

AN ORDINANCE APPROVING A CONTRACT BETWEEN THE VILLAGE CHATHAM, ILLINOIS AND THE CITY OF SPRINGFIELD, ILLINOIS

BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF CHATHAM, ILLINOIS, AS FOLLOWS:

SECTION 1: That certain Agreement between the Village of Chatham, Illinois, and The City of Springfield, Illinois, attached hereto as Exhibit A, is hereby approved.

SECTION 2: The President and Clerk of the Village are authorized and directed to execute and attest said Agreement on behalf of the Village of Chatham. The proper officers of the Village of Chatham are authorized and directed to perform said Agreement on behalf of the Village upon its execution by the City of Springfield, Illinois.

SECTION 3: This Ordinance is effective immediately.

Carl D. Oblinger  
VILLAGE PRESIDENT

ATTEST:

Rose M. Miller  
VILLAGE CLERK

AYES: 5  
NAYS: 1

PASSED: 5/7/91  
APPROVED: 5/7/91  
ABSENT: 0

WHOLESALE POWER AGREEMENT  
between  
VILLAGE OF CHATHAM, ILLINOIS  
and  
CITY OF SPRINGFIELD, ILLINOIS

THIS AGREEMENT, made this 30th day of May, 1991, between the VILLAGE of CHATHAM, ILLINOIS, hereinafter called CHATHAM, and the CITY of SPRINGFIELD, ILLINOIS, hereinafter called SPRINGFIELD; such Parties being herein referred to individually as "Party", or collectively as "Parties",

WHEREAS, CHATHAM owns electric facilities and is engaged in the distribution and sale of electric power and energy in the State of Illinois; and

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

WHEREAS, the Parties desire to avail themselves of benefits to be realized through the purchase and sale of generating capacity and electric energy; and

WHEREAS, the Parties are interconnected with each other;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein set forth, the Parties hereto agree to this Wholesale Power Agreement.

## Article 1

### SYSTEM INTERCONNECTION

1.01 The point of interconnection of Springfield's facilities with Chatham's facilities is located at Main Street in Chatham, Illinois, where Springfield's 138 kV line ties with Chatham's 138 kV Substation.

1.02 It is expressly understood and agreed by and between the Parties hereto that interconnection facilities and all other separately owned equipment and appurtenances may be installed or removed by either Party without the consent of the other, subject to its obligation to render performance under this Agreement. Either Party shall have the full and absolute right at any time or times to install or remove any or all of such separately owned equipment or appurtenances.

## 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 utility 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 disturbance 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 to its own system through its own system or through agreements with others. In no case shall the terms and conditions of this agreement or the service schedules attached hereto be interpreted to place a requirement for reactive power supply from either Party to the other. Reactive power is the magnetizing component of power required by the electrical system.

### Article 3

#### SERVICES TO BE RENDERED

3.01 All electric power and energy delivered under this Agreement shall be of the character commonly known as three-phase, sixty-hertz power and energy, and shall be delivered at the established points of interconnection.

3.02 The Parties contemplate the interchange of electric power and energy to provide for the total requirements electric service to the VILLAGE of CHATHAM, and other related services.

3.03 The terms and conditions applicable to the interchange of power and energy will be set forth in Service Schedules, which shall be annexed to and made a part of this Agreement. The following Service Schedules, annexed hereto, are initially made a part of this Agreement:

Service Schedule

Type of Service

A

Total Requirements Service

B

Maintenance of Facilities

3.04 It is recognized that the Service Schedules may be modified or added to from time to time to provide for variations in the specific services to be rendered and the nonrate terms and conditions applicable thereto.

Any modification or addition may be recommended by either Party to the other at any time and shall become effective upon mutual written agreement of the Parties subject to such filing and approval requirements of regulatory authorities as may then be applicable under federal or state law. The attached Service Schedules, modifications thereof and additions thereto made effective as provided above, shall become part of this Agreement during the periods fixed by their respective provisions.

Article 4

METERS AND METERING

4.01 Electric power and energy interchanged at the point of interconnection shall be measured, both as to demand and energy, by the suitable metering equipment presently installed.

