

ORDINANCE NUMBER 79-22

AN ORDINANCE CONTRACTING WITH THE CENTRAL ILLINOIS LIGHT COMPANY, AN ILLINOIS CORPORATION, ITS SUCCESSORS AND ASSIGNS FOR THE FURNISHING OF ELECTRIC ENERGY FOR RESALE BY THE VILLAGE OF CHATHAM, COUNTY OF SANGAMON, STATE OF ILLINOIS.

WHEREAS, the Village of Chatham (hereinafter designated as "Municipality") owns and operates a street lighting system and requires electric energy for its operation and for other municipal uses, and

WHEREAS, the Municipality owns and operates an electric distribution system for the delivery of electric energy to the public in and around the Village of Chatham, and

WHEREAS, Central Illinois Light Company (hereinafter designated as "Utility") has generating capacity and a 34,500 volt electric line and substation at a location near Mulberry Street and Illinois State Route 4 in said Village and is willing to provide at said substation electric energy to the Village;

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Chatham, County of Sangamon, State of Illinois:

1. Utility does hereby agree to furnish to Municipality and Municipality does hereby agree to accept from Utility,

electric energy in the form of 3-phase alternating current of a frequency of approximately 60 hertz and a potential of approximately 2400/4160 volts.

2. Utility does hereby agree to install, within 60 days from the acceptance date of this contract, a new substation at a site to be determined for the purpose of providing electric energy to Municipality. The new substation will be equipped with a voltage step-down transformation which will provide 7,200/12,470 nominal voltage. Auxiliary equipment will be installed to provide electric service to two distribution feeders with a capacity of approximately 300 amperes each. The substation will be constructed in such a way that two additional 300 ampere feeders and transformation can be added.

3. Municipality agrees to make improvements and adjustments to its electric distribution system sufficient to permit Municipality to accept from Utility, electric energy in the form of 3-phase alternating current of a frequency of approximately 60 hertz and a potential of approximately 7,200/12,470 volts. Such improvements and adjustments shall be completed

within three years from the acceptance date of this contract. In the event such improvements and adjustments have not been completed within three years from the acceptance date of this contract, Municipality does hereby agree to purchase from Utility, the simple ownership of Utility's existing substation site near Mulberry Street and Illinois State Route 4, and all transformers, switches, lightning-conductors, regulators, protective devices and other apparatus installed at the site for the purpose of providing electric energy to Municipality. The purchase price of the land and equipment shall be the net book value (i.e., original cost less depreciation) of such land and equipment at the date of three years from the acceptance date of this contract. Municipality shall thereafter be responsible for the repair and maintenance of the substation and related equipment.

4. Municipality does hereby agree to pay Utility monthly for electric service rendered during the preceding month at the rate and charges due and payable therefore pursuant to Utility's Wholesale Electric Service Rate Schedule

MW/2 and Fuel Cost Adjustment Clause, attached hereto and made a part hereof or such other effective superseding rate schedule. Nothing contained herein shall be construed as affecting in any way the right of the party furnishing service under this contract to unilaterally make application to the Federal Energy Regulatory Commission (Commission) for a change in rates or charges pursuant to Section 205 of the Federal Power Act (Act), and the Commission's Rules and Regulations promulgated thereunder. All of the terms and conditions of service are subject to change upon a final order of the Commission pursuant to Section 206 of the Act; however, in the event that the Commission promulgates lawful rules, regulations or directives applicable to the service provided, but which are inconsistent with the terms of this contract, such rules, regulations or directives may be implemented by CILCO upon a lawful filing with the Commission pursuant to Section 205 of the Act.

5. Municipality does hereby agree to purchase from Utility all of Municipality's electric requirements for the

operation of Municipality's street lighting system, lighting of public buildings and grounds, and for resale to customers of Municipality's electric distribution system, subject to the provisions of paragraph 8 (B), infra.

6. Utility does hereby agree to maintain its said electric supply line to its existing substation; to construct and maintain the electric line to its new substation; and to furnish and install all switches, lightning-conductors, meters, regulators, recording devices, protective devices and other necessary apparatus for the purpose of controlling and measuring the energy taken by the Municipality. The "points of delivery" shall be the outlet side of the buss at said substations as designated by the Utility. The point of metering for electric energy supplied hereunder shall be at a suitable meter located at the Utility control house. The points of delivery and metering may subsequently be changed by mutual agreement of the parties in writing.

