

Powering Our Communities

Powering Our Communities is an innovative program from FirstEnergy Solutions (FES) which provides economic funding to communities and guaranteed long-term electric generation price savings for customers.

The level of funding for each participating community is based on the number of customers within the governmental aggregation program. Funds can be used however the communities see fit, such as police and fire protection or other essential services.

Residential customers in participating communities receive 6 percent off the Price to Compare (PTC), which is the price per kilowatt-hour (KWH) you would be charged for electric generation service from your utility. Small businesses will receive 4 percent off the PTC, as well as those customers with all-electric space heating, water heating or load management equipment who receive a generation credit from the utility. And because FES' 4-percent discount is based on the PTC – which includes the generation discount from the utility – all-electric space heating, water heating and load management customers are not missing out on any of the savings that the utility credits provide.

Snapshot of Governmental Aggregation

According to Ohio law, local communities are allowed to bring their citizens together to buy electricity as a group and negotiate the terms, conditions and price of the electric supply on the group's behalf. This type of group buying power is an effective way to obtain a lower electricity rate for all the group members.

Most governmental aggregation programs are structured so that all eligible residents and small business customers in the community are automatically enrolled. Residents who don't want to participate must then actively "opt-out" of the program – which means they choose not to be included. An opt-out program can only be implemented if a majority of the voters approve the ballot issue in a primary or general election. The ballot issue must be submitted to the county Board of Elections at least 75 days before the election.

All About Opting Out

Since eligible consumers do not need to do anything to participate in the program, the opt-out form of governmental aggregation makes it extremely easy for eligible residential and small business customers to save money on the generation portion of their electric bill.

When voters approve the ballot issue, the local government selects a certified supplier to provide the generation service and a letter is sent to consumers specifying the terms and conditions of the offer as well as the rate.

The letter will also contain an opt-out form that can be completed and returned if the consumer does NOT want to participate in the aggregation program. Consumers have 21 days to opt out of the program at no charge – and another opportunity to opt-out every three years. If the aggregation member chooses to leave the program for any reason other than moving, the consumer will most likely be assessed a small cancellation fee that covers the supplier's costs for any power that it has secured in anticipation of serving consumers.

About FirstEnergy Solutions

Based in Akron, Ohio, FirstEnergy Solutions (FES) is the competitive, unregulated subsidiary of FirstEnergy Corp., the nation's fifth largest investor-owned electric utility.

Through its aggregation program, FES has provided savings to over 1,000,000 residential and small commercial participants in more than 200 communities. Each community's electric aggregation program provides participating customers with savings off their electric generation.

All eligible residential and small commercial customers are automatically included in the electric aggregation program and will receive savings unless they choose to opt-out. Customers who participate do not have to do anything to take advantage of the electric aggregation program. An opt-out is offered to those enrolled in each community at least every three years.

Once enrolled in a community's electric aggregation program, participants will still receive only one bill from their utility, which will include the discounted electric generation charges. They will also continue to receive the same reliable service from their local utility, including the delivery of power, maintaining and reading meters and restoration of power in case of an outage.

Here's why so many customers choose FES:

- **We're well-established:** FirstEnergy Solutions was formed in 1997 as the competitive subsidiary of FirstEnergy Corp., a Fortune 200 company with a long-standing presence in Ohio, Pennsylvania and New Jersey through predecessor companies.
- **We're asset-backed:** With 18 power plants totaling more than 14,000 megawatts of generation, we can provide the stability and competitive pricing you need in an electric generation supplier.
- **We're knowledgeable:** FirstEnergy Solutions has been an alternative electric generation supplier since electric choice first became available nearly a decade ago, which means we have the industry knowledge and experience to help you navigate these markets with ease.
- **We're customer-focused:** Whether you buy retail electric service from us, use our consulting services, or participate in a governmental aggregation program, we'll work to provide you various choices and cost-saving options that meet your specific needs.

Frequently Asked Questions

Q. What is governmental aggregation?

A. Governmental aggregation is an easy and effective way for a large group of consumers to save money on their electric bills.

Ohio law allows for communities – such as townships, cities and counties – to form aggregated buying groups to purchase electric generation on behalf of their citizens. By bringing citizens together, the aggregation gains group buying power and typically can negotiate a better price with the supplier than each aggregation group member could have negotiated individually. The governmental aggregator chooses the electric generation supplier for all of the customer-members in its group.

On May 4, 2010, your community will have the issue of electric aggregation on the ballot. By voting FOR electric aggregation, you will allow your locally elected officials to purchase electric generation at a discounted rate for your community.

Q. How do residents join a governmental aggregation program?

A. First, the governmental aggregation issue must be placed on the ballot and then passed by a majority of the voters. Once passed, all eligible residents and small businesses in the community will be enrolled and will begin receiving the discounted generation pricing under the program. Residents do not need to do anything to join the program. However, anyone who does not want to participate in the program can easily opt out by returning a form, which will be mailed to all eligible members.

Q. What does opt out mean?

A. Since all eligible residents are automatically enrolled in the governmental aggregation program, those residents who do not want to participate are given the opportunity to opt out. By returning the opt-out form by the due date, which is included in a letter that is mailed to all eligible residents, residents can choose not to be enrolled as an electric generation customer with the community's competitive electric generation supplier.

Ohio GOVERNMENTAL AGGREGATION

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

A. Governmental aggregation is designed so it is easy for residents to save money on their electric bills. So, if you do not return the opt-out form postmarked by the due date, you will be included in the community's governmental aggregation program and will begin receiving competitively priced electricity from the community's competitive electric generation supplier.

