

**AGREEMENT BETWEEN
AMPO, INC. AND THE CITY OF GAHANNA
TO PROVIDE MUNICIPAL ELECTRIC AGGREGATION PROGRAM
MANAGEMENT SERVICES**

This agreement (hereinafter "Agreement") dated _____, 2001 is made and entered into by and between AMPO, Inc. (hereinafter, "AMPO") and the City of Gahanna (hereinafter, "Municipality"). Either may also be referred to individually as "Party," and when referred to collectively, "Parties."

WHEREAS, AMPO is a for-profit corporation that has expertise in supplying wholesale electric energy and power and in the aggregation of energy supplies for political subdivisions; and

WHEREAS, the Municipality desires to begin an electric load aggregation program as authorized by Ohio Revised Code Section 4928.20; and

WHEREAS, AMPO has the expertise to provide electric load aggregation services to the Municipality;

NOW THEREFORE, in consideration of the promises and mutual covenants herein set forth, and for other good and valuable consideration, and intending to be legally bound, the parties agree as follows:

Section 1 – SCOPE OF SERVICES

AMPO will provide the services set forth in AMPO's Proposal for Municipal Electric Aggregation Program Management Services (hereinafter, "Proposal"), attached hereto and incorporated herein as Exhibit A. The Proposal covers one-time and continuing management services for initiation and operation of municipal aggregation as authorized by Chapter 4928 of the Ohio Revised Code.

Section 2 – EXCLUSIVITY

For the term of this agreement, Municipality agrees not to directly or indirectly employ the services of other consultants regarding the supply of competitive retail electric services -- as those services are defined in Chapter 4928 of the Ohio Revised Code -- or providers of competitive retail electric service unless and until AMPO arranges or agrees to the employment of such consultant or provider.

Section 3 – PAYMENT

The CRES Provider shall compensate AMPO in the manner set forth in AMPO's Proposal for the services provided pursuant to Exhibit A of this Agreement. Unless otherwise agreed upon, AMPO shall issue invoices monthly for the services provided pursuant to Exhibit

EXHIBIT A

A. All invoices shall be paid within thirty (30) days of receipt. If the due date for payment is a Saturday, Sunday, or holiday recognized by commercial banks, payment will be due on the next business day.

Amounts not paid on or before the due date shall be payable with interest accrued at the then current prime interest rate per annum of Citibank, or its successor, prorated by days from the due date to the date of payment. If Municipality disputes any part of a billing statement, it shall provide a written explanation of the basis for the dispute within six months of the receipt of the initial invoice for which such adjustment is sought and pay the undisputed portion of such statement no later than the due date. The amount finally determined to be due shall be paid by Municipality with interest at the rate stated herein on the amount due, prorated by days from the due date to the date of payment.

Section 4 – TERM

The initial term of this Agreement shall commence upon execution of this Agreement and shall continue for the term of any contract between the City of Gahanna and the Competitive Retail Electric Services (CRES) Provider selected to serve the municipal electric aggregation program or December 31, 2005, whichever occurs first, and thereafter shall continue for successive periods of one year unless or until terminated by either Party by giving not less than ninety (90) days' written notice of such termination prior to the end of the initial term or any of the renewal periods.

Section 5 – TERMINATION FOR CAUSE

If either Party, for any reason, fails to carry out any of its material obligations for a period of forty-five (45) days after written notice of such failure is delivered to such Party by the other Party hereto, the Party giving notice shall have the option of terminating this Agreement. Such termination shall be by written notice.

Section 6 – LIABILITY

Notwithstanding anything to the contrary, neither Party shall be liable for any special, consequential, or indirect damages.

Section 7 – OTHER PROVISIONS

a. Entire Agreement

Unless specifically provided otherwise and mutually agreed upon by the Parties in writing, this document and any exhibits referenced herein constitute the entire agreement between the parties. This Agreement shall not be modified without the express written consent of both Parties.

b. Applicable Law and Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio. The courts of Franklin County, Ohio shall have exclusive jurisdiction over any litigation arising out this Agreement.

c. Notice

Any notice required to be given to either Party shall be sent to the respective addresses set forth below. Any notice sent via prepaid U.S. certified or registered mail shall be deemed received on date affixed to the certified or registered mail card by the recipient. Any notice sent via prepaid U.S. regular mail shall be deemed received on the date the recipient actually receives the notice.

