

ORDINANCE NO. 1746 AC CMS

AN ORDINANCE AUTHORIZING AND APPROVING A SHORT-TERM AGREEMENT BETWEEN THE CITY OF OBERLIN, OHIO, AND AMERICAN MUNICIPAL POWER-OHIO, INC. (AMP-OHIO), FOR THE DISTRIBUTION OF MONIES DUE THE CITY AS THE RESULT OF CERTAIN SETTLEMENT AGREEMENTS BETWEEN AMP-OHIO AND OHIO EDISON COMPANY AND DECLARING AN EMERGENCY

BE IT ORDAINED by the Council of the City of Oberlin, County of Lorain, State of Ohio, five-sevenths (5/7ths) of all members elected thereto concurring:

SECTION 1. That the short-term agreement between the City of Oberlin, Ohio, and American Municipal Power-Ohio, Inc. (AMP-Ohio), dated October 1, 1983, a copy of which is attached hereto as "Exhibit A" and incorporated herein by reference, for the distribution of certain monies due the City of Oberlin as a result of rate case settlement agreements entered into between Ohio Edison Company and AMP-Ohio is hereby authorized and approved, and the City Manager is hereby authorized and directed to execute same on behalf of the City.

SECTION 2. It is hereby found and determined that all formal actions of this Council concerning or relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

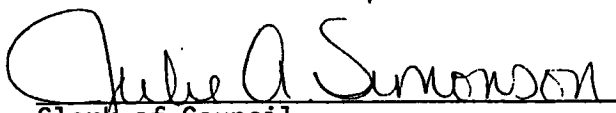
SECTION 3. That this ordinance is hereby declared to be an emergency measure necessary for the preservation of the public peace, health and safety of the citizens of the City of Oberlin, Ohio, to-wit:

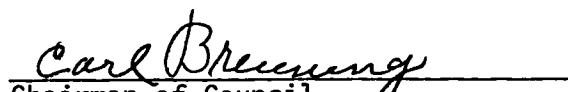
"to authorize the distribution of certain monies due the City at the earliest possible date"

and shall take effect immediately upon passage.

PASSED: 1st Reading - December 19, 1983 (Emergency)  
2nd Reading -  
3rd Reading -

ATTEST:

  
Clerk of Council

  
Chairman of Council

POSTED: December 20, 1983

---

SHORT TERM AGREEMENT FOR  
DISTRIBUTION OF AMOUNTS PAID  
BY OHIO EDISON COMPANY  
FOR THE CITY OF  
OBERLIN AS A  
MEMBER OF WCOE

---

This agreement made and entered into as of October 1,  
1983 by and between American Municipal Power-Ohio, Inc.  
[hereinafter AMP-Ohio], an Ohio corporation not for profit, and  
the City of Oberlin, Ohio [hereinafter City]:

WITNESSETH:

WHEREAS, AMP-Ohio is an Ohio corporation not for profit  
organized to own, operate and contract for facilities for the  
generation, transmission or distribution of electric power and  
energy and to furnish technical services for the mutual benefit  
of its patrons, such patrons being the electric systems owned and  
operated by municipal corporations in the State of Ohio; and,

WHEREAS, the Municipalities of Amherst, Beach City,  
Brewster, Columbiana, Cuyahoga Falls, Galion, Grafton, Hubbard,  
Hudson, Lodi, Lucas, Milan, Monroeville, Newton Falls, Niles,  
Oberlin, Prospect, Seville, South Vienna, Wadsworth and  
Wellington, Ohio [herein collectively referred to as WCOE] are  
wholesale customers of Ohio Edison Company as Ohio Municipal

Corporations providing electric utility service to their residents through municipal utility operations and individually are members of AMP-Ohio; and,

WHEREAS, WCOE and Ohio Edison Company [hereinafter Ohio Edison] have entered into certain agreements giving rise to billing credits by Ohio Edison to AMP-Ohio for the benefit of WCOE and City as a member of WCOE; and,

WHEREAS, City and AMP-Ohio have entered into a supply agreement for electric power and energy having an effective date of October 1, 1983;

NOW THEREFORE, in consideration of the premises and mutual covenants herein set forth, the City and AMP-Ohio agree as follows:

SECTION 1. DISTRIBUTION OF \$750,000: It is understood and agreed that a Settlement Agreement (dated December 1, 83) between Ohio Edison and WCOE calls for Ohio Edison to reimburse WCOE an amount of Seven Hundred Fifty Thousand Dollars (\$750,000) in conjunction with such Settlement by crediting bills rendered to AMP-Ohio in three equal monthly installments commencing with the first bill rendered by Ohio Edison to AMP-Ohio following approval of the above mentioned Settlement Agreement, by the Federal Energy Regulatory Commission. It is further understood that, in accordance with such arrangement, a portion of said amount shall be received by AMP-Ohio for the benefit of City. Absent a specific written request that the City's portion of said amount be utilized as an offset to reduce amounts otherwise owed

to AMP-Ohio, the City's portion of said amount shall be paid in each month by AMP-Ohio to City by check within five (5) business days following AMP-Ohio's receipt of City's check for service for said month. The City's portion of each of such payments by Ohio Edison to AMP-Ohio shall be determined on the basis contained in Exhibit 1 attached hereto and incorporated herein.

SECTION 2. DISTRIBUTION OF AMOUNTS ASSOCIATED WITH OHIO EDISON'S CURRENT RATES AND RATES RESULTING FROM SETTLEMENT; In conjunction with the above Settlement Agreement, and the Ohio Edison-AMP-Ohio Energy Supply Agreement the benefits of reduced rates shall be measured as of and beginning, October 1, 1983. Said Energy Supply Agreement states (in Article 11) that:

"This Agreement shall become effective as of October 1, 1983. It shall be subject to the rules and regulations of any regulatory body having jurisdiction. However, it is the agreement of the parties that the sale of power to Amp-Ohio hereunder shall commence on the first day of the first month following FERC's acceptance of this agreement for filing and that power and energy shall be billed to Ohio Edison's municipal customers and paid for by them at the presently effective rates until such time. They further agree that the intent and purpose of the October 1, 1983 effective date of this agreement shall be fulfilled by Ohio Edison's crediting to the first billing rendered to Amp-Ohio for WCOE the difference between: (a) the amounts each WCOE member paid for power and energy between October 1, 1983 and the commencement of deliveries to Amp-Ohio hereunder and (b) the amounts which Amp-Ohio would have paid for such power and energy had this agreement been in effect beginning October 1, 1983."

In view of the foregoing quoted provision of the Ohio Edison-AMP-Ohio Energy Supply Agreement, it is understood that it shall be necessary for AMP-Ohio to credit or otherwise adjust amounts collected from City under the City-AMP-Ohio Agreement entered into on February 1, 1984. This crediting or adjusting procedure shall operate to cause the net amount paid for capacity and energy by City as of the time the crediting or adjusting procedure is completed, to be the same as the amount which City would have paid had the rates contained in the "Ohio Edison - AMP-Ohio Energy Supply Agreement" been effective October 1, 1983. The crediting or adjusting procedure shall be fulfilled, except as provided herein, by crediting the first billing rendered to City by AMP-Ohio the difference between: (a) the amount City paid for power and energy between October 1, 1983 and the commencement of deliveries to AMP-Ohio under the Ohio Edison-AMP-Ohio Energy Supply Agreement entered into as of October 1, 1983 and (b) the amounts which AMP-Ohio would have paid for such power and energy had said Energy Supply Agreement been operative for billing purposes on October 1, 1983. In the event the credit exceeds the bill otherwise payable to AMP-Ohio, any excess credit will be applied to the succeeding month's bill. Only in the event City requests, in writing, a cash payment in lieu of a billing credit, shall the above described billing credit procedure not be utilized.

SECTION 3. LIMITATION: In no event shall the liability of AMP-Ohio for the total payments and for credits to WCOE discussed above exceed the amounts paid to AMP-Ohio and /or credited to its account by Ohio Edison for the refunds and credits discussed herein.

IN TESTIMONY WHEREOF, witness signature for AMP-Ohio in the presence of the undersigned competent witnesses as of the day and date first above mentioned.

WITNESSES:

AMERICAN MUNICIPAL POWER-OHIO, INC.

Lynne C. Will

By Richard H. Knecht

Roxann Bolinger

IN TESTIMONY WHEREOF, witness signature of the Company in the presence of undersigned competent witnesses as of the day and date first above mentioned.

WITNESSES:

THE \_\_\_\_\_ OF \_\_\_\_\_

By \_\_\_\_\_

APPROVED AS TO FORM

\_\_\_\_\_