

VILLAGE PRESIDENT
Ray Danford

VILLAGE CLERK
Jerry Menard

VILLAGE TRUSTEES
Mike Blaies
Steve Smith
Tony Miller
Rita Baker
Seth Speiser
Charlie Mattern

VILLAGE OF FREEBURG

FREEBURG MUNICIPAL CENTER
14 SOUTHGATE CENTER, FREEBURG, IL 62243
PHONE: (618) 539-5545 • FAX: (618) 539-5590
Web Site: www.freeburg.com

VILLAGE ADMINISTRATOR
Dennis Herzing

VILLAGE TREASURER
Bryan A. Vogel

PUBLIC WORKS DIRECTOR
Ronald Dintelmann

POLICE CHIEF
Melvin E. Woodruff, Jr.

VILLAGE ATTORNEY
Weilmuenster Law Group, P.C

May 9, 2011

NOTICE

MEETING OF THE ELECTRIC COMMITTEE (Blaies/Smith/Miller)

An Electric Committee Meeting of the Village of Freeburg will be held at the Municipal Center, Executive Board Room, **Wednesday, May 11, 2011, at 5:30 p.m.**

ELECTRIC COMMITTEE MEETING AGENDA

I. Items To Be Discussed

A. Old Business

1. Approval of April 14, 2011 minutes
2. Switchover of Ameren to Freeburg power
3. Village of Freeburg utility needs analysis
4. Replacement of old power plant doors
5. Franchise Fee (Ameren)
6. Highway lighting
7. HAPS
8. Contaminated Fuel in Generators
9. Fuel Cost Adjustment
10. Ameren Automated Metering
11. Arc Flash Study
12. Sale of scrap material/surplus material
13. Unisom purchase of cell tower
14. Spill containment/Wiegmann's expansion
15. Chubb Insurance Inspection
16. Kentucky Data Link Request
17. HD Supply Safety Audit
18. URGE Testing

B. New Business

1. Patriotic Sisters Request for Electric/Water for BBQ
2. IMEA Notice of Revision to Rate Schedule B

C. General Concerns

D. Public Participation

E. Adjourn

At said Electric Committee Meeting, the Village Trustees may vote on whether or not to hold an Executive Session to discuss the selection of a person to fill a public office [5 ILCS, 120/2 - (c) (3)], litigation [5 ILCS, 120/2 - (c)(11)] personnel [5 ILCS, 120/2 - (c) (1) a.]; or real estate transactions [5 ILCS, 120/2 - (c)(5)].

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ELECTRIC COMMITTEE MEETING
Wednesday, May 11, 2011 at 5:30 p.m.

The meeting of the Electric Committee was called to order at 5:30 p.m. on Wednesday, May 11, 2011 by Chairman Mike Blaies. Committee members present were Chairman Mike Blaies, Trustee Steve Smith (6:00 p.m.), Trustee Ray Matchett, Village Clerk Jerry Menard (7:05 p.m.), Public Works Director Ron Dintelmann, Assistant Public Works Director John Tolan, Village Administrator Dennis Herzing and Office Manager Julie Polson. Guest present: Janet Baechle.

A. OLD BUSINESS:

1. Approval of April 14, 2011 minutes: Trustee Ray Matchett motioned to approve the April 14, 2011 minutes and Chairperson Mike Blaies seconded the motion. All voting aye, the motion carried.
2. Switchover of Ameren to Freeburg power: Dennis said we had an issue with the way we wanted to run the underground line to Pete Vogel's home. The only way to do that was through Brenda Stein's property. She has granted us a 10-foot easement strip. John said we have Parrish, Koerber and the nursing home ready to go which should only take a couple more days to finish weather permitting. Dennis had Jane calculate the total credit due the customers effective from the date that they switched over to now and it amounts to \$7,860.29. The committee agreed to issue the credits with the next billing cycle.
3. Village Utility Needs Analysis: Not discussed.
4. Replacement of old power plant doors: The doors are on order.
5. Franchise Fee (Ameren): Nothing new on this topic.
6. Highway lighting: Nothing new.
7. HAPS: Ron said the converters for units 10, 11 and 12 have been installed. Units 6, 8 and 9 will have the mufflers replaced due to the height and size of pipe. After that, we will go on hold until the fall because we need to have the units operational during the peak summer months.
8. Contaminated Fuel in Generators: Ron said the generator is still not back. Dave Schmidt advised there is something else wrong with it and should have it back in approximately two weeks.
9. Fuel Cost Adjustment: Dennis said with the rough calculations he did, there is not a significant savings and doesn't think we should do anything with that and Ron agreed. John asked about the cost of the security lights and Dennis said we do need to look at that. He will work on it.
10. Ameren Automated Metering: Ron and John went around with Ameren and identified each pole Ameren wanted to install the metering equipment. There are 16 locations and once Dennis has the revised list, he will prepare an ordinance and place it on the next board meeting agenda.

