

SECTION XX
DEFAULT, SUSPENSION, AND TERMINATION OF A CERTIFIED SUPPLIER

20.1 Default

A Certified Supplier is in default of its obligations under the Company's Customer Choice Program if any of the following occur:

- a) Notice is received that the Certified Supplier/TSA relationship is terminated and either (1) the Certified Supplier fails to designate a new TSA within five (5) business days or (2) the new entity acting as TSA fails to begin scheduling power within ten (10) business days of such new designation;
- b) the Certified Supplier fails to fully pay an invoice from the Company within three (3) business days following the due date of the invoice;
- c) the Certified Supplier's credit exposure exceeds the unsecured credit limit or the Company's current collateral enhancement requirement by 5% or more and the Certified Supplier has failed to comply with the Company's request for adequate security or adequate assurance of payment within three (3) business days of the Company's request;
- d) the Commission has de-certified the Certified Supplier or otherwise declared it ineligible to participate in the Ohio Customer Choice Program or the Company's Customer Choice Program;
- e) the Certified Supplier's action or inaction has or will jeopardize the operational integrity, safety or reliability of the Company's transmission or distribution system;
- f) the Certified Supplier/TSA misuses the Retail Energy Imbalance service (i.e. underscheduling or overscheduling on a consistent basis);
- g) the Certified Supplier misuses the Company Consolidated and Bill Ready Billing option by using the name "CG&E" or the name of one of the Company's affiliates in a charge description or otherwise using this billing option in a misleading or defamatory manner;
- h) the Certified Supplier voluntarily withdraws from the Company's Customer Choice Program without providing at least ninety (90) calendar days notice to the Company or;
- i) the Certified Supplier has filed a voluntary petition in bankruptcy, has had an involuntary petition in bankruptcy filed against it, is insolvent, has had a receiver, liquidator or trustee appointed to take charge of its affairs, or the Certified Supplier's liabilities exceed its assets, or the Certified Supplier is otherwise unable to pay its debts as they become due.

20.2. Notice of Suspension or Termination

Notwithstanding any other provision of this tariff or the Certified Supplier Service Agreement, in the event of default, the Company shall serve a written notice of such default in reasonable detail and with a proposed remedy to the Certified Supplier and the Commission. On, or after, the date the default notice has been served, the Company may file with the Commission a written request for authorization to terminate or suspend the Certified Supplier Service Agreement. Except for default due to non-delivery, if the Commission does not act within ten (10) business days upon receipt of the request, the Company's request to terminate or suspend shall be deemed authorized on the eleventh (11th) business day. If the default is due to non-delivery, and if the Commission does not act within five (5) business days upon receipt of the request, the Company's request to terminate or suspend shall be deemed authorized on the sixth (6th) business day. Terminations or suspensions shall require authorization from the Commission.

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

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The Company shall send notices pursuant to this section by email, fax, overnight mail, or hand delivery to the Commission and staff at the Commission's offices. The Company shall notify all Commissioners, the Chief of Staff, the Director of the Consumer Services Department, the Director of the Utilities Department, the Director of the Legal Department, and the Chief of the Attorney General's Public Utilities Section. The Company shall send the notice to the address and fax number provided by the Certified Supplier in its Certified Supplier Service Agreement.

20.3. Suspension

In addition to the possible reasons for suspension stated in Sections 20.1, a Certified Supplier may be suspended from participation in the Company's Customer Choice Program for any of the following reasons:

- a) the Certified Supplier's credit exposure exceeds its credit limit or collateral enhancement by less than 5%, and the Certified Supplier has failed to comply with the Company's request for adequate security or adequate assurance of payment within three (3) business days of the Company's request;
- b) the Certified Supplier's parent corporation has filed a voluntary petition in bankruptcy, has had an involuntary petition in bankruptcy filed against it, is insolvent, has had a receiver, liquidator or trustee appointed to take charge of its affairs, or the Certified Supplier's parent corporation's liabilities exceed its assets, or the Certified Supplier's parent corporation is otherwise unable to pay its debts as they become due.

20.4. Effect of Suspension

In the event of suspension, the Certified Supplier shall not be permitted to enroll any new End-use Customers in the Company's Customer Choice Program. During the period of suspension, the Certified Supplier shall continue to serve its existing End-use customers.

20.5. Effect of Termination on Certified Supplier's End-use Customers

In the event of termination, the Certified Supplier's End-use Customers shall be returned to the Company's Standard Offer Rate effective on each End-use Customer's next Meter Read Date after the date of termination.

20.6. Effect of Termination on Certified Supplier

- a) The Certified Supplier shall not be permitted to enroll any new End-use Customers in the Company's Customer Choice Program unless it re-registers in the Company's Customer Choice Program.
- b) During the period of time between the Certified Supplier's termination and the next Meter Read Dates for each of its End-use Customers, the Company shall serve the Certified Supplier's End-use Customers and shall charge the Certified Supplier the Company's out-of-pocket costs paid for electric energy during that period, including transmission, distribution and all other applicable charges. End-use Customers will continue to be billed for charges from their Certified Supplier until the next Meter Read Dates. Beginning with the next Meter Read Dates for each of the Certified Supplier's End-use Customers on the Company's Standard Offer Rate, the Company shall serve the End-use Customers and shall bill the Certified Supplier the Company's incremental cost for serving the load during the first June 1 through August 31st period after the Certified Supplier default. Incremental cost is defined as Company's out-of-pocket costs paid for electric energy during that period, including transmission, distribution and all other applicable charges less a credit to the Certified Supplier for the shopping credit no longer being granted to the End-use Customer for this period.
- c) The Company may charge the Certified Supplier for additional costs associated with the default such as:

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- 1) Mailings by the Company to the Certified Supplier's End-use Customers to inform them of the withdrawal and their options;
 - 2) Non-standard/manual bill calculations and production performed by the Company;
 - 3) Certified Supplier data transfer responsibilities that must be performed by the Company; and
 - 4) Charges or penalties imposed on the Company, its agents, or other third parties resulting from the Certified Supplier withdrawing early.
- d) The Company may apply all of the Certified Supplier's credit, collateral and charges collected by the Company from End-use Customers against the Company's Charges to the Certified Supplier.

20.7. Survival of Obligations

Suspension or termination of a Certified Supplier for any reason shall not relieve the Company or the Certified Supplier from performing any other obligations under this Certified Supplier Tariff or the Certified Supplier Service Agreement.

Filed pursuant to an Order dated March 29, 2006 in Case No. 06-407-GE-ATA before the Public Utilities Commission of Ohio.

Issued: March 31, 2006

Effective: April 3, 2006

Issued by Sandra P. Meyer, President