

## ORDINANCE NO. 98-73 AC CMS

AN ORDINANCE APPROVING AN AGREEMENT WITH THE FEDERAL AVIATION ADMINISTRATION FOR INTERRUPTIBLE ELECTRIC SERVICE WITH THE OBERLIN MUNICIPAL LIGHT & POWER SYSTEM AND DECLARING AN EMERGENCY

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

SECTION 1. That the proposed agreement between the Federal Aviation Administration and the Oberlin Municipal Light and Power System for Interruptible Electric Service, a copy being attached hereto and incorporated herein by reference, is hereby 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 public peace, health, and safety of the citizens of the City of Oberlin, Ohio, to wit:

"to authorize said contract by October 1, 1998," and shall take effect immediately upon passage.

PASSED: 1<sup>st</sup> Reading - September 21, 1998 (E)  
2<sup>nd</sup> Reading -  
3<sup>rd</sup> Reading -

ATTEST:

Eugene J. Lemor  
CLERK OF COUNCIL

James M. Bauman  
CHAIR OF COUNCIL

POSTED: September 22, 1998

EFFECTIVE DATE: September 22, 1998

# Traffic control center, city make power pact

by BRETT THOMPSON

News-Tribune reporter

The Oberlin Municipal Light and Power System and the Federal Aviation Administration have worked out an agreement for interruptible electric service.

The contract, which starts on Oct. 1, proposes that the FAA run its own generators when the OMLPS is at its peak load of two megawatts. In return, the FAA will receive compensation of approximately \$50,000 per year. As a result of the deal, the OMLPS will not have to reserve capacity when it reaches its peak load.

AMP-Ohio will act as the go-between in the deal, notifying the OMLPS and FAA when they want the load interrupted.

The contract was approved on emergency 7-0 by city council at its Sept. 21 meeting.

The initial agreement is for one year, which can be extended for another five years by the FAA if it so chooses. The FAA has reserved the right to cancel the contract at any time, but according to OMLPS director Robert Morse, that isn't likely to happen.

"I don't think the FAA would have any reason to cancel this deal, because this is something that they wanted to do and we were very willing to do it," Morse said. "I talked to Mike McClure at AMP-Ohio and he said the price the FAA will receive is very fair."

The agreement is not the first be-

tween the FAA and a public power company. The FAA has already signed contracts with companies in Indianapolis and Chicago.

"We've seen the contracts with these companies and we know the concept works," Morse said. "We have also tested interrupting power with the FAA before, so we are confident that this will be successful. Hopefully, Oberlin won't be the last site that participates in this, because I think this could work for a lot of companies."

Some concerns were raised by council members about the lack of an escape clause for the OMLPS and the city of Oberlin, but Morse assured them that this is a win-win situation for everyone involved.

"This is a no-risk thing for the city unless the FAA decides to change power companies," Morse said. "But every indication given is that they will stick with us. We are putting our best foot forward to work with our customers and do what is mutually beneficial for both parties."

"The FAA is receiving monetary compensation, the OMLPS is freeing up capacity, our other customers aren't affected whatsoever and the taxpayers eventually benefit from the arrangement because we are directly compensating the FAA instead of the federal government. Everyone is a winner in this agreement."

The deal will take effect immediately after the contract begins on Oct. 1.

2. AMENDMENT/MODIFICATION NO. <b>5</b>		3. EFFECTIVE DATE	4. REQUISITION/PURCHASE REQ. NO.	5. PROJECT NO. (If applicable)
ISSUED BY <b>Federal Aviation Administration Real Estate &amp; Utilities Services, AGL-56 2 East Devon Avenue Des Plaines, IL 60018</b>		CODE	7. ADMINISTERED BY (If other than Item 6)  CODE	

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code) <b>Oberlin Municipal Light and Power System 289 South Professor Street Oberlin, OH 44074</b>		9A. AMENDMENT OF SOLICITATION NO.
		9B. DATED (SEE ITEM 11)
		10A. MODIFICATION OF CONTRACT/ORDER NO. <b>X FA1-350 (2003502)</b>
		10B. DATED (SEE ITEM 13) <b>6/2/59</b>
CODE	FACILITY CODE	

**11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS**

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:  
 (a) By completing Items 8 and 15, and returning \_\_\_\_\_ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

**13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS.  
IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.**

☒ A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

☐ B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).

