

ORDINANCE NO. 09-07 AC CMS

AN ORDINANCE AUTHORIZING AN EXTENSION OF THE AGREEMENT WITH QUEBECOR WORLD FOR INTERRUPTIBLE ELECTRIC SERVICE AND DECLARING AN EMERGENCY

WHEREAS, on April 5, 1999, Oberlin City Council passed Ordinance No. 99-26 authorizing execution of an Interruptible Electric Service Agreement between Oberlin Municipal Light and Power System (OMLPS) and Quebecor World; and,

WHEREAS, the Interruptible Electric Service Agreement provided Quebecor World two (2) discounts on retail electric service for a term of 9 years and 9 months terminating on December 31, 2008; and,

WHEREAS; the Midwest Independent System Operator is expected to release non-performance penalty rules for interruptible electric service arrangements in 2009; and,

WHEREAS, OMLPS and Quebecor World need additional time to consider any adverse impacts associated with the non-performance penalties before executing a long-term Interruptible Electric Service Agreement and therefore seek to extend the current agreement for a minimum period of six months, or until a successor agreement is approved and in force.

NOW, THEREFORE, 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 agreement between Quebecor World and the Oberlin Municipal Light and Power System for interruptible electric service be, and hereby is, extended for a period of six months, until June 30, 2009, a copy of the agreement extension letter being attached hereto and incorporated herein by reference, and the City Manager is hereby authorized and directed to execute same on behalf of the City.

SECTION 2. That the City Manager is hereby further authorized to extend said agreement for up to an additional six months after June 30, 2009, to allow for the negotiation and approval of an appropriate successor agreement.

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 is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health and safety of the citizens of the City of Oberlin Ohio, or to provide for the usual daily operation of a municipal department, to wit:

"to authorize said letter extension by February 1, 2009", and shall take effect immediately upon passage.

PASSED: 1st Reading - January 20, 2009(E)
2nd Reading-
3rd Reading-

ATTEST:


Belinda B. Anderson
CLERK OF COUNCIL


David E. Sonner
PRESIDENT OF COUNCIL

POSTED: 01/21/2009

EFFECTIVE DATE: 01/20/2009



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

Phone (440) 775-7260
January 29, 2009

Website: www.omlps.org

Fax (440) 775-1546

Mr. Timothy Barrett
Senior Director – Energy Waste and Paper
Quebecor World North America
381 Riverside Drive, Suite 400
Franklin, TN 37064

Re: Interruptible Service Agreement - Extension

Dear Mr. Barrett:

As you know, Oberlin Municipal Light and Power System (OMLPS) and Quebecor World (formerly World Color Press) entered into an interruptible service electric agreement effective May 1st, 1999 for the purpose of providing a demand discount and a power factor correction discount on Quebecor World's monthly retail electric costs for its facility located at 235 Artino Street, Oberlin. The interruptible service agreement required Quebecor World to interrupt electric service or purchase supplemental power when called upon by the City's wholesale power provider, AMP-Ohio. The interruptible service agreement expired on December 31, 2008.

Numerous changes in the electric industry have occurred over the term of the current agreement, most notably, the establishment of Regional Transmission Organizations (RTOs), which are responsible for dispatching, planning and oversight of the transmission grid in several areas of the country. The transmission RTO in OMLPS's service territory is called the Midwest Independent System Operator (MISO). MISO is in the process of establishing new non-performance penalties for interruptible service and expects to release draft rules in May, 2009. OMLPS is interested in executing a new interruptible service agreement; however, we believe it is prudent to fully assess the impacts to Quebecor World resulting from these new non-performance penalties.

In order for Quebecor World to continue to take advantage of the discounts provided in the existing interruptible service agreement, OMLPS, by this letter, offers to extend the current interruptible service agreement for a period of six (6) months to June 30, 2009. If you agree to this offer, please indicate by signing below.

If you have any questions, please contact me at (440)775-7261.

Sincerely,

Steve Dupee
Electric Director, OMLPS

Agreed and approved:
Quebecor World

City of Oberlin

By:
Its: VP N. America Procurement
Dated: 2-2-09

By:
Its: City Manager
Dated: 1/30/09

Approval to Form:

Eric Severs, Law Director

