## CONFIDENTIAL AEP LEGAL DRAFT 6/16/10

### POWER SALES AGREEMENT

This Power Sales Agreement ("PSA") is entered into as of the following date:

("Effective Date"). The parties are the following:

| AEP Retail Energy Partners, LLC ("AEP Retail Energy")  | Customer:("Customer")   |
|--|---|
|  | Federal Tax ID:   |
| Address for Notices:   | Address for Notices:  |
| 325 John McConnell Blvd., Suite 225 Columbus, OH 43215 Attn: Courtney Mehan Phone: 614-583-3903 Facsimile: 614-583-1691 Toll Free number: 1-866-823-6738 www.aepretailenergy.com | Attn: Phone: Facsimile: Service Location Address (if different):  Address for Receipt of Invoices:  Attn: Phone: Facsimile: |

This PSA incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Power attached hereto as Attachment A. All capitalized terms used but not otherwise defined in the sections in which they initially appear shall have the meanings set forth in Article 21 or as defined by the Public Utility Commission of Ohio ("PUCO"), or by PJM Interconnection LLC ("PJM") or by the Midwest Independent Transmission System Operator, Inc. ("MISO") at the time of the Effective Date. PJM and MISO may be collectively referred to as the Transmission System Operator ("TSO"). AEP Retail Energy is an Affiliate of the Columbus Southern Power Company and the Ohio Power Company, collectively referred to as "AEP OHIO". This PSA, together with the General Terms and Conditions for Sale and Purchase of Power attached hereto as Attachment A, and all other attachments, tables, schedules, exhibits, other supplements and related credit support arrangements shall form a single agreement between the Parties (collectively referred to as the "Agreement").

#### ARTICLE 1 - PROVISION OF POWER TO CUSTOMER

- 1.1 <u>Subject Matter and Quantity</u>. Subject to the limitations included in this Agreement, AEP Retail Energy shall sell to Customer its Power requirements as set forth in this Agreement and shall arrange and be responsible for the scheduling of Customer's Power requirements to Customer's Premise(s).
- 1.2 Switch Request. It is the intention of the Parties that the delivery of Power will begin at 00:00 on [ /or/ the first normal meter read date after , which is estimated to be ] (the "Intended Switch Date"), provided, however, that the delivery of Power to the Delivery Point(s) by AEP Retail Energy shall not begin prior to the actual Switch Date, whether the Switch Date occurs on a regularly scheduled or specially scheduled meter read date. Customer acknowledges that the Electric Utility may charge a switching fee to Customer. AEP Retail Energy reserves the right to reprice the Energy Charge, as defined herein, in the event that the actual the Switch Date does not occur on the Intended Switch Date; provided that the Customer shall have three (3) Business Days to reject the new price. If Customer does not reject within such time period, then Customer is deemed to have accepted the new Energy Charge.

#### ARTICLE 2 - CHARGES FOR POWER

2.1 <u>Monthly Charges</u>. The Monthly charge to Customer for the services rendered hereunder shall equal the sum of: the applicable Energy Charge which includes the applicable TSO Fees and Ancillary Services Charges; and the applicable Tax Charge as set forth herein. The

applicable Electric Utility Charge shall not be included in the Energy Charge and shall be billed to Customer separately and directly by the Electric Utility as set forth in Article 10;

- (a) <u>Energy Charge</u>. The Customer shall pay AEP Retail Energy an Energy Charge that is equal to per MWh multiplied by the Metered Energy for the Monthly Billing Cycle.
- (b) TSO Fees and Ancillary Services Charges. The Customer shall reimburse AEP Retail Energy for the applicable TSO Fees and Ancillary Charges, including all PJM and/or MISO Fees and Ancillary Service Charges, related to AEP Retail Energy providing Power to Customer. Such TSO Fees and Ancillary Services Charges are included in the Energy Charge. Should Customer's TSO Capacity or Network Transmission obligation volumes and/or charges increase by more than five percent (5%) from the prior calendar year, AEP Retail Energy reserves the right to pass through such costs with no additional mark-up. To the extent that either Party pays or is required to pay for any service or charge that is the responsibility of the other Party, then the paying Party shall be reimbursed for such costs by the responsible Party either through actual payment or by offset against other amounts owed to the responsible Party by the paying Party in accordance with this Section. AEP Retail Energy shall retain the value on any TSO marginal loss credits, FTRs and/or ARRs and any other transmission congestion rights.
- (c) <u>Electric Utility Charge</u>. Customer shall pay or reimburse AEP Retail Energy for any charges paid by AEP Retail Energy



of any nature whatsoever that are charged by the Electric Utility, pursuant to any applicable tariff, for the distribution of Power or for services provided in the distribution of the Power, as well as any other charges of the Electric Utility that are attributable to Customer, including, without limitation, non-bypassable fees or credits, metering, charges for reactive Power; plus all other tariffs, rates, riders, fees, credits and charges, charged by the Electric Utility so long as those charges are mandated, levied, assessed, allowed, or approved by the PUCO or other governmental or regulatory authorities, on or with respect to the acquisition, sale, delivery, and purchase of Power. These costs and expenses for delivery services may fluctuate during the Term of this Agreement. These costs and expenses may vary by jurisdiction and delivery point. All charges in this Section shall be passed through to Customer at face value with no markup or retention. To the extent that the PUCO implements new Electric Utility services for which there are new charges billed by the Electric Utility to AEP Retail Energy for service provided hereunder ("New Electric Utility Charges"), Customer and AEP Retail Energy agree to negotiate in good faith responsibility for those New Electric Utility Charges.

(d) <u>Tax Charge</u>. Customer shall pay charges for taxes as set out in Article 18.