☐ C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:

☐ D. OTHER (Specify type of modification and authority)  
**THE GOVERNMENT IS EXEMPT FROM STATE AND LOCAL TAXES BEING CHARGED ON USAGE BILLS.  
 TAX ID #73-05888975**

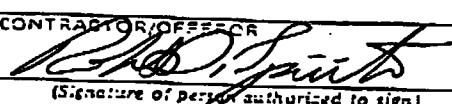
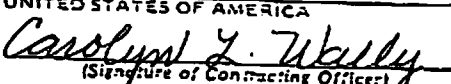
E. IMPORTANT: Contractor ☐ is not, ☐ is required to sign this document and return \_\_\_\_\_ copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.)

The above referenced modification to the Contract FA1-350 is in accordance with Energy Policy Act and Executive Order 12902 which provides the mandates for electric utility deregulation. Executive Order 12902 directs government agencies to participate in utility-sponsored programs which enhance reducing their energy consumption and associated utility resource costs.

**INTERRUPTIBLE ELECTRIC SERVICE AND SUPPLEMENTAL ELECTRIC SERVICE RIDER**

1. DESCRIPTION OF SERVICES: Provide Interruptible Electric Service and Supplemental Electric Service to the Federal Aviation Administration (FAA) Air Route Traffic Control Center (ARTCC), including Guardhouse and Security Lights, located at 326 East Lorain, Oberlin, Ohio 44074.

Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.	
15A. NAME AND TITLE OF SIGNER (Type or print) <b>Oberlin Municipal Light and Power System</b>	15B. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) <b>Federal Aviation Administration Carolyn L. Wally</b>
15B. CONTRACTOR/OFFEROR  (Signature of person authorized to sign)	15C. DATE SIGNED <b>9/22/98</b>
15D. UNITED STATES OF AMERICA BY  (Signature of Contracting Officer)	15E. DATE SIGNED <b>9/30/98</b>

This Contract shall be between Oberlin Municipal Light and Power System (OMLPS), City of Oberlin, Ohio, an Ohio Municipal Utility, hereinafter called "OMLPS" and the Federal Aviation Administration (FAA), Oberlin, Ohio, hereinafter called the "Government" for Interruptible Electric Service and Supplemental Electric Service.

OMLPS currently provides quality and reliable Standard Electric service to the Government in the form of 3 phase, 4 wire alternating current at a nominal frequency of 60 hertz and a nominal voltage of 12470/7200. Standard Electric Service is provided by OMLPS under Ordinance No. 1229 AC CMS hereto attached as "Attachment 1". In addition to providing Standard Electric Service under Ordinance No. 1229 AC CMS, OMLPS shall provide Interruptible Electric Service and Supplemental Electric Service under the terms and conditions outlined in the Interruptible Electric Service and Supplemental Electric Service Rider Contract.

This Contract for Interruptible Electric Service and Supplemental Electric Service is only available to customers of Oberlin Municipal Light and Power System who are receiving Standard Electric Service under Ordinance No. 1229 AC CMS.

2. **TERM:** The effective date of this Contract shall begin on October 1, 1998. The initial term of this Contract shall be October 1, 1998 from effective date to September 30, 1999. Continuation of this contract beyond September 30, 1999 shall.....

(1) be at the discretion of the FAA after a review of current price at the end of initial term. At the end of initial term, the Government shall have the right to continue thereafter from October 1, 1999 through September 30 of each succeeding Government fiscal year, through September 30, 2003 unless terminated after the initial term by a written 30 day notice to OMLPS.