AMPO:

AMPO General Manager
2600 Airport Drive
Columbus, Ohio 43219

Municipality:

d. Waiver

The failure of either Party to enforce at any time any of the provisions of this Agreement, or to require at any time performance by the other Party of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way to affect the validity of this Agreement or any part hereof, or the right of such Party thereafter to enforce each and every such provision.

e. Severability

In the event that any of the terms, covenants, or conditions of this Agreement or the application of any such term, covenant, or condition shall be held invalid as to any person or circumstance by any court having jurisdiction, all other terms, covenants, and conditions of this Agreement and their application shall not be affected thereby, but shall remain in full force and effect unless a court holds that the provisions are not separable from all other provisions of this Agreement.

f. Counterparts

This Agreement may be executed and delivered in counterparts, each of which shall for all purposes be treated as the original hereof and all of which shall constitute a single agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement to be effective as of the date last written below.

AMPO, Inc.

By: Marc S. Gerken
Marc S. Gerken, P.E.
President

Date: 1/31/01

MUNICIPALITY:

By: _____
Name
Title

Date: _____



**Proposal for Municipal Electric
Aggregation Program
Management Services for the
City of Gahanna, Ohio**

**AMPO, Inc.
2600 Airport Drive
Columbus, Ohio 43219**

Organization Background

AMP-Ohio

Founded in 1971, Columbus based American Municipal Power-Ohio (AMP-Ohio) was organized as a nonprofit corporation for the purpose of owning and operating electric facilities or otherwise providing for the generation, transmission and/or distribution of electric power and energy to its member communities. Members include 78 of Ohio's 85 municipally-owned electric systems, two West Virginia public power communities and three in Pennsylvania, ranging in size from 116 customers to more than 80,000 customers. Collectively, AMP-Ohio member communities serve approximately 364,000 customers.

AMP-Ohio coordinates, negotiates and develops power supply options and interchange agreements on behalf of its members. AMP-Ohio also owns and operates the Richard H. Gorsuch Generating Station, a 213-megawatt coal-fired facility located in Marietta, Ohio, that provides power to 48 participating communities, and has undertaken an ambitious program of siting distributed generation in member communities throughout Ohio. In addition, AMP-Ohio serves as an independent project manager for Ohio members participating in joint ventures to share ownership of power generation and transmission facilities, including the OMEGA JV5 project, a 42 MW run-of-the-river hydroelectric station completed on the Ohio River in 1999.

AMP-Ohio also operates a sophisticated 24-hour energy control center that monitors electric loads and transmission availability, dispatches, buys and sells power and energy and controls AMP-Ohio and member-owned generation. A competent in-house engineering, operations, safety, power supply, key accounts, economic development, rate and environmental staff is available at AMP-Ohio's headquarters to assist member communities in addition to performing AMP-Ohio duties and providing support to the joint ventures.

AMP-Ohio's knowledgeable, experienced staff understands the unique challenges faced by local government staff and elected officials. AMP-Ohio is governed by a 16-member Board of Trustees, all of whom are local government representatives, and a number of AMP-Ohio staff members—including its president—once worked for local governments.

AMPO, Inc.

Formed in 1998, AMPO, Inc. is a wholly owned, taxable subsidiary of AMP-Ohio whose purpose is to provide direction and service to local governments and other energy consumers in evolving energy markets. This includes the development and implementation of local electric and natural gas aggregation programs on a consulting or turnkey basis, review and negotiation of energy contracts, and the evaluation and implementation of energy supply alternatives for local business, industry and government. AMPO, Inc. is an approved supplier in the Columbia Gas of Ohio CHOICESM program and offers natural gas aggregation programs in cooperation with 24 Ohio municipalities.

Scope of Services

AMPO, Inc. proposes to perform the following services on behalf of the municipality:

Municipal Electric Aggregation Program Management Services

- Assist the municipality in developing and executing contracts with the Competitive Retail Electric Services Provider (CRES Provider).
- Coordinate customer notification for opting out of the municipal electric aggregation program.
- Work with the CRES Provider and American Electric Power to facilitate enrollment of customers in the municipal electric aggregation program at the earliest date practicable.
- Work with the CRES Provider to provide reports regarding enrollment in the municipal electric aggregation program, cost savings to participants, etc.
- Develop consumer education materials that generally explain the municipal electric aggregation program and make presentations at service clubs and other civic groups.
- Represent the municipality and monitor proceedings at the various legislative and regulatory bodies and provide updates on any changes that may impact the municipal electric aggregation program, its participants or the municipality.
- Represent the municipality in dealings with the CRES Provider and American Electric Power regarding rates, terms and conditions of service, customer concerns, etc.
- Assist the City in filing annual reports required by the PUCO and Section 4805.10(A), Section 4911.18(A) and Section 4928.06(F) of the Ohio Revised Code.
- Provide on-going advice and counsel to the municipality regarding the municipal electric aggregation program.

