NEO|SO DO?**

NEO|SO sources, matches, and manages group purchasing programs on behalf of its Members and Affiliates (collectively, the “Participants”). NEO|SO conducts competitive solicitations for products and services, works with individual Participants to determine whether programs are a good fit for them, and manages the supplier relationship and performance on an ongoing basis.

### **HOW IS NEO|SO STRUCTURED?**

NEO|SO is a Council of Governments organized under Section 167 of the Ohio Revised Code and is a special district local government entity. NEO|SO has also secured a 501(c)(3) not-for-profit designation from the Internal Revenue Service.

### **CAN PARTICIPATING PUBLIC SECTOR ENTITIES BUY THROUGH NEO|SO’S CONTRACTS WITHOUT CONDUCTING THEIR OWN BID PROCESS?**

Yes. A key advantage that NEO|SO offers its Participants is the ability to “piggyback” on NEO|SO’s already-procured contracts, thereby saving both the individual Participant and the supplier the time, aggravation, and cost of conducting yet another Bid or RFP process on a one-off basis.

### **IF MY ORGANIZATION BUYS OFF THE STATE BID, CAN WE BUY THROUGH NEO|SO?**

Yes.

### **WHY DID NEO|SO DECIDE TO CREATE AN ELECTRICITY PROGRAM?**

Several existing Participants contacted NEO|SO in April to request that NEO|SO develop an electricity program to take advantage of the ongoing changes in the electricity marketplace.

### **HOW DID NEO|SO DEVELOP THIS ELECTRICITY PROGRAM?**

NEO|SO worked with several participant representatives (the “Steering Committee”) as well as with John Verdile (an electricity subject manager expert from Xpense Solutions) and Chip Collier (the head of the energy group for the law firm of Benesch Friedlander Coplan & Aronoff LLP).

### **WHO IS ELEGIBLE TO PARTICIPATE IN THIS ELECTRICITY PROGRAM?**

This program is targeted to any small to mid-size municipality in the FirstEnergy service footprint. This includes entities located within the Ohio Edison (OE), Toledo Edison (TE), and The Illuminating Company (CEI) service areas.

### **HOW IS NEO|SO PAID?**

FirstEnergy Solutions pays NEO|SO a small administrative fee out of the revenue it collects as part of the program. The key advantage to participants is that the pricing available through this program is at least 4.5% better than the “street offer” that is currently being offered to municipalities.

### **WHAT PROCESS DID NEO|SO FOLLOW IN SELECTING A SUPPLIER?**

As you know, competitive bidding is not required for electricity. NEO|SO’s Electricity Steering Committee interviewed multiple suppliers and recommended that NEO|SO select FirstEnergy Solutions as the electricity provider. Two key reasons: A) FirstEnergy Solutions is an Ohio-based supplier employing thousands of Ohioans, and B) that FirstEnergy Solutions is the only supplier with their own local generation capacity which virtually eliminates the potential for supply interruption.



**NEO|SO ELECTRIC PROGRAM ENROLLMENT FORM**



**Yes**, please enroll my organization in the NEO|SO Electric Program in which FirstEnergy Solutions Corp. (FES) will provide me the special NEO|SO Electric Program discount\* on my generation and transmission. Limited time offer — subject to eligibility requirements. Please complete and fax this form to 1.888.820.1416 by July 24, 2009.

\*NEO|SO Electric Program discount for customers on Commercial Rate Code GS: A discount of 5.75% off your Price To Compare through May 2011. Service to begin August 2009 or sooner, if possible.

I hereby agree to purchase electricity from FES under the agreement and included Terms and Conditions. I understand and agree to those Terms and Conditions and agree to participate in the Electric Choice Program. I acknowledge that I am an authorized representative of the organization listed below and I have the authority to make decisions on behalf of the organization regarding its electric generation supplier. FES has my permission to obtain my past & current electric usage data.

\_\_\_\_\_  
Electric Account Holder's Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Electric Account Holder's Signature

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Phone Number

**ACCOUNTS TO BE ENROLLED:**

**Please include a copy of your electric bill in order to determine eligibility.**

**Customer Number: (20 digit Customer Number is located on page 3 of utility bill.)**

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**Meter Number (up to 10 digits)**

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Service Location Street Address	City	State	Zip Code	Rate Code	Utility Name*
		OH			

\* **Utility Name** (i.e. Ohio Edison (OE), Toledo Edison (TE), The Illuminating Company (CEI))

**Please fax this form to FirstEnergy Solutions NEO|SO PROGRAM at 1.888.820.1416 or email to firstchoice@fes.com**

**FirstEnergy Solutions Corp. – Terms and Conditions**

These Terms and Conditions together with the enrollment information are your agreement for electric generation service with FirstEnergy Solutions Corp. (“FES”). Please keep a copy of this agreement for your records.

