

DPU 14-ww

PETITION AND SUPPORTING ATTACHMENTS

FOR THE

MUNICIPAL AGGREGATION PLAN

FOR THE TOWN OF

WASHINGTON

PREPARED BY THE

HAMPSHIRE COUNCIL OF GOVERNMENTS

DECEMBER 23, 2014

THE COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF PUBLIC UTILITIES

TOWN OF WASHINGTON

D.P.U. 14-ww

PETITION OF THE TOWN OF WASHINGTON FOR APPROVAL OF A MUNICIPAL AGGREGATION PLAN PURSUANT TO M.G.L. c. 164, § 134(a).

I. INTRODUCTION

The Town of Washington ("Town") hereby petitions the Massachusetts Department of Public Utilities ("Department" or the "DPU") for approval pursuant to M.G.L. c. 164, § 134 ("Section 134") of the Municipal Aggregation Plan for the Town of Washington ("Plan") (see Attachment A).

A report that summarizes the development of the Plan and describes the Town's support for such Plan is provided in Attachment B. Section 134 authorizes municipalities to aggregate the electrical load of consumers located within their borders in order to procure competitive supplies of electricity. See Cape Light Compact, D.T.E. 00-47 (2000); Cape Light Compact, D.T.E. 04-32 (2004); City of Marlborough, D.T.E. 06-102 (2007); Town of Lanesborough, D.P.U. 11-27 (2011); Town of Ashland, D.P.U. 11-28 (2011); Town of Lunenburg, D.P.U. 11-32 (2011); Town of Lancaster, D.P.U. 12-39 (2012).

The development of the Plan began at the initiation of the Hampshire Council of Governments ("Hampshire Council") as part of an effort to expand its energy expertise, ranging from securing licenses as a Competitive Supplier and Broker of electricity to developing an initial plan for Municipal Aggregation in 2010. Communities in western Massachusetts have been interested in the opportunities presented by electricity deregulation generally, and Municipal Aggregation in particular, for over 14 years. Working initially with the Franklin Regional Council of Governments (and its predecessor the Franklin County government), the Hampshire Council of Governments (and its predecessor the Hampshire County government) has sought deregulation of electricity since the mid-1990s. Almost immediately following the legislature's approval of Municipal Aggregation, the Town meetings of several towns approved appropriate warrant articles with the goal of establishing aggregation plans.

Additional communities have continued to express an interest in pursuing municipal aggregation on a coordinated basis, usually following meetings with the Boards of Selectmen, City Councils, and then presentations before their Town or Council Meetings. The Hampshire Council's initiative to coordinate municipal aggregation Plans has received wide coverage in daily and weekly publications and on-air presentations. In developing this Plan, extensive discussions were conducted by Hampshire Council with and on behalf of the Town, with the Department of Energy Resources ("DOER") and Western Massachusetts Electric Company ("WMECO"), the local electric distribution company serving the Town. In addition, the Town and Hampshire Council executed an Electricity Aggregation Agreement dated December 4, 2013 where, among other things, Hampshire Council was retained to act on behalf of the Town to establish and operate the Plan.

II. REQUESTED PROCEDURES TO REVIEW AGGREGATION PLAN

Municipal aggregators are required by their very nature to conduct their business openly and with full participation by the public. This benefit is achieved doubly where, as here, the Hampshire Council, a governmental entity, will assist the Town as its agent in the establishment and operation of the Plan. The Town and the Hampshire Council have held open public meetings at which eligible consumers have had the opportunity to express their views and ask questions about the Plan.

The Town has adopted forms that comport with aggregation plans previously approved by the Department. The Town, therefore, respectfully proposes a streamlined further process consistent with other aggregation plan reviews. Cf. Cape Light Compact, D.T.E. 04-32, p. 2 (Review procedure summarized.); Lancaster, D.P.U. 12-39.

III. DEVELOPMENT OF AGGREGATION PLAN, SELECTION OF COMPETITIVE SUPPLIER, AND COMPLIANCE WITH STATUTORY REQUIREMENTS

The Town developed the Plan consistent with sound and established planning practices and all relevant statutory requirements:

1. The Plan was developed in conjunction with consultation with the DOER as required by M.G.L. c. 164, § 134 and in response to substantive feedback received from the Department and the Attorney General;
2. The Town offered opportunities for the public to review and comment upon the Plan, as more fully detailed in the Report in Support of Plan (see Attachment B).
3. The Town has ultimately drawn substantially from the plan and procurement processes established by and approved for the Cape Light Compact, the City of Marlborough and other programs approved by the Department and expects to continue to benefit from the experience of these established municipal aggregation plans.

The Plan and a form of Electric Service Agreement (ESA) developed in order to implement the Plan, ensure that Plan participants will receive required notices, that the Town (through the actions of its agent) will be able to choose an appropriate Competitive Supplier and that eligible consumers will be able to opt-out of the Plan consistent with relevant requirements. The Plan and ESA thus meet the requirements of M.G.L. c. 164, § 134(a). The Town's detailed Education and Information Plan ("Education Plan") is provided as Attachment D, an Implementation Schedule is provided as Attachment E and a draft Customer Notification Form is provided as Attachment F.

The Plan and parallel portions of the ESA address the required provisions for organizational structure, operations, funding, activating and terminating the Plan, methods for entering and terminating agreements, rate setting and other costs to participants, universal access, equitable treatment of ratepayers, reliability, and rights and responsibilities of participants.

The Plan, similar to other plans approved by the Department, incorporates several innovative features that best address these requirements in the context of the requirements and objectives of the Town with respect to the Plan.

1. The Town will be "revenue neutral" with respect to the Plan.
2. The Town has not incurred any outside costs with respect to the development of the Plan and the ESA. These efforts have been undertaken by the Hampshire Council. The Hampshire Council will only receive payments pursuant to a consumption-based charge to be reflected in the energy charge to Plan consumers. See Attachment A ("Plan"), §§ 2.2.4, 3.0. This fee structure was an important feature to the Town in its election to join the Plan.

An important expected element of the Plan is that the Town and several other communities pursuing municipal aggregation with the assistance of the Hampshire Council will pursue similar and coordinated objectives. One important feature will be the possibility that communities will solicit proposals and execute their own plan ESAs on a coordinated basis through the efforts of the Hampshire Council. This coordinated process is expected to enhance the respective market power of each community for the benefit of Plan customers, much in the same manner that aggregation is based upon the coordination or consolidation of customers within a single community.

IV. WAIVER OF CERTAIN INFORMATION DISCLOSURE REQUIREMENTS

The Town or any Competitive Supplier to the Town may be obligated to disclose to participating consumers a range of information regarding prices, collective bargaining agreements, fuel sources and air emissions, under M.G.L. c. 164, § 1F(6) and 220 C.M.R. 11.06.

Competitive Suppliers have indicated that requiring the disclosure label to be inserted into the local distribution company's paper bills would be costly for the supplier, and thereby drive up the bids offered to the Town. An additional burden would be placed on the local distribution company to determine how to send the disclosure label to those customers who are on electronic billing.

The Town or its Competitive Supplier can provide much of this the information required by the statute, M.G.L. c. 164, § 1F(6), especially the information regarding the fuel sources, emissions characteristics and labor characteristics, more effectively and at lower cost by using means other than those specified in the regulation, 220 C.M.R. 11.06(4) (see Attachment D for the Education Plan; see also Attachment B Report in Support of Plan). The Town, therefore, requests a waiver, both for itself and on behalf of any Competitive Supplier, of certain of the requirements of 220 C.M.R. 11.06, under the DPU's authority for good cause, to grant an exception to the requirements of 220 C.M.R. 11.00. See 220 C.M.R. 11.08. Specifically, the Town requests that the DPU waive the requirements of 220 C.M.R. 11.06(4)(c) that a Competitive Supplier provide an information disclosure label directly to retail consumers on a quarterly basis. The DPU has granted a comparable exemption in Cape Light, D.T.E. 04-32, pp. 22-23; City of Marlborough, D.T.E. 06-102, pp. 23- 25; Town of Lanesborough, D.P.U. 11-27, pp. 21-23; Town of Ashland, D.P.U. 11-28 20-22; Town of Lunenburg, D.P.U. 11-32 pp. 20-22; Town of Lancaster, D.P.U. 12-39, pp. 21-23.

As an alternative to providing the quarterly information disclosure label directly to participating consumers, the Town respectfully requests that the DPU allow that the Town may provide the information regarding fuel sources, emissions and labor characteristics by alternative means. Based upon information available to it, the Town believes that other means are as likely, if not more likely, to effectively deliver the information required by the statute and regulations. These alternative measures include press releases, public service announcements on cable TV, newsletters of civic, business and religious organization, postings at Town Hall, discussions at meetings of the Board of Selectmen, and postings on the websites of the Hampshire Council and the Town. In the case of many existing plans, no participating consumers have objected to the change in delivery formats.

It is important to note that this waiver request is narrow. The Town are not seeking any waiver of its obligations under M.G.L. c. 164, § 134 to provide written notice to inform all ratepayers of the automatic enrollment process, their rights to opt-out of the Plan, and of their other rights under Section 134. The Town is also not seeking any waiver of any Competitive Supplier's obligations to provide written Terms of Service to each ratepayer (220 C.M.R. 11.06(3)), and to provide to all participating consumers a toll-free telephone number for customer service and complaints (220 C.M.R. 11.06(2)(c)). Any Competitive Supplier will also provide, prior to the initiation of service, the price information required by 220 C.M.R. 11.06(2)(b).

V. CONCLUSION

THEREFORE, the Town respectfully requests that the DPU find that the Town's Plan and related procedures meet all of the requirements of M.G.L. c. 164, § 134 and approve the Plan, issue the specific waiver requested in Section IV above, and take such other actions as may be necessary and appropriate.

Respectfully submitted,

Todd Ford, Executive Director,
Hampshire Council of Governments, as agent

Dated: _____, 2014

LIST OF ATTACHMENTS

- ATTACHMENT A: Municipal Aggregation Plan
- ATTACHMENT B: Report in Support of the Municipal Aggregation Plan
- ATTACHMENT C: Electric Service Agreement for the Municipal Aggregation Plan
- ATTACHMENT D: Education and Information Plan for the Municipal Aggregation Plan
- ATTACHMENT E: Implementation Plan for the Municipal Aggregation Plan
- ATTACHMENT F: Power Supply Program Customer Notification Form
- ATTACHMENT G: Authorization Documents

ATTACHMENT A

MUNICIPAL AGGREGATION PLAN

FOR THE TOWN OF

WASHINGTON

PREPARED BY THE

HAMPSHIRE COUNCIL OF GOVERNMENTS

THE COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF PUBLIC UTILITIES

FILED UNDER M.G.L. c. 164, § 134

PURPOSE OF THE AGGREGATION PLAN

The Town of Washington ("Town") with the assistance of its agent, the Hampshire Council of Governments ("Hampshire Council"), developed this Aggregation Plan ("Plan") in compliance with Massachusetts law regarding public aggregation of electric consumers. It contains required information on the structure, operations, services, funding, and policies of the Plan. The Plan has been developed in consultation with Hampshire Council and the Massachusetts Department of Energy Resources (DOER).

The purpose of this Plan is to represent consumer interests in competitive markets for electricity. It seeks to aggregate consumers in the Town to negotiate rates for power supply. It brings together the buying power of all eligible consumers. Participation is voluntary for each eligible consumer. Eligible consumers have the opportunity to decline service provided through the Plan and to choose any Competitive Supplier they wish. Based on enrollment figures from the previous community aggregations, the Hampshire Council anticipates that 97% of the Town's eligible consumers will participate.

The Town distributed this Plan for public review prior to submitting it to the Massachusetts Department of Public Utilities (DPU).

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REQUIREMENTS FOR MUNICIPAL AGGREGATION

The Massachusetts Electric Utility Restructuring Act of 1997 ("Restructuring Act") contains several requirements for municipal aggregators. One requirement is to develop an aggregation plan in consultation with the DOER. The Plan is subject to review by consumers in the participating municipality and approval by the DPU.

1 THE PROCESS OF MUNICIPAL AGGREGATION

Municipal aggregation involves a multi-step public process as follows:

- 1.1 Authorization to establish the Plan by the Board of Selectmen
- 1.2 Development of Plan in Consultation with DOER
- 1.3 Review of Plan by the Board of Selectmen and consumers
- 1.4 Approval on Plan by the Board of Selectmen
- 1.5 Submission of Plan for DPU Approval
- 1.6 Public Hearing on Plan by DPU and Issuance of DPU Approval
- 1.7 Selection of Date for Receipt of Price Terms from Competitive Suppliers
- 1.8 Selection of Competitive Supplier by the Hampshire Council as agent for the Town
- 1.9 Notification of Enrollment for Eligible Consumers
- 1.10 Beginning of Opt-Out Period (30 days prior to first service date)
- 1.11 Transfer of Participating Consumers to Competitive Supplier

In addition to this process, municipal aggregators must comply with open meeting laws, ethical rules, and certain public bidding and information requirements. As a governmental entity, Hampshire Council is subject to comparable requirements.

2 THE TOWN'S MUNICIPAL AGGREGATION PLAN

The Plan is designed to offer competitive choice to eligible consumers and to gain other favorable economic and non-economic terms in service contracts. Through a competitive bid and negotiation process (likely to be conducted jointly by the Hampshire Council for the mutual benefit of the Town and other communities), the Town develops a contract with a Competitive Supplier for firm, all-requirements service. The contract runs for a fixed term. The process of contract approval contains checks and balances. Once the contract has been negotiated by the Hampshire Council, as agent for the Town, eligible consumers may opt-out of the Program and select Basic Service or power supply from any other Competitive Supplier they wish at any time before or following their enrollment in the Program. No eligible consumer is required to receive service under the Town's contract. (See Section 4.1.6 for detailed information on the opt-out process.)

2.1 ORGANIZATIONAL STRUCTURE

The Town's government is led by a Board of Selectmen, whose members are elected in Town elections.

Town Meeting acts as the Town's Legislative Body, responsible for the general welfare of the community.

Specific powers and responsibilities of the Board of Selectmen and Town Meeting are set forth in the Town's by-laws. The Town has elected to retain the Hampshire Council as its agent in implementing and administering the Plan.

2.2 OPERATIONAL LEVELS

There are five operational levels to the Plan as follows:

2.2.1 LEVEL ONE: CONSUMERS

Consumers hold the ultimate authority over the Plan and its functions. They can elect candidates for Board of Selectmen who may take positions regarding the Plan. They can participate in local and regional meetings and hearings regarding issues related to restructuring in general and the Plan in particular. Also, they can attend meetings to express their views

Every eligible consumer in the Town may participate in the Plan. All eligible consumers will also have the ability to decline service through the Competitive Supplier and choose any other power supply option they wish. Eligible consumers who are dissatisfied with services provided under the contract negotiated by the Hampshire Council may also communicate directly with the Competitive Supplier via e-mail or toll-free telephone number in an effort to alter or otherwise improve service. Eligible consumers may also opt-out at any time by contacting the Competitive Supplier. Eligible consumers may also bring issues or goals before the Hampshire Council.

2.2.2 LEVEL TWO: BOARD OF SELECTMEN, TOWN OF WASHINGTON

Based upon its existing authority or authority provided by voters, the Board of Selectmen and other Town officials may act on Plan and policy issues and contract recommendations. In addition, they may provide suggestions to the Hampshire Council regarding specific policy or program decisions to be made under the Plan and may modify the Town's goals and objectives pursuant to the Plan. They may also respond to issues directed to it by consumers for the Town to address.

2.2.3 LEVEL THREE: BOARD OF SELECTMEN, TOWN OF WASHINGTON

The Board of Selectmen and other Town officials will assist in monitoring the feedback of consumers and communicating with the Hampshire Council to ensure consumer satisfaction.

2.2.4 LEVEL FOUR: HAMPSHIRE COUNCIL

The Town has retained the Hampshire Council as its agent or representative. The Hampshire Council shall provide the day-to-day management and supervision of the business affairs of the Plan under a service agreement. The Hampshire Council shall be responsible for procurement, utilizing its existing staff to solicit proposals and services as requested by the Town. In addition, The Hampshire Council provides office space and administrative support to coordinate the operations of the Plan.

This administrative support includes:

- communications;
- program development;
- record keeping; and
- program oversight and maintenance.

The Hampshire Council of Governments is led by a seventeen (17) member Hampshire Council. Daily operations are overseen by an Executive Director of the Hampshire Council and the staff of the Electricity Department which consists of a Director of Electricity, Aggregation Specialist, Energy Specialist, Sales and Brokerage Specialist, Sustainability Director and Administrative Assistant. The Hampshire Council may also periodically retain external experts or consultants. The Councilors are elected to two (2) year staggered terms at the annual Town elections. The full Hampshire Council meets on the fourth Thursday of each month at 7:30 PM and the five (5) member Executive Committee of the Hampshire Council meets on the second and fourth Thursdays of each month at 5:30 PM. The Electricity Committee meets on the third Wednesday of each month. All meet in the Conference Room at the Old Courthouse at 99 Main Street, Northampton, MA 01060.

Specific powers and responsibilities of the Hampshire Council are set forth in the Hampshire Council's Charter.

The operational role of the Town and the Hampshire Council, as agent, in relation to consumers is outlined and described in the following pages. Hampshire Council shall retain such experts, consultants and attorneys as may be necessary to administer the Plan, including any independent evaluation of bids.

2.2.5 LEVEL FIVE: COMPETITIVE SUPPLIERS

Competitive Suppliers will contract with the Town. Any contract will be negotiated, recommended, and monitored for compliance by the Hampshire Council in its role as agent or representative of the Town. Hampshire Council will advise Town officials on the outcome of bidding and similar processes pursuant to calls or meetings so as to consider pricing terms and related information (*i.e.*, applicable fees and the application of such fees, Basic Service terms) prior to the execution of any ESA. This process ensures that Town officials will have the opportunity to consider contract proposals secured for Plan customers. The complete set of Competitive Supplier responsibilities is found in the form of Electric Service Agreement (ESA) between the Town and the Competitive Supplier.

2.3 OPERATIONS

The operations of the Plan are guided by the provisions and goals contained in this Plan and the instructions received by and decisions made by the Hampshire Council, Town officials, and participating consumers.

The goals of this Plan are as follows:

- provide the basis for aggregation of eligible consumers on a non-discriminatory basis;
- acquire a market rate for power supply and transparent pricing;
- provide equal sharing of economic savings based on current electric rates;
- allow those eligible consumers who choose not to participate to opt-out;
- provide full public accountability to participating consumers;
- utilize municipal and other powers and authorities that constitute basic consumer protection to achieve these goals; and
- actively promote conservation and the use of energy from renewable sources.

2.4 STAFFING AND MANPOWER

The operations necessary to plan, deliver, and manage the Plan include:

- technical analysis;
- competitive procurement of services;
- regulatory approvals;
- accounting and fiscal management;
- contract maintenance;
- communications;
- program coordination; and
- administrative support.

The Hampshire Council is the professional, technical, and regulatory consultant that will operate the Plan for the Town. Hampshire Council is a licensed broker of electricity in Massachusetts (EB-205). Hampshire Council has experience in electricity sales and brokerage and has designed this opt-out municipal aggregation program.

The Hampshire Council will be responsible for monitoring all aspects of the Plan and any resulting contractual agreements for the Town, including but not limited to:

- monitoring and reporting on compliance with all contract terms and conditions;
- resolution of contract issues;
- implementation of the opt-out process for consumers;
- participation in negotiations with the Local Distributor;
- preparation of reports; and
- routine updates and attendance at meetings with the Board of Selectmen.

