

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

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

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: David A. Hulseberg, Village Manager

DATE: February 22, 2012 (COW)(B of T) March 1, 2012

TITLE: Motion to Ratify a Contract with Exelon Energy Company for the Provision of Electrical Energy for Water Pumping

SUBMITTED BY: Timothy Sexton, Director of Finance

BACKGROUND/POLICY IMPLICATIONS:

Staff is requesting ratification of the electricity contract for water pumping executed by the Director of Finance on February 14, 2012. Previously, on the water pumping electricity accounts, the Village had been paying anywhere between 6.51 and 9.05 cents/kWh. Under this bid, the price for all water pumping accounts has been locked in for a 3 year period at 4.313 cents/kWh. Staff anticipates that this will mean a savings of about \$35,000 - \$40,000 per year compared to our current cost.

Review (as necessary):

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

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.



To: David A. Hulseberg
Village Manager

From: Timothy Sexton
Director of Finance

Date: February 22, 2012

Subject: Electricity Supply Contract – Water Pumping

On January 19, 2012, the Village Board approved Resolution 54-12 which authorized the Northern Illinois Municipal Electric Cooperative (NIMEC) to serve as the broker for the Village in regard to obtaining bids from electricity providers and authorizing the Village Manager or Director of Finance to approve a contract with the lowest cost electricity provider.

Bidding was conducted by NIMEC on February 14, 2012, for the electrical needs for the Village's water pumping. There were three bids submitted, from Constellation NewEnergy, Inc (CNE), Exelon and Integrys. Exelon was the low bidder for both one year and three year pricing. Staff decided that it was in the best interest of the Village to lock in pricing for a three year period, as electricity prices are currently at historic lows. Previously, on the water pumping electricity accounts, the Village had been paying anywhere between 6.51 and 9.05 cents/kWh. Under this bid, the price for all water pumping accounts has been locked in for a 3 year period at 4.313 cents/kWh. Staff anticipates that this will mean a savings of about \$35,000 - \$40,000 per year compared to our current cost.

In accordance with the authorization provided for in Resolution 54-12, the contract was executed on February 14, 2012. As provided for in that 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.

MASTER ELECTRICITY SALES AGREEMENT



This Master Electricity Sales Agreement (the "Agreement") effective as of February 14, 2012, (the "Effective Date") is between Village of Lombard ("Customer") and Exelon Energy Company ("EE") (each a "Party" and EE together with Customer the "Parties").

This Agreement establishes the terms and conditions on which the Parties may, from time to time, enter into a transaction confirmation (a "Transaction Confirmation" or "TC"), whereby EE shall arrange for the purchase, transmission and delivery on a firm basis of 100% of Customer's electricity requirements for each Facility Account Number ("FAN") set forth on such TC.

1. Services Provided by EE. EE shall be authorized to (i) make all rate and tariff selections and execute all authorizations on behalf of Customer with respect to the FAN, required to switch electricity suppliers as may be necessary to carry out the provisions of this Agreement, (ii) make all necessary arrangements for the purchase and delivery of such electricity for the relevant FAN, including providing or procuring the following services, as applicable: ancillary transmission services, transmission, distribution, generation, balancing, forecasting, scheduling, nominating and metering, (iii) make all payments as invoiced by the transmission, distribution and electricity providers, including the receipt and payment of Customer's Local Distribution Company ("LDC") invoice.

2. Customer Obligations. In addition to the obligations set forth in the relevant TC Customer will execute any and all agreement(s) as required by the LDC: (i) for the purpose of providing distribution services to Customer, (ii) to enable customer to take service from an Alternative Retail Energy Supplier ("ARES"), and (iii) as required for Customer and EE to fulfill their respective obligations under this Agreement and related TCs. Customer agrees to reimburse EE for all payments (including disputed payments) made on Customer's behalf by EE.

3. Price. Pricing terms for each FAN for a specified period (a "Pricing Period") will be set forth in one or more TC's for each FAN. Customer and EE shall negotiate the pricing terms that apply to each FAN for subsequent Pricing Periods. If an agreement is reached, the Parties shall execute one or more TC's to reflect such terms for each FAN.

4. Billing. After receiving Customer's meter readings from the relevant LDC, EE shall promptly provide Customer a bill for each of the FAN(s).

The Bill Format shall be selected on the individual TC.