#### Article 3 - DELIVERY PERIOD

- 3.1 <u>Delivery Period</u>. The delivery period (the "Delivery Period") shall start on the actual Switch Date and shall end immediately prior to 00:00 on [ /or/ the first normal meter read date after ].
- 3.2 <u>Renewal Period</u>. If the Delivery Period expires and the Parties have not reached an agreement on terms to extend or renew the

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Delivery Period, the PSA shall continue on a month-to-month basis, provided that thirty (30) days prior to the beginning of each month during such period, AEP Retail Energy shall have the right to provide Customer with new pricing, if any, for the Energy Charge for the upcoming month. Customer shall have twenty-four hours (24) from receipt of AEP Retail Energy's notification of a pricing change to reject such change. If Customer does not reject the change in pricing, then Customer shall be deemed to have accepted the new Energy Charge for the upcoming month. If Customer rejects the change in pricing, then the PSA shall terminate at the end of current month and prior to the upcoming month. Either Party may terminate the PSA during the month-to-month period by providing thirty (30) days prior written notice to the other Party. Upon termination, Customer shall pay any outstanding amounts in accordance with Article 10.

#### Article 4 – ADDITIONAL CREDIT PROVISIONS

4.1 No additional credit requirements are applicable.

#### ARTICLE 5 – CUSTOMER'S USAGE POINTS

- 5.1 <u>Customer's Premise(s)</u>. Customer's Premise(s) shall be at the service addresses listed below in Table A.
- 5.2 New Premise(s). Unless otherwise mutually agreed by the Parties, the pricing in this Agreement is for the Meter Read Identification Number listed in Section 5.1 only. If Customer wishes to add new Premises under this Agreement, AEP Retail Energy may include the new Premise(s) under this Agreement or, at its option, require alternate pricing for any new Premise that is not included in the list in Section 5.1.

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IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the Effective Date set forth above.

| AEI RETAIL ENERGT FARTNERS, LLC | "CUSTOMER"         |
|---------------------------------|--------------------|
| By:<br>Name:<br>Title:          | By:Name:<br>Title: |

# ATTACHMENT A - GENERAL TERMS AND CONDITIONS FOR SALE AND PURCHASE OF POWER

#### Article 6 – AUTHORIZATION.

6.1 <u>Authorization</u>. AEP Retail Energy is authorized by the Public Utilities Commission of Ohio ("PUCO") to provide Power and related services to consumers in Ohio as a Competitive Retail Electric Service ("CRES") provider in accordance with Chapter 4901:1-21 of the Ohio Administrative Code and Chapter 4928 of the Revised Code.

#### ARTICLE 7 - OBLIGATIONS OF CUSTOMER.

- 7.1 <u>Subject Matter and Quantity</u>. Subject to the limitations included in this Agreement, Customer shall purchase and receive, for use only at the Premise(s), Customer's Power requirements as set forth in this Agreement.
- 7.2 Exclusivity. All Power purchased under this Agreement is for the exclusive use of Customer at the Premise(s) or the use by businesses on the Premise(s), which as of the Effective Date receive Power through Customer. Customer may not resell any Power purchased under this Agreement without AEP Retail Energy's prior written permission. AEP Retail Energy shall be the sole and exclusive provider of Power to Customer to meet Customer's full requirements at the Premise(s).
- 7.3 <u>Authorization</u>. Customer hereby authorizes AEP Retail Energy to become Customer's CRES for the Term, and appoints AEP Retail Energy to act as Customer's agent to effect the change of supplier and all other actions necessary to effectuate the services contemplated by this Agreement. Customer represents to AEP Retail Energy that Customer is legally authorized to change the retail electric supplier for all of the Premise(s).
- 7.4 <u>Communication with Electric Utility</u>. Customer shall communicate directly with the Electric Utility regarding the reporting of transmission or distribution interruptions, irregularities, planned outages, unplanned outages, in progress outages, and service requests.

#### ARTICLE 8 - METERING.

- 8.1 Meter Accuracy. Unless the accuracy of the Metering Equipment is disputed by notice given by either Party to the other and to the Electric Utility, the Metering Equipment shall be deemed to be accurate. If Customer disputes in good faith the accuracy of the metered load used to determine AEP Retail Energy's invoice to Customer then Customer shall utilize the meter accuracy dispute processes ("Dispute Process") of the Electric Utility or the PUCO and to abide by the determinations of the same regarding the accuracy of the Metering Equipment. If the Electric Utility or the PUCO, as applicable, determines the Metering Equipment to be inaccurate and adjusts previous meter readings, previous Electric Utility invoices or Customer's consumption in previous months as a result, the Parties shall accept the TSO determinations and AEP Retail Energy shall adjust its invoice to Customer appropriately. Customer's dispute of any determination of the Electric Utility or PUCO resulting from the Dispute Process shall be deemed by the Parties to not constitute a good faith dispute under Section 10.4. Invoice adjustments shall be made for the period during which such inaccuracy is determined to have existed up to a maximum of the period of six (6) months prior to the date of the initiation of the meter accuracy dispute process. In any case, AEP Retail Energy shall pass through to Customer any and all adjustments to the Electric Utility charges that result from meter inaccuracy.
- 8.2 <u>Estimated Quantities</u>. If appropriate meter readings are not communicated to AEP Retail Energy in a timely manner for whatever reason, AEP Retail Energy may reasonably estimate the quantity of the Power consumed and Customer shall pay the charges for the estimated amounts subject to any adjustments that may be necessary following the

actual reading; provided, however, that in the case of Metering Equipment malfunction, the metered quantities shall be determined pursuant to Section 8.1.

8.3 <u>Load Profile</u>. In the event that an interval data recording (IDR), real time metering, or other similar Metering Equipment is not installed at any Premise, AEP Retail Energy reserves the right to prepare an estimate invoice based upon the appropriate deemed load profile, as agreed upon by Customer and AEP Retail Energy or obtained by AEP Retail Energy from the TSO or the Electric Utility.