4.02 Metering equipment shall be tested by the Party owning said equipment or under the terms and conditions of agreements that the Parties may have with others.

4.03 If, as a result of any test, any meter shall be found to be registering more than two percent above or below one hundred percent of accuracy, the account between the Parties hereto shall be corrected for a

period equal to one-half of the elapsed time since the last prior test, according to the percentage of inaccuracy so found, except that if the meter shall have become defective or inaccurate at a reasonable ascertainable time since the last prior test of such meter, the correction shall extend back to such time. Should metering equipment at any time fail to register, the energy delivered shall be determined from the best available data. All meters shall be kept under seal, such seals to be broken only when the meters are to be tested or adjusted.

## Article 5

### STATEMENTS AND BILLING

5.01 As soon as practicable after the end of each calendar month, SPRINGFIELD shall prepare a statement setting forth the electrical power and energy transactions between the Parties during such month in such detail and with such segregations as may be needed for operating records and for determining the amount of bills to be rendered hereunder. Generally accepted practices and methods of accounting and billing for power and energy transactions between interconnected systems shall be followed in preparing statements hereunder.

5.02 As soon as practicable after preparation of the statement provided for in Section 5.01, SPRINGFIELD shall render to CHATHAM a bill for the net amounts due for such month under this Agreement. All bills for net amounts owed shall be due and payable on the fifteenth (or the first work day after the fifteenth, if the fifteenth is not a work day) of the month next following the monthly or other period to which such bills are applicable, or on the

tenth day (or the first work day after the tenth, if the tenth is not a work day) following receipt of bill, whichever date is later. Unless otherwise agreed upon, a calendar month shall be the standard monthly period for the purposes of settlements under this agreement.

5.03 Interest on unpaid amounts shall accrue at a rate equivalent to the prime rate established from time to time by Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, or other financial institution in the State of Illinois which is mutually agreed upon by both parties, from the date due until the date upon which payment is made.

## Article 6

### OPERATING COMMITTEE

6.01 To coordinate the operation of their respective generating, transmission, and substation facilities, in order 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 designate in writing delivered to the other Party, the person who is to act as its representative on said committee (and the person or persons who may service as alternate 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 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, to coordinate the follow:

- 6.011 All matters pertaining to the installation, maintenance, and adequacy of the generation and transmission facilities of the Parties.
- 6.012 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.
- 6.013 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.

6.02 The Operating Committee shall establish Operating Rules and Policies.

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

6.04 In the event the Operating Committee is unable to agree on any matter coming under its jurisdiction, the matter shall be referred to the Mayor of Chatham and the Mayor of Springfield for resolution.

## 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 hereto. 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 thereby; 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, 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 this 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.

7.06 CHATHAM shall indemnify and save harmless and defend SPRINGFIELD and its officers and employees, from and against any and all claims, demands, damages, costs, or expenses of any kind, arising, growing out of, or resulting in any manner from electric power or energy after delivery thereof to the Point of Delivery. The "Point of Delivery" shall be the substation in Chatham owned by Chatham.

## Article 8

### WAIVERS

8.01 Any waiver at any time by either Party of its rights with respect to a default under this 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

### ARBITRATION

9.01 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.

9.02 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 10


##### TERM

10.01 This Agreement shall become effective on the 21<sup>st</sup> day of June, 1991 and shall continue in effect for a period of ten years. This agreement may be terminated within the ten year period upon written notice by either party given to the other party two years in advance of the effective date of termination. However, such notice may not be effective within the first five years of this agreement. The terms and conditions of this agreement shall supersede any other agreements which may be in effect between the parties prior to the execution of this agreement.