5. Payment. Customer will pay EE's invoice in accordance with the payment term set forth in the relevant TC; provided that to the extent the payment terms of such TC and/or this Agreement are in conflict with the Local Government Prompt Payment Act, 50 ILCS 505/1 et seq. (the "Prompt Payment Act"), the Prompt Payment Act shall govern. A late payment charge equal to the lower of one percent (1%) per month or the maximum lawful interest rate shall be imposed on any past due balance. In the event that Customer disputes the charges on its invoice, Customer shall pay all undisputed amounts. Upon reconciliation of any such dispute, Customer shall pay any remaining amount due on the bill within ten (10) days of the resolution. Customer is responsible for all account balances with the LDC for billing periods prior to the effective date of the Pricing Period for each FAN.

Customer shall pay EE the following charges/taxes, without markup or administrative fee, consistent with the Bill Format selected on the individual TC:

ENERGY CHARGES - as provided in one or more TCs to this Agreement.

RTO CHARGES - as provided in one or more TCs to this Agreement. Such charges may be billed on a demand and/or energy basis.

ENERGY LINE LOSS CHARGES - as provided in one or more TCs to this Agreement.

LDC CHARGES - LDC Charges shall mean those distribution-related charges as defined by the relevant LDC and any applicable delivery service tariffs. The LDC Charges shall also include customer transition or stranded cost recovery charges, equipment rental charges, meter service charges, monthly customer charges, decommissioning charges and franchise fees. EE shall not pay any LDC charges not related to EE's obligation to perform under this Agreement.

TAXES - Customer is responsible for any and all federal, state and local taxes and fees imposed on or with respect to the provision of electricity, including any taxes enacted after the Effective Date of this Agreement and during the term of all TCs under this Agreement. Customer shall pay, and shall indemnify and hold harmless EE against, all such sales, use, VAT, excise, gross receipts, and similar taxes (other than income taxes on payments made by Customer to EE under this Agreement or other taxes not directly related to the services provided by EE hereunder) and related charges that may be imposed or assessed at any time by any governmental entity or other taxing authority with respect to the provision of electricity to Customer. In the event that Customer is exempt from the payment of any taxes, Customer shall provide evidence of such exemption from the particular tax to EE for each FAN prior to the issue date of Customer's first invoice.

Both Parties recognize that components of the Customer's bill may include electric transmission and distribution tariff charges that are imposed by the LDC and/or RTO and authorized by state and federal regulatory bodies. Unless otherwise fixed by an applicable TC, any changes (increase or decrease) to such tariff charges, (including, but not limited to, any new charge(s) imposed by the LDC or RTO) subsequent to the execution date of this Agreement and any subsequent TC hereto shall be charged to the Customer by a corresponding change in the applicable portion of its bill. Such change will take effect on the first available bill after the effective date of the change and may be pro-rated to accommodate an effective date that does not coincide with Customer's billing cycle.

Use of Estimates: Due to delays in receiving billing determinants from the LDC, RTO and other third parties, EE may in good faith reasonably estimate charges and credits for a Billing Period (as defined in the relevant TC) and reconcile the estimate against actual usage in a future invoice(s). Such charges and credits may include but not be limited to: LDC Charges, RTO Charges. Costs and credits will be applied to the customer invoices issued for electricity and services only during the time they are under contract and will not be reconciled for periods after the term of the relevant TC or adjusted to account for delays in receiving costs and credits. The use of estimates and the method of reconciliation will result in the application of credits and charges to usage reflected in the invoice containing the adjustments and not the usage at the time the credits or charges were incurred.

6. Term. This Agreement shall become effective upon the Effective Date.

Upon effectiveness, EE's services shall commence as of the Beginning Meter Reading set forth in the relevant TC for the Pricing Period.

NOTWITHSTANDING EITHER THE TERMINATION AND/OR EXPIRATION OF THIS AGREEMENT, THIS AGREEMENT WILL REMAIN IN EFFECT FOR THE TERM OF ANY THEN EFFECTIVE TRANSACTION CONFIRMATION.