#### ARTICLE 9 - TERM OF AGREEMENT.

The term of this Agreement (the "Term") shall commence on the Effective Date and shall remain in effect until the termination date set forth in the Section 3.1, except as otherwise set forth in Article 3 or elsewhere in this Agreement.

#### ARTICLE 10 - BILLING AND PAYMENT.

- 10.1 Invoice. AEP Retail Energy shall invoice Customer for Power provided to Customer under this Agreement on a Monthly Billing Cycle. Customer shall receive a separate invoice from the Electric Utility for distribution of Power or for services provided in the distribution of the Power, as well as any other charges of the Electric Utility that are attributable to Customer. If Customer has only one Premise, then AEP Retail Energy's Monthly Billing Cycle shall be based on the Electric Utility's schedule for providing its invoice for distribution delivery services. If Customer has more than one Premise, then unless otherwise agreed to by both parties, AEP Retail Energy shall provide Customer a consolidated invoice for Power and generation services for all Premise(s); provided that such multiple Premises are on the same Monthly Billing Cycle. In which case, AEP Retail Energy's consolidated Monthly Billing Cycle shall be based on the Electric Utility's schedule for providing its invoice for distribution delivery services to the Premises on the consolidated bill. If Customer has more than one Premises and such Premises are on different Monthly Billing Cycles, then AEP Retail Energy shall provide separate invoices for each Premises based on the appropriate meter read and Monthly Billing Cycle. Parties acknowledge that for those Premise(s) not selected by AEP Retail Energy as the basis for its Monthly Billing Cycle, AEP Retail Energy's invoice shall include AEP Retail Energy's commercially reasonable estimates of all charges under this Agreement applicable to the period of the consolidated Monthly Billing Cycle. Such commercially reasonable estimates shall be subject to necessary adjustments upon receipt of actual meter data. "Monthly Billing Cycle" shall mean AEP Retail Energy's schedule for providing its invoice to Customer on a monthly basis for services provided under this Agreement and the period for which the invoice will incorporate charges. Customer shall pay the invoiced amount on or before the due date set forth in the applicable invoice, which shall be fifteen (15) calendar days from the date of the invoice. Charges to Customer under this Agreement shall be calculated using the revenue quality meter data provided to the TSO by the Electric Utility. To the extent the charges are not specifically attributable to a specific meter, such as the Demand Charge, then such charges shall be listed as a separate lump sum amount. AEP Retail Energy shall provide timely to Customer upon request and if such information is available, a copy of customer's payment history no more than twice within a twelve month period without charge.
- 10.2 <u>Electric Utility Charges</u>. AEP Retail Energy's invoices will not include the charges of the Electric Utility. Customer shall be responsible for payments to the Electric Utility and shall be solely responsible for late charges, interests, or penalties imposed by the Electric Utility as a result of Customer's failure to timely pay the Electric Utility charges. If such late charges, interests, or penalties are directed to AEP Retail Energy as the CRES Provider of the Power, then Customer shall reimburse AEP Retail Energy for any amounts paid. Any charges, fees, penalties.

damages, credits, rebates or refunds arising from service to Customer by the Electric Utility and/or other provider(s) prior to Switch Date shall be the responsibility of Customer or accrue to the benefit of Customer as appropriate. Customer shall use commercially reasonable efforts to respond to these obligations directly with the Electric Utility and/or other provider(s). If such late charges, interest, or penalties are directed to AEP Retail Energy as the CRES Provider of Power, then Customer shall reimburse AEP Retail Energy for any amounts paid. Customer shall hold AEP Retail Energy harmless for Customer's failure to pay these obligations in a timely fashion.

- 10.3 <u>Partial Billing Months</u>. For all partial Billing Cycle Months the demand denominated charges for such partial Billing Cycle Month (if applicable) shall be prorated based on the number of calendar days where AEP Retail Energy provided service to a Premise during a Billing Cycle Month divided by the number of calendar days in the normal Billing Cycle Month.
- 10.4 <u>Disputed Invoice</u>. In the event Customer disputes in good faith any amount due under an invoice for services provided by AEP Retail Energy, Customer shall pay the undisputed portion of the amount due by the due date and provide AEP Retail Energy with written notice of the dispute and the reasons therefore by the due date. The Parties shall pursue diligent, good faith efforts to resolve the dispute. Following resolution of the dispute, any additional amount found payable shall (i) be paid within ten (10) Business Days and (ii) include adjustments for interest accrued from the date the disputed payment would otherwise have been due at a rate equal to one and one-half (1.5%) percent per month, or the maximum legally allowed interest rate, whichever is lower until such payment is received by AEP Retail Energy. This Section shall not be read to limit the rights contained in Article 12.
- 10.5 Invoice Adjustment. Except as follows, no Party may request any adjustment or correction of any statement, invoice or payment unless written notice of such request for adjustment or correction is furnished within twenty-four (24) months of the date of the statement or payment for which such adjustment or correction is requested. A Party's obligation to make payment for invoice adjustment shall survive termination of this Agreement. Subject to the time frames in this Section 10.5, in the event the TSO's LMP or the other TSO charges are retroactively altered or amended or in the event that the Electric Utility, subject to approval of the proper regulatory authority, retroactively alters or amends its charges applicable to Customer, such retroactive adjustments may result in adjustment of any statement, invoice or payment affected by such alteration or amendment; provided such adjustment is made within the period allowed by the TSO and Electric Utility, as applicable.
- 10.6 <u>TSO Settlement Periods</u>. Parties acknowledge that the TSO has multiple settlement periods which may result in settlement and adjustment to Customer's charges after the termination of this Agreement.
- 10.7 <u>Payments</u>. Payments shall be made by wire transfer or check. The payments instructions are set forth in the PSA.
- 10.8 <u>Late Payments</u>. In the event Customer fails to pay the undisputed portion of the amount payable when due, interest on the unpaid and undisputed amount shall accrue from the date payment was due until that date on which payment is received by AEP Retail Energy at a late fee of one and one-half (1.5%) percent per month, or the maximum legally allowed interest rate, whichever is lower until such payment is received by AEP Retail Energy. Customer shall pay all reasonable costs and expenses, including reasonable attorneys' fees incurred by AEP Retail Energy in collecting past due amounts. AEP Retail Energy shall apply payments to past due amounts first and then to current amounts due.
- 10.9 <u>Netting of Payments</u>. If each Party owes an amount to the other party pursuant to this Agreement, on the same due date, including any related interest and payments or credits, the Parties shall satisfy their

respective obligations to each other by netting the aggregate amounts due to one against the aggregate amounts due to the other Party, with the Party, if any, owing the greater aggregate amount paying the other party the difference between the amounts owed.

