

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.

_____	Date	_____	Village Manager X
_____	Date	_____	Finance Director X
_____	Date	_____	Village Attorney X

Review (as necessary): *David A. Huliseberg*

A staff report on this matter is attached.

BACKGROUND/POLICY IMPLICATIONS:

SUBMITTED BY: Timothy Sexton, Director of Finance

TITLE: Motion to Ratify a Contract with Exelon Energy Company for the Provision of Electrical Energy for the Village of Lombard Water and Sewer System for the Period of June 2009 through May 2012

DATE: August 13, 2008 (COW)(B of T) August 21, 2008

FROM: David A. Huliseberg, Village Manager *deh*

TO: PRESIDENT AND BOARD OF TRUSTEES

_____	Resolution or Ordinance (Blue)	_____	Waiver of First Requested
_____	Recommendations of Boards, Commissions & Committees (Green)	_____	
_____	Other Business (Pink)	_____	

VILLAGE OF LOMBARD  
REQUEST FOR BOARD OF TRUSTEES ACTION  
For Inclusion on Board Agenda

# 080489  
All Districts

Wednesday, prior to the Agenda Distribution.

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon.

Review (as necessary):	Village Attorney	X	_____	Date	_____
	Finance Director	X	<i>Timothy Sexton</i>	Date	8/13/08
	Village Manager	X	<i>David A. Hulseberg</i>	Date	8/13/08

A staff report on this matter is attached.

BACKGROUND/POLICY IMPLICATIONS:

SUBMITTED BY: Timothy Sexton, Director of Finance

Motion to Ratify a Contract with Exelon Energy Company for the Provision of Electrical Energy for the Village of Lombard Water and Sewer System for the Period of June 2009 through May 2012

TITLE:

August 13, 2008 (COW)(B of T) August 21, 2008

DATE:

David A. Hulseberg, Village Manager *DAH*

FROM:

PRESIDENT AND BOARD OF TRUSTEES

TO:

_____
X
_____

Resolution or Ordinance (Blue) \_\_\_\_\_ Waiver of First Requested Recommendations of Boards, Commissions & Committees (Green) Other Business (Pink)

VILLAGE OF LOMBARD  
REQUEST FOR BOARD OF TRUSTEES ACTION  
For Inclusion on Board Agenda

# 080489  
All District





To: David A. Hulseberg  
Village Manager

From: Timothy Sexton  
Director of Finance

Date: August 13, 2008

Subject: Electricity Supply Contract

The Village Board was polled through the Manager's Notes to authorize the Northern Illinois Municipal Electric Cooperative (NIMEC) to serve as the broker for the Village in regard to obtaining bids from electricity providers for the period of June 2009 through May 2012 and authorizing the Village Manager to approve a contract with the lowest cost electricity provider.

Bidding was conducted by NIMEC on August 12, 2008, for the electrical needs for the Village's water and sewer system for the period of June 2009 through May 2012. The winning bid was submitted by Exelon Energy Company. The bid rate varies by account (the Village has eight accounts that were included in the bid). However, based on current usage, the bid rate would result in decrease in cost of 11.8% compared with the rate that is being paid for June 2008 through May 2009. This rate will be fixed for the entire three years of the contract.

As Exelon is our current provider of electricity for the water and sewer system, the attached exhibits amend the original contract which was ratified by the Board on April 3, 2008 to display the new pricing. In accordance with the authorization provided for by the Board, the contract was executed on August 13, 2008. As there was no Board meeting since we became aware of this bid, the resolution authorizing the Village Manager to execute this contract is also on the agenda for the August 21, 2008 Board meeting. In accordance with this resolution, the contract is to be placed on the first available Village Board meeting following the execution thereof by the Village Manager for ratification by the President and Board of Trustees.

Customer Name: Village of Lombard  
Facility Account Number: 6048062028

**TERM OF EXHIBIT B.** This Exhibit B is part of and incorporates the terms and conditions of the Electricity Sales Agreement ("Agreement") between the Customer identified above ("Customer") and Exelon Energy Company ("Exelon Energy"). This Exhibit B for the Facility Account Number set forth above shall become effective with the Customer's **May 2009** meter reading, (the "Beginning Meter Reading"), and continue through the Customer's **May 2012** meter reading, (the "Ending Meter Reading"). This Exhibit B for the Facility Account Number set forth above supersedes any prior Exhibit B covering the Pricing Period set forth below. If Customer has more than one Facility Account Number the applicable Pricing Period and Energy Price for each of the Facility Account Numbers shall be set forth in Schedule B-1 attached hereto.

**DEFINITIONS.**

"Actual Usage" shall mean Customer's energy usage at the meter(s).

"Billing Period" shall mean the period of time between successive EDC meter readings.

"Energy Charge" shall be the sum of the Hourly Energy Charges for the applicable Billing Period.

"Hourly Energy Charge" shall mean the product of the Actual Usage in that hour and the applicable Energy Price as set forth below.

"NERC Holidays" shall mean the days designated to be holidays by the North American Electric Reliability Council, as amended.

"Pricing Period" shall mean the period from the Beginning Meter Reading through the Ending Meter Reading.

**ENERGY CHARGE.** Customer shall pay Exelon Energy the Energy Charge as defined above. The following Energy Price shall be used to determine the Energy Charge.

\$0.05864 per kWh

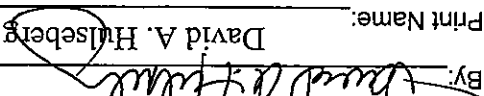
**LINE LOSSES.** Customer shall pay Exelon Energy for energy losses associated with transmission and distribution losses incurred by Exelon Energy in connection with the supply of electricity to Customer in accordance with this Exhibit B. Exelon Energy's charge for such line losses for the relevant Billing Period shall be the product of: (i) the Energy Charge(s), and (ii) the line loss percentage imposed by the relevant EDC tariff and/or RTO, as applicable.