This Agreement will terminate as to a particular FAN if Customer and EE are unable to reach an agreement as to the pricing terms that are to apply to that FAN by a date prior to the end of the current Pricing Period reasonably sufficient for EE to comply with the applicable LDC notification requirements for returning Customer to LDC service. Under such circumstances, EE will drop the relevant FAN from its service and Customer will not be responsible for any additional costs after the Pricing Period Term for the relevant TC, and unless otherwise directed, EE may place or cause such FAN to be placed on the applicable LDC tariff at the end of the relevant Pricing Period in accordance with the LDC's tariffs, rules or procedures. If more than one tariff option is available to Customer, EE will choose an option for Customer in its reasonable discretion, unless Customer submits a request directly to the LDC and provides EE with timely, prior written notice of such request. If and to the extent the Pricing Period for a FAN expires and such FAN is not switched from EE supply for any reason Customer agrees to purchase the energy delivered to Customer's FAN at the following price: the real time index for the relevant LDC zone plus Customer's allocated portion of any related RTO Charge, energy line losses, Taxes, costs and administrative fees.

7. Force Majeure. Neither Party shall be considered to be in default in the performance of its obligations under this Agreement (except for the obligation to pay money), if its failure to perform or delay in performing was caused by or results, directly or indirectly, from Force Majeure. "Force Majeure" means causes beyond the reasonable control of the Party claiming Force Majeure that delay or prevent that Party from performing its obligations. For purposes of this Agreement, Force Majeure shall include, without limitation: declaration by the LDC, a control area, transmission operator or reliability council of the electric transmission or distribution system of an emergency condition requiring curtailment of power supply or interruption or curtailment of required firm transmission on the electric transmission or distribution system; flood; earthquake; storm; drought; fire; pestilence; lightning; other natural catastrophes; epidemic; war; riot; civil disturbance or disobedience; strike; labor dispute; labor or material shortage; sabotage; government priorities; restraint by court order; and action or non-action by, or inability to obtain necessary authorizations or approvals from, any government agency or authority; provided, however, that a general change in market conditions shall not in and of itself constitute Force Majeure. Any Force Majeure declared under the tariff of a electric transmission or distribution provider, or by a wholesale supplier or generation company used by EE to provide services under this Agreement shall constitute Force Majeure for purposes of this Agreement. A Party that is delayed in performing or rendered unable to fulfill any of its obligations under this Agreement by Force Majeure shall notify the other Party in writing as soon as possible and shall exercise due diligence to attempt to remove such inability with all reasonable dispatch. Nothing contained in this Section shall be construed so as to require a Party to settle any strike or labor dispute in which it may be involved.

8. Adequate Assurance. If EE determines in good faith that there has been an adverse change in Customer's financial condition, EE may request reasonable adequate assurance of performance from Customer ("Adequate Assurance"). Adequate Assurance may consist of cash prepayment, letter of credit or parental guaranty satisfactory to EE. Such Adequate Assurance must be delivered to EE within five (5) days of such request. Additionally, EE may suspend deliveries under this Agreement upon twenty (20) days notice until Customer provides security for future deliveries satisfactory to EE.

9. Early Termination. If this Agreement and/or any or all TCs or individual FANs is terminated prior to the end of its current term due to an Event of Default by a party, the non-defaulting party shall calculate, in a commercially reasonable manner, and present in writing to the defaulting Party, and the defaulting party shall pay to the non-defaulting Party, as liquidated damages and not as a penalty, the

Settlement Amount (as hereinafter defined) as determined below:

As used herein:

(a) The term "Settlement Amount" shall mean the total Costs and Losses (as such terms are hereinafter defined) resulting from such termination of the Agreement and/or any or all TCs or individual FANs, as applicable.

(b) The term "Costs" shall mean the actual brokerage fees, reservation fees, commissions and any costs resulting from adjustment, termination or unwind of any: wholesale electricity supply contracts, transmission and delivery arrangements, capacity costs, associated hedging instruments (including, but not limited to: administrative costs, odd block premiums) and other reasonable out-of-pocket fees and expenses incurred by the non-defaulting party in terminating this Agreement and in entering into any new electric supply agreements or arrangements which reasonably replace the obligations of the defaulting party hereunder.

(c) In the event of an Event of Default by Customer, the term "Losses" shall mean and shall be calculated as the net present value, exclusive of Costs, of the positive difference, if any, between (i) Market Value (as hereinafter defined) and (ii) Contract Value (as hereinafter defined). In the event of an Event of Default by EE, the term "Losses" shall mean and shall be calculated as the net present value, exclusive of Costs, of the positive difference, if any, between (i) Contract Value and (ii) Market Value. For purposes of determining such Losses, net present value shall be calculated utilizing a discount rate equal to the "Ask Yield" quoted and published in the Wall Street Journal, as of the cancellation date, for United States Treasury Bills, Notes or Bonds with a term closest to the remaining Term.