#### Article 11 - CUSTOMER CREDITWORTHINESS.

11.1 In the event of a Material Adverse Change in the financial condition of Customer or a credit support provider of Customer, AEP Retail Energy may demand Customer to make credit arrangements satisfactory to AEP Retail Energy in the form of an escrow account, deposit, letter of credit, pre-payment or other guarantee of payment or performance assurance acceptable in form and substance and from an entity acceptable to AEP Retail Energy in its reasonably exercised judgment. Upon receipt of such notice Customer shall have three (3) calendar days to remedy the situation by providing such Performance Assurance to AEP Retail. In the event that Customer fails to provide such Performance Assurance, or a guaranty or other credit assurance acceptable to AEP Retail Energy within three (3) calendar days of receipt of notice, then an Event of Default under Article 12 will be deemed to have occurred and AEP Retail Energy will be entitled to the remedies set forth in such Article 12.

For purposes of this paragraph, Material Adverse Change shall include but is not limited to a drop in Customer's S&P credit rating below BBB-or Moody's credit rating below Baa3, or a failure to make any undisputed payment or meet debt obligations when due and such payments are not cured within the applicable cure period. Adequate assurance of payment may be demanded in the amount of three months expected accounts receivable.

#### ARTICLE 12 - TERMINATION.

- 12.1 Events of Default. The occurrence of any of the following shall be an "Event of Default" hereunder: (a) failure of Customer to make, when due, any payment required pursuant to this Agreement, if such failure is not remedied within three (3) Business Days after receipt of written notice; (b) any representation or warranty made by Customer or AEP Retail Energy herein is false or misleading in any material respect when made or when deemed made or repeated; (c) failure of Customer or AEP Retail Energy to perform a material obligation set forth in this Agreement for which an exclusive remedy is not otherwise provided herein, if such failure is not remedied within three (3) Business Days after receipt of written notice; (d) failure of Customer to provide Performance Assurances as set out in Articles 4 and 11; (e) Customer or AEP Retail Energy (i) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it, (ii) makes an assignment or any general arrangement for the benefit of creditors, (iii) otherwise becomes bankrupt or insolvent (however evidenced), (iv) has a liquidator, administrator, receiver, trustee, conservator, or similar official appointed with respect to it or any substantial portion of its property or assets, or (v) is generally unable to pay its debts as they fall due; or (f) fraud by AEP Retail Energy or Customer, or discovery that the Metering Equipment has been intentionally tampered with or purposefully damaged by Customer.
- 12.2 Remedies to Default. If an Event of Default shall have occurred and be continuing, the non-defaulting party shall, at its sole discretion, have the right to do any one or more of the following: (i) to immediately exercise any rights and remedies under this Agreement or law with respect to any Performance Assurance or other financial assurance, and to the extent provided therein; (ii) to immediately withhold any payment due to the other Party under this Agreement; (iii) to terminate this Agreement by declaring a date for its early termination (an "Early Termination Date") and calculate the Termination Payment; (iv) exercise such other remedies it may have in contract, in equity, or at law;

provided, however, that upon the occurrence of any Event of Default listed in Section 12.1(e), then this Agreement shall automatically terminate, without notice, as if an Early Termination Date had been immediately declared. If Customer or AEP Retail Energy elects to declare an Early Termination Date, it shall calculate the Termination Payment and notify the other Party of the Termination Payment by the Early Termination Date or as soon thereafter as is reasonably practicable. The Termination Payment must be paid within thirty (30) calendar days of receipt of the notice from the Party demanding payment.

12.3 <u>Termination for Convenience</u>. AEP Retail Energy may terminate the PSA in accordance with Section 16.2 "Change in Law Termination". Termination under this Section 12.3 shall not be considered a termination due to an Event of Default.

#### ARTICLE 13 - FORCE MAJEURE.

If either Party is unable to perform its obligations in whole or in part due to an event of Force Majeure as defined herein, then the obligations of the affected Party shall be suspended to the extent made necessary by such event. The term "Force Majeure" means any cause not within the control of the Party claiming relief, including, but not limited to, acts of God, acts of a governmental authority; civil disorder; the failure of the Electric Utility or TSO to receive, transport, or deliver, or otherwise perform, unless due to the failure of the Party claiming Force Majeure to perform such Party's obligations hereunder: or any other cause which by the exercise of reasonable diligence such Party could not have prevented or is unable to overcome. Any such event of Force Majeure shall, so far as possible, be remedied with all reasonable dispatch. None of the following shall be deemed a Force Majeure event: (a) financial distress; (b) the inability of either Party to make a profit or avoid a financial loss, (c) changes in the market prices of fuel, energy, or Power, or (d) a Party's financial inability to perform its obligations under this Agreement.

