

ORDINANCE NO. 00-96 AC CMS

AN ORDINANCE AMENDING ORDINANCE NO. 00-34 AC CMS APPROVING THE FORM AND AUTHORIZING THE EXECUTION OF A JOINT VENTURE AGREEMENT CREATING OHIO MUNICIPAL ELECTRIC GENERATION AGENCY JOINT VENTURE 2

WHEREAS, the City of Oberlin, Ohio (the "Municipality"), enacted Ordinance No. 00-34 AC CMS on April 17, 2000, authorizing the Municipality to create Ohio Municipal Electric Generating Agency Joint Venture 2 and the execution of a Joint Venture Agreement with certain Ohio municipalities; and

WHEREAS, since the enactment of Ordinance No. 00-34 AC CMS there have been certain modifications to the proposed Project and in the draft Joint Venture Agreement for OMEGA JV2 such that it was appropriate to resubmit that agreement for the approval of this body; and

WHEREAS, four of the primary changes in the scope of the OMEGA JV2 and in the Joint Venture Agreement are (1) to eliminate the inclusion of current OMEGA JV1 into OMEGA JV2, (2) to provide an option under certain circumstances for Participants to purchase certain of the generation facilities that are a part of the Project, (3) to add twelve (12) additional diesel generators to the Project and (4) to eliminate the inclusion of AMP-Ohio's Energy Control Center into the Project; and

WHEREAS, the Municipality desires to amend Ordinance No. 00-34 AC CMS to recognize the change in the scope of the OMEGA JV2 Project and to authorize the execution of the revised Joint Venture Agreement attached hereto as Exhibit A.

NOW, THEREFORE, BE IT ORDAINED by the Council of the City of Oberlin, County of Lorain, State of Ohio a majority of all members elected thereto concurring:

SECTION 1. That Section 1 of Ordinance No. 00-34 AC CMS is hereby amended to approve the revised Joint Venture Agreement attached hereto as Exhibit A and the City Manager is hereby authorized to execute the same as an Owner Participant in OMEGA JV2.

SECTION 2. That in all other respects Ordinance No. 00-34 AC CMS is hereby ratified and confirmed.

SECTION 3. 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 4. That this Ordinance shall take effect at the earliest date allowed by law.

PASSED: 1st Reading - September 5, 2000 (E)
2nd Reading -
3rd Reading -

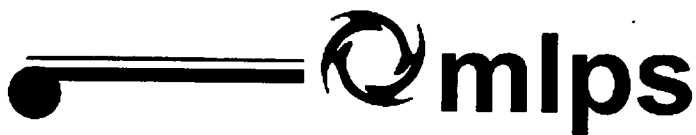
ATTEST:


CLERK OF COUNCIL


CHAIR OF COUNCIL

POSTED: September 6, 2000

EFFECTIVE DATE: September 6, 2000



OBERLIN MUNICIPAL LIGHT AND POWER SYSTEM ♦ 289 SOUTH PROFESSOR STREET ♦ OBERLIN, OHIO 44074

Phone (440)775-7260

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MEMORANDUM

To: Rob DiSpirito, City Manager
Re: OMEGA JV2 Project
From: Steve Dupee, Interim Director
Date: August 22, 2000

Attached is a letter and a copy of the revised OMEGA JV2 agreement from Marc Gerken, AMP-Ohio President, regarding some changes in the OMEGA JV2 project. As you know, the OMEGA JV2 project encompassed the purchase and installation of peaking generating capacity throughout AMP-Ohio member communities. This project was conceived to deal with the price spikes in the wholesale electricity market due to capacity and transmission constraints during the summers of 1998 and 1999.

Oberlin has passed two (2) ordinances - one to participate as an owner of the OMEGA JV2 project and one to finance our ownership stake of the project through AMP-Ohio. According to the letter, four (4) changes have been made to the original OMEGA JV2 agreement and include:

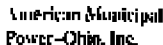
- (1). AMP-Ohio Energy Control Center to remain an AMP-Ohio asset
- (2). Twelve additional diesel units to be added to the project
- (3). Participants who have generation sited in their community have the option to purchase those generation units
- and (4). OMEGA JV1 (of which Oberlin is an owner) will not become part of OMEGA JV2.

Only item (4) has any effect on Oberlin. Some owners of OMEGA JV1 decided not to participate in OMEGA JV2, therefore OMEGA JV1 will remain a separate entity. Under the original plan, Oberlin would have sold its OMEGA JV1 capacity of 497 kilowatts to OMEGA JV2 and would have purchased 1217 kilowatts of JV2 capacity at an effective rate of 3.13 per kilowatt-month.

Under the new plan, Oberlin will retain ownership of 497 kilowatts of OMEGA JV1 in which the debt is already paid for and will purchase 767 kilowatts of OMEGA JV2 capacity at an effective rate of \$3.00.

For your review, I have attached a draft ordinance which will amend our current ordinance that approves participation in the OMEGA JV2 program. I respectfully request that this ordinance be placed on the next City Council agenda for September 5th. Also, I respectfully request that this ordinance be passed on emergency as AMP-Ohio will be finalizing OMEGA JV2 formation during the middle of September.

If you have any questions, please call me.



Mr. Rob DiSpirito
City Manager
City of Oberlin
85 South Main Street
Oberlin, OH 44074-1598

Since our last packet of information on OMEGA JV2, the project has changed in three primary respects as directed by AMP-Ohio's Board and as suggested by our members.

First, the Energy Control Center will remain an AMP-Ohio asset and not be a part of the Project. Second, OMEGA JV1 will remain a separate joint venture and not be "rolled in" to OMEGA JV2. Third, twelve (12) additional diesel units have been added to the Project to reflect increased interest in OMEGA JV2.

Additionally, changes have been made in the draft Joint Venture Agreement previously sent to you to accommodate the above changes, as well as suggestions to improve wording made by members. Also included is an option for Participants, under certain circumstances, to purchase units connected to such Participants' systems from OMEGA JV2. Attached to this letter is "Draft 16" of the Joint Venture Agreement containing those changes.

Our records indicate that your community has already enacted its ordinance approving participation in OMEGA JV2 as an Owner Participant. Since the Project has changed to some degree, we have attached a draft "Amending Ordinance" to reflect your council's approval of the revised Project, Joint Venture Agreement and OMEGA JV2, that should be enacted at the earliest possible time.

Should you have any questions please feel free to contact me or our General Counsel, John Bentine, at 614-334-6121.

Very truly yours,

Max J. Lee

Marc S. Gerken, P.E.
President

MSG/me
Attachments:

cc: Steve Dupree, Interim Director

Americas Municipal Utilities



Your Community Utility Partner

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