The Plan has been developed by the Town with the assistance of the Hampshire Council, as agent or representative, and the support of technical consultants and legal counsel. The Hampshire Council will undertake negotiations with Competitive Suppliers providing retail proposals following bid solicitation processes established and implemented by the Hampshire Council (or, through Hampshire Power, which is a vehicle to provide greater access to wholesale market suppliers) and provide representation at the state, regulatory level, as needed. Town

counsels have had the opportunity to review the terms and conditions of the form of ESA. Once an ESA has been secured and executed, Hampshire Council will use its staff, technical consultants, and legal counsel, as appropriate, to administer the Plan.

The Town will prepare and submit (with the assistance of Hampshire Council) an annual report to the DPU and the Department of Energy Resources that shall contain:

- Number of participants in the Plan by customer class.
- Competitive suppliers to the Plan.
- Term of each power supply contract.
- Number of customers opting out by customer class. (Terminated customers include not only those customers who opted-out of our supply but also customers who were considered “drops” i.e. went back to basic service; went to another competitive supplier; or closed their account for various reasons such as moving out of the service territory; or those who were sent back to the utility for non-payment.)
- Load served pursuant to the Plan.
- Contractor costs including the fee charged pursuant to Section 3 hereof.
- Savings achieved (Basic Service/Municipal Rate, by customer class). Rates for these categories will be shown above each category for each month of the fiscal year for both the aggregation and the utility.
- Stability data (Basic Service vs. Municipal rate, by customer class).
- Description of renewable energy or Green Power products offered, pricing, and number of customers by customer class selecting each of the Green Power products.
- Description of implementation of alternative information disclosure strategy.

3 FUNDING

Initial funding for Hampshire Council's Plan comes from capital advanced by Hampshire Council. The price terms pursuant to an ESA with a Competitive Supplier will include an adder of \$0.002/kWh that will be reflected in the Competitive Supplier's charge, collected by the Competitive Supplier and paid by the Competitive Supplier to Hampshire Council. To the extent the Hampshire Council is able to secure a beneficial contract in the wholesale market through Hampshire Power, then the adder shall be partially waived. That is, if Hampshire Power is selected as the Supplier for the Plan, the adder shall be reduced to not more than \$0.0005/kWh.

4 ACTIVATION AND TERMINATION

4.1 ACTIVATION

Following the process of municipal aggregation and competitive procurement of a proposed contract by the Town, activation of the Plan requires the following steps:

- Approval of Plan by DPU
- Acceptance of ESAs by the Hampshire Council, as agent or representative of the Town
- Signing of ESA by the Hampshire Council, as agent or representative of the Town
- Notification of Enrollment for Eligible Consumers
- Notification of the Local Distributor
- Beginning of Opt-Out Period
- Transfer of Participating Consumers to Competitive Supplier

Each of these steps is described as follows:

4.1.1 APPROVAL OF PLAN BY DPU

The Hampshire Council shall file this Plan with the DPU and take such actions as are necessary and appropriate in order to secure DPU approval. The DPU is required to hold a public hearing on the Plan.

4.1.2 ACCEPTANCE OF ESAS

The Town's agent or representative, Hampshire Council, may seek Electric Service Agreements that provide services for the Town together with other municipalities which also have approved Municipal Aggregation plans. By combining the buying power of many smaller communities, consumers in each community could benefit from economies of scale and a potentially larger group of competitive bidders.

Any ESA negotiated by the Hampshire Council (including any agreement with Hampshire Power to pursue wholesale market proposals for the benefit of the Plan) will, in the reasonable judgment of Hampshire Council, be the best price available to the consumers consistent with the Town's Plan goals and objectives provided, however, that if a proposal from Hampshire Power is considered in any competitive evaluation of proposals, the determination of the best proposal shall be determined by an independent third-party expert in New England electrical markets based upon an equitable consideration of all bids and associated fees. The Hampshire Council will provide an opportunity for Town officials to ask questions on the terms of any ESA prior to execution. Competitive Suppliers and contracts must comply with all applicable laws and rules and regulations promulgated by the DPU concerning competitive suppliers.

4.1.3 SIGNING OF ESA

With the signing of the contract by the Hampshire Council as agent or representative of the Town, the terms and conditions in the contract will be utilized for service for eligible consumers

within the municipal boundaries of the Town, except for those eligible consumers who have selected a Competitive Supplier prior to the contract activation date and do not wish to switch to service under the Program's contract, or those eligible consumers who affirmatively opt-out of the Program. In addition, all eligible consumers relocating to the area will be enrolled in the Plan one month after their delivery account is set up with the Local Distributor, unless they choose another Competitive Supplier, or opt-out following activation of service.

4.1.4 NOTIFICATION OF ENROLLMENT FOR ELIGIBLE CONSUMERS

Following approval of the contract by the Hampshire Council, the Competitive Supplier shall undertake notification of all eligible consumers on Basic Service to be enrolled. The Local Distributor will inform the Competitive Supplier and the Hampshire Council as to which consumers are on Basic Service and which consumers are receiving power from third party suppliers. The Local Distributor will run this data just prior to the meter read at which the change to the Competitive Supplier is set to occur to ensure that no consumers with third party suppliers are enrolled. Only current Basic Service consumers will be sent opt out notices. The Town may also generally notify all consumers receiving competitive service of their eligibility to receive power from the Competitive Supplier.

The process of notification shall be from multiple sources and will include:

- mailings by the Competitive Supplier;
- newspaper notices;
- public service announcements (PSAs); and
- notices posted in Town Hall.

Prior to enrollment, this notification shall:

- inform eligible consumers they have the right to opt-out of the aggregated entity without penalty and choose Basic Service at any time before or after their first day of service;
- prominently state all charges to be made and a comparison of the price and primary terms of the Town's contract compared to the price and terms of the Local Distributor's Basic Service;
- explain the opt-out process; and
- provide written notification that no charges associated with the opt-out will be made by the Competitive Supplier.

When a new eligible consumer first moves to the Town, the eligible consumer will not be assigned to the Competitive Supplier until the Competitive Supplier submits an "enroll customer" transaction. Prior to such "enroll customer" transaction, the eligible consumer shall receive Basic Service.

To facilitate enrollment in the Plan, after approval by the DPU and examination of a contract with a Competitive Supplier, the Local Distributor will electronically transmit the name, address and existing power supply option (i.e., Basic Service or non-Basic Service) of the new eligible consumer to the Plan's designated Competitive Supplier to facilitate the notification and opt-out

requirements of the Plan. Once the appropriate notification has been provided to the eligible consumer and applicable opt-out requirements met, the Competitive Supplier will electronically enroll the eligible consumer by submitting an "enroll customer" transaction to the Local Distributor in accordance with the rules and procedures set forth in the EBT Working Group Report, which is applicable to all Competitive Suppliers and distribution companies in Massachusetts.

The approximate timing of the major procedural steps related to the notification of consumers is as follows:

Day 1	Supply contract executed between the Hampshire Council, as administrative agent, and Competitive Supplier
Day 2	Competitive Supplier notifies Local Distributor to prepare Town eligible consumer data
Day 3	Competitive Supplier begins Electronic Data Interface (EDI) testing with Local Distributor
Day 14	Competitive Supplier receives eligible consumer data from Local Distributor
Day 18	Competitive Supplier mails opt-out notice to all eligible consumers
Day 19	30-day opt-out period begins on date of postmark
Day 21	Eligible consumers receive mail
Days 21 -51	Consumers wishing to opt-out return pre-paid reply card to Competitive Supplier
Day 33	Competitive Supplier completes EDI testing with Local Distributor (assuming no technical issues are presented)
Day 52	Competitive Supplier removes opt-outs from eligible list
Day 53	Competitive Supplier sends "supplier enrolls customer" EDI for all participating consumers

Participating consumers are enrolled with supplier on the next meter read, provided that the Municipal Aggregator or its designated Competitive Supplier has submitted the enrollment transaction to the Distribution Company no fewer than two business days prior to the meter read date.

It is expected that the Town, Competitive Supplier and Local Distributor will need about two months to complete the consumer notification and enrollment process.

The procedures described above may also be found in Local Distributor's Terms and Conditions for Municipal Aggregators, as amended or superseded from time to time. These procedures were discussed in several meetings between the Hampshire Council and the Local Distributor.

The methods by which eligible consumers will be enrolled in the Plan are consistent with the Local Distributor's Terms and Conditions for Competitive Suppliers, as amended or superseded from time to time.

4.1.5 NOTIFICATION OF LOCAL DISTRIBUTOR

Along with notification of eligible consumers, the Town's agent or representative, the Hampshire Council, shall notify the selected Competitive Supplier and Local Distributor to begin preparation of the administrative process to transfer eligible consumers coincident with each eligible consumer's billing cycle. Alternatively, or in combination with the Town notification, the selected Competitive Supplier may notify the Local Distributor to begin preparation of the administrative process.

4.1.6 BEGINNING OF OPT-OUT PERIOD

Eligible consumers may opt-out of service from the Plan at no charge either in advance of service start up deadlines or at any time after the first day of service. Participating consumers who seek to return to the Local Distributor's Basic Service should provide notice to the Competitive Supplier and/or the Local Distributor five or more business days before the next scheduled meter read date. Pursuant to the Local Distributor's Terms and Conditions for Municipal Aggregators, participating residential consumers will be transferred to the Local Distributor's Basic Service in two business days if they directly notify the Local Distributor of the intent to terminate generation service from the Competitive Supplier. If a commercial or industrial customer directly notifies the Local Distributor of the choice to terminate generation service from the Competitive Supplier, the generation service shall be terminated on the date of the customer's next scheduled meter read. If a residential, commercial, or industrial customer notifies the Competitive Supplier of the choice to terminate receipt of generation service, the termination shall take place on the date of the customer's next scheduled meter read, so long as the Competitive Supplier has submitted the transaction to the Local Distributor no fewer than two business days prior to the meter read date. There shall be no charge for returning to the Local Distributor's Basic Service in this manner. Further opportunities for eligible consumer opt-out may be negotiated with the Competitive Supplier and included in the terms of the contract, and made part of the public information offered to each eligible consumer. Eligible consumers who opt-out and subsequently wish to enroll may be enrolled at the Competitive Supplier's discretion and pursuant to the Local Distributor's Terms and Conditions for Competitive Suppliers, as amended or superseded from time to time.

4.1.7 TRANSFER OF PARTICIPATING CONSUMERS TO COMPETITIVE SUPPLIER

The process of activation is an administrative function with three parts:

- Data Preparation: The Local Distributor will identify all eligible consumers on Basic Service in the Town by eliminating those who have already selected a Competitive Supplier.
- Automatic Enrollment: All verified eligible consumers shall be transferred to the Plan's Competitive Supplier coincident with the Local Distributor's billing periods, unless they have previously sent in notification of their intent to opt-out according to established deadlines. Eligible consumers will be enrolled with the new Competitive Supplier over the period of one month. Service under the new Competitive Supplier shall begin at the start of the billing period following

- transfer.
- Notification: The Local Distributor shall notify each transferred participating consumer
- of the change to the Town's Competitive Supplier with its last bill for Basic Service.

4.2 TERMINATION

The Plan may be terminated at the decision of the Town to dissolve the Plan. Each participating consumer receiving service under the Plan will receive notification of termination of the Plan 90 days prior to the effective date of such termination. In the event of Plan termination, participating consumers would return to the Local Distributor's Basic Service or choose a Competitive Supplier.

The term of any ESA will run from the effective date to the termination date, unless renewed by the parties or earlier terminated as permitted under the terms of that agreement. The Town intends and expects the Plan to continue beyond the termination date by making appropriate arrangements under the ESA or a successor agreement. The Town or Hampshire Council may also elect to suspend operations of the Plan by deferring the execution of a new or replacement ESA depending upon market conditions. The Town and the Hampshire Council will comply with any relevant regulatory requirements with respect to securing a new ESA or reactivating the Plan's operations.

5 METHODS FOR ENTERING AND TERMINATING AGREEMENTS

The Town's process for entering, modifying, enforcing, and terminating all agreements associated with the Plan shall comply with the requirements of state and federal laws and has been delegated to Hampshire Council as agent or representative.

Prior to the end of the initial ESA, HCOG may conduct a subsequent bidding process for a new ESA. Customers will be notified through press releases, newsletters, websites and public notices. New opt-out notices will not be mailed. The Town will not use on-bill messaging or bill inserts. However, the Local Distributor may include on-bill messaging notifying consumers of a supplier switch. The transfer of customers from the existing supplier to the new supplier is to be conducted by the new supplier in coordination with the local distributor using established EDI protocols.

6 RATE SETTING, COSTS, AND BILLING

The Town will offer the Plan at rates and terms to be negotiated with Competitive Suppliers (or Hampshire Power). All Competitive Supplier charges to the participating consumer will be fully and prominently disclosed under the notification process.

The Local Distributor shall continue to provide metering, billing, and maintenance of the distribution system as a regulated monopoly function. Charges for metering, billing and other distribution services shall be regulated by the DPU, unless otherwise provided for in law, or DPU rules and regulations

6.1 RATE SETTING

Under DPU orders, the Local Distributor assigns the rate classification and corresponding character of service and associated regulated rates. These rates include a monthly customer charge, a distribution charge, a transmission charge, a transition charge, an energy conservation charge, and a renewable energy charge that currently make up a portion of a ratepayer's bill. Although the Town may participate in regulatory proceedings and represent the interests of ratepayers regarding these regulated rates, it will not assign or alter existing rate classifications without the approval of the DPU.

The focus of the Town, as noted above, will be acquisition of competitive prices and terms for power supply. This price, or prices, will be set through the competitive bid and negotiation process, and will be noted on the participating consumers' bill as the "generation charge". The competitive bid process will seek prices that will differ among the rate classifications established by the Local Distributor's tariffs. The terms and conditions of service may also vary among rate classifications.

6.2 COSTS

The Plan funding will be derived from a \$0.002/kWh commission fee or "adder" collected by the Competitive Supplier and payable to the Hampshire Council unless such fee is partially waived as described above. This fee shall be applied to, among other things, the costs and expenses of Plan establishment and operation.

6.3 BILLING

Participating consumer billing under the Plan will be made by the Competitive Supplier under contract and shall be incorporated into the standard monthly utility billing. Participating consumers will receive a "complete bill" from the Local Distributor that incorporates the power supply charge and the Local Distributor's delivery charges. The bill shall include a clear delineation of all regulated and non-regulated charges.

7 UNIVERSAL ACCESS

"Universal access" is a term derived from the traditional regulated utility environment in which all consumers desiring service receive that service. The DOER's Guide to Municipal Electric Aggregation in Massachusetts has defined universal access to mean "electric services sufficient for basic needs (an evolving bundle of basic services) available to virtually all members of the population regardless of income." The Guide also provides that a municipal aggregation plan meets the requirement of universal access "by giving all consumers within its boundaries the opportunity to participate, whether they are currently on Basic Service or the supply service of a Competitive Supplier." For the purposes of the Plan this will mean that all existing consumers within the borders of the Town and all new consumers in the Town shall be eligible for service from the Competitive Supplier under the terms and conditions of the contract. One of the Plan's goals, as indicated in Section 2.3, is to "Provide the basis for aggregation of eligible consumers on a non-discriminatory basis."

Service under the Plan shall include rate classifications in adherence with universal service

principles and requirements, and the traditional non-discriminatory practices of local government. Contracts with all Competitive Suppliers shall contain provisions to maintain these principles and equitable treatment of all rate classifications.

Eligible existing consumers in the Town shall be transferred to the Plan unless they have already contracted with a Competitive Supplier, or affirmatively opted-out of the Program. Eligible low-income consumers shall remain subject to all existing provisions of state law regarding their rights to return to Basic Service and participate in the Plan as well.

Eligible new consumers in the service territory shall be automatically enrolled in the Plan after establishing delivery service with the Local Distributor and receiving notice of the automatic enrollment and the 30-day opt-out period. Eligible new consumers will retain the right to opt-out any time before and after the commencement of Program service.

8 EQUITABLE TREATMENT OF RATEPAYERS

All ratepayers will be treated equitably. They will be guaranteed the right to raise and resolve disputes with the Competitive Supplier, be provided all required notices and information, and always retain the right to opt-out of the Plan as described herein or to switch Competitive Suppliers. The requirement of equitable treatment of all ratepayers does not, however, require that all ratepayers be offered the same pricing or terms and conditions. To impose such an interpretation to the statutory requirements governing municipal aggregation programs would, in effect, result in inequitable treatment, as attempting to apply identical prices, terms, and conditions to ratepayers with widely disparate characteristics would have the inevitable effect of giving some ratepayers more favorable service than others. The implementation of the Plan will recognize this reality through appropriate distinctions in pricing and, where applicable, terms and conditions among ratepayers.

9 RELIABILITY

"Reliability" in power supply and in transmission and distribution is essential to consumers. This will be accomplished and reinforced by the Plan at several levels through:

- provisions of the contract that will include language on reliability of supply, liability and damages provisions;
- traditional proceedings related to the Local Distributor's regulated transmission and distribution services; and
- direct discussions with the Local Distributor concerning specific or general problems related to quality and reliability of transmission and distribution service in the Town.

10 RIGHTS AND RESPONSIBILITIES OF PARTICIPANTS

10.1 RIGHTS

All participating consumers shall enjoy the protections of law afforded to them as they currently exist or as they may be amended from time to time. These include rights to question billing or service quality or service practices. Under protocols developed by the DPU, problems related to

billing or service shall be directed to the appropriate parties. All eligible consumers shall also enjoy the individual right to decline participation in the Plan.

10.2 RESPONSIBILITIES

All participating consumers shall meet all standards and responsibilities required by the DPU, including payment of billings and access to essential metering and other equipment to carry out utility operations.

11 BENEFITS OF MUNICIPAL AGGREGATION

The Plan functions under the restrictions of state law and reflects a range of results and opportunities:

11.1 PARTICIPATION IN COMPETITIVE MARKET

Many consumers lack knowledge and leverage to negotiate terms for power supply. A municipal aggregator provides them with an option for professional representation and the leverage of a large group so that they may participate more effectively in the competitive process and achieve benefits.

11.2 SELECTION OF ALTERNATE SUPPLIER

Because the law guarantees the right to opt-out, including the right to choose Basic Service at no charge, all eligible consumers have the right to select a Competitive Supplier other than the one chosen by the Hampshire Council, as agent or representative of the Town.

11.3 INDEMNIFICATION AND RISK ASSOCIATED WITH COMPETITIVE MARKET

In a competitive market, it is possible that the failure of a Competitive Supplier to provide service may result in the need for participating consumers to acquire alternative power supply, or for participating consumers to receive power at Basic Service prices. The Hampshire Council, as agent, will seek to minimize this risk by contracting with reputable Competitive Suppliers who demonstrate reliable service. The Hampshire Council, as agent or representative of the Town, also intends to include conditions in its contract with a Competitive Supplier that will indemnify participating consumers against risks or problems with power supply service.

11.4 OTHER PROTECTIONS

The Hampshire Council, as agent or representative of the Town intends to negotiate a range of provisions in its contracts to enhance participating consumer protection.

12 REQUIREMENTS CONCERNING AGGREGATED SERVICE

The Town and the Hampshire Council fully intend to comply with the requirements established by law and the rules set forth by the DPU concerning aggregated service.