### ARTICLE 14 – WARRANTIES AND LIMITATIONS OF LIABILITIES.

- 14.1 <u>Title and Risk of Loss</u>. Title to and risk of loss related to the Power shall transfer from AEP Retail Energy to Customer at the Delivery Point(s). AEP Retail Energy warrants that it will deliver to Customer the Power free and clear of all liens, security interests, claims and encumbrances or any interest therein or thereto by any person arising prior to the Delivery Point(s).
- 14.2 Each Party represents and warrants to the other Party that: (a) it has entered into this Agreement in connection with the conduct of its business and it has the ability to make or take delivery of Power; (b) it is an "Eligible Contract Participant" as defined in Section 1a(12) of the Commodity Exchange Act, as amended, 7 U.S.C. § 1a(12]; and (c) it is a producer, processor, commercial user or merchant handling energy and it is entering this Agreement for purposes related to its business as such WARRANTIES. EXCEPT AS PROVIDED FOR IN SECTION 14.1 and 14.2 OF THESE TERMS AND CONDITIONS, AEP RETAIL ENERGY EXPRESSLY DISCLAIMS AND MAKES NO WARRANTIES, WHETHER WRITTEN OR VERBAL, FOR OR WITH RESPECT TO ITS SUPPLY OF POWER OR OTHER OBLIGATIONS UNDER THIS AGREEMENT, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ANY EXPRESS, IMPLIED, OR STATUTORY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- 14.3 <u>REMEDIES</u>. UNLESS OTHERWISE EXPRESSLY PROVIDED HEREIN, ANY LIABILITY UNDER THIS AGREEMENT WILL BE LIMITED TO DIRECT, ACTUAL DAMAGES AS THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, INCLUDING LOST

PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, WHETHER IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISIONS OR OTHERWISE IN CONNECTION WITH THIS AGREEMENT. THE LIMITATIONS IMPOSED ON REMEDIES AND DAMAGE MEASUREMENT WILL BE WITHOUT REGARD TO CAUSE, INCLUDING NEGLIGENCE OF ANY PARTY, WHETHER SOLE, JOINT, CONCURRENT, ACTIVE OR PASSIVE, PROVIDED NO SUCH LIMITATION SHALL APPLY TO DAMAGES RESULTING FROM THE WILLFUL MISCONDUCT OF ANY PARTY.

#### Article 15 - NOTICES.

Notices shall, unless otherwise specified herein, be in writing and may be delivered by hand delivery, United States mail, overnight courier, facsimile, or email to the persons and addresses listed in the PSA, provided however that notice by email and facsimile shall only be effective if followed by written notice as aforesaid. Notice by hand delivery shall be effective at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise shall be effective at the close of business on the next Business Day. Notice by overnight United States mail or other overnight courier shall be effective on the day it is received. Notice by United States mail other than overnight United States mail shall be deemed effective when so received. A Party may change its addresses by providing notice of said change in accordance herewith.

### Article 16 – APPLICABLE LAW AND REGULATIONS.

- 16.1 <u>Subject to Applicable Laws and Regulations</u>. This Agreement is subject to all applicable laws, regulations, rules and orders.
- 16.2 Change in Laws or Regulations. In the event of (i) the suspension of operation of the CRES marketplace in PUCO; (ii) the fundamental alteration of the structure of the CRES marketplace in the PUCO; or (iii) a judicial decision, order, new law, regulation, tariff or PUCO order; or a change in any law, tariff, regulation or PUCO order that materially and adversely affects AEP Retail Energy's ability to obtain the benefits or protections afforded it by this Agreement or materially affects AEP Retail Energy's ability to perform its obligations under this Agreement; AEP Retail Energy, upon written notice and submission of appropriate documentation to Customer may (i) cause a renegotiation of applicable terms and conditions of this Agreement or (ii) if, after twenty (20) calendar days beyond the date of notice, the Parties have been unable to negotiate a mutually satisfactory modification to the terms of this Agreement, terminate this Agreement ten (10) calendar days following the expiration of the twenty (20) calendar-day negotiation in accordance with this Section (a "Change in Law Termination"). Such events may include, but are not limited to implementation of changes to or adjustments in the implementation of PJM or MISO settlements or new or changed PJM or MISO charges for Ancillary Services, or generation adequacy rules, regulations implementing installed capacity obligations or otherwise.
- 16.3 <u>Liquidation</u>. Upon a Change in Law Termination, AEP Retail Energy shall calculate the Liquidation Amount and notify Customer in writing of the Liquidation Amount reasonably promptly following the declaration of a Change in Law Termination. The Party owing the Liquidation Amount shall, within ten (10) calendar days pay the other Party the Liquidation Amount.

#### ARTICLE 17 – INDEMNIFICATION.

17.1 <u>Customer Liability and Indemnification of AEP Retail Energy</u>. Customer assumes full responsibility for Power furnished to Customer at the Delivery Point(s) and on Customer's side of the Delivery Point(s), and agrees to and shall indemnify, defend, and hold harmless AEP Retail Energy, its parent company and all of its affiliates, and all of their respective officers, directors, shareholders, associates, employees,

servants, and agents (hereinafter collectively referred to as "AEP Retail Energy Group"), from and against all claims, losses, expenses, damages, demands, judgments, causes of action, and suits of any kind (hereinafter collectively referred to "Claims"), including Claims for personal injury, death, or damages to property occurring at the Delivery Point(s) or on Customer's side of the Delivery Point and upon the Premise(s), arising out of or related to the Power and/or Customer's performance under the Agreement.

17.2 AEP Retail Energy assumes full responsibility for Power furnished to Customer before the Delivery Point(s) and on AEP Retail Energy's side of the Delivery Point(s), and agrees to and shall indemnify, defend, and hold harmless Customer and all of its affiliates, and all of their respective officers, directors, shareholders, associates, employees, servants, and agents from and against all claims, losses, expenses, damages, demands, judgments, causes of action, and suits of any kind (hereinafter collectively referred to "Claims"), including Claims for personal injury, death, or damages to property occurring before the Delivery Point(s) or on AEP Retail Energy's side of the Delivery Point, arising out of or related to the Power and/or AEP Retail Energy's performance under the Agreement.

