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ELECTRICAL TRANSMISSION CONNECTION AND
SUBSTATION MAINTENANCE AGREEMENT BETWEEN
THE CITY OF SPRINGFIELD, ILLINOIS, AND
THE VILLAGE OF CHATHAM, ILLINOIS

THIS AGREEMENT, entered into as of the 26 day January, 1988, between the CITY OF SPRINGFIELD, ILLINOIS, hereinafter referred to as Springfield, and the VILLAGE OF CHATHAM, ILLINOIS, hereinafter referred to as Chatham, and each being referred to individually as "Party" or collectively as "Parties."

WHEREAS, Springfield owns electric facilities and is engaged in the generation, transmission, distribution and sale of electric power and energy in the State of Illinois, and

WHEREAS, Chatham owns electric facilities and is engaged in the distribution and sale of electric power and energy in Chatham, and

WHEREAS, Springfield has entered into a Wholesale Power Agreement, dated November 12, 1985, with the Illinois Municipal Electric Agency (IMEA), and

WHEREAS, Chatham requires a supply of electric energy for its electric distribution system and has entered into an agreement with IMEA for the purchase of wholesale electric energy from IMEA, and

WHEREAS, Springfield owns a 138 KV electrical transmission line between Springfield, Illinois and Auburn, Illinois which transverses Chatham, and Chatham has constructed an electrical substation adjacent to said transmission line, and

WHEREAS, Chatham desires to receive electrical energy purchased from IMEA through said transmission line to said substation and desires to connect to Springfield's electrical transmission system, and

WHEREAS, Chatham further desires to contract for routine substation maintenance services from Springfield, and

WHEREAS, Springfield and Chatham are municipal corporations of the State of Illinois and are authorized and encouraged to enter into intergovernmental agreements for the provision of services pursuant to Article VII, Section 10 of the Constitution of Illinois, 1970, and the Illinois Intergovernmental Cooperation Act.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein set forth, Springfield and Chatham hereby agree as follows:

ARTICLE 1

CONNECTION

1.01 Springfield hereby grants Chatham a point of connection to its transmission system at its substation in Chatham adjacent to Springfield's 138 KV transmission line. Chatham shall provide all facilities necessary to operate and maintain the connection, except as hereinafter provided.

1.02 It is expressly understood and agreed to by the parties that connection facilities, and all other separately owned equipment and appurtenances may be installed or removed by the respective party upon 60 days prior notice to the other, subject to the party's obligation to render performance under this agreement. The metering equipment utilized at the point of connection shall be owned and furnished by IMEA.

ARTICLE 2

SERVICE CONDITIONS

2.01 It is intended that the systems of the parties shall be operated in continuous synchronism through the facilities identified in Article 1 and in accordance with sound operating practices. If the synchronous operation of the systems becomes interrupted for reasons beyond the control of either party or because of scheduled construction or maintenance that has been initiated by either party, or by others not a party to this agreement, the parties shall cooperate to remove the cause of such interruption as soon as practicable and restore such facilities to normal operating conditions. Neither party shall be responsible to the other party for any damage or loss of revenue caused by such an interruption.

2.02 The parties shall maintain and operate their respective systems to minimize, in accordance with sound operating practice, the likelihood of disturbances originating in either system, which might cause impairment to the service of the system of the other party or of any system interconnected with the other party.

2.03 Each party shall be responsible for providing the reactive power requirements of its own system. In no case shall the terms and conditions of this agreement be interpreted to place a requirement on either party to supply reactive power to the other party.

2.04 The parties shall diligently seek to minimize deviations between actual and scheduled deliveries of energy between their systems, recognizing that such deviations may be difficult to identify. In developing and executing operating procedures that will enable the parties to minimize, to the extent practicable, deviations from scheduled deliveries, the parties shall fully cooperate with each other and with other utilities whose systems are either directly or indirectly interconnected with the systems of the parties and who, together with the parties, must unify their efforts to achieve effective and efficient interconnected operation.

ARTICLE 3

OPERATING COMMITTEE

3.01 In order that the operations of their respective generating, transmission, and substation facilities, may be coordinated and that the advantages to be derived hereunder may be realized by the parties to the fullest practicable extent, the parties shall establish a committee of authorized representatives to be known as the Operating Committee. Each party shall deliver, in writing, to the other party the name of the person who is to act as its representative on said committee and the names of persons who may serve as alternates whenever such representative is unable to act. Such representative and alternate (or alternates) shall each be persons familiar with the generating, transmission and substation facilities of the system of the party by which he has been so designated, and each shall be fully authorized to cooperate with the other representative (or alternate) and to coordinate, subject to the declared intentions of the parties herein set forth and to the terms hereof and the terms of any other agreements then in effect between the parties, the following:

- (a) All matters pertaining to the installation, maintenance and adequacy of the facilities of the parties.
- (b) All matters pertaining to the control of energy flow, kilovar exchange, power factor, voltage, and other similar matters bearing upon the satisfactory synchronous operation of the systems of the parties.
- (c) Such other matters not specifically provided for herein upon which cooperation, coordination, and agreement are necessary to operate the systems of the parties with the fullest practicable potential savings.
- (d) All matters related to substation maintenance hereinafter provided for.