(d) The term "Market Value" shall mean the amount, as reasonably determined by the non-defaulting party as of the date of termination of this Agreement, which a third party would pay for the Remaining Anticipated Usage (as hereinafter defined) at then-current fair market prices.

(e) The term "Contract Value" shall mean the Fixed Energy Charge, Fixed RTO Charges and Fixed Line Loss Charges as applicable (as set forth in a TC) for the Remaining Anticipated Usage (as hereinafter defined).

(f) The term "Remaining Anticipated Usage" shall mean the amount of electricity, as reasonably determined by the non-defaulting Party, which Customer would have purchased and received during the Settlement Period (as hereinafter defined) pursuant to this Agreement if this Agreement had not been terminated prior to the expiration of the Term. In determining Remaining Anticipated Usage, the non-defaulting party shall use the Customer's historic energy usage available at the time of execution of the agreement.

(g) The term "Settlement Period" shall mean the period from the date of early termination of this Agreement through the scheduled date of expiration of the Term.

The Settlement Amount shall be due and payable within seven (7) business days after the non-defaulting Party has furnished the written calculation thereof to the defaulting party. The parties acknowledge and agree that any Settlement Amount payable under this Agreement constitutes a reasonable estimation of economic harm or loss, and does not constitute a penalty.

Notwithstanding anything herein to the contrary, each party shall use commercially reasonable efforts to mitigate its Costs, Losses and other damages and liabilities in the event of default hereunder or other termination of this Agreement.

EE may, at its option, keep the energy associated with the contract unwind for Customer within its existing portfolio and value such energy based on current market conditions for purposes of determining the Settlement Amount. Customer will not be entitled to any profit resulting from the aforementioned Settlement Amount of Customer's contract.

Each Party hereby acknowledges that the price and terms of this Agreement and related TCs are predicated on timely commencement of service, and that EE has entered or will enter into such supply arrangements as it deems necessary to deliver electricity hereunder after the relevant FAN is LDC "site ready." Should the transactions contemplated in this Agreement and related TCs not occur on the effective date of the relevant TC, due to actions or inactions of the LDC, including, but not limited to, LDC meter installation, telephone line connection or LDC site ready status, the Parties shall use commercially reasonable efforts to renegotiate this Agreement and relevant TCs, as applicable (including any damages sustained by EE resulting from the failure to commence service hereunder). If the Parties are unable to reach such an agreement or resolution within thirty (30) days after the effective date of the relevant TC, EE may terminate this Agreement and/or related TCs upon five (5) days prior written notice to Customer.

10. Event of Default. The occurrence and continuance of any one or more of the following events shall constitute an "Event of Default":

(a) The failure by Customer to make any payment in full when required under this Agreement and any related TCs if such failure is not remedied within five (5) business days after written notice; (b) any representation or warranty made by a Party herein is false or misleading in any material respect when made or when deemed made or repeated; (c) the failure to perform any material covenant or obligation set forth in this Agreement and any related TCs if such failure is not remedied within fifteen (15) business days after written notice; (d) a Party becomes bankrupt; (e) a Party consolidates or merges into or transfers all or substantially all of its assets to another entity and that the resulting entity fails to assume all obligations of such Party under this Agreement and any related TCs; (f) if Customer's electricity usage at an individual FAN materially changes from Customer's historic usage for such FAN (EE may terminate such individual FAN); or (g) Customer fails to provide Adequate Assurance of performance as required in Section 8 of this Agreement.

11. Telephone & Meter Equipment Charges. Customer agrees to reimburse EE for any and all reasonable costs associated with the installation and maintenance of telephone and/or equipment as may be necessary to serve Customer and fulfill its obligations under this Agreement. Customer agrees to provide access to its facilities as may be necessary by EE, the LDC and/or any subcontractor to install any telephone and/or metering equipment necessary to serve Customer under this Agreement. Notwithstanding anything herein to the contrary, reimbursable costs for equipment shall be limited to equipment installed at Customer's FAN which exclusively serves Customer.