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

**DEFINITIONS:**

**Generation Service** – The production of electricity.

**Transmission Service** – Moving high voltage electricity from a generation facility to the distribution lines of an EDU.

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

**RIGHT OF RESCISSION** – Once you have been enrolled to receive generation service from FES, your EDU will send you a confirmation letter. You will have the right to rescind your enrollment within seven (7) calendar days following the postmark date of the confirmation letter by following the instructions contained in the letter. The Right of Rescission only applies when a customer switches to a generation supplier and not on renewal enrollments. Your EDU will not send a confirmation notice upon any renewal of this Agreement.

**TERMS AND CONDITIONS OF SERVICE**

**1. Eligibility.**

**Commercial:** Small commercial customer accounts with a peak demand below 199 KW are eligible for this offer from FES. FES reserves the right to refuse enrollment to any commercial customer with an outstanding balance.

**2. Basic Service Prices.** During the term of this Contract, you agree to pay FES for combined electric Transmission, Generation, and Generation Related Charges. You will be billed at 5.75 percent off your EDU Price to Compare per KWh per billing month. Your Price to Compare consists of bypassable transmission, generation and generation related charges and are the charges that you would avoid for that billing period when you switch to FES.

In addition to FES’ charges, you will be charged by your EDU for distribution and various other charges. FES reserves the right to unilaterally modify this billing format in the event the EDU is unable or unwilling to provide consolidated billing in this format or changes the calculation of the Price to Compare.

In addition to the charges described above, FES will charge you for any and all fees, costs, and obligations imposed by a Regional Transmission Organization (“RTO”), such as the Midwest ISO or successor organizations, that are not otherwise reimbursed to FES, regardless of whether such charges are greater than, less than, or equal to the charges Customer currently pays for these services (“Midwest ISO/Transmission and Ancillary Charges”). FES will pass these Midwest ISO/Transmission and Ancillary Charges, which may be variable, through to you and you will receive no discount or percent-off of such charges.

**3. Length of Agreement.** Your service from FES will commence with the next available meter reading following the seven (7) day rescission period, and after the acceptance of the enrollment request by FES (at its discretion and consistent with Paragraph 7 below), and after processing of the enrollment by your EDU, and will continue for the term as specified in the offer materials from FES, ending on the meter read for the last month of service.

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

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

**6. Cancellation/Termination Provisions.** If this agreement is not rescinded during the rescission period, enrollment will be sent to your EDU. You may terminate this Agreement, without penalty, if you move outside the CRES provider’s service area or into an area where the CRES provider charges a different price, by providing FES with a thirty (30) day written notice. Upon termination and return to standard offer service with your EDU, you may not be served under the same rates, terms, and conditions that apply to other EDU customers. There will be a \$75 charge if you terminate this Agreement for any other reason, except as expressly provided herein. Should you cancel service with FES and return to standard offer service with your EDU, you may not be served under the same rates, terms, and conditions that apply to other EDU customers.

**7. Customer Consent and Information Release Authorization.** By choosing to accept this offer from FES you understand and agree to the terms and conditions of this Agreement with FES. You authorize FES to obtain information from the EDU that

includes, but is not limited to: billing history, payment history, historical and future electricity usage, meter readings, and characteristics of electricity service. FES reserves the right to determine if your credit standing is satisfactory before accepting your enrollment request. This Agreement shall be considered executed by FES following acceptance of your enrollment request by FES, the end of the 7 day rescission period and subsequent acceptance of the enrollment by your EDU.

**8. Contract Expiration.** At the end of its term, this Agreement will expire. You are responsible for arranging your electric supply upon the expiration of the Agreement.

**9. Dispute Procedures.** Contact FES with any questions concerning the terms of service by phone at 1-888-254-6359 (toll-free) M-F 8AM – 5PM EST or in writing at 341 White Pond Drive, Attn: Contract Administration, Akron, OH 44320. Our web address is [www.firstenergysolutions.com](http://www.firstenergysolutions.com). If your complaint is not resolved after you have called your electric supplier and/or your electric utility, or for general utility information, residential and business customers may contact the Public Utilities Commission of Ohio for assistance at 1-800-686-7826 (toll free) or TTY at 1-800-686-1570 (toll free) from 8:00 am to 5:00 pm weekdays or at [www.PUCO.ohio.gov](http://www.PUCO.ohio.gov).