(2) The Government's continuation is contingent upon continued legislative appropriation of funds for the purpose of this Contract. If these funds are not appropriated, the FAA shall immediately notify OMLPS in writing and terminate Contract 30 days from written notification. The FAA shall not be assessed a cancellation charge or other additional charges under this Contract if it is terminated due to a lack of appropriations or any other contractual reasons.

If this Contract is terminated by the Government prior to the end of its initial term, the Government shall not be charged installation and removal costs for any special equipment and facilities provided by Utility for the provision of Interruptible Electric Service, Supplemental Electric Service, and Standard Electric Service.

Nothing herein contained shall be construed as binding the FAA to expend, in any one Government fiscal year (October 1 through September 30), any sum in excess of the appropriation made by Congress for each fiscal year in furtherance of the subject matter of the Contract or to involve the FAA in an obligation for the future expenditure of monies before an appropriation is made in accordance with the Anti-Deficiency Act.

### 3. **OFFICIALS NOT TO BENEFIT:**

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this Contract, or to any benefit arising from it. However, this clause does not apply to this Contract to the extent that this Contract is made with a municipal utility for its general benefit.

**4. COVENANT AGAINST CONTINGENT FEES:**

The warrants that no person or agency has been employed or retained to solicit or obtain this Contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this Contract without liability or, in its discretion, to deduct from the Contract price or consideration, or otherwise recover the full amount of the contingent fee.

**5. ANTI-KICKBACK:**

The Anti-Kickback Act of 1986 (41 U.S.C. 51-58) (the Act), prohibits any person from (1) Providing or attempting to provide or offering to provide any kickback; (2) Soliciting, accepting, or attempting to accept any kickback; or (3) Including, directly or indirectly, the amount of any kickback in the Contract price charged by a prime Contractor to the United States or in the Contract price charged by a subcontractor to a prime Contractor or higher tier subcontractor.

**6. CONTRACT DISPUTES:**

a. All Contract Disputes arising under or related to this contract, shall be resolved under this clause, and through the **Federal Aviation Administration (FAA) Dispute Resolution System**. Judicial review, where available, will be in accordance with 49 U.S.C. 46110 and shall apply only to final agency decisions. The decision of the FAA shall be considered a final agency decision only after OMLPS has exhausted its administrative remedies for resolving a contract dispute under the **FAA Dispute Resolution System**.

b. **Contract Dispute**, as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of Contract terms, or other relief arising under or relating to this Contract. A Contract Dispute arising under a Contract, unlike a Contract Dispute relating to that Contract, is a dispute that can be resolved under a Contract clause that provides for the relief sought by the contracting party seeking relief. However, a voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a Contract Dispute. Such submission may be converted to a Contract Dispute by written notice, to the Contracting Officer (CO), that it is disputed either as to liability or amount.

c. A Contract Dispute shall be made in writing and signed by a duly authorized representative of OMLPS or the Government. At a minimum, a Contract Dispute shall include a statement of facts, adequate supporting data, and a request for relief. Unless otherwise stated in this Contract, a Contract Dispute by OMLPS against the government shall be filed with the Office of Dispute Resolution for acquisition within 6 months after the accrual of the Contract Dispute.

d. The Contracting Officer's decision concerning a Contract Dispute shall be binding on the parties, unless the Contractor refers the matter to the FAA Office of Dispute Resolution.

e. If a Contract Dispute cannot be resolved at the Contracting Officer level, the matter may be referred, by either party, to the FAA Office of Dispute Resolution for final agency disposition. Such referrals must be in writing directed to the following address:

Office of Dispute Resolution  
Office of the Chief Counsel, AGC-1  
Federal Aviation Administration  
800 Independence Avenue, SW  
Room 900 East  
Washington, DC 20591

f. The Office of Dispute Resolution will promulgate procedures and time limitations relevant to Contract Disputes, which will be described in a provision to be included in this Contract or incorporated by reference herein.