12. Assignment. Either Party may assign this Agreement and any related TCs with the written consent of the other Party which consent may not be unreasonably withheld, delayed and/or conditioned. Such assignment must be executed in writing by both Parties and in a form acceptable to EE. Customer must provide at least forty-five (45) days prior written notice of the effective date of any such assignment as may be necessary to process a seamless transition to the assignee as required by the LDC. Customer must provide EE with all necessary documentation and coordinate with the LDC as required to effectuate such assignment. If a seamless transition does not occur due to reasons beyond EE's control or is otherwise not available pursuant to the LDC's tariffs, rules or procedures, the assigning Party shall be responsible for any costs associated with such assignment, including the unwind or termination of any hedging instruments for the period during which the assignee is unable to take delivery of the power purchased by EE to fulfill its obligations under this Agreement and any related TCs.

13. Confidentiality. Customer agrees not to disclose any terms of

this Agreement or any related TCs to any third-party except as necessary for Customer to perform its obligations herein or to comply with any applicable law, order, regulation or rule. Customer may disclose this Agreement or any related TCs internally to its lenders, legal counsel, accountants or auditors who are subject to a binding obligation to treat this Agreement or any related TCs in a confidential nature. In the event Customer is required to disclose any information regarding this Agreement or any related TCs, Customer shall promptly notify EE of such request so that EE may seek an appropriate protective order or other relief. If required by existing law, EE shall file this Agreement or any related TCs with any regulatory body having jurisdiction over the Parties to this Agreement.

14. Limitation of Liability. THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. NEITHER EE NOR CUSTOMER SHALL BE LIABLE UNDER ANY CIRCUMSTANCE FOR SPECIAL, INDIRECT, EXEMPLARY, CONSEQUENTIAL, INCIDENTAL, PUNITIVE DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT. EE HAS NO CONTROL OR LIABILITY FOR MATTERS WITHIN THE CONTROL OF THE LDC OR RTO CONTROLLED GRID, WHICH INCLUDE MAINTENANCE OR OPERATION OF ELECTRIC LINES AND SYSTEMS, SERVICE INTERRUPTIONS, LOSS OR TERMINATION OF SERVICE, DETERIORATION OF ELECTRIC SERVICES, OR METER READINGS.

15. Notices. Except as otherwise provided herein, any notice, request, demand, statement, bill or payment provided for in this Agreement, or any notice which a Party may desire to give to the other, shall be in writing and shall be considered duly delivered when received if sent by facsimile, or next day delivery service, or as of the third business day after the postmark date when mailed by ordinary mail to the other Party at the address set forth in the relevant TC.

16. Transfer of Title. Title to and risk of loss related to the electricity to be sold hereunder shall transfer from EE to Customer at the point at which the energy leaves the federally regulated transmission system and enters the relevant LDC distribution system. EE hereby warrants to Customer that at the time of delivery of electricity to the relevant LDC distribution system it will have good title and/or the right to sell such electricity, and that such electricity will be free and clear of all liens and adverse claims.

17. Changes in Law, Market Structure, or Classifications. EE's charges include tariff charges that are authorized by the applicable RTO, FERC, or other governing body or of operators of the transmission or distribution lines used by EE to deliver electricity to Customer. EE may pass through or allocate, as the case may be, at cost without markup, to Customer (i) unanticipated increase or decrease in such charges applicable to all retail suppliers providing electric supply in the relevant State in which the relevant FAN is located or (ii) other unanticipated increase or decrease in EE's cost to provide electric power that result from implementation of new laws, regulations, or other requirements of an LDC, RTO, FERC or other transmission providers applicable to all retail suppliers providing electric supply in the relevant LDC territory, RTO or FERC jurisdiction in which the relevant FAN is located or a unanticipated change in or changes in administration or interpretation of current tariffs, laws, regulations, or other requirements of an LDC, RTO, FERC or other transmission providers applicable to all retail suppliers providing electric supply in the relevant State in which the relevant FAN is located. Any such addition or increase in costs shall be Customer's obligation.

18. Imaged Agreement. Any original executed Agreement, TCs or other related documents may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The

Imaged Agreement, if introduced as evidence on paper, in automated facsimile form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the Parties to the same extent and under the same conditions as if it was the original executed Agreement, TC or other related documents and/or TCs. Neither Party shall object to the admissibility of any Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.