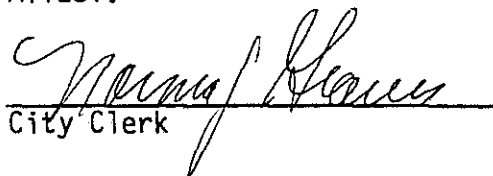
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in two counterparts by their duly authorized officials and their respective corporate seals be hereunto affixed and said seals and this agreement to be attested by their respective secretaries, all as of the day and the year first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

CITY OF SPRINGFIELD, ILLINOIS

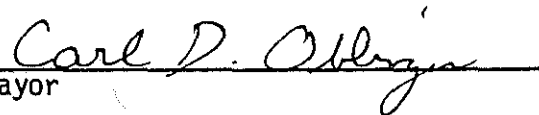
By:  Mayor

Recommended By:  General Manager/Chief Utilities Engineer

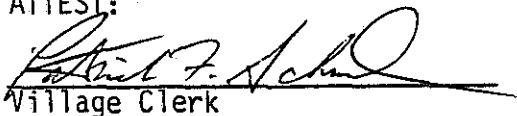
ATTEST:

  
City Clerk

VILLAGE OF CHATHAM

By   
Mayor

ATTEST:

  
Village Clerk

SERVICE SCHEDULE A

WHOLESALE POWER AGREEMENT  
between  
VILLAGE OF CHATHAM, ILLINOIS  
and  
CITY OF SPRINGFIELD, ILLINOIS

TOTAL REQUIREMENTS SERVICE FOR CHATHAM, ILLINOIS

A. This Service Schedule, a part of and under Agreement dated 30th May, 1991 between THE VILLAGE OF CHATHAM (CHATHAM) and CITY OF SPRINGFIELD, ILLINOIS (SPRINGFIELD), shall become effective on June 21, 1991, and shall continue in effect throughout the duration of the Agreement of which it is a part subject to modification as provided in Section 3.04 of said Agreement.

B. Electric Service is power and associated energy from generating capacity in SPRINGFIELD's system, which may be reserved for sale to the Village of Chatham, Illinois, for the purpose of providing Chatham's demand and energy requirements.

C. Unless otherwise specifically agreed, continuous availability of Electric Service shall be provided by SPRINGFIELD and the supply will be subject to curtailment or interruption only in extreme emergencies caused by events or circumstances beyond the control of SPRINGFIELD and only in proportion to the amount that SPRINGFIELD's other noninterruptible load is curtailed. Interruptions or other limitations in Electric Service to CHATHAM caused by any transmission failure shall not be considered a curtailment or interruption on the part of SPRINGFIELD.

D. The Electric Service billing demand shall be equal to the largest demand of CHATHAM for a 60 minute interval occurring during the billing period.

E. Charges for the supply of Electric Service shall be:

1. Capacity Charge:

\$6.10 per month for each kilowatt of billing demand for the period beginning June 1, 1991 through May 31, 1992.

\$6.40 per month for each kilowatt of billing demand for the period beginning June 1, 1992 through May 31, 1993.

\$6.70 per month for each kilowatt of billing demand for the period beginning June 1, 1993 through May 31, 1994.

For the period beginning June 1, 1994 through the end of this contract, \$6.70 per month for each kilowatt of billing demand with rate increases equal in percentage to and occurring at the same time as increases in the Springfield Retail Rate No. 30 (residential rate).

In the event circumstances require that SPRINGFIELD purchase capacity from others in order to maintain continuity of service to CHATHAM, the cost of such capacity in excess of the rate expressed herein shall be paid by CHATHAM.

2. Energy Charge:

The cost of all energy delivered shall be 2.275 cents per kilowatt-hour plus fuel adjustment plus energy charge adjustment.

3. Fuel Adjustment:

SPRINGFIELD shall maintain records of the production cost of energy delivered to CHATHAM. These records shall be the basis for determining the fuel adjustment for each billing period. The zero base of the fuel adjustment for the billing period shall be referenced to a production cost of 1.525 cents per kilowatt-hour. The fuel adjustment factor shall be determined according to the following formula:

$$FA = MCP - \underline{1.525}$$

Where: MCP is the total out-of-pocket cost to supply the energy delivered to CHATHAM during the billing period divided by the total kilowatt-hour delivered to CHATHAM during the billing period. These costs are the average cost of fuel consumed in SPRINGFIELD's generating equipment and the out-of-pocket cost of energy purchased from others for delivery to CHATHAM.