ATTACHMENT B

REPORT IN SUPPORT

OF THE

MUNICIPAL AGGREGATION PLAN

FOR THE TOWN OF

WASHINGTON

PREPARED BY THE

HAMPSHIRE COUNCIL OF GOVERNMENTS

THE COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF PUBLIC UTILITIES

FILED UNDER M.G.L. c. 164, § 134

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1 OVERVIEW

The Town of Washington ("Town") files this Report in connection with the Town's Petition for approval of its Municipal Aggregation Plan. This Report provides an overview of: the Town's proposed municipal aggregation plan ("Plan"); the expected role of the Hampshire Council of Governments ("Hampshire Council") and its experience in the field of electricity supply, brokerage and aggregation; the legal framework in which the Plan will operate and its expected activities; a description of the procedure the Town followed to develop the Plan; a description of the planned competitive Electric Service Agreement (ESA) negotiation process and the anticipated process for soliciting and selecting bids from Competitive Suppliers; a summary of the Town's public Education and Information Plan ("Education Plan"); a discussion of how the Plan satisfies the requirements of the Massachusetts Electric Utility Restructuring Act of 1997 ("Restructuring Act") and its provisions regarding municipal aggregation, M.G.L. c. 164, § 134; and an overview of the schedule for initiating service to participating consumers.

2 BACKGROUND

2.1 RESTRUCTURING ACT

In November 1997, the Governor signed into law the Restructuring Act. The Restructuring Act fundamentally altered the business of generating, distributing and selling electricity in Massachusetts. Under the mandate and impetus of the Restructuring Act, utility companies have unbundled their services, divested electrical generating units, reduced charges to comply with required discounts, and opened generation service to competition. Since March 1, 1998, all consumers have been free, in theory, to purchase power supply from any duly licensed company of their choosing. In practice, competition in power supply has significantly penetrated only the medium and large sized commercial and industrial consumers.

According to the migration data released by the Massachusetts Department of Energy Resources (DOER) in January 2012, fewer than 15% of all electricity consumers in Massachusetts obtained power supply from a Competitive Supplier. Less than 13% of residential consumers obtained power supply competitively. Many of those residential consumers receive competitively-supplied power through the Cape Light Compact or other municipal aggregation plans, like the Cape Light Compact and the City of Marlborough. Municipal aggregation can facilitate the transition of significant blocks of consumers to competitive power supply and significantly reduce the transaction costs of accomplishing this.

In the Restructuring Act, the legislature established several routes through which public entities, corporations and non-profit organizations could aggregate consumers or otherwise work together to procure competitive supply (M.G.L. c. 164, §§ 134-137). Utilizing these provisions, the Hampshire Council developed and began to solicit interest in municipal aggregation.

2.2 FORMATION

The Town's Plan traces its formative stages to the late 1990s based upon the initiative of the Hampshire Council and the Franklin Council of Governments. Initially, towns and cities in Hampshire and Franklin counties were contacted by their respective Council of Governments and invited to ask their Town Meetings (or City Council) to approve appropriate authorizing

Warrant Articles. Other communities have continued to express interest in municipal aggregation by Town Meeting or City Council votes, a contract signed by the Board of Selectmen or Mayor. The Town and these other communities are also interested in the prospect of engaging in joint bidding and contracting for the mutual benefit of aggregation plan customers.

The documents authorizing the Hampshire Council to represent and act on behalf of the Town are contained in Attachment G.

2.3 GOALS, PURPOSES AND STRUCTURE

The Plan was developed after extensive consultation with the DOER, the Town's Board of Selectmen, other Town officials and meetings with interested eligible consumers. (See Attachment A)

The goals of the Plan are as follows:

- a) provide the basis for aggregation of eligible consumers on a non-discriminatory basis;
- b) acquire a market rate for power supply and transparent pricing, including through coordinated contracting with other municipal aggregation plans;
- c) provide equal sharing of potential economic savings based on current electric rates;
- d) allow those eligible consumers who choose not to participate to opt-out;
- e) provide full public accountability to participating consumers;
- f) utilize municipal and other powers and authorities that enhance basic consumer protection to achieve these goals; and
- g) actively promote conservation and the use of energy from renewable sources.

3 DEVELOPMENT

In order to become an approved municipal aggregator, the Town must develop the Plan in consultation with the DOER and through a process that gathers input from the public. The Town has consulted with the DOER in the course of developing the Plan. The Town's Plan clarifies the requisite processes and fully satisfies the requirements of M.G.L. c. 164, § 134(a).

While the statute does not require communities to consult with the local distribution company, the Town and Hampshire Council, as agent, did communicate with representatives from WMECO ("Local Distributor") on numerous occasions. Representatives from the Local Distributor reviewed and provided comments on the Plan.

The Town, and in coordination with its agent Hampshire Council, has fully complied with its obligations to consult with the DOER while developing the Plan and has offered the public an opportunity to review and comment on the Plan.

4 COMPETITIVE ELECTRIC SERVICE AGREEMENT PROCESS

The market for supplying power to communities through municipal aggregation is evolving. In order to obtain bids for competitive power supply, the Town and its administrative agent, Hampshire Council, solicited information from potential Competitive Suppliers and developed mutual understandings with them about the nature of serving municipally-aggregated loads. The Hampshire Council has also analyzed opportunities to pursue proposals for the benefit of Plan customers in the region's wholesale electricity market.

Hampshire Council, as agent or representative of the Town, organized meetings and calls with Competitive Suppliers interested in serving the Town's eligible consumers, has held ongoing discussions with other Competitive Suppliers and monitored the market. In addition, as noted, the Hampshire Council has identified and may pursue wholesale market opportunities for the benefit of Plan customers. For example, the Hampshire Council may develop and secure wholesale market proposals through Hampshire Power, which proposals would then be compared to "retail" price proposals to be secured pursuant to bidding processes conducted by the Hampshire Council. If Hampshire Power's proposal is determined to be the best available proposal (based upon an independent, third-party review provided by an expert familiar with the New England electricity market), then the adder described in Section 6.1 of this Report shall be partially waived.

4.1 SEARCH

The Hampshire Council developed a list of potential Competitive Suppliers who would receive a subsequent communication detailing the eligible consumer count and usage for the current year. The Hampshire Council received several responses to the initial communication from qualified suppliers. The Hampshire Council then engaged in discussions with these respondents and formulated evaluation criteria to determine the qualifications of interested Competitive Suppliers.

These criteria included:

- a) licensed as a Competitive Supplier by the DPU;
- b) Member of the ISO New England (ISO-NE);
- c) no pending bankruptcies;
- d) strong financial background; and
- e) history of either serving the competitive market in Massachusetts or aggregated communities in Massachusetts or other states.

Several Competitive Suppliers demonstrated they were able to and interested in providing power supply for all eligible consumers. Based on the findings at this stage of the process, the Town and its agent, Hampshire Council, decided to move forward with direct negotiations of all non-price terms and conditions with the following Competitive Suppliers:

- ConEd Solutions
- Constellation
- Detroit Edison

- Direct Energy
- Dominion Energy Solutions
- Energy Plus/NRG
- Gexa/NextEra Energy, Services LLC
- Glacial Energy
- Hess Corporation
- HOP Energy, LLC
- Integrys Energy, LLC
- Mint Energy
- Verde Energy USA
- Viridian Energy

This list is not comprehensive; Hampshire Council may also solicit interest from other Competitive Suppliers licensed by the DPU on behalf of Town. In addition, as noted, the Hampshire Council may employ Hampshire Power to develop and secure “wholesale” bids or contracts for the benefit of Plan customers. At present, Hampshire Council expects to seek both retail market bids from the above-described suppliers and to simultaneously determine whether Hampshire Power may offer a better price. To the extent that Hampshire Power is to be considered, the determination of the best proposal shall be determined by an independent, third-party expert in New England electricity markets based upon an equitable consideration of all bids and associated fees. This approach is consistent with certain historical utility practices for securing supply and similar resources.

4.2 NEGOTIATION

The Town will use the existing ESA with municipalities that have approved municipal aggregations as the template for all negotiations. Using the existing contract of the approved municipal aggregation in the Local Distributor's service territory will help to simplify and streamline the negotiation process. (See Attachment C)

The Town understands and has endorsed the merits of a proposal where the Hampshire Council may seek to secure and execute one or more Electric Service Agreements that provide services for the Town together with other municipalities which also have approved municipal aggregation plans. That is, comparable, but municipality-specific contracts would be executed upon the completion of this coordinated solicitation. By combining the buying power of many smaller communities with comparable interests or objectives, consumers in each community could benefit from economies of scale and a potentially larger group of competitive bidders.

In any ESA eventually signed by the Hampshire Council, as administrative agent or representative, and a competitive supplier (including Hampshire Power) ("Competitive Supplier"), all eligible Town consumers receiving Basic Service who do not choose to opt-out prior to the initiation of service will be switched to the Competitive Supplier. Participating consumers will also retain the ability to return to Basic Service at any time after start-up of service, subject to conditions that may vary among rate classifications

4.3 SELECTION

The Town's agent, Hampshire Council, or any independent expert retained by Hampshire Council to assist with the administration of the Plan (including bid evaluations) plans to evaluate Competitive Suppliers' bids with respect to price, stability of price, length of the term of the proposed supply and the financial condition of the Competitive Supplier at the time the bids are provided. The Town will advise Hampshire Council of any recommended changes to its Plan goals or objectives which factors will be considered by Hampshire Council in the course of its responsibilities. The Hampshire Council (or its consultants or experts) may evaluate offers against the current Basic Service rates and market projections for comparable all requirements service. The Hampshire Council will also have the various bids of each selected Competitive Supplier to contrast with each other as well as the Basic Service rate. The Hampshire Council may also take into account a Competitive Supplier's experience operating this type of municipal aggregation program.

Hampshire Council expects to select one Competitive Supplier (or Hampshire Power) for the Plan.

Hampshire Council expects that bids will be for a term of at least one year but, ultimately, its selection will depend upon available pricing based on market conditions.

Hampshire Council may solicit bids from Competitive Suppliers (or Hampshire Power) that contain different prices for different rate classes.

Hampshire Council will not consider contingency group bidding. The Hampshire Council, as agent, may request bids for green power products and other ways to advance the Town's interest in renewable energy resources. In addition, the Hampshire Council may advise Plan participants on the opportunity to participate in other available efficiency or renewable energy programs, typically with an added charge.

Hampshire Council plans on soliciting bids as soon as possible after the DPU's approval of the Plan (subject to the goal of coordinating the bidding and contracting processes with other approved aggregation plans). The bid process will be as follows:

1. All Competitive Suppliers (and Hampshire Power) will be required to submit their bids on the same day, within the same hour.
2. The Hampshire Council expects to allot several hours to evaluate and accept or reject the bid prices and to coordinate with the Town as may be necessary or appropriate. The Hampshire Council expects to retain experts or consultants to assist in the bid evaluation process. The Hampshire Council will advise the Town on the timing of the bid evaluation process. Hampshire Council will also conduct a call or meeting with the Town and any other communities with aggregation plans participating in coordinated bidding or contracting. These calls will describe any bidding process, market conditions, the nature and application of applicable fees or "adders" and the level of the relevant Basic Service charge and the merits of a particular contract proposal. The Town will have the ability to reject or accept any contract proposed by Hampshire Council.

3. Competitive Suppliers will not likely be required to hold bid prices for more than one business day.
4. Review and acceptance of the preferred bid will occur on the same date as the bids are received. The Hampshire Council has been authorized by the Town to determine the winning bid and execute an ESA.

If the Hampshire Council does not receive pricing that is acceptable, it will continue to periodically ask Competitive Suppliers (and Hampshire Power) to re-price until it achieves what it considers to be an appropriate price.

Competitive power supply would not begin until after the Hampshire Council accepts a bid from the winning Competitive Supplier and until after a minimum 30-day opt-out period is over.

Any ESA executed by the Town may be extended with the Competitive Supplier before the initial term of the agreement ends. Alternatively, the Hampshire Council may seek to solicit bids from qualified Competitive Suppliers (or Hampshire Power) prior to the termination date of initial or pending agreement. No termination date for the Plan is contemplated. The Town or Hampshire Council may suspend the operation of the Plan if an appropriate contract competition is not available. In addition, the Hampshire Council will provide regular reports to the Town, including pursuant to a newsletter, and will advise the Town approximately 90 days prior the end of the term of a Plan contract in order to secure any changes to the Town's goals or objectives which would be reflected in subsequent bidding or contracting processes. It is anticipated that the Hampshire Council will continue to serve consumers in the Town with power supply and other energy products desired by the Town.

In accordance with M.G.L. c. 30B, § 1 (b)(33), the Hampshire Council will file a letter with the Massachusetts Inspector General (IG), the DPU and the DOER explaining the process it used to select the winning bidder, along with a copy of the completed ESA.

5 PUBLIC EDUCATION PLAN

The Hampshire Council, on behalf of and in coordination with the Town, will carry out a general education program through the media, the local government, public meetings and presentations, targeted mailings, hand-outs and electronic communications. The Education Plan relies on a traditional "layering" approach of presenting specific messages through varied media. The Education Plan provides information on electric industry restructuring and competition and on the Town's Plan. The Hampshire Council has formulated specific education and information materials for the Education Plan in consultation and coordination with the Town. (See Attachment D)

The Education Plan focuses on:

1. informing eligible consumers about the competitive market and options available;
2. easing the transition to a Competitive Supplier under the Plan; and
3. assuring that eligible consumers are well aware of their rights to participate or opt-out.

The Education Plan is specifically designed to meet the information needs of eligible consumers

and the legal requirements regarding initial notification, quarterly notifications and other notifications. The Hampshire Council has also developed its own website that offers readily available information about the Plan and electric industry restructuring and provides links to other related websites. The Competitive Supplier will be required to work with the Town on the Education Plan. The Hampshire Council will confer, if so directed or appropriate, with the Consumer Division of the Department on its general education plans and specific information and notifications to be provided to eligible consumers

The timing of the implementation of the Education Plan will be coordinated with the commencement of service pursuant to the Plan. The Education Plan will not begin until just prior to the initiation of service to participating consumers and will be carried out over the term of the notification and enrollment process.

Each specific communication required is discussed below.

5.1 REQUIRED INITIAL NOTIFICATION

The Hampshire Council, as agent, will provide a direct mail, advance notice of the initiation of power supply 30 days prior to the start of service date. This notification will be sent to eligible consumers on Basic Service in each rate classification to be served by the ESA signed with the winning bidder. (See Attachment F)

As required by law, the notification will:

1. inform eligible consumers they have the right to opt-out of the Plan without penalty and choose Basic Service at any time before or after their first day of service;
2. prominently state all charges to be made and a comparison of the price and primary terms of the ESA secured on behalf of the Town (inclusive of fees) compared to the price and terms of the Local Distributor's Basic Service;
3. explain the opt-out process; and
4. provide written notification that no charges associated with the opt-out will be made by the Competitive Supplier.

The notification will consist of a letter to each eligible Basic Service consumer and an accompanying, self-addressed postcard with a simple "check off" and signature line to opt-out. The card will be addressed for return to the Competitive Supplier and will need to be postmarked at least five days prior to the start of service to guarantee that the eligible consumer's name will be removed from the transition list. A participating consumer wishing to opt-out and return to Basic Service after the transition date will need to call either the Competitive Supplier, Hampshire Council or the Local Distributor after the start of service.

5.2 REQUIRED QUARTERLY NOTIFICATION

Under 220 C.M.R. 11.06(2)(d), a Competitive Supplier is required to provide quarterly notifications to participating consumers that contain information about "fuel mix, emissions and labor characteristics associated with the Competitive Supplier's company resource portfolio." The Hampshire Council, as agent or representative of the Town, and the Competitive Supplier

can communicate this required information more effectively through means other than a mail insert. Because the Town comprises a distinct geographic and marketing region, this offers an opportunity to communicate some of the required quarterly notification information with greater visibility than a mail insert. Information on fuel sources, emissions and labor characteristics can be communicated on a regular basis to participating consumers in the Town via overlapping vehicles to gain maximum penetration of the information. These vehicles include news releases, public service announcements (PSAs) with a repeated message clip for the Town's government channel and other cable stations, announcements at Town meetings (which may be carried on local cable television and covered by news media), public presentations, and electronic communications including postings on the Town's website, Hampshire Council's website, and the Competitive Supplier's website. Through these vehicles, the Town can also explain the relevance of this information for participating consumers.

Given the potential for greater effectiveness of delivery of the information on fuel types, emissions and labor, and the potential for savings through an alternative method of notification, the Town specifically seeks a waiver of the provisions of 220 C.M.R. 11.06 that would require the Town or its Competitive Supplier to mail this information directly to participating consumers.

6 COMPLIANCE WITH STATE LAWS AND REGULATIONS

Hampshire Council has developed the proposed Plan in consultation with the Town including describing how it complies with all state procurement laws and regulations including, without limitation, the Restructuring Act, the DPU's regulations and the Massachusetts Attorney General's regulations. The Restructuring Act requires a municipal aggregator to submit its Plan for "final review and approval" by the DPU. The Restructuring Act also specifies several issues that the Plan must address. Hampshire Council and the Town believe that the Plan addresses all of the required issues.

6.1 PRICE TERMS

The Town may seek ESA proposals for short or long terms, with fixed or variable prices and prices that include premiums associated with green power products in excess of Renewable Portfolio Standards (RPS). Any prices accepted by the Hampshire Council as agent will be "all-in" prices that will reflect all power, capacity and ancillary charges, as well as the \$0.002/kWh adder to be collected by the Competitive Supplier and paid to Hampshire Council as consideration for its efforts to implement and operate the Plan. If a wholesale option is pursued through Hampshire Power, such adder shall be partially waived. That is, if Hampshire Power is selected as the Supplier for the Plan, the adder shall be reduced to \$0.0005/kWh.

Beginning in March 2005, Local Distributors were no longer required to offer Standard Offer Service (M.G.L. c. 164, § 1B(b)) and all consumers either had to choose a Competitive Supplier or go on Basic Service. Most residential and small commercial consumers either did not exercise their choice or found that there were no competitive offers available to them. By providing other services, the Hampshire Council has gained the market presence and experience that will allow it to help eligible consumers in the Town obtain competitively-priced power supply in the future. The Hampshire Council's coordinated solicitation proposal may also help other communities in

Massachusetts that are considering their own municipal aggregation programs and facilitate consumer transition to competitive power supply at reduced transaction costs to the benefit of all participating communities. The Town will be among other entities in the Commonwealth to successfully aggregate and contract for power supply for large numbers of eligible residential and small business consumers, eligible consumers who Competitive Suppliers have shown little willingness to serve.

6.2 NON-PRICE PROVISIONS

M.G.L. c. 164, § 134(a) imposes the following requirements on municipal aggregation programs regarding non-price provisions:

"Any municipal load aggregation plan established pursuant to this section shall provide for universal access, reliability, and equitable treatment of all classes of customers and shall meet any requirements established by law or the Department concerning aggregated service. Said plan shall be filed with the Department, for its final review and approval, and shall include, without limitation, an organizational structure of the program, its operations, and its funding; rate setting and other costs to participants; the methods for entering and terminating agreements with other entities; the rights and responsibilities of program participants; and termination of the program." Each of above provisions is addressed below.

6.2.1 ORGANIZATIONAL STRUCTURE

The organizational structure and operational levels of the Town and its representative, the Hampshire Council, guarantee that the Plan operates in the best interest of eligible consumers.

The Plan (Attachment A) addresses organizational structure and operational levels in detail in Sections 2.1 and 2.2, respectively.

6.2.2 OPERATIONS

The Town will have overall responsibility for the Plan but has retained the Hampshire Council to provide implementation and operational services and also to provide day-to-day operational management and supervision, act as the Town's agent or representative and provide all necessary administrative support, including the preparation and submission of reports to the Department, the Department of Energy Resources and such other governmental agencies as shall be relevant. The Hampshire Council will monitor implementation of the ESA on behalf of eligible consumers

The Town's planned operations include the Plan and the ESA, and continued representation of the interests of the Town's participating consumers before the DPU and other forums, as may be appropriate.

