

ORDINANCE NO. 10-82 AC CMS

AN ORDINANCE AUTHORIZING THE EXECUTION OF THE JANUARY-MAY 2011 PEAKING POWER PURCHASE SCHEDULE WITH AMERICAN MUNICIPAL POWER, INC. AND DECLARING AN EMERGENCY

WHEREAS, The City of Oberlin, Ohio (Oberlin) and American Municipal Power, Inc. (AMP) have entered into a Master Agreement (C-11-2005-4444) dated November 5, 2005 under which certain services may be provided under schedules thereto; and

WHEREAS, Oberlin owns natural gas and diesel capacity and associated energy, which is available for sale; and

WHEREAS, AMP has a need for peaking capacity to serve the NEASG pool; and

WHEREAS, in order to obtain a source of peaking power and associated energy, AMP desires to purchase electric power and energy from Oberlin;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF OBERLIN, LORAIN COUNTY, STATE OF OHIO, A MAJORITY OF ALL MEMBERS ELECTED THERETO CONCURRING:

SECTION 1: That the conditions, terms and covenants attached hereto as Exhibit 1 as mutually agreed upon between the City of Oberlin and American Municipal Power, Inc., is approved substantially in the form attached hereto, subject to and with any and all changes provided herein.

SECTION 2: That the City Manager is hereby authorized to execute and deliver on behalf of this Municipality the January - May 2011 Peaking Power Purchase Schedule, substantially in the form attached hereto.

SECTION 3: If any section, subsection, paragraph, clause or provision or any part thereof of this Ordinance shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Ordinance shall be unaffected by such adjudication and all the remaining provisions of this Ordinance shall remain in full force and effect as though such section, subsection, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not, to the extent of such invalidity, been included herein.

SECTION 4. That it is found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were taken in conformance with applicable open meetings laws and that all deliberations of this Council and of any committees that resulted in those formal actions were in compliance with all legal requirements including any applicable open meetings requirements.


SECTION 5. That this Ordinance is hereby declared an emergency measure necessary for the preservation of the public peace, health and safety of the citizens of the City of Oberlin, Ohio to wit:

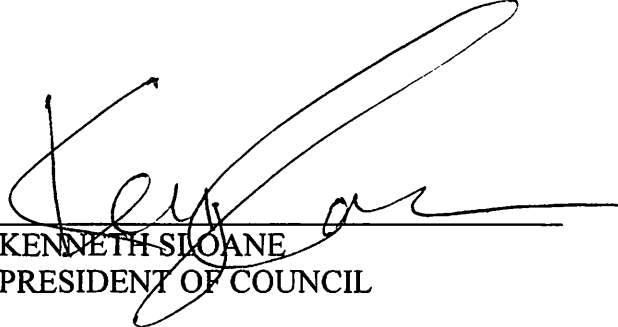
“to authorize a peaking power schedule at the earliest date possible to ensure uninterrupted capacity credits to the municipal electric system wholesale power charges”

and shall take effect immediate upon passage.

PASSED: 1st Reading – December 6, 2010 (S,E)
2nd Reading -
3rd Reading -

ATTEST:


BELINDA B. ANDERSON, CMC
CLERK OF COUNCIL


KENNETH SLOANE
PRESIDENT OF COUNCIL

POSTED: 12/07/2010

EFFECTIVE DATE: 12/06/2010

**JANUARY – MAY 2011
PEAKING POWER PURCHASE A SCHEDULE TO AMERICAN MUNICIPAL
POWER, INC, AND CITY OF OBERLIN, OHIO AGREEMENT AMP MASTER
AGREEMENT NO. C-11-2005-4444 DATED NOVEMBER 5, 2005**

WHEREAS, the City of Oberlin, Ohio (Oberlin) and American Municipal Power, Inc. (AMP) (individually a Party and collectively Parties) have entered into a Master Agreement dated November 5, 2005 (Agreement) under which certain services may be provided under schedules thereto;

WHEREAS, Oberlin owns natural gas and diesel capacity and associated energy, which is available for sale;

WHEREAS, AMP has a need for peaking capacity to serve the NEASG pool;

WHEREAS, in order to obtain a source of peaking power and associated energy, AMP desires to purchase electric power and energy from Oberlin;

NOW, THEREFORE, in consideration of the conditions, terms and covenants hereinafter contained, the Parties hereto do hereby mutually agree as follows:

SECTION 1 - TERM.