g. When a Contract Dispute is filed with the FAA Office of Dispute Resolution, a Dispute Resolution Officer will be assigned to the matter. The Dispute Resolution Officer may use any form of alternative dispute resolution to settle a Contract Dispute, including, but not limited to, informal communication, mediation, fact-finding, and binding or nonbinding arbitration. Binding arbitration may be employed only if OMLPS and the FAA agree to use this method to resolve the merits of the Contract Dispute.

h. If binding arbitration is agreed to, the decision of the Dispute Resolution Officer will become a final agency decision, unless the FAA Administrator indicates nonconcurrence with the decision, in writing, within 5 business days after the date that the decision is issued. If the FAA Administrator nonconcurs with the decision and issues a contrary determination, then that determination becomes the final agency decision concerning the merits of the Contract Dispute.

i. If the parties have not agreed to binding arbitration and are unable to reach an agreement on the merits of the Contract Dispute through alternative dispute resolution, then the Dispute Resolution Officer will issue a recommendation for the final disposition of the matter. The Dispute Resolution Officer will then provide the recommendation to the FAA Administrator, who will make a final agency decision concerning the merits of the Contract Dispute.

j. When the Dispute Resolution Officer determines that a Contract Dispute is frivolous or has no basis in fact or law, a summary decision may be issued as the Dispute Resolution Officer's recommendation to the FAA Administrator. The FAA Administrator will then issue a final agency decision concerning the merits of the Contract Dispute.

k. The FAA will require continued performance with respect to **Contract Disputes** arising under this Contract, in accordance with the provisions of the Contract, pending final decision on a **Contract Dispute** related to this Contract.

l. The FAA will pay interest on the amount found due and unpaid from (1) the date the **Contracting Officer** receives the **Contract Dispute**, or (2) the date payment otherwise would be due, if that date is later, until the date of payment. Simple interest on **Contract Disputes** shall be paid at the rate, fixed by the Secretary of the Treasury, which is applicable to the period during which the **Contracting Officer** receives the **Contract Dispute** and then at the rate applicable for each 6-month period as fixed by the Treasury Secretary during the pending **Contract Dispute**.

m. To the extent that a final agency decision is subject to judicial review, such review will be pursuant to 49 U.S.C. 46110. If the parties have agreed to binding arbitration, the decision of the **Dispute Resolution Officer** (unless overruled by the FAA Administrator) will be final. A final agency decision which is the result of binding arbitration (not overruled by the Administrator) will not be subject to judicial review absent fraud, corruption, misconduct, or manifest disregard for the law.

#### **7. ADVANCE PAYMENT:**

The Government cannot make payment for services not rendered. Therefore, payment for nonrecurring, construction costs shall be made upon completion and inspection of the work performed by OMLPS.

#### **8. TARIFFS AND RATES:**

OMLPS has provided as a part of this Contract (see Attachment 1, pages a-d) one (1) copy of its current tariffs and rates, and future copies of modifications to those rates and tariffs which affect the Government.

#### **9. BILLING INFORMATION:**

All monthly recurring billing shall be mailed to the following address:

2003502 Federal Aviation Administration, ACE-21D  
601 East 12th Street  
Kansas City, MO 64106

Bills should show meter readings, meter constants, consumption, dates, applicable transportation charges, et cetera.

**10. FACILITY CHARGES:**

If OMLPS requires a facility charge be billed monthly, not relative to actual monthly usage, then OMLPS shall provide the breakdown between monthly usage and facility charges on the bill.

**11. WARRANTIES:**

Oberlin Municipal Light & Power System warrants that it will secure good and marketable title to the electricity to be provided under this Contract and such electricity is free from liens and adverse claims of any kind. It should be the OMLPS' obligation to hold the Government harmless from any and all third party claims against title to electricity delivered to the Government.