The Hampshire Council will act as the main point of contact for anyone seeking information about the Plan. The Hampshire Council will also act as the Town's agent or representative in negotiating the initial and subsequent agreements with Competitive Suppliers. The Hampshire Council is a licensed broker of electricity in Massachusetts (EB-205). The Hampshire Council has been a licensed supplier of electricity since 2006. The Hampshire Council is also a licensed broker of Solar Renewable Energy Credits (SRECs). As described, the Hampshire Council may

employ the license of Hampshire Power to secure wholesale market proposals for the benefit of Plan customers if such arrangement is consistent with Plan goals and objectives. Hampshire Council may also retain such experts, consultants and attorneys as may be necessary or appropriate to assist with Plan administration.

The Plan (Attachment A) addresses operations and staffing and manpower in detail in Sections 2.3 and 2.4, respectively.

6.2.3 FUNDING

The ESA, specifically Article 17.11, will include a \$0.002/kWh adder that will be collected by the Competitive Supplier and paid to Hampshire Council. This funding approach is consistent with the approach approved for other municipal aggregation plans.

The Plan (Attachment A) addresses funding in detail in Section 3.

6.2.4 ACTIVATION

Following the process of municipal aggregation and competitive procurement of a proposed contract by the Hampshire Council, activation of the Program requires the following steps:

1. Acceptance of ESAs by the Hampshire Council
2. Approval of Plan by the DPU
3. Signing of ESA by the Hampshire Council, as administrative agent or representative
4. Notification of Enrollment for Eligible Consumers
5. Notification of Local Distributor
6. Beginning of Opt-Out Period
7. Transfer of Participating Consumers to Competitive Supplier

M.G.L. c. 164, § 134(a) states that the Town must notify all eligible consumers "in advance of automatic enrollment that they are to be automatically enrolled and that they have the right to opt-out of the aggregated entity without penalty." The Hampshire Council will carry out this obligation on behalf of the Town by requiring that its Competitive Supplier send the required notification in a piece of direct mail.

The Hampshire Council will include in its mailing or notice all eligible consumers who move into its service area after the Competitive Supplier's start of service, unless those new eligible consumers affirmatively opt-out. New eligible consumers will initially be placed on Basic Service and given notice of their right to opt-out of the Plan if they so choose. The new eligible consumer's right to choose any Competitive Supplier, including Basic Service from the Local Distributor, will be fully preserved.

The Plan (Attachment A) addresses activation in detail in Section 4.1.

6.2.5 TERMINATION

The term of any ESA will run from the effective date to the termination date, unless renewed by

the parties or earlier terminated as permitted under the terms of that agreement. The Town intends and expects the Plan to continue beyond the termination date by making appropriate arrangements under the ESA or a successor agreement. The Town or Hampshire Council may elect to suspend operations of the Plan by deferring the execution of a new or replacement ESA depending upon market conditions. The Town and Hampshire Council will comply with any relevant regulatory requirements with respect to securing a new ESA or reactivating the Plan's operations.

The Town, however, could also elect to conclude the Plan upon the termination or expiration of the ESA without any extension, renewal or subsequent contract being negotiated. The Hampshire Council, as agent or representative, will provide participating consumers with notice at least 90 days in advance of the termination of the Program, unless emergency circumstances prevent this. Participating consumers would then choose to return to Basic Service or locate another Competitive Supplier. The Hampshire Council will also provide the Local Distributor with 90 days' notice prior to a planned termination of the Program and 90 days' notice prior to the end of the anticipated term of the Program's contract. In addition, the Hampshire Council will provide the Local Distributor with two business days' notice in the event that the Competitive Supplier will not cure a contract-related material default or in the event that the Town has reasonable grounds for insecurity with respect to performance by its Competitive Supplier and in which the Competitive Supplier has, despite the Town's (or Hampshire Council's) request, failed to give adequate assurance of due performance.

The Plan (Attachment A) addresses termination in detail in Section on 4.2.

6.2.6 METHODS FOR ENTERING AND TERMINATING AGREEMENTS

The Town and Hampshire Council, as agent, where applicable, shall comply with relevant or applicable provisions of M.G.L. c. 30B (the public bidding law), and other state and federal laws.

The Plan (Attachment A) addresses methods for entering and terminating agreements in detail in Section 5.

6.2.7 RATE SETTING, COSTS, AND BILLING

All Competitive Supplier charges (inclusive of fees payable to the Hampshire Council) to the participating consumer will be fully and prominently disclosed under the notification process. The ESA does not include any additional charges for participating consumers who exit the Program in a manner consistent with their meter read and billing cycle.

The Plan (Attachment A) addresses rate setting, costs, and billing in detail in Section 6.

6.2.8 UNIVERSAL ACCESS

All existing consumers within the borders of the Town and all new consumers in the Town shall be eligible for service from the Competitive Supplier under the terms and conditions of the contract. Service under the Town's Plan shall include rate classifications in adherence with universal service principles and requirements, and the traditional non-discriminatory practices of

local government. Contracts with all Competitive Suppliers shall contain provisions to maintain these principles and equitable treatment of all rate classifications.

The Plan (Attachment A) addresses universal access in detail in Section 7.

6.2.9 EQUITABLE TREATMENT OF RATEPAYERS

Equitable treatment mandates that all participating consumers have the right to raise and resolve disputes, to be provided with accurate information, and to exercise all of the rights they may have under the Restructuring Act and subsequent rules promulgated by the Department and the Attorney General. Any ESA signed by the Hampshire Council, as agent or representative, will also provide for equitable treatment. All participating consumers will have the right to opt-out or switch Competitive Suppliers. Participating consumers will receive a notice of rights, terms and conditions required by law. The Competitive Supplier will be required to provide service on a non-discriminatory basis and will comply with all of the DPU's rules and regulations governing service for participating consumers. The Competitive Supplier will provide the Town and Hampshire Council, as agent or representative, with a written, detailed description of all billing and termination, customer service and confidentiality policies. Participating consumers will be protected from any potentially inaccurate, misleading or unsolicited mailings or communications from the Competitive Supplier.

The Plan (Attachment A) addresses equitable treatment of ratepayers in detail in Section 8.

6.2.10 RELIABILITY

The Town interprets reliability to include the adequacy of the technical arrangements that assure dependable power supply (adequate generation and transmission arrangements, reserves, etc.) and the adequacy of the financial guarantees provided by the Competitive Supplier in the event of default. On the technical side, the Competitive Supplier will be committed to providing all requirements service, to making all the necessary arrangements for this power supply, and to using proper standards of management and operations.

The ESA will contain broad liability and indemnification provisions to protect the interests of participating consumers if the Competitive Supplier fails to meet its technical reliability requirements. The Town and Hampshire Council will also be indemnified in the case of default by the Competitive Supplier. The Plan thus provides extensive measures to ensure technical reliability and sufficient financial assurances to back up the Competitive Supplier's pledge of reliable power supply.

The Plan (Attachment A) addresses reliability in detail in Section 9.

6.2.11 RIGHTS AND RESPONSIBILITIES OF PARTICIPANTS

All eligible consumers have the right to participate in the Plan. Participating consumers will enjoy the same rights as other consumers served by Competitive Suppliers. Participating consumers also have the right to participate in the decision-making process by attending public meetings, contacting their Board of Selectmen or expressing their views at various public

hearings Eligible consumers also have the right not to participate in the Plan by choosing the Local Distributor or selecting an alternate Competitive Supplier.

Participating consumers have the responsibility of paying the bills sent by the Plan's Competitive Supplier (sent as part of the Local Distributor's bill) and complying with the Competitive Supplier's billing, customer drop and customer service practices, all of which must be in writing and approved in advance by the Hampshire Council, as agent for the Town.

The Plan (Attachment A) addresses rights and responsibilities of participants in detail in Section 10.

6.3 OTHER REQUIREMENTS (CHOICE, ENROLLMENT, NOTICE)

In addition to the price terms and non-price provisions discussed in the preceding Sections, M.G.L. c. 164, § 134(a) imposes the following requirements on municipal aggregation programs regarding eligible consumer choice and enrollment:

"Participation by any retail customer in a municipal or group aggregation program shall be voluntary. If such aggregated entity is not fully operational on the retail access date, any ratepayer to be automatically enrolled therein shall receive basic service unless affirmatively electing not to do so. Within 30 days of the date the aggregated entity is fully operational, such ratepayers shall be transferred to the aggregated entity according to an opt-out provision herein. Following adoption of aggregation through the votes specified above, such program shall allow any retail customer to opt-out and choose any supplier or provider such retail customer wishes. Once enrolled in the aggregated entity, any ratepayer choosing to opt-out within 180 days shall do so without penalty and shall be entitled to receive basic service as if he was originally enrolled therein. Nothing in this section shall be construed as authorizing any city or town or any municipal retail load aggregator to restrict the ability of retail electric customers to obtain or receive service from any authorized provider thereof. It shall be the duty of the aggregated entity to fully inform participating ratepayers in advance of automatic enrollment that they are to be automatically enrolled and that they have the right to opt-out of the aggregated entity without penalty."

The Plan fully preserves choice. Every eligible consumer will have the right to opt-out of the Plan at any time without penalty.

Following approval of the contract by the Hampshire Council, the Competitive Supplier shall undertake notification of all eligible consumers on Basic Service to be enrolled. The Town may also generally notify all consumers receiving competitive service of their eligibility to receive power from the Competitive Supplier. The notification will prominently state the Competitive Supplier's rates (and relevant fees) and will compare those rates to the prevailing Basic Service rates. The notification will explain how the eligible consumer may opt-out of the Plan and remain on Basic Service. An eligible consumer who sends in the opt-out form within the deadlines established will not be switched but will remain on Basic Service. Participating consumers will retain the right to return to Basic Service at any time after initially receiving service from the Competitive Supplier.

When an eligible consumer first moves to the Plan, the eligible consumer will not be assigned to

the Plan's Competitive Supplier until the Competitive Supplier submits an "enroll customer" transaction. Prior to such "enroll customer" transaction, the eligible consumer shall receive Basic Service.

To facilitate enrollment in the Plan, after approval by the DPU and execution of a contract with a Competitive Supplier, the Local Distributor will electronically transmit the name, address and existing power supply option (*i.e.*, Basic Service or non-Basic Service) of the new eligible consumer to the designated Competitive Supplier to facilitate the notification and opt-out requirements of the Plan. Once the appropriate notification has been provided to the eligible consumer and applicable opt-out requirements met, the Competitive Supplier will electronically enroll the eligible consumer by submitting an "enroll customer" transaction to the Local Distributor in accordance with the rules and procedures set forth in the EBT Working Group Report, which is applicable to all Competitive Suppliers and distribution companies in Massachusetts.

The procedures described above may also be found in the Local Distributor's Terms and Conditions for Municipal Aggregators as amended or superseded from time to time. These procedures were discussed in several meetings between the Hampshire Council and the Local Distributors.

The methods by which eligible consumers will be enrolled in the Plan are consistent with the Local Distributor's Terms and Conditions for Competitive Suppliers, as amended or superseded from time to time.

6.4 MISCELLANEOUS PROVISIONS

The Plan contains other provisions which benefit participating consumers but which are not strictly required by M.G.L. c. 164, § 134. The ESA, specifically Article 5.2, requires the Competitive Supplier establish a toll-free telephone number that participating consumers may call to resolve concerns, answer questions, and transact business with respect to the service provided by the Competitive Supplier.

In addition, the Hampshire Council has established a toll-free telephone number, local number and website by which participating consumers may communicate directly with Hampshire Council in seeking to resolve service concerns

The existing toll-free telephone number is: 877-700-6165.

The existing local number is: 413-584-1300 Ext. 5.

The existing website is:

www.hampshirecca.org

The ESA, specifically Article 5.3, requires the Competitive Supplier provides responses to reasonable requests for information from the Town. The ESA, specifically Article 11.1, also requires the Competitive Supplier to produce power supply information reports for the Town and makes available upon request certain books, records and reports.

On behalf of the Town, the Hampshire Council will continue to attend forums, hearings, conferences, and other training sessions in order to provide the participating consumers of the Town with representation regarding matters related to its Plan. The Town and Hampshire

Council may also submit comments on such matters to the DPU.

7 SCHEDULE

The Competitive Supplier anticipates needing approximately two weeks from the time of bid acceptance to the time of notification sending to eligible consumers. During this period, the Competitive Supplier, with assistance from the Hampshire Council, will make all of the necessary arrangements with the Local Distributor to ensure a smooth transition for participating consumers. The Competitive Supplier will provide participating consumers with no less than 30 days advance notice of the start of service.

The Hampshire Council, as agent or representative of the Town, and the Competitive Supplier will review the DPU's decisions on, make any required changes to the Plan, draft the final version of notices for eligible consumers, generate publicity and community education materials in advance of sending notices to eligible consumers, and review market conditions. The Plan fully addresses the requirements of the Department. The Town respectfully requests an expedited review so as to provide an early opportunity to secure benefits for customers. Such an expedited review will hopefully facilitate timely market entry consistent with established industry practices.

- WMECO's Residential and Commercial Basic Service rates change in January and July.
- WMECO's Industrial Basic Service rates change in January, April, July, and October. (See Attachment E).

8 CONCLUSION

The Plan will deliver on the promise of the Restructuring Act to bring competitively-priced electricity to as many rate classifications as possible. It has the potential to facilitate the transition of eligible consumers to competitive markets and reduce the transaction costs of doing so. The Plan will also facilitate and encourage greater customer awareness of additional electricity market opportunities such as enhanced energy efficiency or expanded, local renewable energy resources. The Plan meets the requirements of the Restructuring Act. The Town respectfully requests that the DPU promptly approve the Plan.

ATTACHMENT C

COMPETITIVE ELECTRIC SERVICE AGREEMENT

FOR THE

MUNICIPAL AGGREGATION PLAN

FOR THE TOWN OF

WASHINGTON

PREPARED BY THE

HAMPSHIRE COUNCIL OF GOVERNMENTS

WHEREAS, the Massachusetts Legislature has adopted Chapter 164 of the Electric Utility Restructuring Act of 1997. ("Restructuring Act"), which, among other things:

1. allows for competition in the generation and supply of electricity to consumers;
2. authorizes municipalities to aggregate the electrical load of electricity consumers within their boundaries; and
3. allows municipal aggregators to formulate an aggregation plan and conduct aggregation programs

WHEREAS, the Town of Washington ("Town") has developed a municipal aggregation power supply program ("Plan" or "Program") to aggregate consumers located within the Town and to negotiate competitive rates for the supply of electricity for such consumers.

WHEREAS, the Town has received approval of its Plan from the Massachusetts Department of Public Utilities ("DPU") in D.P.U. 14-ww.

WHEREAS, the Competitive Supplier, a _____ corporation duly authorized to conduct business in the Commonwealth of Massachusetts ("Competitive Supplier"), desires to provide All-Requirements Power Supply to consumers located within the Town, pursuant to the terms and conditions of the Plan and this Competitive Electric Service Agreement ("ESA").

WHEREAS, the Town has contracted with the Hampshire Council of Governments ("Hampshire Council") and granted the Hampshire Council the authority and obligation to develop and operate the Plan and to execute agreements on behalf of the Town with one or more competitive suppliers.

WHEREAS, the Town desires that the Competitive Supplier provide All-Requirements Power Supply as an alternative to Basic Service for consumers within the Town.

NOW THEREFORE, IT IS AGREED THAT, the Town, by its agent and representative Hampshire Council, and the Competitive Supplier hereby enter into this ESA subject to the terms and conditions below:

ARTICLE 1 DEFINITIONS

Capitalized terms that are used but not defined in the body of this ESA, including the Exhibits hereto, shall be defined as set forth in this Article 1. Words defined in this Article I which are capitalized shall be given their common and ordinary meanings when they appear without capitalization in the text. Words not defined herein shall be given their common and ordinary meanings.

1.1 All-Requirements Power Supply - The service under which the Competitive Supplier provides all of the electrical energy, capacity, reserves, and ancillary services, transmission services, transmission and distribution losses, congestion management, and other such services or products necessary to provide firm power supply to Participating Consumers at the Point of Sale.

1.2 Bankruptcy - With respect to a Party, such Party (i) ceases doing business as a going concern, generally does not pay its debts as they become due or admits in writing its inability to pay its debts as they become due, files a voluntary petition in bankruptcy or is adjudicated bankrupt or insolvent, or files any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy code or any other present or future applicable federal, state or other Governmental Rule, or seeks or consents to or acquiesces in the appointment of any trustee, receiver, custodian or liquidator of said Party or of all or any substantial part of its properties, or makes an assignment for the benefit of creditors, or said Party takes any corporate action to authorize or that is in contemplation of the actions set forth in this clause (i); or (ii) a proceeding is initiated against the Party seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy code or any other Governmental Rule and, such proceeding is not dismissed within ninety (90) days after the commencement, or any trustee, receiver, custodian or liquidator of said Party or of all or any substantial part of its properties is appointed without the consent or acquiescence of said Party, and such appointment is not vacated or stayed on appeal or otherwise within ninety (90) days after the appointment, or, within ninety (90) days after the expiration of any such stay, has not been vacated, provided that, notwithstanding the foregoing, the exercise of rights to take over operation of a Party's assets, or to foreclose on any of a Party's assets, by a secured creditor of such Party (including the appointment of a receiver or other representative in connection with the exercise of such rights) shall not constitute a Bankruptcy.

1.3 Basic Service - As defined in M.G.L. c. 164, § 1 and in orders of the DPU, as amended or promulgated, as the case may be, from time to time.

1.4 Commercially Reasonable - Any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known, or which in the exercise of due diligence, should have been known, at the time the decision was made, would have been expected in the industry to accomplish the desired result consistent with reliability, safety, expedition, project economics and applicable law and regulations.

1.5 Competitive Supplier - _____, a _____ corporation duly authorized to conduct business in the Commonwealth of Massachusetts.

1.6 Delivery Term - The period for which prices for All-Requirements Power Supply have been established, as set forth Exhibit A.

1.7 DPU - The Massachusetts Department of Public Utilities or any successor state agency.

1.8 EDI - Electronic Data Interchange: The exchange of business data in a standardized format between business computer systems.

1.9 Effective Date - The date on which this ESA is executed by the Parties (to be determined by the later date, if the Parties execute on different dates).

1.10 Eligible Consumers - Residential, commercial, industrial, municipal, or other consumers of electricity who receive Basic Service electric supply from the Local Distributor as of the Effective Date, at one or more locations within the geographic boundaries of the Town. For the

avoidance of doubt, all Eligible Consumers must reside or be otherwise located at one or more locations within the geographic boundaries of the Town; as such boundaries exist on the Effective Date of this ESA.

1.11 ESA - This Competitive Electric Service Agreement.

1.12 Force Majeure - Any cause not within the reasonable control of the affected Party which precludes that party from carrying out, in whole or in part, its obligations under this ESA, including, but not limited to, Acts of God; winds; hurricanes; tornadoes; fires; epidemics; landslides; earthquakes; floods; other natural catastrophes; strikes: lock-outs or other industrial disturbances; acts of public enemies; acts, failures to act or orders of any kind of any governmental authorities acting in their regulatory or judicial capacity, provided, however, that any such discretionary acts, failures to act or orders of any kind by the Town may not be asserted as an event of Force Majeure by the Town; insurrections; military action; war, whether or not it is declared; sabotage; riots; civil disturbances or explosions. Nothing in this provision is intended to excuse any Party from performing due to any governmental act, failure to act, or order, where it was reasonably within such Party's power to prevent such act, failure to act, or order. Economic hardship of either Party shall not constitute an event of Force Majeure.

1.13 General Communications - The type of communications described and defined in Article 5.6 herein.

1.14 Governmental Authority - Any national, state or local government, independent system operator, regional transmission owner or operator, any political subdivision thereof or any other governmental, judicial, regulatory, public or statutory instrumentality, authority, body, agency, department, bureau, or entity, excluding the Town.