#### ARTICLE 18 - TAXES AND CHARGES.

- 18.1 <u>Taxes Imposed on Customer</u>. Customer shall be responsible for and shall either pay all federal, state and local taxes ("Taxes"), including sales and use tax, imposed on Customer as the purchaser of the Power under this Agreement, or issue a legally valid and complete exemption certificate to AEP Retail Energy in lieu of such Taxes. Customer shall indemnify and hold AEP Retail Energy harmless from any liability or expenses, including, if applicable, penalty, interest, and legal expenses incurred by AEP Retail Energy as a result of Customer's failure to pay such Taxes.
- 18.2 <u>Taxes Imposed on AEP Retail Energy</u>. Customer is responsible for and shall reimburse AEP Retail Energy for all Taxes, including gross receipts Taxes and any Ohio Commercial Activity Taxes (CAT), imposed on AEP Retail Energy as the seller of the Supply under this Agreement, with the exception of the Taxes described in Section 18.3. AEP Retail Energy shall separately state any such charges on Customer's monthly bill for Supply; provided that CAT taxes will not be separately stated in the monthly bill as such taxes are already included in the Energy Charge.
- 18.3 Taxes not Reimbursable to AEP Retail Energy. AEP Retail Energy shall be responsible for and is not entitled to reimbursement for any federal, state or local income taxes measured by net income or profits, or franchise taxes measured by AEP Retail Energy's net worth or corporate right to transact business, or any property or ad valorem taxes imposed on AEP Retail Energy's equipment or on AEP Retail Energy that are attributable to Customer's payments under this Agreement.
- 18.4 Reimbursement of Tax Payments to Other Party. In the event AEP Retail Energy is required by law or regulation to remit or pay Taxes for which Customer has agreed to reimburse AEP Retail Energy hereunder, which are Customer's responsibility hereunder, Customer shall promptly reimburse AEP Retail Energy for such Taxes when billed by AEP Retail Energy. If Customer is required by law or regulation to remit or pay Taxes that are AEP Retail Energy's responsibility hereunder, Customer may deduct the amount of any such Taxes from the sums due to AEP Retail Energy under this Agreement.

#### ARTICLE 19 - GENERAL PROVISIONS.

19.1 <u>Transmission and Distribution Terms and Conditions.</u> Customer and AEP Retail Energy agree to all applicable terms and conditions of the Electric Utility that provide Power delivery services to the Premise(s), which may from time to time be amended by the Electric Utility and as approved, if necessary, by the relevant regulatory authority.

- 19.2 Environmental Disclosures. Pursuant to OAC 4901:1-21-09, AEP Retail Energy shall provide to Customer certain information in connection with the approximate generation resource mix and environmental characteristics associated with AEP Retail Energy's generation resources. Customer acknowledges that Environmental Disclosures for AEP Retail Energy are made available on <a href="https://www.aepretailenergy.com">www.aepretailenergy.com</a>. Such disclosures are updated both annually and quarterly in accordance with OAC 4901:1-21-09.
- 19.3 <u>Choice of Law.</u> This Agreement shall be construed and enforced in accordance with the laws of the State of Ohio without giving effect to any conflicts of law principles which otherwise might be applicable.
- 19.4 <u>Assignment</u>. Customer shall not assign this Agreement or its rights hereunder without the prior written consent of AEP Retail Energy, which consent shall not be unreasonably withheld. AEP Retail Energy may, without the consent of Customer, transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements. AEP Retail Energy may transfer or assign this Agreement to an Affiliate whose creditworthiness is equal to or higher than that of AEP Retail Energy at the time of transfer or assignment; <u>provided</u>, <u>however</u>, that such assignee shall agree in writing to be bound by the terms and conditions hereof.
- 19.5 Entirety of Agreement. It is the intention of the Parties that this Agreement shall contain all terms, conditions and protections in any way related to, or arising out of, the sale and purchase of the Power, and supersedes all prior agreements, whether written or oral. It is also the intention of the Parties to agree to terms of service different than those that would otherwise apply under the Rules of the Public Utility Commission of Ohio. Customer hereby waives the customer complaint procedure rights pursuant to OAC 4901:1-21-08 and such complaints shall be resolved in accordance with the Notice, Disputed Invoice and Arbitration provisions of this PSA. This Agreement may not be modified or amended except in writing, duly executed by the Parties hereto.
- 19.6 Waiver of Rights. A waiver by either Party of any breach of this Agreement, or the failure of either Party to enforce any of the terms and provisions of this Agreement, will not in any way affect, limit or waive that Party's right to enforce and compel strict compliance with the same or other terms or provisions of this Agreement.
- 19.7 <u>Third Party Rights</u>. Nothing in this Agreement shall create, or be construed as creating any express or implied rights in any person or entity other than the Parties.
- 19.8 <u>Survival</u>. No termination or cancellation of this Agreement will relieve either Party of any obligations under this Agreement that by their nature survive such termination or cancellation, including, but not limited to, all warranties and obligations of indemnity.
- 19.9 <u>Cooperation</u>. Customer and AEP Retail Energy agree to cooperate with each other, to provide such information, execute and deliver any instruments and documents, and to take such other actions as may be necessary or reasonably requested by the other Party which are not inconsistent with the provisions of this Agreement and which do not involve the assumptions of obligations other than those provided for in this Agreement, in order to give full effect and to carry out the intent of this Agreement.
- 19.10 <u>Confidentiality</u>. AEP Retail Energy and Customer agree to keep all terms and provisions of this Agreement confidential and not to disclose the terms of the same to any third parties without the prior written consent of the other Party; provided, however, each Party shall have the right to make such disclosures, if any, to governmental agencies and to its own agents, attorneys, auditors, accountants, and shareholders as may be reasonably necessary, so long as each Party makes reasonable efforts to maintain the confidentiality of such information being so disclosed, whether by use of protective orders or otherwise, as is afforded by the process in which the disclosures are made. If disclosure is sought

through process of a court, or a state or federal regulatory agency, the Party from whom the disclosure is sought shall promptly notify the other Party to allow it the opportunity to participate in such proceedings. The Parties' obligations under this confidentiality provision shall terminate upon the expiration of the term of this Agreement.