**12. INDEMNIFICATION:**

The Government shall in no event be liable or responsible for damage or injury to any person or property directly occasioned through OMLPS' use or operation of its facilities or through other actions of the OMLPS, its employees, or agents in performing under this Contract; provided however, that OMLPS shall not be liable or responsible for the negligent actions of the Government, its employees, or agents.

**13. POSSESSION AND TITLE TO ELECTRICITY:**

Possession of and title to electricity delivered by OMLPS shall pass from the OMLPS to the Government at the Delivery Point which is the meter. Until such delivery, OMLPS shall be deemed to be in control of, and have title to, and possession of, and be responsible for such electricity.

**14. FORCE MAJEURE:**

Neither the Government nor OMLPS shall be considered to be in default with respect to any obligations under this Contract by reason of uncontrollable forces. The terms "uncontrollable forces" being deemed, for the purposes of this Contract, to mean any cause beyond the control of the party affected, including but not limited to failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, war, riot, civil disturbance, labor disturbance, sabotage, and restraint by a court of public authority, which, by exercise of due diligence and foresight, such party could not reasonably have been expected to avoid. Either party rendered unable to fulfill any obligations by reason of uncontrollable forces shall exercise due diligence to remove such inability with all reasonable dispatch.



**15. INTERRUPTIBLE SERVICE:**

OMLPS agrees to provide and the Government agrees to accept Interruptible Electrical Service in accordance with the following terms and conditions:

a. Notice of Interruption: OMLPS shall contact the FAA Environmental Service Support Center Manager at telephone number (440) 774-0354 on the day prior to an anticipated interruption, with at least sixty (60) minutes notice that electric service shall be interrupted.

b. Hours of Interruption: Government's standard electric service is subject to interruption between the hours of 9:00 a.m. and 10:00 p.m., Monday through Friday, excluding the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and days observed in lieu of the actual holiday.

c. Maximum Hours of Interruption: Standard electric service shall not be interrupted for more than eight (8) hours per day or 40 hours per month or 240 hours per calendar year.

d. Capacity Credit for Interruptible Electric Service: OMLPS agrees to pay a monthly capacity credit of \$3.00 per KW of coincident demand as measured by OMLPS. The monthly capacity credit for each month of a 12 month period shall be applied in equal amounts to the billing months of July and August for Standard Electric Service of each year. The Coincident KW Demand is the Government's load as measured at the hour of the monthly peak demand for the Northeast Amp-Ohio Service Group (NEASG).

16. EMERGENCIES: The Government from time-to-time may be unable to generate electricity to meet all or part of the Government's load requirements, as determined by the Government, and will therefore be unable to have the electric service interrupted. Should such an event occur, Supplemental Electric Service shall be available to the Government, and service shall not be interrupted.

17. SAVINGS: The monetary savings to the Government shall be approximately \$50,000.00 per year for the ARTCC against the costs that were charged by OMLPS prior to July 1998 (baseline 1997-1998 of approximately \$660,000.00 and 1.3 million kWh per year). Any and all savings shall be credited to FAA Contract FA1-350 (2003502), OMLPS Account 26.15144.1.

ATTACHMENT 1

B. Commercial Service - City Owned Distribution Facilities

(1) Applicability. The rate established in this paragraph B. of Section (1) is applicable to and available for general commercial service which does not qualify for the rate established in paragraph C of Section (1). Single and three phase services shall be billed and metered separately or, provided the consumer arranges his wiring to facilitate the installation of one meter, both single and three phase service will be furnished through a single meter and billed as one account.

(2) Service. Service provided at the rate established in this paragraph B. of Section (1) shall be alternating current, 60 hertz, supplied at nominal voltages of 120 or 120/240 volts, single phase, or 120/208, 240 or 277/480 volts three phase.

(3) Rates.