1.15 Governmental Rule - Any law, rule, regulation, ordinance, order, code, permit, interpretation, judgment, decree, or similar form of decision of any Governmental Authority having the effect and force of law.

1.16 ISO-NE - The New England Independent System Operator, or such successor or other entity which oversees the integrated dispatch of power plants in New England and the bulk transmission of electricity throughout the New England power grid.

1.17 kWh, kW - Kilowatt-hour and kilowatts, respectively.

1.18 Local Distributor - Utility, or any successor company(ies) or entity(ies) providing electricity distribution services in the Town.

1.19 NEPOOL - The New England Power Pool.

1.20 New Consumers - Residential, commercial, industrial, municipal, or other consumers of electricity that become Eligible Consumers after the Effective Date.

1.21 New Taxes - Any taxes not in effect as of the Effective Date enacted by a Governmental Authority or the Town, to be effective after the Effective Date with respect to All-Requirements Power Supply, or any Governmental Rule enacted and effective after the Effective Date resulting

in application of any existing tax for the first time to Participating Consumers

1.22 Participating Consumers - Eligible Consumers enrolled in the Program.

1.23 Parties - The Town and Competitive Supplier, as the context requires. In the singular, "Party" shall refer to any one of the preceding.

1.24 Plan - The municipal aggregation power supply plan as adopted or amended by the Town from time to time, and as approved by the DPU. The Plan is a plan developed by the Town to aggregate electricity consumers for the primary purpose of negotiating the best rates for the supply of electricity for such consumers.

1.25 Point of Delivery - The point of interconnection between NEPOOL pool transmission facilities and the transmission facilities of the Local Distributor.

1.26 Point of Sale - The electric meter for each Participating Consumer's account, as designated by the Local Distributor.

1.27 Program - The Power Supply Program, under which, the Plan is described and implemented.

1.28 Regulatory Event - A change in a Governmental Rule by a Governmental Authority, including without limitation the Local Distributor's tariffs, market rules, operating protocols and definitions, that have a material effect on the services and transactions contemplated by this ESA. A "change" as used herein includes without limitation any amendment, modification, nullification, suspension, repeal, finding of unconstitutionality or unlawfulness, or any change in construction or interpretation.

1.29 Retail Price - As set forth in Exhibit A.

1.30 Service Commencement Date - The date of the Participating Consumers' first meter read date after _____, or as soon as necessary arrangements can be made with the Local Distributor thereafter.

ARTICLE 2 RIGHTS GRANTED

2.1 GENERAL DESCRIPTION AND LIMITATIONS

Competitive Supplier is hereby granted the exclusive right to provide All-Requirements Power Supply to Participating Consumers pursuant to the terms of the Program and this ESA. For the avoidance of doubt, Competitive Supplier shall be authorized to supply All-Requirements Power Supply only to Participating Consumers, and the Local Distributor will continue to have the right and obligation to supply electricity to Eligible Consumers who opt-out of the Program and remain on, or return to, Basic Service, until changes in law, regulation or policy may allow otherwise. Competitive Supplier further recognizes that this ESA does not guarantee that any individual Eligible Consumer will be served by the Competitive Supplier.

In accordance with Article 3 below, all Eligible Consumers shall be automatically enrolled in the Program unless they choose to opt-out. In the event the geographic boundaries of the Town change during the term of this ESA, Competitive Supplier shall only be obligated to supply All-Requirements Service to those Participating Consumers located within the Town as such boundaries existed on the Effective Date of this ESA. As between the Parties, the Competitive Supplier has the sole obligation of making appropriate arrangements with the Local Distributor, and any arrangements which may be necessary with the ISO-NE so that Participating Consumers receive the electricity supplies to be delivered pursuant to this ESA.

The Town, individually or through its agent, Hampshire Council, shall specifically authorize the Local Distributor to provide, and Competitive Supplier the right to obtain and utilize as required, all billing and energy consumption information for Participating Consumers as is reasonably available from the Local Distributor. Competitive Supplier shall request consumption data for individual Participating Consumers from the Local Distributor via EDI. If further action is required by the Local Distributor to authorize Competitive Supplier to receive such consumption and billing data, the Town agrees to use Commercially Reasonable efforts, at Competitive Supplier's cost, to assist Competitive Supplier, if so requested by it, in obtaining such information for Participating Consumers, including, without limitation, assisting Competitive Supplier in obtaining permission from such Eligible Consumers and/or the DPU, where necessary as a prerequisite to the provision of such information. Competitive Supplier shall not be responsible for any errors that Competitive Supplier makes in the provision of All-Requirements Power Supply to the extent such errors are caused by errors or omissions in the information provided to it by the Local Distributor.

2.2 AGENCY RELATIONSHIP

The Town is authorized to act on behalf of the Eligible Consumers in contracting for electric supply for such Eligible Consumers, and is authorized to act as agent for all Participating Consumers. The Town and Competitive Supplier agree and understand that Participating Consumers shall be principals under this ESA and shall have privity of contract with Competitive Supplier; provided, however, that in any litigation arising under this ESA, only the Town (individually or through the Hampshire Council), as agent for the Participating Consumers, has the right to bring claims against the Competitive Supplier.

2.3 COMPLIANCE WITH LAWS

By entering into this ESA, the parties specifically represent that they have exercised due diligence to review and have fully complied with all relevant regulations and orders of the Federal Energy Regulatory Commission ("FERC"), the DPU, Massachusetts Attorney General ("AG"), and the Massachusetts Department of Energy Resources ("DOER") and any other governmental authorities having jurisdiction over any element of the transactions contemplated by this ESA.

2.4 CONDITIONS PRECEDENT

The Town's obligations under this ESA shall be conditioned upon the Competitive Supplier, fulfilling the following requirements:

1. maintain Competitive Supplier's license from the DPU (as such term is defined in the Local Distributor's Terms and Conditions for Competitive Suppliers);
2. execute a Competitive Electric Supplier Service Agreement with the Local Distributor in a form reasonably satisfactory to Competitive Supplier;
3. execute any appropriate ISO-NE applications and agreements;
4. obtain authorization from the FERC to sell power at market-based rates; and
5. complete EDI testing with Local Distributor.

If Competitive Supplier has not fulfilled all such requirements by the Service Commencement Date, either Party may terminate this ESA without any liability to the other Party.

2.5 OWNERSHIP AND USE OF ELIGIBLE CONSUMER DATA

Competitive Supplier acknowledges that the Town and Hampshire Council shall have exclusive ownership of all right, title, and interest in and to all Eligible Consumer data (including addresses, telephone numbers or other identifying information) made available to Competitive Supplier as a result of execution of this ESA. Competitive Supplier shall use Eligible Consumer data solely to provide All- Requirements Power Supply to Participating Consumers and to render other services expressly required or permitted under this ESA. Any other use of Eligible Consumer data without the prior written consent of the Town is strictly prohibited. Pursuant to such authorized use, Competitive Supplier may share such Eligible Consumer data with third-party vendors as reasonably necessary to accommodate Competitive Supplier's provision of All-Requirements Power Supply or other performance pursuant to this ESA (including, without limitation, collection of receivables), provided that Competitive Supplier will take reasonable measures to inform any such vendor of the confidential nature of such data and the restrictions set forth in this Article 2.5 and elsewhere in this ESA. Except as expressly provided in this ESA, Competitive Supplier shall not disclose any Eligible Consumer data to any third-party and Competitive Supplier shall take Commercially Reasonable measures to protect Eligible Consumer data from access by, or beneficial use for, any third-party. To the extent that the provision of All-Requirements Power Supply or other services under this ESA requires that Competitive Supplier have access to or make use of any Eligible Consumer data, Competitive Supplier shall treat such Eligible Consumer data as confidential information. Competitive Supplier may use Eligible Consumer data to engage in direct marketing only during the term of this ESA and subject to the terms set forth in Article 18.2. A violation of this Article 2.5 shall be grounds for termination under Article 4.2(a). Competitive Supplier agrees violation of this Article 2.5 shall constitute irreparable harm.

ARTICLE 3 CONSUMER CHOICE, NOTIFICATION OF RIGHTS, ENROLLMENT

3.1 CONSUMER CHOICE

The Parties acknowledge and agree that all Participating Consumers have the right, pursuant to M.G.L. c. 164, § 134 and the Plan, to change their source of electricity supply, as set forth in

Article 2.1. The Parties represent and warrant to each other that they shall not unreasonably interfere with the right of Participating Consumers to opt-out of the Plan, and shall comply with any rules, regulations or policies of the DPU, the Local Distributor and/or other lawful Governmental Authority regarding the procedures for opting out or of switching from one source of electric supply to another. Notwithstanding the foregoing, however, the Parties may take Commercially Reasonable measures to encourage Participating Consumers to affirmatively agree to remain in the Plan, consistent with any Governmental Rules.

3.2 NOTIFICATION TO NEW CONSUMERS OF OPT-OUT RIGHTS

Consistent with the requirements of any applicable Governmental Rules, and within a reasonable time after the Local Distributor notifies Competitive Supplier of the existence of a New Consumer and has provided to Competitive Supplier such New Consumer's account number, service and billing address, and other pertinent contact information, Competitive Supplier shall notify such New Consumer (i) of the date on which such New Consumer will be automatically enrolled in the Program, and (ii) that the Competitive Supplier will be providing All-Requirements Power Supply to such New Consumer as of the same date, subject to the opt-out provisions of the M.G.L. c. 164, § 134 and the Plan ("Opt-Out Notice"). The Opt-Out Notice shall be mailed to each such New Consumer prior to the date of automatic enrollment. The Competitive Supplier, in its discretion as to form and content shall: (i) prominently state all charges to be assessed by the Competitive Supplier; (ii) provide a summary of the prices and terms included in Exhibit A as well as fully disclose the prices and terms then being offered for Basic Service by the Local Distributor; (iii) state how such New Consumer may opt-out of the Plan prior to enrollment and remain on Basic Service from the Local Distributor; and (iv) state how all Participating Consumers, subsequent to enrollment, will also have the right to opt-out at any time and return to Basic Service or choose a new Competitive Supplier without paying a fee or penalty to Competitive Supplier. All such notices must be approved in advance by the Town, such approval not to be unreasonably withheld.

In providing the notifications set forth in this Article 3.2, and in otherwise conducting the activities in Article 3.4 below, the Competitive Supplier must rely upon information provided to it by the Local Distributor for the purpose of performing its obligations. Competitive Supplier will not be responsible for any errors or omissions in connection with its notification of Eligible Consumers resulting from errors or omissions in the information provided to it by the Local Distributor.

3.3 CONSUMER AWARENESS

Upon mutual agreement concerning the content and method, either the Competitive Supplier or Hampshire Council, as agent or representative of the Town, may conduct consumer awareness efforts at its sole expense.

3.4 ENROLLMENT

3.4.1 Participating Consumers - All Participating Consumers as of the Effective Date will continue to be enrolled in the Program under the terms of this ESA unless they opt-out. Within one (1) day after the Effective Date, the Town (individually or through Hampshire Council) shall

provide to Competitive Supplier a list of Participating Consumers as of the Effective Date, as well as such Participating Consumers' service and billing addresses, and any other information necessary for Competitive Supplier to commence All-Requirements Power Supply to such Participating Consumers as of the Service Commencement Date.

3.4.2 New Consumers - If New Consumers elect not to opt-out of the Program as provided in Article 3.2, such New Consumers will be automatically enrolled by Competitive Supplier in the Program. Competitive Supplier shall enroll such New Consumers in accordance with applicable Local Distributor rules.

3.4.3 Eligible Consumers Opting Out - At any time during this ESA, Eligible Consumers who have previously opted out of the Program may request that they be re-enrolled in the Program. Competitive Supplier may provide All-Requirements Power Supply to such Eligible Consumers at Competitive Supplier's discretion, at a price determined by the then-prevailing market conditions. Besides accurately and promptly transmitting information provided by such Eligible Consumers to the Local Distributor and following any procedural or other steps which may be mutually agreed to, the Competitive Supplier shall be responsible for enrolling all Eligible Customers through EDI transactions submitted to the Local Distributor for initial enrollment in the aggregation and all enrollments thereafter.

3.4.4 Consumers Served by Third-Parties - Eligible Consumers being served under other competitive supply programs offered by third-parties will not be automatically enrolled as Participating Consumers under this ESA when such program terminates or is otherwise completed. Competitive Supplier agrees that Eligible Consumers under such third-party competitive supply programs may affirmatively opt-in and receive All-Requirements Power Supply at the Competitive Supplier's discretion at a price determined by the then-prevailing market conditions.

3.4.5 APPROXIMATE TIMING OF PROCEDURAL STEPS

The approximate timing of the major procedural steps related to the notification and enrollment of consumers is as follows:

Day 1	Supply contract executed between the Hampshire Council and Competitive Supplier
Day 2	Competitive Supplier notifies Local Distributor to prepare Town eligible consumer data
Day 3	Competitive Supplier begins EDI testing with Local Distributor
Day 14	Competitive Supplier receives eligible consumer data from Local Distributor
Day 18	Competitive Supplier mails opt-out notice to all eligible consumers
Day 19	30-day opt-out period begins on date of postmark
Day 21	Eligible consumers receive mail
Days 21 -51	Consumers wishing to opt-out return pre-paid reply card to Competitive Supplier
Day 33	Competitive Supplier completes EDI testing with Local Distributor (assuming no technical issues are presented)

Day 52	Competitive Supplier removes opt-outs from eligible list
Day 53	Competitive Supplier sends "supplier enrolls customer" EDI for all participating consumers

ARTICLE 4 TERM OF CONTRACT AND TERMINATION

4.1 TERM

This ESA shall commence on the Effective Date, provided, however, that Competitive Supplier's obligation to provide All-Requirements Power Supply shall commence on the Service Commencement Date, and shall terminate with the Participating Consumers' first meter read date after the Delivery Term, unless terminated earlier under Article 4.2 below ("Term").

4.2 TERMINATION

This ESA may be terminated at any time upon written notice:

- a) by the Town, or the Competitive Supplier, if either Party fails to remedy or cure any breach of any material provision or condition of this ESA (including, but not limited to, Article 2.5 and Article 9, but excluding the failure to provide or arrange for All- Requirements Power Supply, which is addressed in Article 4.2(c)), within sixty (60) days following written notice to do so by the non-breaching party; or
- b) by the Town, or the Competitive Supplier, if any material provision or condition of this ESA be finally adjudged invalid by any court of competent jurisdiction, or if the DPU exercises any lawful jurisdiction so as to invalidate or disapprove this ESA in whole or in significant part; or
- c) by the Town, in the event of the failure of the Competitive Supplier to provide or arrange for All-Requirements Power Supply to Participating Consumers, in the absence of Force Majeure or the Town's failure to perform and without the benefit of any cure period; provided, however, that the Town shall not be permitted to terminate this ESA if the Competitive Suppliers failure to provide or arrange All-Requirements Power Supply is a direct result of actions or non-actions by any transmission service provider, the Local Distributor, or the ISO-NE.

4.3 OBLIGATIONS UPON TERMINATION

Following termination of this ESA, the Parties shall each discharge by performance all obligations due to any other Party that arose up to the date of termination of the ESA. Upon the effective date of termination of the ESA, all rights and privileges granted to, and obligations imposed on, the Competitive Supplier shall cease, with the exception of the right to collect all monies due for services rendered to that date.

The Competitive Supplier specifically waives all rights it may have at law to claim that the Town has no standing or otherwise lacks the authority to seek monetary damages on behalf of

individual Participating Consumers in the event of a termination of this ESA.

4.5 SPECIFIC PERFORMANCE

Notwithstanding any other provision herein, the Parties agree that if the Town (i) fails to comply with any material provision of, or obligation under, this ESA, including but not limited to the provisions of Article 6, (ii) seeks to suspend or terminate the Program during the Term, or (iii) seeks to terminate this ESA except as expressly authorized in Article 4.2, Competitive Supplier shall be entitled to specific performance of this ESA. The Parties acknowledge and agree that because monetary damages are not available to Competitive Supplier under this ESA, there is no remedy at law adequate to compensate Competitive Supplier for the Town's actions as described in (i), (ii) and/or (iii), and further agree that Competitive Supplier will suffer irreparable harm if the Town takes any of the actions described in (i), (ii) or (iii) herein.

4.6 EXTENSION

The ESA may be extended beyond the termination date established in Article 4.1 by mutual, written agreement of the Parties. Any new pricing terms shall be added to and replace Exhibit A as Exhibit A-2. Upon any such extension, this ESA shall continue to be in effect, and all provisions of the ESA shall retain the same force and effect as before the extension, unless it is terminated by either Party pursuant to the provisions of Article 4.2 or until the date stated in such extension.

ARTICLE 5 CONTINUING COVENANTS

The Competitive Supplier agrees and covenants to perform each of the following obligations during the term of this ESA.

5.1 STANDARDS OF MANAGEMENT AND OPERATIONS

In performing its obligations hereunder, during the term of this ESA, the Competitive Supplier shall exercise reasonable care to assure that its facilities are prudently and efficiently managed; that it employs an adequate number of competently trained and experienced personnel to carry out its responsibilities; that it delivers or arranges to deliver a safe and reliable supply of such amounts of electricity to the Point of Delivery as are required under this ESA; that it complies with all relevant industry standards and practices for the supply of electricity to Participating Consumers; and that, at all times with respect to Participating Consumers, it exercises good practice for a Competitive Supplier and employs Commercially Reasonable skills, systems and methods available to it.

5.2 CUSTOMER SERVICE ACCESS

The Competitive Supplier agrees to provide, or cause to be provided, certain customer services to Participating Consumers. Such services shall be reasonably accessible to all Participating Consumers, shall be available during normal working hours, shall allow Participating Consumers to transact business they may have with the Competitive Supplier, and shall serve as a communications liaison among the Competitive Supplier, the Hampshire Council as agent for the Town, and the Local Distributor. A toll-free telephone number will be established by

Competitive Supplier and be available for Participating Consumers to contact Competitive Supplier during normal business hours (9:00 A.M.- 5:00 P.M. Eastern Standard Time, Monday through Friday) to resolve concerns, answer questions and transact business with respect to the service received from Competitive Supplier. The Town and the Hampshire Council will post program-related information on their websites which will be available to Participating Consumers for general information, product and service information, and other purposes.

5.3 RESPONDING TO REQUESTS FOR INFORMATION

To the extent authorized by the Participating Consumer(s) and to the extent such individual permission is required by law, the Competitive Supplier shall, during normal business hours (as set forth above), respond promptly and without charge therefore to reasonable requests of the Town or Hampshire Council for information or explanation regarding the matters covered by this ESA and the supply of electricity to Participating Consumers. Competitive Supplier agrees to designate a service representative or representatives (the "Service Contacts") who shall be available for these purposes, and shall identify the office address and telephone number of such representative(s). Whenever necessary to comply with this Article 5.3, the Service Contacts shall call upon other employees or agents of the Competitive Supplier to obtain such information or explanation as may be reasonably requested. Nothing in this Article 5.3 shall be interpreted as limiting the obligation of the Competitive Supplier to respond to complaints or inquiries from Participating Consumers, or to comply with any regulation of the DPU or AG regarding customer service.