Future Aggregation Services Provider Agreements

As the initial term of the CRES Provider agreement nears its end, AMPO, Inc. will on behalf of the municipality:

- Work with municipal staff and local officials to develop a procurement strategy for reliable, affordable power supplies and energy-related services for the municipal electric aggregation program.
- Administer the process of developing and soliciting requests for quotations (RFQ) or requests for proposals (RFP).
- Evaluate responses to the RFQ/RFP.
- Negotiate with potential CRES Providers
- Develop contracts with CRES Providers
- Prepare a report of responses to the RFQ/RFP and offer a recommendation to local officials
- Assist the municipality in executing agreements with the recommended CRES Provider
- Provide continuing contract administration services

Schedule

AMPO, Inc. is in position to commence work on this project upon notification to proceed.

Compensation

AMPO, Inc. proposes to provide the above described services for one-half mill per kilowatt-hour (\$0.0005 per kWh) delivered under the municipal electric aggregation program, to be paid by the CRES Provider.

Team Members

Kevin M. Maynard is the General Manager of AMPO, Inc., serving in that capacity since May 2000. As General Manager, Mr. Maynard oversees the day to day operations of the electric and natural gas aggregation activities for the organization, as well as economic development, the Direct Connections key accounts program, and safety and OSHA compliance programs. Mr. Maynard has a long history with AMP-Ohio and municipal utilities in Ohio and Minnesota. He worked for the City of Bryan, Ohio, municipal electric and water utilities for 17 years, serving as Director of Utilities from 1993 to 1997. In 1997 he accepted the position of General Manager of the Austin, Minn., municipal electric, natural gas and water utilities. In 1999, Mr. Maynard became Director of Member Services for AMP-Ohio, a position he held until being named the General Manager of AMPO, Inc. In addition, Mr. Maynard served on the boards of trustees of AMP-Ohio from 1993 to 1997 and the Southern Minnesota Municipal Power Agency (SMMPA) from 1997 to 1999. Mr. Maynard holds an Associates degree in Electro-mechanical Engineering from Northwest Technical College in Archbold, Ohio, and a Bachelors degree in Business Administration from the Defiance College, Defiance, Ohio.

Jeffrey L. Small is an attorney in the Columbus, Ohio law firm of Chester, Willcox & Saxbe LLP. Mr. Small's practice is concentrated in the areas of utilities and regulated industries, local government and business law. Mr. Small has been extensively involved in the rulemaking and litigation that is associated with passage of Amended Substitute Senate Bill 3 (Ohio's electric industry restructuring legislation), including representation of municipal, marketer and consumer interests. Mr. Small is admitted to practice in Ohio and before the U.S. District court, Southern District of Ohio. He was previously employed by American Electric Power Service Corporation (AEPSC), which is headquartered in Columbus, in their System Planning Department. Mr. Small received his J.D. degree (magna cum laude) from Capital University Law School in Columbus. His B.S. and M.S. degrees were received from the University of Wisconsin in economics. His utility industry research has been published in professional journals and includes a chapter in *Productivity Measurement in Regulated Industries*, an Academic Press publication.

Gerald E. Willman serves as Manager of Power Supply and Marketing for AMP-Ohio. In this capacity he is responsible for power supply planning, supply acquisition, and transmission system reservation and use. Mr. Willman joined AMP-Ohio as a Power Coordinator in 1990 and was responsible for forecasting, scheduling and dispatching AMP-Ohio's generation and member contract resources with the real time load of AMP-Ohio's member communities. Mr. Willman was then promoted to Director of Billing in AMP-Ohio's finance department. In that capacity he was responsible for power supply contract billing for AMP-Ohio's partial and full requirements customers. Mr. Willman received his B.S.E.E.T from the DeVry Institute of Technology.

Beth A. Barnett serves as Energy Supply Analyst. In this capacity, she is responsible for energy supply planning, purchasing and billing. Before joining AMP-Ohio in April 2000, Ms. Barnett was a Power Analyst for Nicole Energy Services (NES) where she was responsible for purchasing, scheduling and managing the retail electric load as well as heading up the sales of government accounts for two years. NES is an electric power and natural gas marketer located

in Columbus, Ohio serving customers throughout the Midwest. She served 10 years with American Electric Power in several capacities such as Senior Residential Marketing Representative, Commercial Marketing Representative and Special Projects Coordinator. Ms. Barnett has a Bachelors degree in Business Administration with an emphasis in Marketing from Franklin University in Columbus, Ohio.