- 19.11 <u>Forward Contract</u>. The Parties agree that this Agreement shall constitute a "forward contract" and that the Parties are "forward contract merchants" within the meaning of the United States Bankruptcy Code.
- 19.12 <u>Jurisdiction and Costs</u>. Any judicial action arising out of, resulting from or in any way relating to this Agreement or any alleged breach or default under the same or the warranties and representations contained in the same shall be brought only in a state or federal court of competent jurisdiction located in the Franklin County, Ohio, and both Parties waive any right to trial by jury in such action. In the event such judicial proceedings are instituted by either Party, the prevailing Party shall be entitled to award of its costs and attorneys' fees incurred in connection with such proceedings.

#### ARTICLE 20 - DISPUTE RESOLUTION AND MEDIATION

- 20.1 <u>Arbitration</u>. Any claim, counterclaim, demand, cause of action, dispute, or controversy arising out of or relating to this Agreement or the relationship established by this Agreement, any provision hereof, the alleged breach thereof, or in any way relating to the subject matter of this Agreement, involving the Parties and/or their respective representatives, whether such claims sound in contract, tort, or otherwise, at law or in equity, under state or federal law, whether provided by statute or the common law, for damages or any other relief, shall, if the total monetary value of all amounts currently in dispute or controversy, the amount claimed, counter-claimed, demanded is less than or equal to two million dollars (\$2,000,000), be resolved by binding arbitration.
- 20.2 Arbitration Process. Arbitration shall be conducted in accordance with the rules of arbitration of the Federal Arbitration Act and, to the extent an issue is not addressed by the federal law on arbitration, by the Commercial Arbitration Rules of the American Arbitration Association. The validity, construction, and interpretation of this agreement to arbitrate, and all procedural aspects of the arbitration conducted pursuant hereto shall be decided by the arbitrators. In deciding the substance of the Parties' claims, the arbitrators shall refer to the governing law. It is agreed that the arbitrators shall have no authority to award treble, exemplary or punitive damages of any type under any circumstances whether or not such damages may be available under state or federal law. or under the Federal Arbitration Act, or under the Commercial Arbitration Rules of the American Arbitration Association, the Parties hereby waiving their right, if any, to recover any such damages. The proceeding shall be conducted in Columbus, Ohio. Within thirty (30) calendar days of the notice of initiation of the arbitration procedure, each Party shall select one arbitrator. The two (2) arbitrators shall select a third arbitrator. The third arbitrator shall be a person who has over eight years professional experience in electrical energy-related transactions and who has not previously been employed (or used as a consultant or contractor) by either Party and does not have a direct or indirect interest in either Party or the subject matter of the arbitration. While the third arbitrator shall be neutral, the two party-appointed arbitrators are not required to be neutral, and it shall not be grounds for removal of either of the two party-appointed arbitrators or for vacating the arbitrators' award that either of such arbitrators has past or present relationships with the Party that appointed such arbitrator. The arbitrators shall determine which Party shall bear the costs of the arbitrators and the hearing. Each Party shall be responsible for its own expenses and those of its counsel and representatives. To the fullest extent permitted by law, any arbitration proceeding and the arbitrators' award shall be maintained in confidence by the Parties.

#### Article 21 - ADDITIONAL DEFINED TERMS.

- 21.1 "Affiliate" means an entity that directly or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with AEP Retail Energy. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, through membership, by contract or otherwise.
- 21.2 "ARRs" or "Auction Revenue Rights" means the entitlements allocated annually to Firm and Network Transmission Service Customers that entitle the holder to receive an allocation of the revenues from the Annual FTR Auction.
- 21.3 "Business Day" means any day except a Saturday, Sunday, or a Federal Reserve Bank holiday.
- 21.4 "Competitive Retail Electric Service Provider" or "CRES" provider means, as defined by the Chapter 4901:1-21 of the Substantive Rules as applicable to electric service providers effective upon the Effective Date, a person that sells electric energy to retail customers in Ohio.
- 21.5 "Delivery Point(s)" means the point(s) where Power is delivered from the Electric Utility's equipment to Customer's conductors identified as SDI(s) in Article 5.
- 21.6 "Electric Utility" means the Utility approved by the PUCO to provide retail electricity delivery service in Ohio.
- 21.7 "Electric Utility Tariff" means the PUCO's approved Tariff for retail delivery service of Electric Utility (as it may be amended or changed subsequently).
- 21.8 "Federal Funds Rate" means the rate for that day opposite the caption "Federal Funds (Effective)" as set forth in the weekly statistical release designated as H.15 (519), or any successor publication, published by the Board of Governors or the Federal Reserve System.
- 21.9 "FTRs" or "Financial Transmission Right" means a financial instrument, awarded to a bidder in the FTR Auctions that entitles the holder to a stream of revenues (or charges) based on the hourly day-ahead congestion price differences across the path. FTRs do not represent a right for physical delivery of power.
- 21.10 "GAAP" means the United States generally accepted accounting principles as consistently applied by AEP Retail Energy.
- 21.11 "Governmental Authority" means any court, administrative agency or commission or other governmental entity or instrumentality, domestic or foreign.
- 21.12 "Letter(s) of Credit" means one or more irrevocable, transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch with such bank having a credit rating of at least A- from Standard & Poor's Rating Group ("S&P's") or A3 from Moody's Investor Services ("Moody's"), in a form and from a bank acceptable to the Party in whose favor the letter of credit is issued. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit.
- 21.13 "Liquidation Amount" means the sum of all amounts owed but not yet paid by Customer, whether or not such amounts are then due, for performance provided prior to the date of determination plus the mark to market position of AEP Retail Energy for the Remaining Power. The mark to market position of AEP Retail Energy shall be calculated in a commercially reasonable manner as the Remaining Power times the positive result, if any, of the applicable energy prices set out in Article 2 minus market price for 24 hour flat block forward energy in the TSO for the remainder of the term. If a market price for 24-hour blocks of firm Power flat block forward energy in the TSO for the remainder of the

Term is not published in a readily accessible source, such values will be calculated by the Customer in a commercially reasonable manner.