(a) The monthly commercial service rate for consumers subject to this paragraph B of Section (1) and applicable to each separately metered service shall be:

Energy Charge

First 25 kWh or less per month	\$2.30
Next 255 kWh plus 6 kWh per KVA of billing load in excess of 20 KVA at	\$0.062
Next 1765 kWh plus 60 kWh per KVA of billing load in excess of 20 KVA at	\$0.045
Remainder to 150 hours use of load at	\$0.035
Next 150 hours use of load at	\$0.026
Over 300 hours use of load at	\$0.012

(b) The minimum charge shall be \$2.30 plus \$1.00 per KVA, but not less than \$2.30 for a single phase service or \$5.00 for a three phase service.

(c) For purposes of calculating the energy charges and the minimum charge, the billing load shall be determined monthly from the highest registration of a thermal type or a 15 minute integrating type meter or in absence of either from the formula:

$$\frac{\text{Current months Kilowatt hour consumption}}{730 \times .3}$$

The billing load for the month shall be either the measured load for the month, sixty (60) per cent of the highest billing load during the preceding eleven months, or five (5) KVA, whichever is greatest.

(4) Terms of Payment. The net amount billed is due within (10) days after the date of mailing.

(5) Seasonal or Temporary Discontinuance of Service. Where service has been discontinued at consumer's request the minimum charge shall not be applicable, but in lieu thereof a charge of \$10.00 shall be made when service is re-established.

(6) Contract Service. The service defined under this schedule shall be furnished only upon written application of the consumer and shall be furnished for a period of not less than one year.

SECTION 2. That Section 2 of Ordinance 1106 reading as follows:

SECTION 2. That in order to pass on to customers any revenues in excess of costs, the monthly bill resulting from the application of the above rates shall be discounted by the following procedure.

A. The discount shall be adjusted monthly. For at least the first month from the effective of this Ordinance the discount shall be 20 percent.

B. The discount shall be adjusted monthly by using data from Schedule B of the Oberlin Municipal Light & Power System's monthly statement for the preceding month.

C. The debt retirement, capital, expenditures and reserves shall be from the appropriated amounts in the current City of Oberlin budget.

D. The discount shall be adjusted as follows:

1. The following quotient shall be rounded off to the nearest thousandth (.001) and added to the previous discount.

2. For the period beginning January 1, 1976, and thereafter, the year-to-date net operating margin before interest expense added to the year-to-date depreciation expenses, less the year-to-date appropriated debt retirement, less the year-to-date appropriated capital expenditures, less the year-to-date appropriated reserves, divided by the year-to-date sales of electric energy generated by base rate revenues.

3. For the period June 1, 1975 through December 31, 1975, the discount shall be calculated as in sub-paragraph (2) above except that the year-to-date will be understood to mean the period beginning June 1, 1975, as reported in the monthly statement for July 1975.

is amended to read as follows:

SECTION 2. That in order to pass on to consumers any revenues in excess of costs the monthly bill resulting from the application of the rates established by Section 1 shall be discounted by the following procedure:

A. The discount shall be adjusted monthly. For at least the first month from the effective date of Ordinance No. 1106 AC CMS the discount shall be 20 percent.

B. The discount shall be adjusted monthly by using data from Schedule B, Statement of Revenue and expenses, of the Oberlin Municipal Light & Power System's monthly financial statement for the third month preceding the billing month and, for the purposes stated in clauses (3), (4), and (5) of paragraph C of Section 2, the

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amounts appropriated by the Council in the budget of the City of Oberlin, or otherwise required for principal and interest and debt service reserves, for the current or prior calendar year, as the case may be.

C. For the period beginning January 1, 1976, and thereafter through December 31, 1976, the discount shall be the quotient rounded off to the nearest thousandth (.001) produced from the following formula: the sum of (1) the year-to-date net operating margin before interest expense and discount, plus (2) the year-to-date depreciation expenses (classified and unclassified), less (3) the year-to-date amount appropriated by the Council or otherwise required for the payment of principal of and interest on, and debt service reserves with respect to, bonds and notes of the City issued for capital improvements for the municipal electric utility, less (4) the year-to-date amount appropriated by the Council for capital expenditures for the municipal electric utility, and less (5) the year-to-date amount appropriated by the Council for reserves for replacement, self-insurance and other necessary reserves required for the municipal electric utility divided by (6) the year-to-date dollar amount from the sales of electric energy determined at the rate provided for in Section 1 which is exclusive of the energy cost adjustment provided for in Section 3 and the discount provided for in this Section 2. As used in clauses (3), (4) and (5) the year-to-date amount is to be calculated by dividing the respective annual appropriations or requirements for calendar year 1976 by the quotient produced by dividing the elapsed months to date by 12.