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

A. Yes, you will be sent a notice at least every three years asking if you wish to remain in the program. At that point, you may opt out at no cost. However, if you leave the program at any other time for any reason other than moving, you might be subject to a small cancellation fee from the supplier.

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

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

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

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

Glossary of Terms

Aggregator – Any marketer, broker, public agency, city, county, or special district that combines the loads of multiple end-use customers in facilitating the sale and purchase of electricity, transmissions and other services on behalf of these customers.

Alternative Electric Generation Supplier – An energy-only service company, providing energy sales to customers with delivery service provided by a utility. Also referred to as alternative energy provider, and energy service provider.

Commercial – An energy-consuming sector that consists of service-providing facilities and equipment of non-manufacturing businesses, such as restaurants, retail stores and hotels; and other private organizations, such as religious, social and fraternal groups. The commercial sector includes institutional living quarters. Common uses of energy associated with this sector include space heating, water heating, air conditioning, lighting, refrigeration, cooking, and running a wide variety of other equipment.

Cooperative, Rural Electric (Co-op) – An electric utility legally established to be owned by and operated for the benefit of those using its service. The utility company will generate, transmit and/or distribute electricity to a specified area not being serviced by another utility. Such ventures are generally exempt from Federal income tax laws. Most electric cooperatives have been initially financed by Utilities Service (prior Rural Electrification Administration), U.S. Department of Agriculture.

Customer Charge – An amount to be paid periodically by a customer for electric service often based upon costs incurred for metering, meter reading, billings, etc. (exclusive of demand or energy consumption).

Customer Choice – Allowing certain customers to purchase electricity from alternative competitive suppliers.

Default Service or Provider of Last Resort – A legal obligation, traditionally assigned to utilities, to provide service to any customer who requests it at any time.

Demand – The rate at which electricity is being used at any one given time (or averaged over any designated interval of time). Demand differs from energy use, which reflects the total amount of electricity consumed over a period of time. Demand is often measured in Kilowatts (kW = 1 Kilowatt = 1000 watts), while energy use is usually measured in Kilowatt hours (kWh = Kilowatts x hours of use = Kilowatt hours). The term load is considered synonymous with demand. (Load also may be defined as an end-use energy-consuming piece of equipment, or a customer that receives power from the electric system. Using this definition of load, demand is the measure of power that a load receives or requires).

Ohio GOVERNMENTAL AGGREGATION

Deregulation – The elimination of regulation from a previously regulated industry or sector of an industry.

Distribution – The process of delivering electricity from convenient points on the transmission system to consumers.

Electric Distribution Company – The utilities that continue to provide regulated services for the distribution of electricity to customers and serve customers who do not choose direct access.

Electric Supplier – An entity (including an electric aggregator or participating municipal electric utility) licensed to provide electric generation services to customers. With electric choice, customers can choose their electric supplier. The customer's electric distribution company then delivers the power.

Energy Charge – That portion of the charge for electric service based upon the electricity (kWh) consumed or billed.

Fixed Costs – Costs that do not change or vary with usage, output or production.

Generation – The act or process of transforming other forms of energy into electric energy, or the amount of electric energy so produced, expressed in kilowatt hours.

Industrial – An energy-consuming sector that consists of all manufacturing facilities and equipment used for producing, processing or assembling goods. The industrial sector encompasses the following types of activity: manufacturing; agriculture, forestry, and fisheries; mining; and construction. Overall energy use in this sector is largely for process heat and cooling and powering machinery, with lesser amounts used for facility heating, air conditioning and lighting.

Investor-Owned Electric Utility (IOU) – A privately owned electric utility whose stock is publicly traded. It is rate-regulated and authorized to achieve an allowed rate of return.

Kilowatt (kW) – One kilowatt equals 1,000 watts.

Kilowatt-Hour (kWh) – The basic unit of electricity equal to one kilowatt of power supplied to or taken from an electric circuit steadily for one hour. One kilowatt-hour equals 1,000 watt-hours.

Megawatt (MW) – One megawatt equals one million-watts.

Megawatt-hour (MWh) – One megawatt-hour equals one million watt hours.

Ohio GOVERNMENTAL AGGREGATION

Municipally-Owned Electric System – An electric utility system owned and operated by a city, county, irrigation district, drainage district, or a political subdivision or agency of a State competent under the laws thereof to carry on the business of developing, transmitting or distributing power. This entity usually, but not always, provides service within the boundaries of the municipality.

Price to Compare – The portion of your bill associated with electricity generation and transmission. This is the amount you will be charged if you continue to receive generation and transmission service from your utility

Public Utilities Commission (PUC) – A name commonly used for the state regulatory agency that governs retail utility rates and practices and, in many cases, issues approvals for the construction of new facilities. There are regulatory commissions in all 50 states, as well as the District of Columbia, Puerto Rico and the Virgin Islands.

Residential – An energy-consuming sector that consists of living quarters for private households. Common uses of energy associated with this sector include space heating, water heating, air conditioning, lighting, refrigeration, cooking, and running a variety of other appliances. The residential sector excludes institutional living quarters. This sector may exclude deliveries or sales to apartment buildings or homes on military bases (these buildings or homes may be included in the commercial sector).

Retail Customer Choice – Allowing certain customers to purchase electricity from alternative competitive suppliers.

Tariff (Tariff Schedule) – A document filed with the regulatory authority(s) specifying lawful rates, charges, rules and conditions under which the utility provides service to the public.

Transmission – The act or process of transporting electricity in bulk from a source or sources of supply to other principal parts of the system or to other utility systems.

Ohio GOVERNMENTAL AGGREGATION

Aggregation Projected Timeline

