

**PLAN OF OPERATION AND GOVERNANCE
for the
ANDERSON TOWNSHIP ELECTRIC AGGREGATION PROGRAM**

Introduction. At the general election held on November 8, 2016, a majority of the voters in Anderson Township (County of Hamilton), Ohio (the “Township”), approved the authority of the Board of Township Trustees of the Township (the “Board”) to aggregate the retail electric loads located in the Township, such aggregation to occur automatically except with respect to mercantile customers and to any other person who elects by a stated procedure to opt-out of the Anderson Township Electric Aggregation Program (the “Program”). The Board held public hearings on the matter on January 19, 2017, at 12:00 p.m. and at 6:00 p.m., and after considering public input, approved this Plan of Operation and Governance for the Program as prescribed by Section 4928.20(C) of the Ohio Revised Code (the “Revised Code”). The Board has developed this Plan of Operation and Governance for the Program (the “Plan of Operation”) in accordance with the governmental aggregation provisions in Section 4901:1-21-16 of the Ohio Administrative Code (the “OAC”). Once certified as a Governmental Aggregator, the Township will be authorized to combine multiple retail electric customer loads within its geographic boundaries (the “Aggregation”) for the purpose of facilitating the purchase of electric supply in Ohio's competitive retail electric market.

Governmental Aggregation Services. The Township, as a Governmental Aggregator, will serve as purchasing agent for the Aggregation. As purchasing agent, the Governmental Aggregator shall (i) select a Competitive Retail Electric Service Provider (the “Provider”) to supply the Aggregation, (ii) negotiate the terms of supply between the Provider and each Aggregation participant, and (iii) oversee the enrollment procedures administered by the Provider.

The Contract. The electric supply contract negotiated by the Governmental Aggregator for the Aggregation (the “Contract”) shall be for firm, full-requirements supply. Each participant in the Aggregation (each, an “Aggregation Participant”) will be individually bound to the Provider by the terms of the Contract, and will be solely responsible for payment of electric supply charges and performance required of it. The electric supply charges for Aggregation shall be stated in the Contract negotiated by the Governmental Aggregator. The electric supply charges will take the form of a fixed price or variable price charge and may provide for different rates to different rate classes within the Aggregation. All electric supply charges will be fully and prominently disclosed in consumer enrollment materials (including the Opt-Out Notice described herein), available on the Provider's website and available to consumers who call the Provider's toll free customer service telephone number. The surcharge authorized under Section 4928:20 of the OAC will not be charged to Aggregation Participants.

Eligibility, Opt-Out Disclosures, and Pooling Accounts. Section 4901:1-21-06 of the OAC requires Duke Energy-Ohio, the local electric distribution utility (“Duke Energy” or the “Utility”), to use its best efforts to provide the Governmental Aggregator with an account list of eligible customers, including the names, account numbers, and service and mailing addresses for all eligible customers residing within the Governmental Aggregator's boundaries. The following customers are not eligible to become Aggregation Participants: customers already under contract

with a certified electric services company; customers that have a special contract with the Utility; customers that are not located within the Governmental Aggregator's boundaries; customers who appear on the "do not aggregate" list of the Public Utility Commission of Ohio ("PUCO"); customers on the Percentage of Income Payment Plan ("PIPP"); customers that have past due amounts owing to the Utility; and mercantile customers that have not provided affirmative consent to join the Program. "Mercantile customer" means a commercial or industrial customer if the electricity consumed is for nonresidential use and the customer consumes more than seven hundred thousand kilowatt hours per year or is part of a national account involving multiple facilities in one or more states. In addition, the Township intends to include in the Aggregation only those residential and non-mercantile customers with a demand of less than 200 KW and a load profile consistent with ordinary residential and small commercial use. Using this list of eligible accounts, the Provider, with the assistance of the Governmental Aggregator, will review the list to verify that the eligible accounts are located within the geographic boundaries of the Township and that an area within the Township boundaries has not been inadvertently filtered from the list. The Provider will also remove from the eligible list those customers who appear on the "do not aggregate" list as stated under division (c) of Section 4928.21 of the Revised Code. Finally, the Provider will reduce the list by removing those accounts in rate classes that indicate (i) a higher demand than targeted for the Aggregation or (ii) a usage profile that is not consistent with ordinary residential and small commercial use.

Within thirty (30) days of receipt of the list from the Utility, the Provider, with assistance from the Governmental Aggregator, will prepare and mail an "Opt-Out Notice" to each account holder that remains on the eligible list after it has been reduced as noted above, which Notice shall be clearly marked from the outside, "important notice regarding your electric service." The Opt-Out Notice will inform the eligible account holder that the Governmental Aggregator has formed an automatic (or "Opt-Out") Aggregation which means that the customer's account will automatically be included in the Aggregation unless the account holder affirmatively OPTS OUT of the Aggregation; provide a summary of the Governmental Aggregator's actions taken to authorize the Aggregation; disclose the price for the electric supply to the Aggregation and the price that the Governmental Aggregator will charge customers for electric generation service, whether fixed-rate or variable rate, and the applicable rate to customers within each rate class if more than one such class is utilized; disclose other terms and conditions of service, including an itemized list and explanation of all fees and charges that are not incorporated into the rates charged for electricity generation but that will be charged to the Aggregation Participant, including any early termination penalties and any surcharges, or portions thereof, that may be assessed to the Aggregation Participant (provided that early termination penalties shall not apply to a customer who moves out of the Governmental Aggregator's territory); disclose the dates covered by the Program, including an estimated commencement date; explain how the account holder can decline participation in the Aggregation; disclose rate implications for customers returning to the Utility after commencement of the Program; disclose credit and deposit policies and requirements; disclose any limitations or conditions on customer acceptance into Aggregation. If the Township determines the Aggregation Participants should not purchase stand-by service from the Utility, that fact would be prominently disclosed in the Opt-Out Notice with a description of how it would impact the Aggregation Participants.