The term of this schedule (Schedule) shall be starting on January 1, 2011 and ending on May 31, 2011 (the "Term").

SECTION 2 - SERVICES.

AMP will purchase 17 MW of peaking capacity ("Capacity") from Oberlin's generation units for the Term. AMP will have the right to all MISO Module E benefits derived from the Capacity.

SECTION 3 – RATES AND CHARGES.

Compensation for the sale will be at the following terms:

- ◆ Capacity charge will be at the rate of:
\$2.25 / kW-mo

- ◆ All energy scheduled and received by AMP from the Capacity will be compensated at Oberlin's actual out of pocket fuel cost of generation for the month plus a \$20 / MWh variable operation and maintenance charge. Such energy scheduled and delivered to AMP will be billed monthly at the aforementioned energy rate times the actual amount of energy delivered to AMP for said month.

- ◆ All of the power sold under this arrangement is considered unit firm, based on the availability of Oberlin's generating units. In the event that Oberlin does not have the 17 MW of Capacity available when called upon by AMP, then the capacity charge stated above will be reduced by \$0.325 / kW-day times the amount of Capacity unavailable, with the total capacity charge reduction for any specific

delivery month capped at that month's capacity charge.

- ◆ Oberlin may remove the Capacity from service for two weeks per year during April, October or November to perform preventive or other scheduled maintenance. During these two weeks, no capacity charge discount shall be made provided Municipality gives AMP a two week notice prior to the start of the maintenance outage.

SECTION 4 – OPERATIONS

- ◆ Oberlin shall operate and remain ready to operate the Capacity upon request by AMP in accordance with this Agreement. Oberlin shall operate the Capacity only upon request of and for sale to AMP except: (i) as necessary for start up and testing or periodic exercising of equipment as reasonably determined by Oberlin to keep such equipment in good working condition, (ii) during emergency situations when a failure of the FirstEnergy transmission system prevents the delivery of the power to Oberlin, or (iii) use pursuant to any "second call" contract.
- ◆ AMP shall provide a forty-five (45) minute notice for Municipality to operate the contracted Capacity unless a shorter notice is agreed to by Municipality. Upon providing notice to Municipality, AMP will schedule the energy for a minimum two hour period unless a shorter period is agreed to by Municipality.
- ◆ AMP will register the Oberlin Capacity under MISO's Module E program in order to receive the value of the Capacity for Module E purposes. Oberlin agrees to cooperate with AMP in regards to MISO's testing and emergency operations requirements in order to maximize the value of the Capacity.

SECTION 5 - BILLING.

Oberlin shall provide AMP an invoice monthly detailing the capacity and associated energy charges pursuant to this schedule.

In case a portion of any amount included in a statement rendered pursuant to this Section is in bona fide dispute, AMP shall only pay that amount not in dispute and AMP shall provide written notice to Oberlin by the due date of the invoice as to the amount of the dispute and the reasons for the dispute. Once the dispute is resolved, AMP shall pay any additional amount due calculated with interest thereon computed as provided in this Section.

SECTION 6 - DELIVERY POINTS.

The Delivery Point, pursuant to this Schedule shall be at the output of the Oberlin generating units. Oberlin will provide transmission across the Oberlin transmission system at no cost to deliver the power to the Oberlin / FirstEnergy interconnect.

SECTION 7 - BILLING.

In the event that new environmental regulations cause Oberlin to retire any of the generating

units providing the Capacity, the amount of Capacity sold by Oberlin to AMP will be reduced by Oberlin by providing AMP at least 6 months notice.

SECTION 8 – TRANSMISSION SAVINGS.

Any transmission cost savings achieved through the operation of Oberlin’s generating units will remain solely with Oberlin. In the event that the generating units are operated only for the purpose of reducing Oberlin’s transmission peak, then Oberlin will be responsible for the fuel costs associated with the generation during that time.

SECTION 9 - PRIOR SCHEDULES.

None

SECTION 10 - MISCELLANEOUS.

All terms and conditions of the Agreement which are not in express conflict with the terms and conditions of this Schedule shall be applicable to this Schedule.

IN WITNESS WHEREOF, the Parties hereto have caused this Schedule to be executed by their proper officers respectively, being there unto duly authorized, and their respective corporate seals, if any, to be hereto affixed.

City of Oberlin

By: _____ Date: _____
Name:
Title:

American Municipal Power, Inc.

By: _____ Date: _____
Name:
Title: