



OFFICE OF PUBLIC UTILITIES
CITY OF SPRINGFIELD, ILLINOIS

KAREN HASARA, MAYOR

GENERAL OFFICE

June 25, 2001

Mr. John M. Myers
Rabin, Myers & Hanken, P.C.
1300 South Eighth Street
Springfield, Illinois 62703

Re: Springfield-Chatham Electrical Interconnection

Dear John:

Please find enclosed a fully executed copy of the new Electric Interconnection Agreement between the City of Springfield and the Village of Chatham.

Very truly yours,

William A. Murray
Regulatory Affairs Manager

WAM/rab
Enclosure

Cy: Bob Childers w/o attachment
Greg Seipel

01-30

**ELECTRIC INTERCONNECTION
Between
VILLAGE OF CHATHAM, ILLINOIS
And
CITY OF SPRINGFIELD, ILLINOIS**

THIS AGREEMENT, made this 20th day of June, 2001, between the **VILLAGE OF CHATHAM, ILLINOIS**, herein 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 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 Electric Interconnection 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 Any new or additional interconnection points shall be established only pursuant to this Agreement. Charges for such facilities associated with such new

interconnection points shall be determined by the Parties. Any charges for incremental facilities associated with such new interconnection points will be set forth in an amendment to this Agreement.

1.03 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 electric 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 terms and conditions applicable to any services 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:

<u>Service Schedule</u>	<u>Type of Service</u>
A	Maintenance of Facilities
B	Engineering Services

3.03 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 non-rate terms and conditions applicable hereto.

3.04 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 points of interconnection shall be measured, both as to demand and energy, by suitable metering equipment such as that 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 charges under any applicable Schedule to this Agreement 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.

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 Illinois National Bank, Springfield, 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 serve 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 following:

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 perform its 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.

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 as described in Article 1.

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 20th day of June 2001, and shall continue in effect unless terminated as provided herein. This agreement may be terminated upon written notice by either party given to the other party two years in advance of the effective date of termination. However, no notice of termination may be given prior to May 31, 2004. 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 municipal clerks, all as of the day and the year first above written.

CITY OF SPRINGFIELD, ILLINOIS

By: *Renee Haxson*
Mayor *RH*

Recommended By: *Phillip M. Gmet*
General Manager

ATTEST:

Norma Graves
City Clerk



ATTEST: *Pat Schaal*
Village Clerk

VILLAGE OF CHATHAM

By: *Thomas J Gray*
Mayor

SERVICE SCHEDULE A

ELECTRIC INTERCONNECTION 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 June 20, 2001 between **VILLAGE OF CHATHAM, ILLINOIS**, hereinafter called CHATHAM, and **CITY OF SPRINGFIELD, ILLINOIS**, hereinafter called SPRINGFIELD, shall become effective on June 20, 2001 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 substations, and traffic signals and storm sirens owned by Chatham.

C. 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.

D. Springfield agrees to provide regular substation 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.

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. SPRINGFIELD agrees to provide CHATHAM with regular traffic signal and storm siren inspection and preventative maintenance 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.

H. SPRINGFIELD agrees to provide CHATHAM with emergency traffic signal and storm siren maintenance to correct improper operation of those devices to the extent that SPRINGFIELD has manpower available at that time, in accordance to procedures established by the Operating Committee.

I. CHATHAM shall provide all spare parts necessary for maintenance conducted by SPRINGFIELD pursuant to Sections D, F, G and H.

J. CHATHAM shall reimburse SPRINGFIELD for all costs incurred by SPRINGFIELD in performing maintenance hereunder on the basis of actual hourly labor costs plus seventy 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. CHATHAM shall also reimburse SPRINGFIELD for any equipment and materials which are used on the basis of actual cost plus seventy percent.

K. 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.

L. CHATHAM hereby grants SPRINGFIELD, its agents, and employees such access to its substations and other covered electrical facilities as is reasonably necessary to perform any maintenance under this Schedule or performance under this agreement.

CITY OF SPRINGFIELD, ILLINOIS

By: *Renee Hasara*
Mayor *RH*

Recommended By: *Phillip M. Gonet*
General Manager

ATTEST:

Norma Graves
City Clerk



VILLAGE OF CHATHAM, ILLINOIS

By: *Thomas S Gray*
Mayor

ATTEST:

Pat School
Village Clerk

SERVICE SCHEDULE B

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

ENGINEERING SERVICES FOR ELECTRICAL FACILITIES

A. This Service Schedule, a part of and under Agreement dated _____, _____ between VILLAGE OF CHATHAM, ILLINOIS, hereinafter called CHATHAM, and CITY OF SPRINGFIELD, ILLINOIS, hereinafter called SPRINGFIELD, shall become effective on _____, _____ 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 electrical engineering services will be performed by SPRINGFIELD for CHATHAM. Electric facilities owned by CHATHAM are defined as the equipment and facilities at CHATHAM's electrical substation(s), traffic signals and storm sirens owned by CHATHAM, and CHATHAM's electrical distribution system.

C. 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 contract.

D. SPRINGFIELD agrees to provide CHATHAM with engineering services for its above-described electrical facilities to the extent that SPRINGFIELD has manpower available at the time. SPRINGFIELD will provide no engineering services before the Operating Committee has approved a scope of work specific to the project being considered. The Operating Committee will name a representative for both

SPRINGFIELD and CHATHAM for the purposes of services to be provided under this service schedule.

E. In the event SPRINGFIELD does not have personnel available to provide CHATHAM requested engineering services in a timely manner, CHATHAM may seek the services of others to satisfy its need to have the services performed. There is no obligation by CHATHAM to request engineering services.

F. CHATHAM shall be responsible for all contractors, subcontractors, and vendors. SPRINGFIELD will not be responsible for any construction methods and procedures or safety precautions and programs in connection with a project. SPRINGFIELD's obligation to a project will not exceed what is described in the scope of work.

G. Any drawings provided by SPRINGFIELD to CHATHAM as part of the engineering services provided shall become the property of CHATHAM. SPRINGFIELD shall retain its rights in its standard drawing details, specifications, databases, computer software and other proprietary property. Conceptual property developed during the course of performance of services shall remain the property of SPRINGFIELD.

H. All documents provided CHATHAM through this agreement are specific to a defined project. Any reuse of documents by CHATHAM or others on extensions of the project or on any other project are done so at no risk to SPRINGFIELD. Any verification or adaptation of drawings previously provided CHATHAM will constitute a new or modified scope of work.

I. Since SPRINGFIELD has no control over the cost of labor, materials, or equipment furnished by others, or over the resources provided by others to meet project schedules, SPRINGFIELD does not guarantee that proposals, bids, or actual project costs will not vary from SPRINGFIELD's estimates of costs or that project schedules will not vary from SPRINGFIELD's estimates of project schedules.

J. CHATHAM shall reimburse SPRINGFIELD for all costs incurred by SPRINGFIELD in performing any work hereunder on the basis of actual hourly labor costs plus one hundred twenty percent (120%). CHATHAM agrees that, if work necessary to provide engineering services 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.

K. CHATHAM hereby grants SPRINGFIELD, its agents, and employees such access to its electrical facilities as is reasonably necessary to provide any engineering services under this Article or performance under this agreement.

CITY OF SPRINGFIELD, ILLINOIS

By: Loren Larson
Mayor *ML*

Recommended By: Phillip M. Gmit
General Manager/Chief Utilities Engineer

ATTEST:

Norma Graves
City Clerk

VILLAGE OF CHATHAM, ILLINOIS



By: Thomas S Gray
Mayor

ATTEST:

Pat Schrad
City Clerk