As required by 4901:1-21-17 of the OAC, the Opt-Out Notice will indicate that the account

holder has twenty-one (21) calendar days from the date of postmark of the Opt-Out Notice to affirmatively respond, and thereby opt-out of the Program, by either telephoning the toll-free number provided during prescribed times or returning a postcard that is included in the Opt-Out Notice, to the Provider.

The Provider will receive all Opt-Out requests and any Opt-Out Notices that were undeliverable by mail, and will remove those accounts from the eligible account list. Upon completion of the 21 calendar day Opt-Out period, the Provider will notify the Utility of the remaining accounts that will form the Aggregation, and through an electronic data interchange transaction, enroll the Aggregation. Upon enrollment, each Aggregation Participant will receive an enrollment notice from the Utility that will indicate that the enrollee may rescind its participation in the Aggregation by contacting the Utility within seven (7) calendar days.

In addition to the initial 21 calendar day Opt-Out period, each Aggregation Participant will be provided an opportunity to opt-out at least every three years without paying an early termination fee.

Billing. Aggregation Participants will receive a single monthly bill from the Utility, which will include charges from the Provider for its electric supply as well as the Utility distribution charges. Aggregation Participants will be billed according to their respective Utility billing cycle. In order to maintain flexibility for Aggregation Participants to return to Utility service on a full requirements basis without paying additional charges to the Utility or being subject to market-based rates, Aggregation Participants will be billed by the Utility for stand-by service within the meaning of division (B)(2)(d) of Section 4928.143 of the Revised Code.

Credit, Collections and Deposits. The Utility's credit and collection policy and policies regarding deposits will apply to the Aggregation Participants and shall be administered by the Utility. Neither the Governmental Aggregator nor the Provider will implement additional policies with respect to credit, deposits and collections.

Concerns and Complaints. Aggregation Participants will have multiple means of communicating concerns and reporting complaints. As a general rule, concerns regarding service reliability and billing should be directed to the Utility. The Utility will continue to read meters, handle billing, and generally have the most information about the physical service to a location or account. Questions regarding the administration of the Aggregation should be directed to the Provider. The Provider's customer service center is available by telephone Monday through Friday, 8:00 am - 7:00 pm ET. Any unresolved disputes should be directed to the PUCO and/or the Ohio Consumers Council. As a convenience, below is a list of helpful toll free telephone numbers.

<u>Nature of Complaint</u>	<u>Contact</u>	<u>Phone Number</u>
Outages/Emergencies	Utility – Duke Energy	1-800-543-5599
Service turn on/off	Utility – Duke Energy	1-800-544-6900
Billing Disputes	Utility – Duke Energy	1-800-544-6900
Price/Joining/Leaving	Provider Customer Service	TBD

Program		
Program Regulatory Questions	Provider Customer Service	TBD
Unresolved Disputes	Public Utilities Commission	1-800-686-7826
Unresolved Disputes- Residential	Ohio Consumers Council	1-877-742-5622

The Provider will attempt to resolve all customer complaints in a timely and good faith manner. The Provider shall investigate and provide a status report to the customer when the complaint is made directly to it and/or the Township within three (3) business days following Provider's receipt of the complaint. In the case of a PUCO complaint, the Provider will investigate and provide a status report to the customer and PUCO staff within three (3) business days following the Provider's receipt of the complaint. If an investigation into a complaint received from the customer or a complaint referred by the PUCO is not completed within ten (10) business days, then a status report will be given to the customer, and, if applicable, the PUCO. These status reports will be given every three (3) business days until the investigation is complete, unless the action that must be taken takes longer than three (3) business days and the customer has been so notified. Final results of a PUCO-referred complaint will be provided to the PUCO either orally (phone) or in writing (e-mail, written correspondence), no later than three (3) business days after the investigation is completed. The final results will be provided in writing to the customer no later than three (3) business days after the investigation is completed. Customers retain the right to contact the PUCO regarding complaints and disputes. All customers have the right to contact the PUCO by writing to Public Utilities Commission of Ohio, Attn: IAD, 180 E. Broad St., Columbus, OH 43215-3793; by fax to (614) 752-8351; through their website at www.puc.state.oh.us or by calling toll free (800) 686-7826 (VOICE) or 711 (ITY-TDD). Records of customer complaints will be retained for two (2) years after the occurrence of the complaint. A copy of the complaint record will be provided to the PUCO within three (3) business days if requested.