- 21.14 "LMP" or "Locational Marginal Pricing" real time zonal pricing method utilized in PJM and MISO based on the cost of energy, transmission losses and congestion between nodes on the network.
- 21.15 "Metered Energy" means the amount of energy consumed or deemed consumed by Customer as measured at the Delivery Point(s) by the Metering Equipment in accordance with Article 8.
- 21.16 "Metering Equipment" means any and all equipment required for the measurement of demand, energy, reactive demand or reactive energy and the times during which said demand or energy is consumed.
- 21.17 "Midwest Independent Transmission System Operator, Inc." or "MISO" means the independent system operator responsible for establishing a body of procedures developed and updated from time to time by MISO to maintain the reliability of the regional electric network and account for the production and delivery of electricity among resources and market participants. The procedures, initially approved by the PUCO, include a revision process that may be appealed to the commission, and are subject to the oversight and review of the commission.
- 21.18 "Party" means AEP Retail Energy and Customer individually, and "Parties" means AEP Retail Energy and Customer collectively.
- 21.19 "Performance Assurance" means collateral in the form of Letter(s) of Credit, parental guaranty, or other security acceptable to the Requesting Party.
- 21.20 "PJM Loss Factor" for each Delivery Point means the sum of the Distribution Loss Factor and the Transmission Loss Factor for that Delivery Point.
- 21.21 "PJM Interconnection, LLC" or "PJM", means the regional transmission operator responsible for establishing a body of procedures developed and updated from time to time by PJM to maintain the reliability of the regional electric network and account for the production and delivery of electricity among resources and market participants. The procedures, initially approved by the PUCO, include a revision process that may be appealed to the commission, and are subject to the oversight and review of the commission.
- 21.22 "Power" means all electrical services provided under this Agreement including: energy, generation services and all ancillary services necessary to provide service under this Agreement that will be delivered to Customer by and through the Electric Utility (s) and TSO.
- 21.23 "Premise(s)" means the designated property or facilities and identified by metering equipment or an SDI(s), which is a unique and permanent identifier assigned to each Premise(s), as set forth in Article 5.
- 21.24 "Public Utility Commission of Ohio" or "PUCO" means the state agency of Ohio responsible for the regulation of utility service

providers. It shall also mean any successors to the entity described above.

- 21.25 "Prime Rate" means for a day the prime rate as published that day in the Wall Street Journal in the Money Rates Section.
- 21.26 "Remaining Power" means an amount of Power equal to the product of Time Remaining and the quotient of Energy Used divided by Time Period, where, (1) "Energy Used" means the sum of the Energy (in kWh) consumed by Customer at each Delivery Point during the twelve (12) month period preceding the Early Termination Date; (2) "Time Period" means the sum of the hours over which Energy Used was consumed by Customer at each Delivery Point during such twelve (12) month period; and (3) "Time Remaining" means the number of hours remaining in the Term. Notwithstanding the foregoing, Remaining Power shall not exceed the sum of the period monthly maximums, if any, over the remaining Periods of the Term and shall not be less than the sum of the period monthly minimums, if any, over the remaining Periods of the Term.
- 21.27 "Service Delivery Identifier" or "SDI" means, as defined by the TSO, the basic identifier assigned to each service delivery point used in the registration and settlement systems managed by PJM or another independent organization.
- 21.28 "Special Meter Reading" means, as utilized by the PJM and/or MISO effective upon the Effective Date, off-cycle meter reads which may be requested pursuant to Electric Utility tariff.
- 21.29 "Switch Date" means the date on which TSO transfers Customer's Power service to AEP Retail Energy.
- 21.30 "Termination Payment" means, (a) if AEP Retail Energy is the Defaulting Party, the sum of the amount of any advance payments, if any, already paid by Customer to AEP Retail Energy which are attributable to performance not yet received plus the mark to market position of Customer for the Remaining Power, and (b) if Customer is the Defaulting Party, the sum of all amounts owed but not yet paid by Customer, whether or not such amounts are then due, for performance provided prior to the Early Termination Date under this Agreement, plus the mark to market position of AEP Retail Energy for the Remaining Power. The mark to market position of Customer shall be calculated in a commercially reasonable manner as the Remaining Power times the positive result, if any, of the market price for 24-hour blocks of firm Power flat block forward energy in the TSO for the remainder of the Term minus applicable energy prices set out in Article 2. The mark to market position of AEP Retail Energy shall be calculated in a commercially reasonable manner as the Remaining Power times the positive result, if any, of the applicable energy prices set out in Article 2 minus market price for 24 hour flat block forward energy in the TSO for the remainder of the term. If a market price for 24-hour blocks of firm Power flat block forward energy in the TSO for the remainder of the Term is not published in a readily accessible source, such values will be calculated by the Customer in a commercially reasonable manner.

IN WITNESS WHEREOF, the undersigned have reviewed and agree to these General Terms and Conditions, including the mandatory arbitration provisions set forth in Article 20, which General Terms and Conditions are incorporated into and form an integral part of the Agreement, as of the Effective Date.

| "AEP RETAIL ENERGY"             | "CUSTOMÉR" |   |
|---------------------------------|------------|---|
| AEP RETAIL ENERGY PARTNERS, LLC |            |   |
| By:                             |            |   |
| Name:                           | By:        |   |
| Title:                          | Name:      | _ |
| •                               | Title:     |   |



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