3.02 The Operating Committee shall establish operating rules and policies.

3.03 The Operating Committee shall meet as necessary at the request of either party but at least once per calendar year.

3.04 In the event the Operating Committee is unable to agree on any matter coming under its jurisdiction, the matter shall be referred to the _____ of Chatham and the Director of Public Utilities of Springfield.

ARTICLE 5

SUBSTATION MAINTENANCE

5.01 Springfield agrees to provide Chatham with an annual inspection of its substation in accordance with the parameters established by the Operating Committee.

5.02 Springfield agrees to provide Chatham with emergency substation maintenance to assure delivery of power or otherwise correct outages to the extent that Springfield has manpower available at the time, in accordance with procedures established by the Operating Committee.

5.03 Chatham shall provide all spare parts necessary for maintenance conducted by Springfield pursuant to Sections 5.01 and 5.02.

5.04 Chatham shall reimburse Springfield for all costs incurred by Springfield in performing substation maintenance hereunder on the basis of actual hourly labor costs plus overhead plus twenty-five percent. Chatham agrees that if maintenance is required during non regular working hours, Springfield may be required to pay its employees overtime rates, and such applicable overtime rates shall be the actual hourly labor cost charged hereunder.

5.05 Chatham shall be responsible for arranging all major maintenance, equipment repair or replacement required for the substation with such third parties as may be required for such work.

5.06 Chatham hereby grants Springfield, its agents, and employees such access to its substation as is reasonably necessary to perform any maintenance under this Article or performance under this agreement.

ARTICLE 6

ARBITRATION

6.01 It is mutually agreed upon between the parties hereto that all disputes arising out of the performance of this agreement which cannot be mutually adjusted by the parties hereto shall be referred promptly to a committee of three arbitrators, consisting of one selected by each of the parties hereto, and a third chosen by the two thus selected. The appointment of the third arbitrator, if not agreed upon within 15 days, and the arbitration proceedings shall be in accordance with the Rules of the American Arbitration Association then in effect. The decision of the majority of said committee shall be final and conclusive and binding upon both parties hereto, subject, as hereinabove set forth, to the jurisdiction of any appropriate governmental authority. This provision shall survive the termination of this agreement.

6.02 The cost of arbitration, including the compensation of the arbitrators, but not the expense of either of the parties in presenting its contentions, shall be paid in equal parts by the parties unless the award should specify a different division.

ARTICLE 7

GENERAL PROVISIONS

7.01 Any notice, request or demand made in accordance with any provision hereof except as otherwise provided may be given either orally or in writing. Any notice, request or demand not given in writing in the first

instance, shall when appropriate, or if requested by the party addressed, be confirmed in writing by mail addressed to such person or place as may be designated from time to time by the party addressed.

7.02 This agreement is executed in two counterparts, each as an original, and shall be binding upon the successors and assigns of the respective parties thereto. No rights of either party hereunder shall be assigned by it without the prior consent in writing of the other party. Neither party, however, shall withhold its consent to any such assignment if its rights hereunder will not be adversely affected hereby; provided that such consent shall not be necessary in the case of an assignment to an assignee to whom the assignor has transferred all or substantially all of its electric department property and business.

7.03 Each party shall exercise due diligence and reasonable care and foresight to maintain continuity of service in the delivery and receipt of power and energy as provided under this agreement and to perform its other obligations hereunder, but neither party shall be considered to be in default with respect to any obligation hereunder if prevented from fulfilling such obligations by fire, strike, casualties, material shortages, civil or military authority, insurrection or riot, the action of the elements or by any other similar or dissimilar cause beyond the control of the party affected. In the event either party is unable to fulfill any obligation hereunder by reason of such cause or causes, said party shall notify the other party and exercise due diligence to remove such inability with reasonable dispatch, provided that the settlement of strike or labor disturbances shall be entirely within the discretion of the party having such difficulty.

7.04 This agreement is not intended to and shall not create rights of any character whatsoever in favor of any person, corporation, association or entity other than the parties to the agreement, and the obligations herein assumed are solely for the use and benefit of said parties.

7.05 This agreement is subject to the jurisdiction of any governmental authority, or authorities, having jurisdiction in the premises.

ARTICLE 8

WAIVERS

8.01 Any waiver at any time by either party of its rights with respect to a default under the agreement, or with respect to any other matter arising in connection with this agreement, shall not be deemed a waiver with respect to any subsequent default or matter. Any delay, short of the statutory period of limitation, in asserting or enforcing any right under this agreement, shall not be deemed a waiver of such right.

ARTICLE 9

TERM

9.01 This agreement shall become effective on the 26th day of January, 19 88 and shall continue in effect until either party gives a five year written notice of termination.

IN WITNESS WHEREFORE, the parties have caused this agreement to be executed in two counterparts by their duly authorized officials and their respective corporate seals be hereunto affixed and said seals and this agreement to be attested by their respective clerks, all as of the day and the year first above written.

CITY OF SPRINGFIELD, ILLINOIS

By _____
Ossie Langfelder, Mayor

By _____
Frank G. Madonia, Director
of Public Utilities

ATTEST:

City Clerk

VILLAGE OF CHATHAM, ILLINOIS

By DE Moore
Mayor

ATTEST:

Barbara Bickhaus
Village Clerk