19. Authorization to Obtain Information. CUSTOMER HEREBY CONFIRMS ITS DECISION TO SWITCH SUPPLIERS TO EE. Unless otherwise specified, all electric power and capacity associated with the FAN(s) specified in the TC will be switched to EE. Customer hereby agrees and authorizes EE (i) to receive Customer's historical and ongoing usage information from the LDC (collectively, "Usage Information"), and (ii) to complete any necessary documentation required by the relevant LDC in order for EE to obtain such Usage Information.

20. Miscellaneous. This Agreement, including any TCs, constitutes

the entire agreement of the Parties for the provision of electricity with respect to the relevant FAN. It may be amended only by a written agreement signed by both Parties. In the event of a conflict between this Agreement and the TC, the TC shall control. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State in which the relevant FAN is located without regard to its conflict of laws principles. This Agreement shall not be construed against a Party by reason of who prepared it. Any waiver of any terms of this Agreement must be in writing and shall not diminish the future enforceability of this Agreement. Each Party represents and warrants that the person signing this Agreement is authorized to do so and that this Agreement is a valid and binding obligation of such Party. Customer hereby authorizes the use by EE of a signature stamp on this Agreement and related TCs. The authorized signatory for EE may authorize a person to affix a stamp of their signature to this Agreement and related TCs and that such delegation and authorization shows the approval of such authorized signatory and EE to be bound by a document executed in such manner. This Agreement may be signed in any number of counter parts with the same effect as if the signatures to each counterpart were upon a single instrument and is intended to be binding when each Party has delivered its signature to the other Party. All counterparts shall be deemed an original of this Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the dates indicated below their respective signatures.

SELLER: EXELON ENERGY COMPANY

By: _____

Print Name: _____

Title: _____

Date: _____

CUSTOMER: VILLAGE OF LOMBARD

By: Timothy Sexton

Print Name: Timothy Sexton

Title: Director of Finance

Date: 2/14/12

Customer Name: VILLAGE OF LOMBARD
Facility Account Number: See Schedule 1

This Transaction Confirmation is part of and incorporates the terms and conditions of the Master Electricity Sales Agreement ("Master Agreement") between the Customer ("Customer") and Exelon Energy Company ("Exelon Energy"). The Master Agreement together with this and all TCs shall form a single, integrated agreement among the Parties.

PURCHASE AND SALE OBLIGATIONS. Exelon Energy agrees to provide and sell, and Customer agrees to receive and purchase from Exelon Energy, one hundred percent (100%) of Customer's retail energy usage for the Pricing Periods associated with the Facility Account Number (each referred to as a "FAN") set forth above. Accordingly, for each FAN, Customer will be obligated to pay to Exelon Energy the Energy Charge, RTO Charge, Energy Line Loss Charge, and Taxes.

TERM OF PURCHASE AND SALE OBLIGATIONS. Provision of the products and services hereunder with respect to each FAN shall begin with each applicable Beginning Meter Reading and continue through each applicable Ending Meter Reading, as identified in Schedule 1.

DEFINITIONS. All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Master Agreement.

"Actual Usage" means the energy usage associated with a FAN, at the meter and as determined by the EDC.

"Beginning Meter Reading" means the first meter reading date for a FAN.

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

"EDC Charge" means an EDC's charges for distribution and related services.

"Ending Meter Reading" means the last meter reading date for a FAN.

"CPT" shall mean central prevailing time.

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

"Energy Line Loss Charge" shall be the product of the Fixed Energy Price, and the Line Loss Percentage imposed by the relevant EDC tariff and/or RTO, as applicable and FAN's usage.

"Line Loss Percentage" shall mean the EDC-provided transmission and distribution loss factor, as applicable, for the FAN minus any applicable RTO determined EDC loss de-ration factor.

"Month" means the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

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

"RTO" shall mean the FERC-regulated regional transmission operator or independent system operator in which the Customer's EDC is located.

"RTO Charge" shall be the charge for RTO Products and Services.

"RTO Products and Services" means the portion, associated with the provision of retail electricity to the Customer, of the wholesale products and services that the RTO or the EDC requires Exelon Energy to procure to serve all of Exelon Energy's retail customers.



