

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

On June 1st, 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 Sourcing Office has developed with First Energy Solutions as its electricity supplier partner.

The Sourcing Office Electricity Program includes:

- **Amazing pricing with guaranteed savings:** 8% off your electric generation through May 2011 and a fixed price of 6.25¢ per kWh through May 2012.
- **Comfort:** The Sourcing Office 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:** Sourcing Office participants will have access to dedicated customer care representatives through a special Sourcing Office toll free enrollment and inquiry line.
- **Education:** Sourcing Office participants will have access to exclusive energy market update events, information, and resources through this program.
- **Information:** Sourcing Office 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.
- Direct any questions to Sourcing Office at 216.581.6200 x122, ask for Melissa Vacha.

Sourcing Office currently has approximately 500,000,000 KWH being purchased through the Sourcing Office 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 Sourcing Office to utilize this program. There is no fee to join Sourcing Office and the Affiliate Membership document is available for download and completion at www.SourcingOffice.org/electricity.

Sincerely,



Bruce L. Tague
Sourcing Office Executive Director

FREQUENTLY ASKED QUESTIONS

WHAT DOES SOURCING OFFICE DO?

Sourcing Office sources, matches, and manages group purchasing programs on behalf of its Members and Affiliates (collectively, the "Participants"). Sourcing Office 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 SOURCING OFFICE STRUCTURED?

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

CAN PARTICIPATING PUBLIC SECTOR ENTITIES BUY THROUGH SOURCING OFFICE'S CONTRACTS WITHOUT CONDUCTING THEIR OWN BID PROCESS?

Yes. A key advantage that Sourcing Office offers its Participants is the ability to "piggyback" on Sourcing Office'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 SOURCING OFFICE?

Yes.

WHY DID SOURCING OFFICE DECIDE TO CREATE AN ELECTRICITY PROGRAM?

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

HOW DID SOURCING OFFICE DEVELOP THIS ELECTRICITY PROGRAM?

Sourcing Office 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 SOURCING OFFICE PAID?

FirstEnergy Solutions pays Sourcing Office 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 SOURCING OFFICE FOLLOW IN SELECTING A SUPPLIER?

As you know, competitive bidding is not required for electricity. Sourcing Office's Electricity Steering Committee interviewed multiple suppliers and recommended that Sourcing Office 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.

TO: Potential Municipal Participants in the Sourcing Office Electricity Program

FROM: Sourcing Office

RE: Legal review of the FirstEnergy Solutions standard Terms & Conditions

Each municipal participant in the Sourcing Office 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 Sourcing Office electricity program, our legal team has reviewed the FES standard agreement on Sourcing Office's behalf. The legal team's feedback to Sourcing Office 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. Sourcing Office 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.

introduction to FirstEnergy Solutions

FirstEnergy Solutions delivers savings and price certainty to customers in competitive electric markets in Ohio, New Jersey, Maryland, Pennsylvania and Illinois. Our goal is to be a responsive, knowledgeable partner who can help you navigate through the complex rules and regulations of the open power markets.



About FirstEnergy Solutions

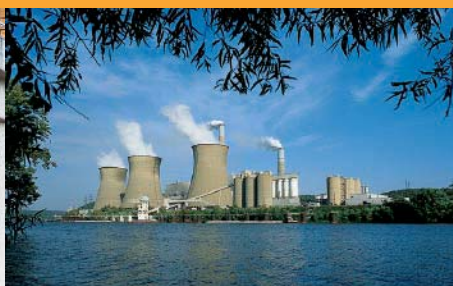
- Established in 1998 in Akron, Ohio
- 18 generating stations
- Subsidiary of FirstEnergy Corp., the nation's fifth-largest investor-owned electric utility
- Supplies diverse markets, including education, retail, commercial real estate, hospitality and restaurant, government, health care and industrial
- We are focused on regional markets where we can leverage the presence of an impressive mix of local generation assets.

Top Reasons to Select FirstEnergy Solutions

- FirstEnergy Solutions doesn't require a tolerance contract. Customers only pay for the energy they use, with no charges for under-utilization of energy, or market exposure for increased energy usage.
- During negotiations, we will hold our prices up to five days.
- Our PriceLess™ option allows customers to lock in a price. If the market price drops during the "option" period, your price will be reduced. If the market price increases, you keep the price you locked in.
- FirstEnergy Solutions operates approximately 14,000 MW of generation.
- FirstEnergy Corp., the parent company of FirstEnergy Solutions, is a Fortune 200 company. An asset-backed company, FirstEnergy Solutions offers you stability and the assurance that we will be here at the end of your contract term.
- FirstEnergy listens to customers' needs and offers a customized package to meet their energy requirements.