Moving within the Township. An Aggregation Participant who moves from one location to another within the Township boundaries and retains the same account number will remain an Aggregation Participant and will receive the same price it would have received if its location had not moved.

An Aggregation Participant who moves from one location to another within the Township boundaries and is assigned a new account number may enroll its new account in the Aggregation and receive the same price it would have received if its location had not moved, provided the new account is eligible for Aggregation. An Aggregation Participant who moves within the Township and receives a new account number may be dropped from the Aggregation by the Utility, but it will not be charged an early termination fee from the Provider. If an Aggregation Participant is dropped from the Aggregation due to a move within the Township, the Aggregation Participant must contact the Provider to be re-enrolled within 60 days of being dropped.

Moving outside of the Township. An Aggregation Participant who moves out of the Township boundaries will no longer be eligible to participate in the Aggregation, and will not be charged an early termination fee from the Provider.

Enrolling after the Opt-Out Period. Residential and small business accounts located within the Township's boundaries that were initially eligible to join the Aggregation, but chose to Opt-Out of the Aggregation, or otherwise were not included in the Aggregation, may join the Aggregation after the expiration of the initial Opt-Out Period by contacting the Provider. The rate for those joining the Aggregation after the expiration of the Opt-Out Period may be different from the rate negotiated for the Aggregation by the Governmental Aggregator.

If the Provider is able to offer to newly eligible customers the same price that is provided to the current Aggregation Participants, the Provider may refresh the Aggregation by providing those who move in to the Township the opportunity to be included automatically, rather than waiting until the next pricing term of the Contract. The process for refreshing the Aggregation with new enrollments would follow the process noted above for determining eligibility, providing Opt-Out Notices, and pooling the accounts. (Current Aggregation Participants and those who previously declined participation would not receive the Opt-Out Notice intended only for newly eligible customers.)

Amendment of the Plan of Operation. The Township shall not alter its Plan of Operation in any way that materially affects the Aggregation Participants without first providing notice to all affected Aggregation Participants and providing them the opportunity to Opt-Out of the Aggregation according to procedures established for the initial Opt-Out Notice. The Notice shall set forth the changes to the Plan of Operation, inform the Aggregation Participant of its right to opt-out of the Aggregation without penalty, and identify the method and timeframe for the Aggregation Participant to opt-out.

Reliability of Power Supply. The Plan will only affect the generation source of power. Duke Energy will continue to deliver power through its transmission and distribution systems. Responsibility for maintaining system reliability continues to rest with Duke Energy. If Aggregation Participants have service reliability problems they should contact Duke Energy for repairs. The PUCO has established “Minimum Reliability Standards” for all utilities operating distribution systems in Ohio. Aggregation Participant outages, duration of outages, interruptions, etc., are monitored to ensure reliability remains at satisfactory levels.

In addition to maintaining the “wires” system, Duke Energy is required to be the “Provider of Last Resort.” This means, should the Provider fail for any reason to deliver any or all of the electricity needed to serve the Aggregation Participants’ needs, Duke Energy will immediately provide for the shortfall. Duke Energy would then bill the Provider for the power provided on its behalf. The Aggregation Participants would incur no additional cost.

Provider Qualification Selection Criteria. Only Competitive Retail Electric Service Providers meeting the minimum criteria set forth below will be considered.

- The Provider must be certified by the PUCO.
- The Provider must be registered with Duke Energy Corporation to do business in

its service territory.

- The Provider must have successfully completed Electronic Data Interchange (EDI) computer system testing with Duke Energy to support Governmental Aggregation Program transactions.
- The Provider must agree to hold the Township harmless from any financial obligations arising from the Program.
- The Provider must agree to notify the Township and to negotiate with the Township at least 60 days in advance of giving notice to terminate the Contract for any reason other than (i) the scheduled end date or (ii) Force Majeure.
- The Provider shall demonstrate its creditworthiness by possessing an investment grade long-term bond rating from at least two of the following rating agencies as noted below:

Standard & Poors	BBB or Higher
Moody's Investors' Services	Baa3 or Higher
Fitch ICBA	BBB or Higher
Duff & Phelps	BBB or Higher

If the Provider cannot substantiate the above-noted bond ratings, it shall provide:

- A Letter of Credit from a banking institution that is deemed acceptable by the Township; or
- A Parental Guaranty from a company that is deemed acceptable by the Township; or
- A Surety Bond deemed acceptable by the Township.

Miscellaneous. The Program may be terminated upon the termination or expiration of the Contract with the Provider without any extension, renewal or subsequent supply contract being negotiated. Each Aggregation Participant receiving electric supply service under the Program will receive notification at least 45 days prior to termination of the Program unless the Program is terminated for the reason of Force Majeure. In the event of termination, Aggregation Participants would either return to Duke Energy supply service or choose a Competitive Retail Electric Service Provider on their own.

If the Township is unable to find a satisfactory offer at the end of the Contract, it has the option of maintaining its status as a Governmental Aggregator while it continues to seek offers for its Aggregation Participants.