

VILLAGE OF CHATHAM

14-81

R E S O L U T I O N

WHEREAS, Central Illinois Light Company unilaterally filed an increase in wholesale power rates applicable to the Village of Chatham effective February 1, 1977; and

WHEREAS, this rate increase included ratcheted demand and ratcheted energy charges which had the effect of substantially increasing payments during the off-peak winter usage periods while decreasing rates during the on-peak summer usage periods; and

WHEREAS, the Village of Chatham has been involved in litigation before the Federal Power Commission, its successor the Federal Energy Regulatory Commission, and the United States Court of Appeals for the District of Columbia Circuit for over five years, during which time it has been subjected to the full rate increase filed by Central Illinois Light Company, and now is facing an additional winter off-peak period in which the ratcheted rate design will have its most pronounced adverse economic effect on the Village of Chatham and its citizens; and

WHEREAS, there now appear to be refunds due the Village of Chatham which are sorely needed by the Village and its citizens, payment of which continues to be delayed while this litigation continues; and

WHEREAS, by resolution of October 6, 1981, the Board of Trustees and President of the Village of Chatham authorized its solicitors and attorneys, Miller, Balis & O'Neil, P. C., to enter into settlement negotiations with the Central Illinois Light Company; and

WHEREAS, pursuant to said resolution, negotiations were had at the offices of the Federal Energy Regulatory Commission on October 21, 1981, between the Village's attorneys, authorized representatives of the Central Illinois Light Company, and the Commission Staff; and

WHEREAS, it was agreed by the Central Illinois Light Company that the Company would agree to a settlement based upon the following terms:

(1) The Central Illinois Light Company will charge the Villages of Chatham and Riverton, Illinois at a rate of \$8.71 per Kw for wholesale power service in accordance with the Wholesale Rate ~~W~~-2 appended hereto as Appendix A.

(2) Pending approval of the settlement by the Federal Energy Regulatory Commission, Central Illinois Light Company will file for an interim rate for service to the Villages based upon the settlement rate of \$8.71 per kw with a requested October 1, 1981 effective date.

(3) Refunds in the amount of six hundred thousand dollars (\$600,000) will be made to the Villages of Chatham and Riverton, Illinois. This amount represents a compromise settlement of overcharges collected by the Central Illinois Light Company from the effective date of the rate increase up to and including its October 1, 1981 billing. Within one week of the Company's receipt of resolutions by the Villages approving settlement, a check for the refund amount will be deposited by Central Illinois Light Company into an escrow account with the Riverton Community Bank. Upon acceptance of the Settlement by the Federal Energy Regulatory Commission the amount held in escrow, plus interest earned thereon, shall be distributed to the Villages. Proportional distribution of the refunds shall be determined as follows:

A. CILCO will compute the total refunds that would have been due to Chatham and Riverton by application of the \$8.71 Kw rate to the billing units of the Villages from February 1, 1977 to October 1, 1981.

B. The percentage of each Village's refund entitlement as calculated under the above method to the total refund requirement under the same method shall constitute each Village's pro-rata entitlement to the amounts held in escrow.

(4) The Central Illinois Light Company will not file for a rate increase applicable to the Villages of Chatham and Riverton, Illinois prior to October 1, 1982, and when Central Illinois Light Company does file an increase it will request a maximum five-month suspension; and

WHEREAS, the Central Illinois Light Company will refund all amounts collected after October 1, 1981, which are in excess of the \$8.71 per Kw rate, together with interest from the date of payment to the date of refund, at the interest rate prescribed by the Commission's regulations, 18 CFR §35.19(a).

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees and President of the Village of Chatham, in special meeting assembled, that the above-stated settlement is approved; and

BE IT FURTHER RESOLVED, that the solicitors and attorneys for the Village of Chatham, Miller, Balis & O'Neil, P. C., be authorized to enter into agreements with Central Illinois Light Company and file with the Federal Energy Regulatory Commission all pleadings, documents and other materials, as they in their judgment, believe to best effectuate the above Settlement in accordance with this Resolution, and their actions are ratified and adopted; and

BE IT FURTHER RESOLVED, that a copy of this Resolution be forwarded to the Central Illinois Lumber Company and the solicitors and attorneys for the Village immediately,

Done this 22nd day of October, 1981 in the Village of Chatham, Sangamon County, Illinois.

(S E A L)

John F. Whitcraft
President, Village of Chatham

ATTEST:

Donna J. Hedinger
Clerk, Village of Chatham

C E R T I F I C A T I O N

I, Donna J. Hedinger the duly authorized and elected Clerk of the Village of Chatham, Illinois, do hereby certify that the foregoing Resolution was passed by the Board of Trustees of the Village of Chatham at a special meeting held on Thursday, the 22nd day of October, 1981, at the Village Hall of the Village of Chatham. I further certify that all applicable statutes of the State of Illinois and Ordinances of the Village of Chatham were met in the passage of this Resolution and that a quorum of the duly elected Trustees of the Board of Trustees was present.

(S E A L)

Donna J. Hedinger
Clerk of the Village of Chatham

Subscribed and sworn to before me this 22nd day of October, 1981.

John L. Applegate, III (Seal)
Notary Public

CENTRAL ILLINOIS LIGHT COMPANY

Wholesale Rate MW-2

APPLICABLE:

To electric power and energy in the form of 3-phase alternating current of a frequency of approximately 60 cycles and a potential of approximately 2400/4160 volts, served through Company-owned substations to:

The Village of Riverton, and the Village of Chatham, municipalities in the County of Sangamon, State of Illinois, under written contract.

MONTHLY RATE:

(a) Demand Charge

All Kw of demand \$8.71 per Kw

(b) Energy Charge

All Kwh 0.640¢ per Kwh

(c) Customer Charge

The monthly Customer Charge shall be \$90.00.

(d) Determination of Maximum Monthly Demand

The maximum demand shall be the greatest average load in kilowatts for any fifteen (15) minute period during such monthly period as determined by suitable instruments furnished, installed, and maintained by the Company. In no case shall the maximum monthly demand in any month be taken at less than 1000 kilowatts.

(e) Determination of Billing Demand

The billing demand for each month shall be the maximum demand for the month.

(f) Tax Clause

Following approval by the Commission, the bill computed under the above effective rates shall be proportionately increased to compensate for any new tax measured by gross income or receipts, or sales of electric energy, or increase in the rate thereof, imposed upon or in respect to the act or privilege of the Company to operate or do business within the jurisdiction imposing the tax.