Want to know more?

- **Request a Quote**, a free online service, available at fes.com, that allows you to see the savings we can offer you.
- **View EnergyFirst**, FirstEnergy Solutions' newsletter with energy-related information you can use right now at your company or organization.
- **Learn about deregulation** and what choice can mean for you and find out more **about FirstEnergy Solutions** at fes.com, or by calling us at **1-800-977-0500**.



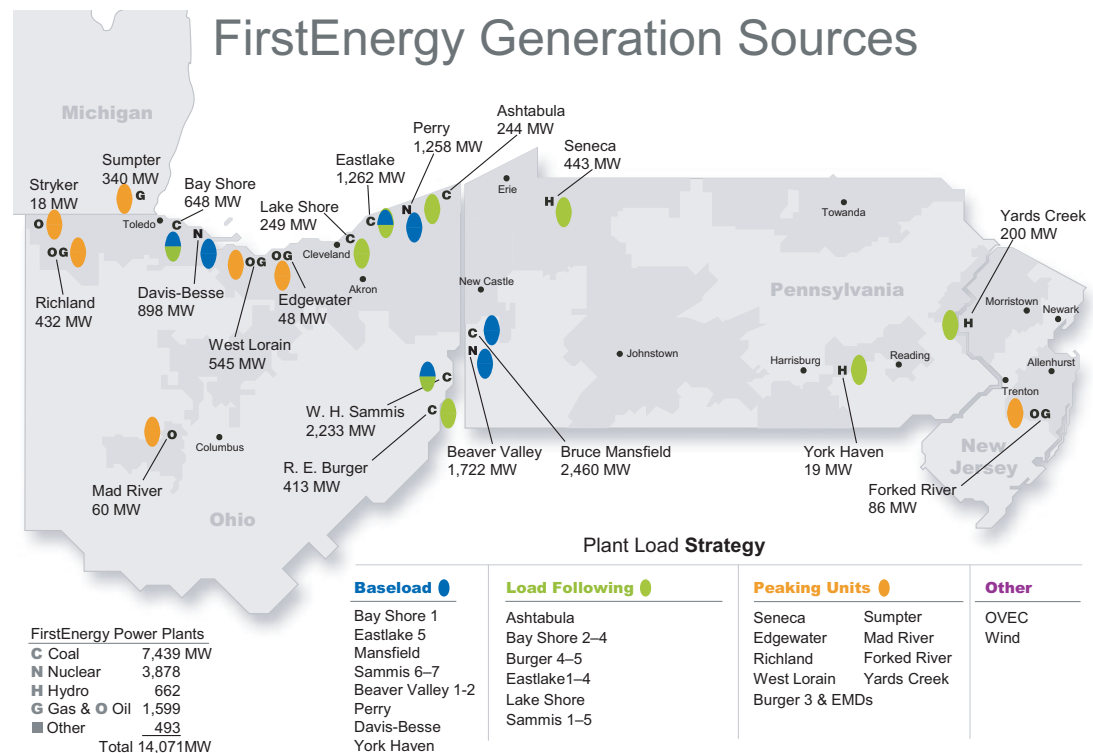
generating value For You

FirstEnergy Solutions, a part of FirstEnergy Corp., is backed by a generation fleet of more than a dozen plants spread across Ohio, Michigan, Pennsylvania and New Jersey producing more than 14,000 MW of generation.



- FirstEnergy Solutions' generation assets are well-located to serve the PJM and MISO markets. Our nearby generation provides the most economical path to your facility.
- As a generator, we monitor energy markets 24-hours a day, 7 days a week – an important consideration when selecting a knowledgeable energy partner.
- We offer a diversified mix of coal, nuclear, hydro, wind and natural gas generation, protecting you from overexposure to volatile fuel prices.
- Our access to renewable generation helps us help you support the environment.
- Our asset-backed approach shields us from price volatility in the energy market and allows us to stay in retail markets when other non-backed suppliers have exited.