D. For the period beginning January 1, 1977, and thereafter, the discount shall be calculated as in paragraph C of Section 2, except that as used in clause (1), (2) and (6) of the formula year-to-date means a twelve month period ending with the current monthly financial statement of the Oberlin Municipal Light & Power System and reflecting, respectively, net operating margin, depreciation expenses, and dollar amount of sales of electric energy for such twelve month period (exclusive of said energy cost adjustment and discount), and except that as used in clauses (3), (4) and (5) of the formula year-to-date means the respective amounts appropriated or required for such twelve month period (exclusive of said energy cost adjustment and discount), and except that as used in clauses (3), (4) and (5) of the formula year-to-date means the respective amounts appropriated or required for such twelve month period calculated by a pro-ration of the respective amounts appropriated or required in the then current calendar year and in the prior calendar year using the following formula: (1) amount for current calendar year multiplied by quotient of elapsed months in current calendar year divided by 12 plus (2) amount for prior calendar year multiplied by quotient of 12 less elapsed months in current year divided by 12.

SECTION 3. That Section 3 of Ordinance No. 1106 AC CMS reading as follows:

SECTION 3. That in order to reflect uncontrollable changes in the costs of generating and purchasing power, the above utility rates shall be adjusted monthly as follows:

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A. The charge for each kilowatt-hour used shall be increased or decreased by an amount of \$.00001, equal to:

(1) The amount \$.01 subtracted from the total generating costs as shown in Schedule C and purchased power costs for the month immediately preceding the billing month divided by the total kilowatt-hours billed for the same month.

B. The Public Utilities Commission shall report quarterly to the Council of the City of Oberlin on the existing generation and purchased power costs.

C. The formula determining the generation and purchased power adjustments as described in paragraph A. (1) above shall be annually reviewed by Council and voted upon.

is amended to read as follows:

SECTION 3.

A. In order to reflect uncontrollable changes in the costs of generating and purchasing power, the charge to each consumer shall be adjusted each month by the addition or deduction from the net charge calculated by the application of the base rate and discount provided for in Section 1 and 2, respectively, of an amount which is the product of the kilowatt hours used each month multiplied by the quotient (to be carried out 5 places after the decimal point) of the following formula in which the several factors are to be based on data contained in the monthly financial statement of the Oberlin Municipal Light & Power System (herein called the "Monthly Financial Statement") for the third month preceding the billing month:

The sum of (1) the Generating Costs-Operation, Generating Costs-Maintenance, and Generating Costs-Administration, etc. shown in Schedule C of the Monthly Financial Statement, plus (2) the Purchased Power Cost shown in Schedule B of the Monthly Financial Statement, divided by (3) the total kilowatt hours billed shown in Schedule E\* of the Monthly Financial Statement, less (4) one cent (\$.01).

B. The Public Utilities Commission of the City shall report quarterly to the Council on costs for the current year to date of generating power and purchasing power, and shall also submit a year-end annual report on the same subject which shall also contain a recommendation regarding the need for any changes in the formula for energy cost adjustment set forth in paragraph A of Section 3.

C. The formula for the energy cost adjustment set forth in paragraph A of Section 3 shall be reviewed annually by Council and such review shall include the recommendation of the Public Utilities Commission of the City. Following such review the Council shall vote on the question of whether the formula should be changed. If the motion is approved an ordinance shall be prepared and submitted to Council providing for a change in the formula by an amendment to paragraph A of Section 3.