5.4 ARRANGING FOR FIRM ALL-REQUIREMENTS POWER SUPPLY

Competitive Supplier shall participate in or make appropriate arrangements with the ISO-NE, any relevant regional transmission organization, wholesale suppliers or any other entity to ensure an uninterrupted flow of reliable, safe, firm, All-Requirements Power Supply to the Local Distributor for delivery to Participating Consumers, and take Commercially Reasonable steps to cooperate with the NEPOOL, the ISO-NE or any other entity to ensure a source of back-up power in the event that the facilities owned or controlled by Competitive Supplier's affiliates or other sources of power supply are unable to generate and/or deliver All-Requirements Power Supply to the Point of Delivery. In the event the Competitive Supplier is unable to deliver sufficient electricity to the grid to serve Participating Consumers, the Competitive Supplier shall utilize such arrangements as may be necessary to continue to serve Participating Consumers under the terms of this ESA, and shall bear any costs it may incur in carrying out these obligations. The Competitive Supplier shall not be responsible to the Town, Hampshire Council or any Participating Consumers in the event the Local Distributor disconnects, curtails or reduces service to Participating Consumers (notwithstanding whether such disconnection is directed by the ISO- NE) in order to facilitate construction, installation, maintenance, repair, replacement or inspection of any of the Local Distributor's facilities, to maintain the safety and reliability of the Local Distributor's electrical system, or due to any other reason, including emergencies, forced outages, potential overloading of the Local Distributor's transmission and/or distribution circuits, Force Majeure or the non-payment of any distribution service costs or other such costs due for services provided by the Local Distributor to a Participating Consumer.

5.5 NON-DISCRIMINATORY PROVISION OF SERVICE

Competitive Supplier shall supply electric energy to the Point of Delivery to all Eligible Consumers on a non-discriminatory basis; provided, however, that those prices and other terms may vary in accordance with reasonably established rate classifications (e.g., residential, commercial, municipal, industrial) or by such other categories as appear in Exhibit A. To the extent applicable, Competitive Supplier's prices, terms and conditions shall be in accordance with the Massachusetts General Laws, the regulations of the DPU, and other applicable provision of law. To the extent required by law and/or the conditions of any DPU approval of this ESA, the Competitive Supplier may not deny service to an Eligible Consumer for failure to pay the bills of any other electric company (whether engaged in the distribution, transmission, or generation of electricity) or of any other aggregator, marketer or broker of electricity, but may reasonably deny or condition new service, or terminate existing service, based upon any Participating Consumer's failure to pay bills from the Competitive Supplier, subject to any provisions of law. Provision of electric energy supply shall be subject to Competitive Supplier's standard credit policies, to the extent permitted by law, as described in Exhibit A.

5.6 APPROVAL OF GENERAL COMMUNICATIONS

Competitive Supplier shall cooperate with the Town and its representative Hampshire Council in the drafting and sending of messages and information to Eligible Consumers concerning the Plan or any matter arising under or related to this ESA. Competitive Supplier shall, prior to sending any direct mail, advertising, solicitation, bill insert, electronic mail, or other similar written or electronic communication (collectively, "General Communications") to Participating Consumers (but excluding individually drafted or tailored communications responding to the specific complaint or circumstance of an individual consumer), provide a copy of such General Communication to the Town and the Hampshire Council for its review to determine whether it is consistent with the purposes and goals of the Town and the Hampshire Council. The Town and Hampshire Council shall have the right to disapprove such General Communications and suggest revisions if it finds the communication inconsistent with the purposes and goals of the Town, factually inaccurate or likely to mislead; provided, however: (i) that the communication shall be deemed approved if the Hampshire Council fails to respond within seven (7) calendar days (not including weekends and holidays); and (ii) that no approval shall be necessary for any communication (a) regarding any emergency situation involving any risk to the public health, safety or welfare, (b) which has been approved by the DPU, the DOER, or any other Governmental Authority; or (c) in the nature of routine monthly or periodic bills, or collection notices, except that any bill insert or message included at the bottom of such bill not within the scope of (a) or (b) above shall require approval. If the Town or Hampshire Council objects to any General Communication on the grounds it is inconsistent with the purposes and goals of the Town, the Competitive Supplier, after consultation as provided in this Article 5.6, may nevertheless elect to send such General Communication provided that it: (i) clearly indicates on such mailing that it has not been endorsed by the Town or Hampshire Council, (ii) has previously provided all Participating Consumers a meaningful chance to opt not to receive such General Communications, (iii) has stated in connection with such chance to opt not to receive such communications that "the Town and Hampshire Council want to protect Eligible Consumers from receiving marketing materials if you do not wish to do so," and (iv) has otherwise sought input from the Town or Hampshire Council as representative for the Town as

to the means by which Eligible Consumers are given a chance to remove their names from any list which may receive General Communications. The Town or Hampshire Council may reject or exclude any proposed General Communication that, in their reasonable judgment, is contrary to the interests and objectives of the Program, the Town or Hampshire Council.

5.7 COMMUNICATION OF INSERTS AND MESSAGES

Competitive Supplier agrees that if it communicates with Participating Consumers directly, and unless prevented for regulatory or other such reasons from doing so, it shall allow the Town or Hampshire Council to include no less than three (3) inserts per year into such communications, provided that the Town (or Hampshire Council) pays the cost of printing and reproducing such insert and any incremental postage or handling costs the Competitive Supplier may incur as a result of including such insert. Competitive Supplier shall have the right to disapprove such General Communications (that is communications other than those pertaining to the Town's or the Hampshire Council's demand-side management, energy efficiency programs and technology, and renewable energy programs, if applicable) and suggest revisions if it finds the communication inconsistent with its business interests, factually inaccurate or likely to mislead; provided, however: (i) that the communication shall be deemed approved if the Competitive Supplier fails to respond within seven (7) calendar days after receipt (not including weekends and holidays); and (ii) that no approval shall be necessary for any communication which has been ordered by the DPU, the DOER, or any other Governmental Authority to be so communicated.

5.8 PARTICIPATING CONSUMER LISTS

To the extent not prohibited by any Governmental Rule or expressly by any Participating Consumer(s), the Competitive Supplier shall, upon request of the Town, provide a list of the Participating Consumers being served by the Competitive Supplier, including such reasonable identifying and aggregate consumption information as the Town or the Hampshire Council may also request to the extent such information is available to Competitive Supplier. Competitive Supplier shall provide such

Participating Consumer lists in an electronic format reasonably acceptable to both Parties and with no more frequency than once a month.

5.9 COMPLIANCE WITH LAWS

The Parties shall promptly and fully comply with all existing and future Governmental Rules of all Governmental Authorities having jurisdiction over the activities covered by this ESA.

5.10 CONSENT

Whenever performance of an obligation of any Party hereto requires the consent or approval of any Governmental Authority, such Party shall make Commercially Reasonable efforts to obtain such consent or approval. In the event the Competitive Supplier requests the Town's or the Hampshire Council's assistance in obtaining such consent or approval and the Town or Hampshire Council anticipate that it will incur costs in fulfilling the Competitive Supplier's request, then the Town or the Hampshire Council shall give the Competitive Supplier an estimate

of such costs. Upon receiving the estimate, Competitive Supplier shall determine whether it will continue to request the Town or Hampshire Council's assistance, and if so, the Competitive Supplier shall reimburse the Town or Hampshire Council for all costs, up to the estimated dollar amount, reasonably incurred by the Town or Hampshire Council in connection with such efforts.

ARTICLE 6 ROLE OF THE TOWN

Under this ESA, neither the Town nor its agent Hampshire Council shall actually receive, take title to, or be liable for the supply or delivery of All-Requirements Power Supply in any manner whatsoever. The Parties specifically agree that the role of the Town and Hampshire Council acting on behalf of the Town is to (i) set the terms and conditions under which All-Requirements Power Supply will be provided by the Competitive Supplier under this ESA and to ensure that the Competitive Supplier complies with those terms and conditions, and (ii) act as agent for Eligible Consumers with respect to the matters addressed in this ESA. It is the sole obligation of the Competitive Supplier to arrange for delivery of All-Requirements Power Supply to Participating Consumers. The Parties agree that neither the Town nor its agent Hampshire Council is a "distribution company", "electric company", "generation company" or "transmission company" within the meaning of M.G.L. c. 164, § 1 as a result of this ESA, unless a court, the DPU, or other lawful authority shall adjudicate to the contrary; provided, however, that the Town may be considered to be operating a municipal load aggregation plan pursuant to M.G.L. c. 164, § 134. The Competitive Supplier hereby agrees that it will take no action that would make the Town or Hampshire Council liable to any Participating Consumer due to any act or failure to act on the part of the Competitive Supplier relating to the delivery or supply of All-Requirements Power Supply.

ARTICLE 7 PRICES AND SERVICES; BILLING

7.1 SCHEDULE OF PRICES AND TERMS

Competitive Supplier agrees to provide All-Requirements Power Supply and other related services as expressly set forth herein in accordance with the prices and terms included in Exhibit A to this ESA, which Exhibit is hereby incorporated by reference into this ESA.

7.2 OBLIGATION TO SERVE

As between the Parties, Competitive Supplier has the sole obligation to obtain sources of supply, whether from generating facilities owned or controlled by its affiliates, through bilateral transactions, or the market, as may be necessary to provide All-Requirements Power Supply for all of the Participating Consumers under the Program. Competitive Supplier, except as explicitly limited by the terms included in Exhibit A, shall be obligated to accept all Participating Consumers, regardless of their location or energy needs, subject to Competitive Supplier's standard credit policies (to the extent permitted by law), Article 5.5 hereof, Exhibit A hereof and the terms of any approval or other order of the DPU with respect to this ESA.

7.3 METERING

In accordance with the Local Distributor's Terms and Conditions for Competitive Suppliers Sections 3B(6) and 7A, which reads in part "The Company shall meter each Customer in

accordance with tariff provisions”, the Local Distributor will be responsible for any metering which may be required to bill Participating Consumers.

7.4 TERMS AND CONDITIONS PERTAINING TO INDIVIDUAL ACCOUNT SERVICE

7.4.1 TITLE

Title to All-Requirements Power Supply will transfer from Competitive Supplier to Participating Consumers at the Point of Sale. The Competitive Supplier will be responsible for any and all losses incurred on the local network transmission systems and distribution systems, as determined by the Local Distributor.

7.4.2 BILLING AND PAYMENT

Unless otherwise specified in an Exhibit to this ESA, all billing under this ESA shall be based on the meter readings of each Participating Consumer's meter(s) performed by the Local Distributor. Competitive Supplier shall, or shall cause the Local Distributor or any other entity, to prepare and mail bills to Participating Consumers monthly. If the Competitive Supplier arranges for the Local Distributor to perform billing services, the Competitive Supplier shall adopt the billing and payment terms offered by the Local Distributor to its Eligible Consumers on Basic Service unless the Competitive Supplier and Local Distributor otherwise agree.

7.4.3 REGIONAL AND LOCAL TRANSMISSION

The prices quoted in Exhibit A do not include current and future charges for distribution service costs collected by the Local Distributor under its distribution service tariff or local transmission costs as may be imposed by the regional power pool, ISO-NE, or individual electric utilities that have FERC transmission tariffs. Its Competitive Supplier understands that these costs will be collected by the Local Distributor. If, in the future, Competitive Supplier becomes responsible for such distribution or transmission costs, Competitive Supplier shall be entitled to collect such costs from Participating Consumers to the extent permitted by any Governmental Rules. These costs are "pass through" costs as determined by the appropriate regulatory agencies.

7.4.4 TAXES

All sales, gross receipts, excise or similar taxes imposed with respect to the sale or consumption of All-Requirements Power Supply shall be included on the Participating Consumer's bill and shall be remitted to the appropriate taxing authority by Competitive Supplier. Participating Consumers shall be responsible for all taxes (except for taxes on Competitive Supplier's income) associated with sales under the ESA. Participating Consumers shall be responsible for identifying and requesting any exemption from the collection of any tax by providing appropriate documentation to Competitive Supplier.

ARTICLE 8 DEVELOPMENT OR OFFERING OF RENEWABLE ENERGY SOURCES

Competitive Supplier agrees that it will comply with the applicable provisions of M.G.L. c. 25A, § 11F, § 11 F1/2, and any regulations, orders or policies adopted pursuant thereto.

ARTICLE 9 SERVICE PROTECTIONS FOR RESIDENTIAL CONSUMERS

Competitive Supplier agrees that it shall comply with the provisions of 220 C.M.R. 25.00, 27.00, 28.00 and 29.00, as applicable to Competitive Suppliers, and any amendments thereto, and any code of conduct or policies the DPU may adopt in accordance with M.G.L. c. 164, § 1F(7). The Competitive Supplier shall, on or before _____ provide a written, detailed description of its billing and termination procedures, customer services, confidentiality and related practices and procedures for approval by the Town (which approval shall not be unreasonably withheld). Such written description shall also include the Competitive Supplier's plans for maintaining "service quality standards", as that phrase is used in § 1F(7); for complying with the "affirmative choice" requirements of § 1F(7); and for handling consumer complaints, including any arbitration procedures. If the Participating Consumer(s) so permits(s) to the extent such permission is required by law or the terms of any DPU order with respect to this ESA, the Competitive Supplier agrees to provide notice to the Town and the Hampshire Council of any consumer complaints received from a Participating Consumer, and to grant the Town and the Hampshire Council the right to participate in resolution of the dispute, to the extent that such complaints relate directly to the Program, and to the extent permitted by DPU regulations and other applicable law. The failure to timely submit such written description, or the submission of practices and procedures which materially fail to comply with DPU regulations and policies, shall be deemed grounds for termination of this ESA, at the discretion of the Town after providing written notice of such failure to the Competitive Supplier and allowing the Competitive Supplier sixty (60) days to cure such failure.

In addition, and in accordance with M.G.L. c. 164, § 1F(2) and 220 CMR 11.05(2)(b)19, in the event of a dispute regarding an invoice or Competitive Supplier's service under this ESA, a Participating Consumer may contact the DPU, which may refer the dispute to the Massachusetts Office for Dispute Resolution for mediation of such dispute, if the amount in dispute is greater than one hundred dollars (\$100.00) and the subject of the dispute is within the DPU's statutory and regulatory authority.

ARTICLE 10 NON-DISCRIMINATION IN HIRING AND EMPLOYMENT

Competitive Supplier agrees to conduct its operations and activities under this ESA in accordance with all applicable state and federal laws regarding non-discrimination in hiring and employment of employees.

ARTICLE 11 POWER SUPPLY INFORMATION AND ACCESS TO INFORMATION

11.1 POWER SUPPLY INFORMATION

11.1.1 QUARTERLY REPORT OF SALES

Competitive Supplier shall provide the Town and Hampshire Council with a quarterly report of sales which will contain: (i) the actual kWh sales for each meter read of the reporting period and (ii) the number of Participating Consumer accounts active in each meter read of the reporting period. The quarterly report will be due to the Town and Hampshire Council within forty-five (45) days following the close of each quarter (March 31, June 30, September 30, and December 31). The kWh sales and number of Participating Consumer accounts shall be listed in the report both by rate code and rate name as shown on Exhibit B attached hereto. This information shall be provided in electronic format.

11.1.2 CONSUMER-RELATED DATA

On and after the Service Commencement Date, Competitive Supplier will maintain consumer-related data in electronic form including utility account number, billing name, billing address, service address historical usage, demand, and ICAP ("Installed Capacity") data. Competitive Supplier will make such data available to the Town or Hampshire Council upon request within five (5) business days of the request. A violation of this Article 2.5 shall be grounds for termination under Article 4.2(a).

11.1.3 STANDARD OF CARE

Competitive Supplier shall use Commercially Reasonable practice in preparing and providing any information or data required under the ESA. To the extent that Competitive Supplier determines that any information or data provided hereunder is in error, it shall provide such information or data to the Town or Hampshire Council within a Commercially Reasonable time.

11.2 POWER SUPPLY REPORT

Within fifteen (15) days of the end of the quarter, Competitive Supplier shall present a copy of the current "Disclosure Label" required by the DPU of all Competitive Suppliers to be disclosed to their Participating Consumers which includes information pertaining to Competitive Supplier's power supply and a reasonably detailed description of the sources of Competitive Supplier's power supply used to serve Participating Consumers pursuant to this ESA, except to the extent such disclosure would violate any confidentiality obligations of Competitive Supplier.

11.3 BOOKS AND RECORDS

Competitive Supplier shall keep its books and records in accordance with any applicable regulations or guidelines of the DPU, the FERC, and any other Governmental Authority. The Town and Hampshire Council will have access to any reports mandated by the Securities and Exchange Commission which are available on the Internet "EDGAR" system. Upon reasonable request by the Town or Hampshire Council and at the Town or Hampshire Council's expense, Competitive Supplier shall provide back-up for any charge under this ESA questioned by the Town or Hampshire Council.

11.4 COPIES OF REGULATORY REPORTS AND FILINGS

Upon reasonable request, Competitive Supplier shall provide to the Town and Hampshire Council a copy of each public periodic or incident-related report or record relating to this ESA which it files with any Massachusetts or federal agency regulating rates, service, compliance with environmental laws, or compliance with affirmative action and equal opportunity requirements, unless the Competitive Supplier is required by law or regulation to keep such reports confidential. The Town and Hampshire Council shall treat any reports and/or filings received from Competitive Supplier as confidential information subject to the terms of Article 16. Competitive Supplier shall be reimbursed its reasonable costs of providing such copies.

ARTICLE 12 RESOLUTION OF DISPUTES; CHOICE OF LAW

12.1 CHOICE OF LAW

This ESA and the rights of the Parties shall be interpreted and determined in accordance with the laws of the Commonwealth of Massachusetts.

12.2 DISPUTE RESOLUTION

Unless otherwise provided for in this ESA, the dispute resolution procedures of this Article 12.2 shall be the exclusive mechanism to resolve disputes arising under this ESA. The Parties agree to use their respective best efforts to resolve any dispute(s) that may arise regarding this ESA. Any dispute that arises under or with respect to this ESA that cannot be resolved shall in the first instance be the subject of informal negotiations between the Parties involved in the dispute. The dispute shall be considered to have arisen when one Party sends the other Party(ies) involved in the dispute a written notice of dispute. The period for informal negotiations shall be fourteen (14) days from receipt of the written notice of dispute unless such time is modified by written agreement of the Parties involved in the dispute. In the event that the parties involved in the dispute cannot resolve a dispute by informal negotiations, the Parties agree to submit the dispute to mediation. Within fourteen (14) days following the expiration of the time period for informal negotiations, the Parties shall propose and agree upon a neutral and otherwise qualified mediator. In the event that the Parties fail to agree upon a mediator, the Parties shall request that the American Arbitration Association ("AAA"), Boston, Massachusetts, appoint a mediator and the mediation will be held in Northampton, Massachusetts or other mutually agreed to venue. The period- for mediation shall commence upon the appointment of the mediator and shall not exceed sixty (60) days, unless such time period is modified by written agreement of the Parties. The decision to continue mediation shall be in the sole discretion of each party involved in the

dispute. The Parties will bear their own costs of the mediation. The mediator's fees shall be shared equally by all parties involved in the dispute.

In the event that the Parties cannot resolve a dispute by informal negotiations or mediation, the Parties agree to submit such dispute to arbitration and agree that the arbitration process provided for in this Article 12.2 shall be the exclusive means for resolving disputes which the Parties cannot otherwise resolve through informal negotiation or mediation as described above. Any arbitration hereunder shall be conducted under the Commercial Rules of the AAA as modified herein. Arbitration proceedings shall take place in Northampton, Massachusetts, before a single arbitrator who shall be an attorney with at least 20 years of experience in the energy industry, to be jointly selected by the Parties. If the Parties fail to agree upon an arbitrator within thirty (30) days, then either Party may apply to the American Arbitration Association's office in Washington, D. C. to select the arbitrator who must be an attorney at least twenty (20) years of experience in the energy industry. Unless otherwise agreed by the Parties, the dispute must be submitted to the arbitrator for determination within ninety (90) days from the date the arbitrator is selected and the arbitrator shall render his or her decision within thirty (30) days after such submission. Each Party shall use its best efforts and cooperation in order that the dispute is fully submitted to the arbitrator within such ninety (90) day period. All arbitration proceedings shall be confidential. Neither Party shall disclose any information about the evidence produced by the other Party in the arbitration proceedings, except in the course of judicial, regulatory, or arbitration proceedings, or as may be demanded by government authority or otherwise required by law or the rules of a national securities exchange. Before making any disclosure permitted by the preceding sentence, a Party shall give the other Party reasonable advance written notice of the intended disclosure and an opportunity to prevent disclosure. In connection with any arbitration provisions hereunder, each Party shall have the right to take the depositions of individuals including any expert witness retained by the other Party. Additional discovery may be had where the arbitrator so orders, upon a showing of need. Each Party bears the burden of persuasion of any claim or counterclaim raised by that Party. The arbitration provisions of this ESA shall not prevent any Party from obtaining injunctive or other equitable relief from a court of competent jurisdiction to enforce the obligations for which such Party may obtain provisional relief pending a decision on the merits by the arbitrator. Each of the Parties hereby consents to the jurisdiction of Massachusetts courts for such purpose. The arbitrator shall apply Massachusetts law as required under Article 12.1 and shall have authority to award any remedy or relief that a court of the State of Massachusetts could grant in accordance with applicable law and the terms of this ESA, except that the arbitrator shall have no authority to award punitive damages. All attorney's fees and costs of the arbitration shall be borne by the Party incurring such costs or fees except that upon application by the Prevailing Party, the arbitrator shall award the Prevailing Party its attorneys' fees and expenses to be paid by the other Party. Prevailing Party shall be defined for purpose of this Article 12.2 as the party to which the arbitrator issues an award of monetary damages or otherwise determines substantially prevailed on the merits in the arbitration. Any arbitration award shall be accompanied by a written statement containing a summary of the issues in controversy, a description of the award, and an explanation of the reasons for the award. The arbitrator's award shall be final, binding and non-appealable and judgment may be entered upon such award by any court of competent jurisdiction.

ARTICLE 13 INDEMNIFICATION

13.1 INDEMNIFICATION BY THE COMPETITIVE SUPPLIER

Competitive Supplier shall indemnify, defend and hold harmless the Town and Hampshire Council (each an "Indemnified Party") and the Indemnified Parties' officers, employees, agents, representatives and independent contractors, from and against any and all costs, claims, liabilities, damages, expenses (including reasonable attorneys' fees), causes of action, suits or judgments, incurred by, on behalf of or involving any one of the foregoing parties to the extent arising directly from or in connection with (i) any material breach by Competitive Supplier or its obligations, covenants, representations or warranties contained in this ESA and not resulting from the actions of the Local Distributor, the Town or Hampshire Council or its employees or agents, or (ii) Competitive Supplier's actions or omissions taken or made in connection with Competitive Supplier's performance of this ESA that were not Commercially Reasonable. Competitive Supplier further agrees, if requested by the Town or Hampshire Council, to investigate, handle, respond to, and defend any such claim, demand, or suit at its own expense arising under this Article 13.1.

13.2 NOTICE OF INDEMNIFICATION CLAIMS

If the Town or Hampshire Council seeks indemnification pursuant to this Article 13.2, it shall notify Competitive Supplier of the existence of a claim, or potential claim as soon as practicable after learning of such claim, or potential claim, describing with reasonable particularity the circumstances giving rise to such claim. Upon written acknowledgment by the Competitive Supplier that it will assume the defense and indemnification of such claim, the Competitive Supplier may assert any defenses which are or would otherwise be available to the Town or Hampshire Council.

13.3 SURVIVAL

Notwithstanding any provision contained herein, the provisions of this Article 13.3 shall survive the termination of this ESA for a period of three (3) years with respect to (i) any claims which occurred or arose prior to such termination and (ii) any losses occurring as a result of the termination.

13.4 DUTY TO MITIGATE

All Parties agree that they have a duty to mitigate damages and covenant that they will use Commercially Reasonable efforts to minimize any damages they may incur as a result of any other Party's performance or non-performance of this ESA.

ARTICLE 14 REPRESENTATIONS AND WARRANTIES

14.1 BY THE COMPETITIVE SUPPLIER

As a material inducement to entering into this ESA, the Competitive Supplier hereby represents and warrants to the Town as of the Effective Date of this ESA as follows:

- a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and is qualified to conduct its business in those jurisdictions necessary for it to perform its obligations under this ESA;
- b) it has all authorizations from any Governmental Authority necessary for it to legally perform its obligations under this ESA or will obtain such authorizations in a timely manner prior to when any performance by it requiring such authorization becomes due;
- c) the execution, delivery and performance of this ESA are within its powers, have been duly authorized by all necessary action and do not violate any of the terms or conditions in its governing documents or any contract to which it is a party of any Governmental Rule applicable to it;
- d) subject to the conditions set forth in Article 2.4, this ESA constitutes a legal, valid and binding obligation of the Competitive Supplier enforceable against it in accordance with its terms, and the Competitive Supplier has all rights such that it can and will perform its obligations to the Town and Hampshire Council in conformance with the terms and conditions of this ESA, subject to bankruptcy, insolvency, reorganization and other laws affecting creditor's rights generally and general principles of equity;
- e) no Bankruptcy is pending against it or to its knowledge threatened against it;
- f) none of the documents or other written information furnished by or on behalf of Competitive Supplier to the Town or Hampshire Council pursuant to this ESA. contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements contained herein or therein, in the light of the circumstances in which they were made, not misleading; and
- g) all information furnished by Competitive Supplier in response to the Request for Proposals for competitive electric supply services is true and accurate.

14.2 BY THE BUYER

As a material inducement to entering into this ESA, the Town hereby represents and warrants to Competitive Supplier as of the effective date of this ESA as follows:

- a) this ESA constitutes the legal, valid and binding obligation of the Town enforceable in accordance with its terms;
- b) the execution, delivery and performance of this ESA are within the Town's powers, have been or will be duly authorized by all necessary action;
- c) the Town has all authorizations from any Governmental Authority necessary for it to legally perform its obligations under this ESA or will obtain such authorizations in a timely manner prior to when any performance by it requiring

- such authorization becomes due;
- d) all Participating Consumers are bound as principals to this ESA; and
- e) no Bankruptcy is pending or threatened against the Town.

ARTICLE 15 INSURANCE

15.1 INSURANCE

In order to help support the indemnifications provided in Article 13, and its other promises and covenants stated herein, Competitive Supplier shall secure and maintain, at its own expense, throughout the term of this ESA, comprehensive commercial general liability insurance of at least \$1,000,000 combined single limit and excess liability coverage of at least \$3,000,000 with insurers and with the Town and Hampshire Council named as additional insureds. Competitive Supplier shall provide the Hampshire Council with evidence, reasonably satisfactory to the Hampshire Council, of its insurance hereunder, upon request.

ARTICLE 16 CONFIDENTIALITY

Competitive Supplier acknowledges that the Town and Hampshire Council are subject to public records laws, including without limitation, M.G.L. c. 4, § 7, cl. 26 and M.G.L. c. 66, § 10. To the extent not prohibited by such laws, each Party shall keep confidential, and shall not disseminate to any third party (other than such Party's affiliates) or use for any other purpose (except with written authorization, such authorization not to be unreasonably withheld), any information received from the other that is confidential or proprietary in nature unless legally compelled (by deposition, inquiry, request for production of documents, subpoena, civil investigative demand or similar process, or by order of a court or tribunal of competent jurisdiction, or in order to comply with applicable rules or requirements of any stock exchange, government department or agency or other Governmental Authority, or by requirements of any securities law or regulation or other Governmental Rule) or as necessary to enforce the terms of this ESA. The Party receiving confidential or proprietary information shall have no obligation with respect to such information which: (i) is or becomes generally available to the public other than as a result of disclosure by the receiving Party; (ii) was in its possession prior to disclosure hereunder and which was not acquired directly or, to the Party's knowledge, indirectly from the disclosing Party; (iii) was received from a non-party to this ESA who to the receiving Party's knowledge, was not subject to a confidentiality agreement or fiduciary obligation regarding information; (iv) was independently developed by the receiving Party without reference to the information.

Either Party may disclose the terms of this ESA to its affiliates, and to its officers, directors, employees, attorneys and accountants. This Article 16 shall survive the termination of this ESA for a period of two (2) years.

If either Party is compelled to disclose any confidential information of the other Party, such Party shall request that such disclosure be protected and maintained in confidence to the extent reasonable under the circumstances and use Commercially Reasonable efforts to protect or limit disclosure with respect to commercially sensitive terms. In addition, notwithstanding the public records laws referenced above, such Party shall provide the other Party with prompt notice of the requirement to disclose confidential information in order to enable the other Party to seek an

appropriate protective order or other remedy, and such Party shall consult with the other Party with respect to the other Party taking steps to resolve the scope of any required disclosure. In the event the Competitive Supplier requests the Town's or Hampshire Council's assistance in protecting the confidentiality of information and the Town or Hampshire Council anticipates that it will incur costs in fulfilling the Competitive Supplier's request, it shall give the Competitive Supplier an estimate of such costs. Upon receiving the estimate, Competitive Supplier shall determine if it continues to request the Town's or Hampshire Council's assistance, and if so, the Competitive Supplier shall reimburse the Town and Hampshire Council for all costs, up to the estimated amount, reasonably incurred by the Town and Hampshire Council in connection with such efforts.

For the avoidance of doubt, the information related to this ESA that is considered confidential and proprietary in nature shall include the following:

- a) any account information related to the Participating Consumers including, without limitation, historic usage data, metering, and billing and payment information;
- b) any information regarding transactions entered into by Competitive Supplier and any third parties in connection with the provision of All-Requirements Power Supply;
- c) any list of Participating Consumers;
- d) any information disclosed by a Party during any settlement discussions;
- e) Competitive Supplier's insurance policies;
- f) any financial security instrument(s) provided by Competitive Supplier;
- g) any non-public information provided by Competitive Supplier; and
- h) any information which either Party should reasonably understand to be confidential and proprietary by virtue of the sensitive nature of the information.

ARTICLE 17 REGULATORY EVENT/NEW TAXES

17.1 REGULATORY EVENT

If a Regulatory Event occurs, the Parties shall use their best efforts to reform this ESA to give effect to the original intent of the Parties. If a Regulatory Event affects Competitive Supplier and Competitive Supplier incurs excess costs as a result thereof, such amount shall be allocated to and collected from Participating Consumers on a per kWh basis through applicable monthly invoice(s).

17.2 NEW TAXES

If any New Taxes are imposed for which Competitive Supplier is responsible, the amount of such New Taxes shall be allocated to and collected from Participating Consumers through applicable monthly invoice(s).

ARTICLE 18 MISCELLANEOUS

18.1 NO ASSIGNMENT WITHOUT PERMISSION

Competitive Supplier shall not assign its rights and privileges under this ESA without the prior written approval of the Town. Such approval may be denied at the reasonable discretion of the Town if it determines that the proposed assignee does not have at least the same financial ability as the assigning Competitive Supplier. Notwithstanding the foregoing, the Town may not unreasonably withhold its consent to an assignment to an affiliated entity under common control or management with Competitive Supplier or Competitive Supplier's corporate parent. Competitive Supplier's assignee shall agree in writing to be bound by the terms and conditions of this ESA. The Town may assign this ESA without the prior consent of Competitive Supplier provided that the proposed assignee has at least the same financial ability as the Town and such assignment would not in any way impair the rights and interests of Competitive Supplier under this ESA. The rights and obligations created by this ESA shall inure to the benefit of, and be binding upon, the successors and permitted assigns of, the respective Parties hereto.

18.2 DIRECT MARKETING

Prior to the introduction of any new product or service which Competitive Supplier may wish to make available to Participating Consumers or other Eligible Consumers located within the Town, Competitive Supplier agrees to (i) give the Town and the Hampshire Council written notice of such new product or service and (ii) subject to the entry into reasonable confidentiality terms to the extent permitted by law and mutually acceptable to the Parties, discuss with the Hampshire Council the possible inclusion of such new product or service in this or any other aggregation plans managed by the Hampshire Council. The Parties agree to negotiate in good faith the terms, conditions, and prices for such products and services which the Parties agree should be included in a Town aggregation program.

Competitive Supplier also agrees not to engage in any direct marketing to any Participating Consumer that relies upon Competitive Supplier's unique knowledge of, or access to, Participating Consumers gained as a result of this ESA. For the purposes of this provision, "direct marketing" shall include any telephone call, mailing, electronic mail, or other contact between the Competitive Supplier and the Consumer. Broad-based programs of the Competitive Supplier that do not rely on unique knowledge or access gained through this ESA will not constitute such "direct marketing."

18.3 NOTICES

All notices, demands, requests, consents or other communications required or permitted to be given or made under this ESA shall be in writing and addressed to:

If to Competitive Supplier:

If to Town:

[]

With a copy to:

Mr. Kenneth Elstein
Hampshire Council of Governments
99 Main Street
Northampton, MA 01060-3175
413-584-1300 x5
413-584-1465 (fax)
kelstein@hampshirecog.org

Notices hereunder shall be deemed properly served (i) by hand delivery, on the day and at the time on which delivered to the intended recipient at the address set forth in this ESA; (ii) if sent by mail, on the third business day after the day on which deposited in the United States certified or registered mail, postage prepaid, return receipt requested, addressed to the intended recipient at its address set forth in this ESA; or (iii) if by Federal Express or other reputable express mail service, on the next business day after delivery to such express mail service, addressed to the intended recipient at its address set forth in this ESA. Any party may change its address and contact person for the purposes of this Article 18.3 by giving notice thereof in the manner required herein.

18.4 CHANGES IN EMERGENCY AND SERVICE CONTACT PERSONS

In the event that the name or telephone number of any emergency or service contact for the Competitive Supplier changes, Competitive Supplier shall give prompt notice to the Town and Hampshire Council in the manner set forth in Article 18.3. In the event that the name or telephone number of any such contact person for the Town or Hampshire Council changes, prompt notice shall be given to the Competitive Supplier in the manner set forth in Article 18.3.

18.5 ENTIRE ESA; AMENDMENTS

This ESA and the Related Documents constitute the entire agreement between the Parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings between the Parties relating to the subject matter hereof. This ESA may only be amended or modified by a written instrument signed by all Parties hereto.

18.6 FORCE MAJEURE

If by reason of Force Majeure any Party is unable to carry out, either in whole or in part, its obligations herein contained, such Party shall not be deemed to be in default during the continuation of such inability, provided that: (i) the non-performing Party, within two (2) weeks after the occurrence of the Force Majeure, gives all other Parties hereto written notice describing the particulars of the occurrence; (ii) the suspension of performance be of no greater scope and of no longer duration than is required by the Force Majeure; (iii) no obligations of the Party which were to be performed prior to the occurrence causing the suspension of performance shall be

excused as a result of the occurrence; and (iv) the non-performing Party shall use Commercially Reasonable efforts to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its obligations. If any event of Force Majeure continues for a period of one hundred eighty (180) days or longer, either Party may terminate this ESA by sending the other Party a written notice as set forth in Article 4.2; provided, however, that the same shall not constitute a default under this ESA and shall not give rise to any damages.

18.7 EXPENSES

Each Party hereto shall pay all expenses incurred by it in connection with its entering into this ESA, including without limitation, all of its attorneys' fees and expenses.

18.8 NO JOINT VENTURE

Competitive Supplier will perform all services under this ESA as an independent contractor. Nothing herein contained shall be deemed to constitute any Party a partner, agent or legal representative of the other Party or to create a joint venture, partnership, agency or any relationship between the Parties. The obligations of the Town and the Competitive Supplier hereunder are individual and neither collective nor joint in nature.

18.9 JOINT WORK PRODUCT

This ESA shall be considered the work product of all Parties hereto, and, therefore, no rule of strict construction shall be applied against either Party.

18.10 COUNTERPARTS

This ESA may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single agreement.

18.11 THIRD PARTIES

The parties acknowledge that the Price for energy as described in Exhibit A includes a commission fee equal to \$0.002 (2 mils) per kWh of Participating Consumers actual usage payable to Hampshire Council to develop, implement, and administer the Plan. The Competitive Supplier agrees to include this commission fee in the Price for energy and to make the monthly commission payments on behalf of Participating Consumers, and acknowledges this obligation as a material obligation of this ESA; provided however, that (i) this ESA remains in full force and effect, and (ii) the commission fee shall be paid ten (10) business days following receipt by Competitive Supplier of the meter readings of each Participating Consumer's meter(s) performed by the Local Distributor. This provision shall be binding upon the Parties and all permitted assigns and other successors-in-interest of the Parties. Except as provided in this provision, there shall be no other third-party beneficiaries to this ESA.

18.12 WAIVER

No waiver by any Party hereto of any one or more defaults by any other Party in the performance of any provision of this ESA shall operate or be construed as a waiver of any future default,

whether of like or different character. No failure on the part of any Party hereto to complain of any action or non-action on the part of any other Party, no matter how long the same may continue, shall be deemed to be a waiver of any right hereunder by the Party(ies) so failing. A waiver of any of the provisions of this ESA shall only be effective if made in writing and signed by the Party who is making such waiver.

18.13 CO-OPERATION

Each Party acknowledges that this ESA must be approved by the DPU and agree that they shall use Commercially Reasonable efforts to cooperate in seeking to secure such approval.

18.14 PLAN

Competitive Supplier agrees that it has been provided with and had a reasonable opportunity to read the Plan. The Parties agree that the Plan, in the forms as it exists on the Effective Date of this ESA, is incorporated into this ESA by reference, and that it shall be construed harmoniously to the greatest practicable extent; notwithstanding the foregoing, in the event of any conflict between this ESA and the Plan, this ESA shall govern. The Town will provide Competitive Supplier with amendments to the Plan as they are adopted; provided, however, that such amendments are not incorporated into this ESA as a result of such adoption. Any amendments hereto must be made in accordance with Article 18.5 of this ESA.

18.15 ADVERTISING LIMITATIONS

Competitive Supplier agrees not to use the name of the Hampshire Council or the Town, or make any reference to the Hampshire Council or the Town in any advertising or other information to be distributed publicly for marketing or educational purposes, unless the Hampshire Council or the Town expressly agrees to such usage. Any proposed use of the name of the Hampshire Council or the Town must be submitted in writing for agreement and prior approval, which shall not be unreasonably withheld, consistent with Article 5.7 hereof. The Town and the Hampshire Council acknowledges that the Competitive Supplier's corporate affiliates own the exclusive right to the trademarked logo and trade name used by Competitive Supplier. No right, license or interest in this trademark and/or trade name is granted to the Town or Hampshire Council hereunder, and the Town and Hampshire Council agree that they shall not assert any right, license or interest with respect to such trademark and/or trade name.

18.16 PRESS RELEASES

The Parties shall not issue a press release or make any public statement with respect to this ESA without the prior written agreement of the other Party with respect to the form, substance and timing thereof, except either Party may make any such press release or public statement when the releasing Party is advised by its legal counsel that such a press release or public statement is required by law, regulation or stock exchange rules, provided however, in such event, the Parties shall use their reasonably good faith efforts to agree as to the form, substance and timing of such release or statement.

18.17 HEADINGS AND CAPTIONS

The headings and captions appearing in this ESA are intended for reference only, and are not to be considered in construing this ESA.

18.18 SURVIVAL OF OBLIGATION

Termination of this ESA for any reason shall not relieve the Town or the Competitive Supplier of any obligation accrued or accruing prior to such termination.

18.19 REMEDIES

18.19.1 General

Subject to the limitations set forth in Article 18.19.2 below and Article 4, the Town and the Competitive Supplier reserve and shall have all rights and remedies available to each of them at law or in equity with respect to the performance or non-performance of the other Party hereto under this ESA.