Learn more about how our generation fleet can bring value to your business by calling your FirstEnergy Solutions representative today at 1-800-977-0500, or visit us online at 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.

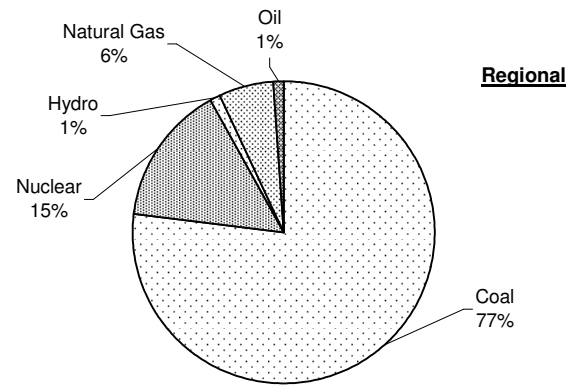
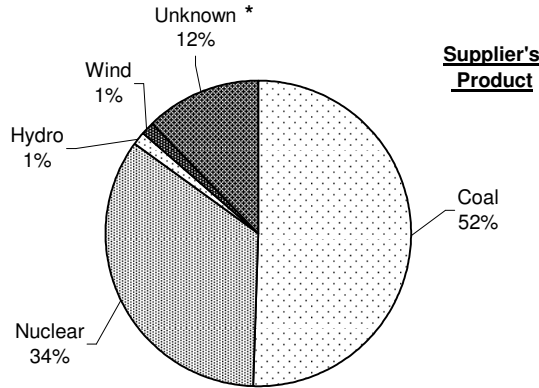
- 3. Length of Agreement.** Your service from FES will commence with the next available meter reading following the seven (7) day rescission period, and after the acceptance of the enrollment request by FES (at its discretion and consistent with Paragraph 7 below), and after processing of the enrollment 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. 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.
- 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. 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.

Environmental Disclosure Information
 FirstEnergy Solutions Corp.
 Projected Data for the 2010 Calendar Year

Generation Resource Mix-
 A comparison between the sources of generation used to produce this product and the historic regional average supply mix.

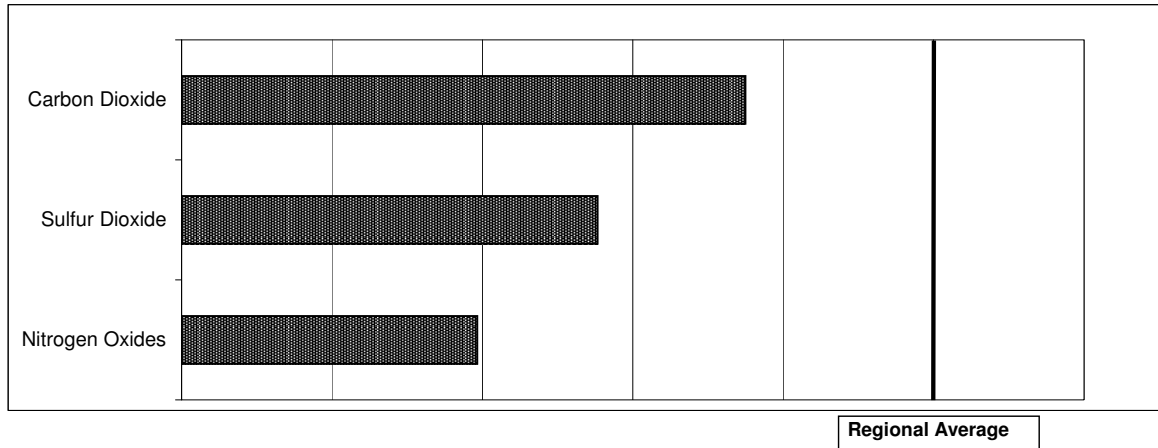


* Includes the purchase of Renewable Energy Credits that FES will make to comply with the OHIO SB 221 Alternative Energy Requirements.

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

Air Emissions-
 A comparison between the air emissions related to this product and the regional average air emissions



Radioactive Waste-
 Radioactive waste associated with the product

Type :	Quantity
High-Level Radioactive Waste	0.0022 Lbs./1,000 kWh
Low-Level Radioactive Waste	0.0004 Ft ³ /1,000 kWh

Note: The generation of this product involves the use of 12% Unknown Purchased Resources. The air emissions and radioactive wastes associated with these unknown resources are not included in these charts.