BILLING AND PAYMENT. Exelon Energy Single Bill Billing. Such invoice will include: Energy Charges, RTO Charges, Energy Line Loss Charges, LDC Charges, and Taxes as specified in the Master Agreement and herein. Notwithstanding Customer's election to receive a single invoice Exelon Energy may switch Customer to an invoice which shall not include the LDC EDC Charge if Customer owes any amounts to the LDC EDC prior to the commencement of service by Exelon Energy to Customer under this Transaction Confirmation or failure to perform any covenant or obligation set forth in the Agreement and any related Transaction Confirmation. Exelon Energy will invoice Customer separately for each FAN, and Customer will pay Exelon Energy within the number of days from Customer's invoice set forth in the column entitled "Payment Term" in Schedule 1.

NOTICES.

<p>EXELON ENERGY COMPANY <i>NOTICES AND CORRESPONDENCE, PARCEL DELIVERIES:</i> Exelon Energy Company Attn: Contract Administrator 300 Exelon Way Kennett Square, PA 19348</p> <p>With a copy to: Exelon Business Services Company Attn: Legal Department 300 Exelon Way Kennett Square, PA 19348</p>	<p>CUSTOMER <i>NOTICES AND CORRESPONDENCE, PARCEL DELIVERIES:</i> VILLAGE OF LOMBARD 255 E. Wilson Ave. Lombard, IL 60148</p> <p>Fax No:</p>
<p><i>BILLINGS AND STATEMENTS (IF DIFFERENT):</i></p>	<p><i>BILLINGS AND STATEMENTS (IF DIFFERENT):</i></p>
	<p>255 E. Wilson Ave. Attn: Accts Payable Lombard, IL 60148</p>

ENERGY CHARGE. Customer shall pay Exelon Energy the Energy Charge as defined above. The Fixed Energy Prices set forth in Schedule 1 shall be used to determine the Energy Charge.

RTO CHARGE. Customer shall pay Exelon Energy the RTO Charge as defined above. The Fixed RTO Price set forth in Schedule 1 shall be used to determine the RTO charge.

LINE LOSS PERCENTAGE. See Schedule 1.

MISCELLANEOUS. Any alleged conflict or inconsistency between the terms and conditions of this TC and any of the terms and conditions of the Master Agreement shall be resolved in favor of the terms and conditions of this TC. Fax copies of executed original copies of this TC shall be sufficient and admissible evidence of the content and existence of the agreements set forth herein to the same extent as the executed original (or originals if executed in counterparts).

TRANSACTION CONFIRMATION



This Transaction Confirmation is effective on the date written below.

SELLER: EXELON ENERGY COMPANY

CUSTOMER: VILLAGE OF LOMBARD

By: Timothy Sexton

Print Name: Timothy Sexton

Title: Director of Finance

Date: 2/14/12



SCHEDULE 1 - Exelon Energy

Meter Reading Start: May 2012
 Meter Reading End: May 2015

#	Customer Name	Facility Account Number	Beginning Meter Reading	Ending Meter Reading	Fixed Energy Price per kwh	Payment Term	Fixed RTO Price per kwh*	Fixed Line Loss Percentage %	Exelon Energy Internal ID (EPHID)
1	Village of Lombard	1323104035	5/9/2012	5/10/2015	\$0.03443	60	\$0.00644	6.56	33385-1
2	Village of Lombard	1788000038	5/9/2012	5/10/2015	\$0.03443	60	\$0.00644	6.56	33385-1
3	Village of Lombard	2838140035	5/9/2012	5/10/2015	\$0.03443	60	\$0.00644	6.56	33385-1
4	Village of Lombard	3438105002	5/9/2012	5/10/2015	\$0.03443	60	\$0.00644	6.56	33385-1
5	Village of Lombard	3843007039	5/9/2012	5/10/2015	\$0.03443	60	\$0.00644	6.56	33385-1
6	Village of Lombard	5238084088	5/7/2012	5/6/2015	\$0.03443	60	\$0.00644	6.56	33385-1
7	Village of Lombard	5388073073	5/9/2012	5/10/2015	\$0.03443	60	\$0.00644	6.56	33385-1
8	Village of Lombard	6048062028	5/7/2012	5/6/2015	\$0.03443	60	\$0.00644	6.56	33385-1

*RTO Price Includes Fixed Components
 Ancillary,Capacity,Network Services,ARR,MLO

CUSTOMER INITIALS AA