18.19.2 Limitations

NO PARTY HERETO SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT. Notwithstanding the foregoing, Competitive Supplier acknowledges that the preceding sentence shall not limit the Town’s or Hampshire Council's rights under Article 13.1 to seek indemnification from Competitive Supplier or consequential, punitive, or incidental damages or other such losses claimed by third- parties, subject to the monetary limitation set forth in the Payment Guarantee.

IN WITNESS WHEREOF, the Parties hereto have executed this ESA as of the Effective Date.

COMPETITIVE SUPPLIER

By: _____

Name: _____

Title: _____

Address: _____

Dated: _____

BUYER

By: _____

Name: _____

Title: _____

Address: _____

Dated: _____

EXHIBIT A

PRICES AND TERMS

Price by Rate Classification

Rate Class	Price for Period
Residential	
Commercial	
Industrial	

[Final Prices will be determined prior to the beginning of the respective pricing periods]

Terms for System Supply Service

Term: The Price and Terms stated on this Exhibit A will commence on the first Consumer meter read date after _____ and continue until the first Consumer meter read date after _____, unless this ESA is sooner terminated in accordance with Article 4.2 of this ESA.

The price for All-Requirements Power Supply shall be as stated on this Exhibit A through Participating Consumers' meter read dates in _____. Prices shall be fixed for the entire length of such pricing period. Prices must include all adders and ancillary charges. However, the Competitive Supplier may offer price reductions to Participating Consumers at any time during the term of this ESA.

Start-Up Service Date: All-requirements retail power supply will commence at the prices stated above as of Participating Consumers' first meter read dates after _____.

Renewable Energy in System Supply: The Competitive Supplier shall include Renewable Energy in the All Requirements Power Supply mix in an amount equal to the DPU's Renewable Portfolio Standards and Alternative Energy Portfolio Standards starting with the 2013 requirement on the Start-Up Service Date or pay all penalties imposed by the DPU related to Renewable Energy requirements.

Term: The period of delivery of All Requirements Power Supply shall be consistent with the provisions of Article 4 and Exhibit A of this ESA.

Eligible Consumer Opt-Out: Participating Consumers are free to opt-out of the Program utilizing established Electronic Data Interface (EDI) drop protocols. Participating Consumers are to provide five (5) days' notice to the Competitive Supplier of such termination. There are no fees or charges for Participating Consumers to opt-out or terminate service.

Competitive Supplier's Standard Credit Policy: The Competitive Supplier will not require a credit review for any consumer participating in the Program, nor does Competitive Supplier require any consumer to post any security deposit as a condition for participation in the Program. The Competitive Supplier may terminate service to a Participating Consumer and return such consumer to Basic Service in the event that the consumer fails to pay to Competitive Supplier amounts past-due greater than sixty (60) days.

EXHIBIT B

**TEMPLATE KWH SALES AND CONSUMER ACCOUNTS
DATA SUMMARY**

Rate Code
Rate Name
Consumer
No Accounts
January kWh
February kWh
March kWh
April kWh
May kWh
June kWh
July kWh
August kWh
September kWh
October kWh
November kWh
December kWh

ATTACHMENT D

EDUCATION AND INFORMATION PLAN

FOR THE

MUNICIPAL AGGREGATION PLAN

FOR THE TOWN OF

WASHINGTON

PREPARED BY THE

HAMPSHIRE COUNCIL OF GOVERNMENTS

1 OVERVIEW AND PURPOSE

M.G.L. c. 164, § 134(a) requires that municipal aggregators "fully inform participating ratepayers in advance of automatic enrollment that they are to be automatically enrolled and that they have the right to opt-out of the aggregated entity without penalty. In addition, such disclosure shall prominently state all charges to be made and shall include full disclosure of the basic service rate, how to access it, and the fact that it is available to them without penalty."

The Education and Information Plan ("Education Plan") component of the Town's municipal aggregation plan ("Plan") is two-pronged. The first is general education through which the Town and Hampshire Council of Governments ("Hampshire Council") will provide information to eligible consumers by way of the media, electronic communications, and public presentations. The second is direct mail notification which will be mailed out to eligible consumers and will contain information regarding participation and consumer rights

In D.T.E. 00-47 (2000), the Massachusetts Department of Telecommunications and Energy (DTE) concluded that the education plan component of the Cape Light Compact, which also included general education and direct mail notification, satisfied the aforementioned statutory requirement. Moreover, in D.T.E. 04-32 (2004), the DTE concluded that the education plan component of the Cape Light Compact resulted in eligible consumers being satisfactorily informed of their rights to opt-out of the program, as well as other pertinent program information. The conclusions of the D.T.E. in 00-47 and 04-32 have been reaffirmed in D.T.E. 06-102, as well as in Massachusetts Department of Public Utilities (DPU) orders 11-22, 11-28, and 11-32. The Education Plan closely resembles the previously approved education plans in an effort to satisfy relevant precedent.

The purpose of the Education Plan is to raise awareness and provide eligible consumers with information concerning their opportunities, options and rights for participation in the Plan.

The Education Plan consists of two parts:

- a) General Education: This will be conducted through the media, public meetings and presentations, and electronic communications and will inform eligible consumers about the Plan.
- b) Direct Mail Notification: This will be mailed out to eligible consumers and will contain information regarding participation and rights, as well as comparative prices and terms.

The general education effort will provide a broad back drop for the direct mail notification, boosting awareness of the mailing and its purpose and providing reinforcement of key information.

1.1 GENERAL EDUCATION

The general education will provide a description of the Plan for eligible consumers. It will consist of a public relations effort, advertising outreach, public presentations and electronic information sources (i.e., toll-free telephone number, websites, etc.). The general education will provide specific information about the Plan and maximize the impact of the direct mail notification which will create an environment of public awareness.

1.1.1 Press Conference

The initial launch of the Education Plan will be a media event featuring representatives from the Town, its Competitive Supplier(s), and the Hampshire Council. This event will be designed to create an understanding of the Plan as a whole, including consumer rights and benefits. Representatives from local and regional print and broadcast sources will be invited to attend.

A press kit will be assembled to introduce the Plan. Materials may include:

- a) news release;
- b) background information;
- c) deregulation and choice information; and
- d) frequently asked questions.

1.1.2 Media Outreach

Following the launch of the Plan, media outreach will continue through local cable television shows, newspapers and internet sources to provide greater public education and to describe the Plan, the opt-out process and the toll-free telephone number. Outreach will include public service announcements (PSAs), scheduling interviews of Plan spokespersons with local media outlets and securing a positive media presence.

A series of news releases will be distributed to achieve the aforementioned goals. Follow-up news releases will update the media on the status of the Plan's progress. As noted, the Education Plan may be implemented coincidentally with those of other municipal aggregation plans. This summary provides other publications and media that will be employed to describe such plans and the coordinated contracting process. This coordinated educational process will likely provide greater awareness to regional customers.

Sample Media List:

Newspapers:

Amherst Bulletin, Amherst
The Beacon, Boston
The Berkshire Eagle, Pittsfield
Chicopee Herald Weekly, Chicopee Country Journal, Huntington
Daily Hampshire Gazette, Northampton
The Good Life, Turners Falls
Greenfield Town Crier, Greenfield

The Journal Register, Palmer
Municipal Advocate, Boston
Plainfield Post, Plainfield
Quaboag Current, Ware
The Recorder, Greenfield
The Republican, Springfield
Rowe Goal Post, Rowe
The Sentinel, Belchertown
Shelburne Falls & West County Independent, Shelburne Falls
Spencer New Leader, Spencer
The Sun, South Hadley
Telegram and Gazette, Worcester
Town Reminder, South Hadley
Valley Advocate, Northampton
Ware River News, Ware
Westfield Evening News, Westfield

Radio and Television:

Amherst Community Access TV, Amherst
Easthampton Community Access TV, Easthampton
Falls Cable Television, Shelburne Falls
Greenfield Community Access TV, Greenfield
Hadley Community Access TV, Hadley
Northampton Community Access TV, Northampton
WAMC/Northeast Public Radio, Albany, NY
WARE Radio, Ware
WFCR Radio, Amherst
WFSB TV Channel 3, Rocky Hill, CT
WGBY TV Channel 57, Springfield
WGGB TV Channel 40, Springfield
WHAI Radio, Greenfield
WHMP Radio, Northampton
WHYN Radio, Springfield
WMAS Radio, Springfield
WMUA Radio, Amherst
WNNX Radio, Amherst
WRSI Radio, Northampton
WWLP TV Channel 22, Springfield

1.1.3 Notices and Public Postings

Notices in newspapers and in Town Hall describing the Plan, the opt-out process and the toll-free telephone number will further reinforce the Program's details. Postings will be placed in public buildings (*i.e.*, library, Senior Center, etc.) which will create the necessary repetition of messages required to motivate consumer action and build awareness and understanding.

1.1.4 Customer Service Center

Hampshire Council, as agent, will maintain a toll-free telephone number to address eligible consumer's questions regarding the Plan, deregulation, the opt-out process, price information and other issues eligible consumers may raise.

1.1.5 Website

All information regarding the Plan will be posted on Hampshire Council's website, which will be linked to the Town's website. Hampshire Council's website will have links to National Grid and Western Massachusetts Electric Company (WMECO) ("Local Distributors"), the Massachusetts Department of Energy Resources (DOER), the Massachusetts Department of Public Utilities (DPU), and the Hampshire Council's Competitive Supplier.

1.1.6 Public Presentations

Hampshire Council will provide presentations to the Board of Selectmen and to any interested community group (i.e., Chamber of Commerce, Rotary Club, Lions Club, Junior Women's Club, etc.).

1.2 DIRECT MAIL NOTIFICATION

1.2.1 Opt-Out

The opt-out notification will be sent via standard mail to the billing address of each eligible consumer receiving Basic Service. The notification envelope will be clearly marked as containing time sensitive information related to the Plan. The notification will contain a letter describing the Plan.

The letter will:

- a) introduce and describe the Program and provide information regarding participation and rights;
- b) inform eligible consumers they have the right to opt-out of the aggregated entity without penalty;
- c) prominently state all charges to be made and a comparison of price and primary terms of the Competitive Supplier and Basic Service; and
- d) explain the opt-out process.

The opt-out notification will also contain a pre-addressed postcard with a simple check off and signature line for eligible consumers who do not wish to participate. Eligible consumers will have 30 days from the date of the mailing to return the opt-out postcard. New eligible consumers will be enrolled in the Plan in accordance with applicable Local Distributor rules. Upon initiation of service, these new eligible consumers will receive the same opt-out information as all other eligible consumers.

2 TIMELINE

The schedule below assumes timely preparation of mailing lists as well as space and time availability in the media. Meetings and public presentations will be scheduled upon mutually agreeable schedules. On-going education will continue beyond the 40-day period outlined below through the media and the toll-free telephone number.

- Day 0: Press conference held announcing the Plan and introducing the Competitive Supplier
- Day 1: Customer service center (i.e., toll-free telephone number) opens
- Day 1: Press release issued on direct mail notification and start-up of the customer service center
- Day 1: Plan information posted on the following websites: Hampshire Council, Town, and Competitive Supplier
- Day 1-7: Postings placed in public buildings
- Day 1-40: Public presentations provided informing community groups about the Program and eligible consumer rights
- Day 1-40: Media interviews conducted with Plan representatives, as needed
- Day 3: Competitive Supplier begins Electronic Data Interface (EDI) testing with Local Distributor
- Day 10: Direct mail notification sent to each eligible consumer (see Day 40)
- Day 12-35: Display ads placed in newspapers describing the Plan and the opt-out process and providing the toll-free telephone number
- Day 14: Local cable television show airs describing the Plan and the opt-out process and providing the toll-free telephone number
- Day 16-30: PSAs air describing the Plan and the opt-out process and providing the toll-free telephone number
- Day 33: Competitive Supplier ends EDI testing with Local Distributor (assuming no technical issues are presented)
- Day 40;
Day 40+: Deadline reached for eligible consumers returning the opt-out postcard
On-going education continues through the media, the toll-free telephone number and individual opt-out mailings to new eligible Basic Service consumers

Day 90+: Follow-up news releases issued summarizing the Program's status

3 BUDGET

Notification Method	Responsible Party	Estimated Cost
Direct Mailing	Competitive Supplier	\$1.50/customer
Press Conferences	Town	\$0.05/customer
Television Media	Town	\$0.10/customer
Newspaper Media	Town	\$0.75/customer
Electronic Communications	Town	\$0.05/customer
Public Presentations	Town	\$0.05/customer

ATTACHMENT E

IMPLEMENTATION PLAN

FOR THE

MUNICIPAL AGGREGATION PLAN

FOR THE TOWN OF

WASHINGTON

PREPARED BY THE

HAMPSHIRE COUNCIL OF GOVERNMENTS

Tasks	Dates
ESA Estimated with Competitive Supplier:	October 1, 2013
Competitive Supplier Receives Eligible Consumer Data:	October 5,2013
Submission of ESA to DPU, et al.:	October 5, 2013
Press Conference Introducing Competitive Supplier:	October 8, 2013
Customer Service Center Start-Up:	October 8, 2013
Websites Updated (<u>i.e.</u> , Hampshire Council, Town, Competitive Supplier):	October 10, 2013
Postings Placed in Public Buildings (<u>i.e.</u> , Town Hall, etc.):	October 10, 2013
Notifications Mailed to Eligible Consumers:	October 10, 2013
Problem Addresses Corrected and Notifications Mailed:	ASAP
New Consumer Addresses Received and Notifications Mailed:	ASAP
Display Ads Placed in Newspapers and PSAs Air on Cable:	October 10 – November 10, 2013
Opt-Out Deadline Reached for Eligible Consumers:	November 10, 2013
Final Opt-Outs Removed from Participating Consumer File:	November 13-15, 2013
Transfer of Participating Consumers to Competitive Supplier:	November 13-18, 2013
Service Started with Competitive Supplier:	November 22, 2013

Implementation Schedule is for representative purposes only.
Dates are subject to change based on receipt of necessary approvals

ATTACHMENT F

Official Notice	TOWN OF WASHINGTON POWER SUPPLY PROGRAM CUSTOMER NOTIFICATION FORM
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Dear Electric Service Customer:

The Town has awarded a contract to provide electric power supply for all eligible electric service customers through _____. All Residential and Commercial customers participating in the Plan will pay the rate for their electric power supply pursuant to the Town’s municipal aggregation plan (“Plan”) that is reflected in the chart below. By comparison, the current Basic Service rate is also shown in such chart.

Eligible Basic Service customers in your town will receive further notification of this Plan on their next bill from your Local Distributor (WMECO). Your Local Distributor will notify you that a "supplier switch" has occurred. This will indicate that the new lower rate will be in effect beginning with your next bill from your Local Distributor (WMECO).

If you are on a budget plan or are eligible for a low-income delivery rate, you will continue to receive those benefits.

You do not need to take any action to participate in the Plan- All eligible Basic Service customers in your town will be automatically enrolled. If you do not wish to participate, you may: (1) opt-out and choose your Local Distributor (WMECO) Basic Service; or (2) opt- out and choose another Competitive Supplier, if one is available to you.

	Town of Washington Power Supply Program	WMECO Basic Service
2013 Rate	January Meter Read - June Meter Read	January 1 —June 30
Residential Commercial Industrial	Xxx cents/kWh Xxx cents/kWh Xxx cents/kWh	Xxx cents/kWh Xxx cents/kWh Xxx cents/kWh
Duration	Rate is in effect from January 2014 meter read to the July 2014 meter read	WMECO Fixed Basic Service rates change every 6 months for Residential and Small Commercial and every 3 months for Large Commercial and Industrial
Exit Terms	No exit charge.	May receive a reconciliation charge or credit

Please note that the Town Power Supply Program rate includes a \$0.002 “addor” to compensate the Hampshire Council for its efforts to establish and administer the Plan and to fund other Hampshire Council programs described at www.hampshirecca.org. The election of the Town’s

Power Supply Program supports these important regional programs.

Despite the switch to the Town's municipal aggregation plan, you will continue to receive one bill from your Local Distributor (WMECO) and you will continue to send your payments to your Local Distributor for processing. You will see _____ printed as a line item on your bill for electric power supply service.

The Town's municipal aggregation plan will change only who supplies, not who delivers, your electric power - reflected in the "Supplier Services" charge on your monthly bill. Your Local Distributor will continue to read meters and maintain the distribution and transmission lines. Reliability and quality of service will remain the same. Furthermore, you will continue to have all existing consumer rights and protections but, if you fail to pay your bill in a timely manner consistent with the requirements of Massachusetts law, you will be placed on your Local Distributor's Basic Service.

How to Opt-Out

If you choose to opt-out and not participate in the municipal aggregation plan, please fill out, sign, and return the enclosed postage paid card. If, at any time after this initial opt-out notification, you want to be placed on your Local Distributor's Basic Service, you may call Hampshire Council toll-free at (877) 700-6165 and ask to cancel your account, or call your Local Distributor (WMECO at (XXX) XXX-XXXX) and ask to be placed on their Basic Service with no penalty charge.

For further information contact:

Hampshire Council's Power Supply Program toll-free at (877) 700-6165

**TOWN OF WASHINGTON POWER SUPPLY PROGRAM
CUSTOMER NOTIFICATION LETTER ENVELOPE**

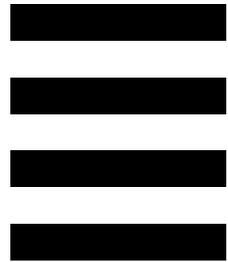
**OFFICIAL TOWN
BUSINESS**

POWER. SUPPLY PROGRAM
c/o Competitive Supplier
1 Energy Street
Energy, MA 00000

John & Mary Resident
1 Any Street
Washington, MA 01223

DO NOT DISCARD - Urgent Notice Regarding Electricity Rates

**TOWN OF WASHINGTON'S MUNICIPAL AGGREGATION PLAN
CUSTOMER OPT-OUT NOTIFICATION CARD**

<div data-bbox="259 577 906 651" style="border: 1px solid black; padding: 5px;">BUSINESS REPLY MAIL <small>FIRST CLASS MAIL PERMIT NO. XXXXX</small></div> <div data-bbox="267 772 568 882">Competitive Supplier 1 Energy Street Energy, MA 00000</div>	<div data-bbox="1136 441 1364 661" style="border: 2px solid black; padding: 10px;">NO POSTAGE NECESSARY IF MAILED IN THE UNITED STATES</div> <div data-bbox="1136 693 1364 955"></div>
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<div data-bbox="259 1066 1360 1140" style="background-color: #f0f0f0; border: 1px solid black; padding: 5px;">TOWN OF WASHINGTON MUNICIPAL AGGREGATION PLAN CUSTOMER OPT-OUT REPLY CARD</div>	
<div data-bbox="267 1255 592 1365">John & Mary Resident 1 Any Street Washington, MA 01223</div> <div data-bbox="267 1438 698 1512">X _____ Signature Date</div>	<div data-bbox="747 1176 1360 1543" style="border: 1px solid black; padding: 10px;">Opt-Out Instructions You do not need to take any action to participate in the Town of Washington Municipal Aggregation Plan. If you do not wish to participate: 1) Sign and date this card 2) Drop it in the mail This card must be signed by the customer of record whose name appears in the address on this card. You have 30 days from the postmark of the Customer Notification to return the card.</div>

ATTACHMENT G

AUTHORIZATION DOCUMENTS

OF THE

MUNICIPAL AGGREGATION PLAN

FOR THE TOWN OF

WASHINGTON

PREPARED BY THE

HAMPSHIRE COUNCIL OF GOVERNMENTS

THE COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF PUBLIC UTILITIES

FILED UNDER M.G.L. c. 164, § 134