7. Utility will endeavor to maintain adequate and continuous service but does guarantee that the supply of electric energy will at all times be constant. It is agreed

that temporary cessation of Utility's service hereunder occasioned by fire, explosion, flood, strike, insurrection, mob violence, governmental interference, breakdown or injury to machinery or transmission or distribution lines or other accidents or causes not reasonably within its control shall not constitute a breach of this contract upon the part of Utility, and Utility shall not be liable to Municipality for any damages resulting from such temporary cessation of service.

8. (A) This contract ordinance shall be in full force and effect for a term of ten years, said term to commence when Utility accepts this ordinance in writing, which acceptance shall be filed within 30 days after the passage and approval of this ordinance and this ordinance when so accepted by Utility shall become a contract between Municipality and Utility and shall continue in full force and effect during said term and shall be automatically extended from year to year thereafter unless either party shall give 60 days, written notice to the other party prior to the expiration of the original term

or any extension to terminate this contract.

(B) Municipality may elect to discontinue purchase of power and energy from CILCO at any time during the initial ten-year term of this ordinance contract upon 60 days, written notice to CILCO; provided, however, that in the event Municipality elects to discontinue service during this initial term, the Municipality shall, at its option, either (a) enter into a new agreement whereby it shall continue to purchase transmission and transformation service from CILCO, for the power purchased from other sources, at reasonable rates for the remainder of said initial term, or (b) purchase the land and equipment constituting the new 34.5kv substation to be installed pursuant to Paragraph 2 hereof, as more fully identified on Appendix A at a price determined by the appraised market value of the land and the reproduction cost new, less depreciation for the equipment, or (c) reimburse CILCO for the cost of such substation determined pursuant to subsection (b) less the net salvage value of such facilities, or (d) purchase transformation and transmission service from CILCO pursuant to subsection (a)

and thereafter exercise its option to purchase the substation or reimburse CILCO for such substation pursuant to subsections (b) or (c). If Municipality and CILCO are unable to agree on the appraised market value of the land, each shall select an appraiser who together shall select a third appraiser to value the land. The average of of the values established by the three appraisers shall be the purchase price.

Transmission and transformation service purchased pursuant to subsection (a), or transmission service only if Municipality exercises its option to purchase the new 34.5kv substation shall be at rates accepted for filing by the Federal Energy Regulatory Commission, and permitted by it to become effective pursuant to Section 205 of the Act, or at such other levels as established by the Commission. The Utility and Municipality agree to endeavor to negotiate mutually acceptable rates, terms and conditions for requested transmission wheeling and/or transformation service. Good faith negotiations shall continue over a period of no less than 60 days following written request of CILCO by Municipality for a transmission wheeling rate. If

at the end of 60 days of good faith negotiations, Utility and Municipality are unable to agree upon the appropriate rates, terms and conditions for transmission wheeling service, Utility agrees to file within 30 days thereafter with the Commission a proposed rate for the transmission and transformation service, or transmission service only, as appropriate, upon written request from a Municipality for such filing.

9. Utility shall not be liable for any loss or damage to property or injury or death of persons, whether suffered by Municipality, its agents or employees or by any third person, persons or corporation resulting from the location, use or operation of electric or other facilities located on Municipality's site of the point of delivery hereinbefore mentioned or from electric energy present therein or escaping therefrom, nor shall Utility be liable for any loss by reason of fire on premises of Municipality from any cause whatsoever, and Municipality shall indemnify and save Utility harmless from all such loss, damage, injuries or death.

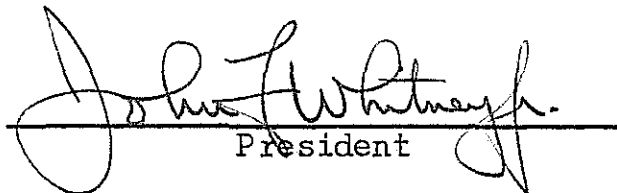
10. This contract shall be obligatory upon and shall inure to the benefit of the successors and the assigns of the

Municipality and Utility.

11. Other ordinances that may have been passed relating to electric energy for resale between the parties are hereby repealed and of no further force and effect.

Passed by the President and Board of Trustees of the Village of Chatham, County of Sangamon, State of Illinois, this

12th day of July, A.D., 1979.



President



Village Clerk