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

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

FES’ environmental disclosure statement is available for viewing on our website – [www.firstenergysolutions.com](http://www.firstenergysolutions.com). You agree that FES will make the required quarterly updates to the statement electronically on our website. We will also provide the information upon request.

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

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

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

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

Customer authorizes, but does not obligate FES, to exercise Customer’s government aggregation opt-out rights.

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

**ADDITIONAL ACCOUNTS ENROLLMENT FORM**



Please complete as many copies as necessary



Solutions

**Customer Number: (20 digit Customer Number is located on page 3 of utility bill.)**

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**Meter Number (up to 10 digits)**

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Service Location Street Address	City	State	Zip Code	Rate Code	Utility Name*
		OH			

\* **Utility Name** (i.e. Ohio Edison (OE), Toledo Edison(TE), The Illuminating Company (CEI))

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**Please fax this form to FirstEnergy Solutions NEO|SO PROGRAM at 1.888.820.1416 or email to firstchoice@fes.com**

**TO:** Potential Municipal Participants in the NEO|SO Electricity Program  
**FROM:** Northeast Ohio Sourcing Office  
**RE:** Legal review of the FirstEnergy Solutions standard Terms & Conditions

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Each municipal participant in the NEO|SO electricity program with FirstEnergy Solutions ("FES") will enter into an agreement detailing the terms and conditions of purchasing electricity through FES as the participant's Certified Retail Electric Service ("CRES"). The 1-page terms and conditions document from FES is included within this information package.

As part of the NEO|SO electricity program, our legal team has reviewed the FES standard agreement on NEO|SO's behalf. The legal team's feedback to NEO|SO is provided below for your consideration as your organization evaluates whether to utilize this program and save 5.75% on your electricity costs for the entire contract term versus the market-based Price to Compare.

## LEGAL REVIEW

The terms and conditions sheet, together with the enrollment information, would constitute an agreement for competitive retail electric service. This FES form purports to apply to small commercial accounts with a peak demand below 199 KW.

In general, these terms and conditions are consistent with the essential terms and conditions applicable to commercial competitive retail electric service required by Ohio Administrative Code Chapter 4901:1-21. These rules adopted by the PUCO, in accordance with R.C. 4928.10, provide minimum standards for the marketing, solicitation, and sale of competitive retail electric service or CRES and the administration of any contract for such service. Specifically, pursuant to Ohio Administrative Code Rule 4901: 1-21-02(E), the rules of Chapter 4901: 1-21 supersede any inconsistent provisions, terms, and conditions of the CRES provider's contract or other documents describing service offerings.

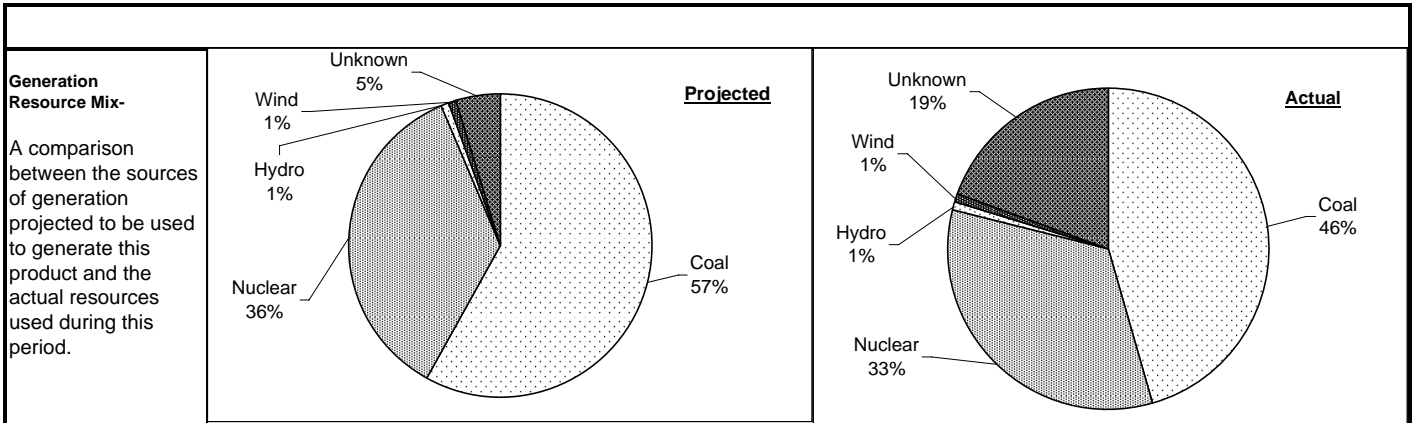
The following are comments concerning the significant terms and conditions:

- **CRES Service.** FES is the CRES provider for participating customers. NEO|SO will not be serving as an aggregator of load for pricing services;
- **Price.** This form does not provide a defined "price" per kWh. Rather, service is billed at 5.75% off the EDU Price to Compare per kWh. The specific price for each customer should be stipulated between the parties at time of contract;
- **Charges.** The percent discount will not apply to ancillary charges (see Sec. 2). FES will charge the customer for all ancillary fees and costs imposed by the Regional Transmission Organization. FES will pass these RTO and Ancillary Charges through to the customer with no discount on those pass-through charges;
- **Term.** The term will be subject to negotiations. NOTE: FES is offering these terms through May 2011;
- **Billing.** There will be consolidated billing with the Electric Distribution Utility. There is no budget billing;
- **Termination.** There is a \$75 termination fee.

The above general comments apply to the form of the terms and conditions. Significantly, the pricing, terms, and technical conditions of service must be separately negotiated by each individual Customer and reflected in the contract documents. FES may aggregate load for pricing purposes. Each Customer should carefully review the final terms and conditions for itself to ensure the final terms and conditions are appropriate and satisfactory for that particular customer.

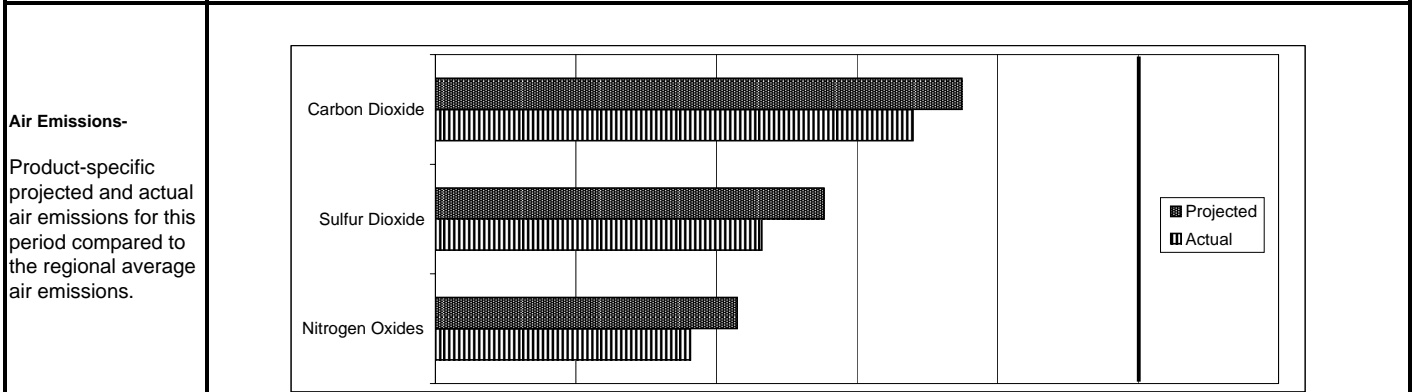


Environmental Disclosure - Quarterly Comparison  
 FirstEnergy Solutions Corp.  
 Projected Data for Calendar Year 2009  
 Actual Data for the Period 01/01/09 to 3/31/09



**Environmental Characteristics-**  
 A description of the characteristics associated with each possible generation resource.

Biomass Power	Air Emissions and Solid Waste
Coal Power	Air Emissions and Solid Waste
Hydro Power	Wildlife Impacts
Natural Gas Power	Air Emissions and Solid Waste
Nuclear Power	Radioactive Waste
Oil Power	Air Emissions and Solid Waste
Other Sources	Unknown Impacts
Solar Power	No Significant Impacts
Unknown Purchased Resources	Unknown Impacts
Wind Power	Wildlife Impacts



**Radioactive Waste-**  
 Product-specific projected and actual radioactive waste for this period.

Type :	Projected Quantity	Actual Quantity	Unit
High-Level Radioactive Waste	0.0032	0.0029	lb/1,000 kWh
Low-Level Radioactive Waste	0.0003	0.0002	ft <sup>3</sup> /1,000 kWh

Note: The generation of this product involves the use of 5% projected and 19% actual Unknown Purchased Resources. The air emissions and radioactive wastes associated with these unknown resources are not included in these charts.

With in-depth analysis, the environmental characteristics of any form of electric generation will reveal benefits as well as costs. For further information, contact FirstEnergy Solutions Corp. at [www.fes.com](http://www.fes.com) (click on "FirstEnergy Corp." at the bottom of the home page) or by phone at 1-888-254-6359.