FA is the fuel adjustment factor in cents per kilowatt-hour to be applied to each kilowatt-hour delivered during the billing period. This factor shall be calculated to the nearest 1/10,000 cents per kilowatt-hour.

G. Energy Charge Adjustment:  
The energy charge (2.275¢ per kilowatt-hour) and the zero base of the fuel adjustment (1.525¢ per kilowatt-hour) shall be increased in equal percentage to, and at the same time as, increases in the Springfield Retail Energy Rate No. 30 (residential rate).

H. Transportation Charges:  
The above prices are at the Point of Delivery. There are no separate transportation charges for energy delivered under the terms of this agreement.

CITY OF SPRINGFIELD, ILLINOIS

By: *Ami Zeller* *AJZ*  
Mayor

Recommended By: *John Han*  
General Manager/Chief Utilities Engineer

ATTEST:

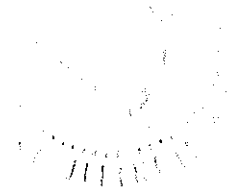
*Norma Graves*  
City Clerk

VILLAGE OF CHATHAM, ILLINOIS

By: *Carl P. Obinger*  
Mayor

ATTEST:

*Robert F. Schmid*  
Village Clerk



SERVICE SCHEDULE B

WHOLESALE POWER AGREEMENT  
between  
VILLAGE OF CHATHAM, ILLINOIS  
and  
CITY OF SPRINGFIELD, ILLINOIS

MAINTENANCE OF ELECTRIC FACILITIES

A. This Service Schedule, a part of and under Agreement dated 30th May, 1991 between VILLAGE OF CHATHAM, ILLINOIS, hereinafter called CHATHAM, and CITY OF SPRINGFIELD, ILLINOIS, hereinafter called SPRINGFIELD, shall become effective on June 21, 1991 and shall continue in effect throughout the duration of the Agreement of which it is a part subject to modification as provided in Section 3.04 of said Agreement.

B. It is the intent of this Service Schedule to provide for the terms and conditions under which maintenance of electric facilities owned by CHATHAM will be maintained by Springfield. Electric facilities owned by CHATHAM are defined as the equipment and facilities at CHATHAM's Main Street Substation.

C. Springfield agrees to provide regular inspection and preventive maintenance service on a scheduled basis agreed upon by the Operating Committee. Additional maintenance will be performed on an emergency basis and may be provided without prior approval of CHATHAM.

D. Neither party shall be responsible to the other party for any damages or loss of revenue caused by the performance or absence of performance of service under this schedule.



E. SPRINGFIELD agrees to provide CHATHAM with an annual inspection of its substation in accordance with the parameters established by the Operating Committee.

F. 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.

G. CHATHAM shall provide all spare parts necessary for maintenance conducted by SPRINGFIELD pursuant to Sections E and F.


H. CHATHAM shall reimburse SPRINGFIELD for all costs incurred by SPRINGFIELD in performing substation maintenance hereunder on the basis of actual hourly labor costs plus seventy percent. CHATHAM agrees that, if maintenance is required during nonregular 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. CHATHAM shall also reimburse SPRINGFIELD for any equipment and materials which are used on the basis of actual cost plus seventy percent.

I. 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.

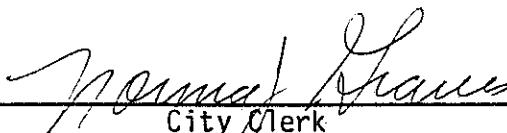
J. CHATHAM hereby grants SPRINGFIELD, its agents, and employees such access to its substation as is reasonably necessary to perform any maintenance under this Article or performance under this agreement.

CITY OF SPRINGFIELD, ILLINOIS

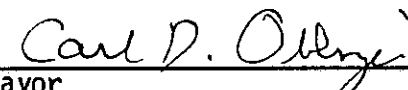
By:  0113  
Mayor

Recommended By:   
General Manager/Chief Utilities Engineer


ATTEST:

  
City Clerk

VILLAGE OF CHATHAM, ILLINOIS

By   
Mayor

ATTEST:

  
Village Clerk