**AUTHORITY.** Each party represents and warrants that the person signing this Exhibit B is authorized to do so and that this Exhibit B is a valid and binding obligation of such party. The parties agree that fax copies of executed original copies of this Exhibit B shall be sufficient and admissible evidence of the content and existence of the agreements set forth herein to the same extent as the originally executed copy or copies (if executed in counterpart).

SELLER: EXELON ENERGY COMPANY

CUSTOMER: Village of Lombard

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By:   
Print Name: David A. Hulseberg  
Title: Village Manager

Customer Name: Village of Lombard  
 Facility Account Number: 5388073073

**TERM OF EXHIBIT E.** This Exhibit E is part of and incorporates the terms and conditions of the Electricity Sales Agreement ("Agreement") between the Customer identified above ("Customer") and Exelon Energy Company ("Exelon Energy"). This Exhibit E for the Facility Account Number set forth above shall become effective with the Customer's May 2009 meter reading, (the "Beginning Meter Reading"), and continue through the Customer's May 2012 meter reading, (the "Ending Meter Reading"). This Exhibit E for the Facility Account Number set forth above supersedes any prior Exhibit E covering the Pricing Period as defined below. If Customer has more than one Facility Account Number the applicable Pricing Period and Fixed RTO Price for each of the Facility Account Numbers shall be set forth in Schedule E-1 attached hereto.

**DEFINITIONS.**

"Actual Usage" shall mean Customer's energy usage at the meter(s).  
 "Billing Period" shall mean the period of time between successive EDC meter readings.  
 "Pricing Period" shall mean the period from the Beginning Meter Reading through the Ending Meter Reading.  
 "RTO Charge" shall be the product of the Fixed RTO Price as set forth below and Customers Actual Usage for the applicable Billing Period. The RTO charge covers the Customer's capacity, network service, ancillary services, PJM administrative fees, and congestion obligations as defined by the PJM Interconnect, LLC.  
**FIXED REGIONAL TRANSMISSION OPERATOR (RTO) CHARGE.** Customer shall pay Exelon Energy the RTO Charge as defined above. The following Fixed RTO Price shall be used to determine the RTO Charge.  
 \$ .01457 per kWh.

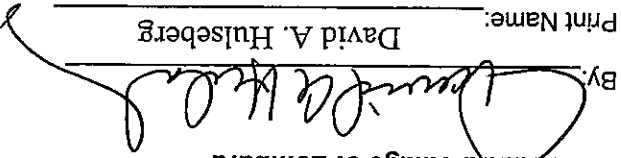
This Exhibit E shall govern in the event of an inconsistency between it and Section 4 of the Agreement.

**AUTHORITY.** Each party represents and warrants that the person signing this Exhibit E is authorized to do so and that this Exhibit E is a valid and binding obligation of such party. The parties agree that fax copies of executed original copies of this Exhibit E shall be sufficient and admissible evidence of the content and existence of the agreements set forth herein to the same extent as the originally executed copy or copies (if executed in counterpart).

**SELLER: EXELON ENERGY COMPANY**

By: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

**CUSTOMER: Village of Lombard**

By:   
 Print Name: David A. Hulseberg  
 Title: Village Manager

**EXHIBIT F - FIXED ENERGY LINE LOSS CHARGES**



Energy®

Customer Name: Village of Lombard  
Facility Account Number: 6048062028

**TERM OF EXHIBIT F.** This Exhibit F is part of and incorporates the terms and conditions of the Electricity Sales Agreement ("Agreement") between the Customer identified above ("Customer") and Exelon Energy Company ("Exelon Energy"). This Exhibit F for the Facility Account Number set forth above shall become effective with the Customer's May 2009 meter reading, (the "Beginning Meter Reading"), and continue through the Customer's May 2012 meter reading, (the "Ending Meter Reading"). This Exhibit F for the Facility Account Number set forth above supersedes any prior Exhibit F covering the Pricing Period as defined below. If Customer has more than one Facility Account Number the applicable Pricing Period and Line Loss Percentage for each of the Facility Account Numbers shall be set forth in Schedule F-1 attached hereto.

**DEFINITIONS.**

"Actual Usage" shall mean Customer's energy usage at the meter(s).

"Billing Period" shall mean the period of time between successive EDC meter readings.

"Energy Line Loss Charge" shall be the product of the Energy Charges as provided for in Exhibit B and the Line Loss Percentage for the applicable Billing Period.

**ENERGY LINE LOSS CHARGE.** Customer shall pay Exelon Energy the Energy Line Loss Charge as defined above. The following Line Loss Percentage shall be used to determine the Energy Line Loss Charge.

5.52%

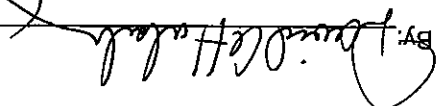
This Exhibit F shall govern in the event of any inconsistencies between it and (i) Section 4 of the Agreement and/or (ii) Exhibit B, as applicable.

**AUTHORITY.** Each party represents and warrants that the person signing this Exhibit F is authorized to do so and that this Exhibit F is a valid and binding obligation of such party. The parties agree that fax copies of executed original copies of this Exhibit F shall be sufficient and admissible evidence of the content and existence of the agreements set forth herein to the same extent as the originally executed copy or copies (if executed in counterpart).

**SELLER: EXELON ENERGY COMPANY**

**CUSTOMER: Village of Lombard**

By: \_\_\_\_\_

By: 

Print Name: \_\_\_\_\_

Print Name: David A. Hulseberg

Title: \_\_\_\_\_

Title: Village Manager