Electric Committee Meeting Minutes
Wednesday, May 11, 2011
Page 1 of 3

VILLAGE BOARD OF TRUSTEES MEETINGS ARE HELD ON THE FIRST AND THIRD MONDAY OF EVERY MONTH

11. Arc Flash Study: Ron said Chuck was out to look at both plants on May 6th. Marty will do the actual study which will take 45 - 60 days.
12. Sale of scrap material: Ron provided an email from Verbal recommending we keep the heads and pistons. Ron said we are okay on storage to do that.
13. Unisom purchase of cell tower: We have not heard from the Unisom rep. We will advise him of next month's meeting. Steve asked if there were any comments about us not wanting the perpetual lease and Dennis stated the rep said they could work around that.
14. Spill containment/Wiegmann: Ron said it's in the budget to work on. He said we will do a temporary barrier this summer which will satisfy EPA. Mike asked if anyone has talked to Wiegmanns and Ron said we need to sit down with them and discuss this. Ron said we need to send a letter to IMEA regarding the \$30,000 possible for this project by August 1st.
15. Chubb Insurance Inspection: Ron said T&R Electric will conduct the testing at the plant in 2 - 3 weeks. IMEA has the equipment to do the infrared testing and we will do that when the URGE testing is going on.
16. Kentucky Data Link/Windstream Request: A copy of the agreement was included in the packet. Steve had concerns that the wording of #4 on page 2 was too broad and also questioned #3 on page 6 stating it should say who pays for repairs. Dennis will contact Windstream and have the agreement revised.
17. HD Supply Safety Audit: Ron said HD supplied the listing of missing and bad equipment and all required items total \$26,000. This includes grounds and harnesses for trucks, sleeves for the employees, line hose, hose on the bucket trucks, testing meters, low voltage gloves. John said it is top priority to provide a safe working environment for our employees. Ron said he wants to send the guys to a trenching and shoring class where they would be classified as a competent person and receive a card. John is also working with the streets and water/sewer employees on their safety requirements.
18. URGE Testing: Ron said it has been scheduled for June 21st.

B. NEW BUSINESS:

1. Patriotic Sisters Request for Electric/Water for BBQ: John said last year they ran the line through the storm sewer without too much trouble. John said Randy asked if we could do the same for the Boy Scout BBQ this weekend.
2. IMEA Notice of Revision to Rate Schedule B: Dennis said the delivery service charge will be increased from \$2.60 to \$3.90 per kwh which represents a 50% increase in that charge. Overall, we will see a 3.5 - 4% increase if Ameren is successful that will take effect 7/1/11. IMEA and several other agencies are fighting this on a federal level. Steve asked Dennis to provide a ballpark estimate of the impact this increase will have.

C. GENERAL CONCERNS: Steve asked if Ron could provide power to the area by the post office in the Village Park for the Lights in the Park. Ron said that can be done and will cost about \$200.

Dennis brought up the Movie in the Park this Saturday stating there are concerns with the poles being placed in the ground. They will be in the way with the crosses that are placed in the park for Memorial Day. Several options were discussed and John will try to come up with something and get back to Dennis and Steve on it.

John said they've been cutting down a lot of trees on the property where the shed will go.

D. PUBLIC PARTICIPATION: Janet had some comments on the Kentucky Data Link contract.

E. ADJOURN: *Trustee Steve Smith motioned to adjourn at 7:15 p.m. and Trustee Ray Matchett seconded the motion. All voting aye, the motion carried.*



Julie Polson
Office Manager

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Ray Danford

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ELECTRIC COMMITTEE MEETING Thursday, April 14, 2011 at 5:30 p.m.

The meeting of the Electric Committee was called to order at 5:30 p.m. on Thursday, April 14, 2011 by Chairman Mike Blaies. Committee members present were Chairman Mike Blaies, Trustee Steve Smith, Trustee Tony Miller, Public Works Director Ron Dintelmann, Assistant Public Works Director John Tolan, Village Administrator Dennis Herzing and Office Manager Julie Polson. Guests present: Ray Matchett and Janet Baechle.

A. OLD BUSINESS:

1. Approval of March 9, 2011 minutes: Trustee Steve Smith motioned to approve the March 9, 2011 minutes as amended and Trustee Tony Miller seconded the motion. All voting aye, the motion carried.

2. Switchover of Ameren to Freeburg power: Dennis said we only have Pete Vogel to get ready for switchover. Parrish, Koerber and the nursing home are ready. Once Vogel is ready, we will switch them over at the same time. Dennis had Dean Park come up with a rate to track the special rate Ameren charged their electric-only customers. He provided a copy of the proposed ordinance which establishes the new Rate 6 which is available only to former AmerenIP customers on or after November 30, 2010; they must also be an electric-only customer and have an annual average usage of more than 15,000 kw-hr. Also included in this ordinance is the newly formed Rate 7 which provides the same rate break for the three-phase services that were switched over. Dennis thinks we may have approximately 10 customers this may affect. Ron said there will come a time when Ameren will get rid of this rate and at that time, we will do the same.

Trustee Steve Smith motioned to recommend to the full Board the Ordinance adding Rates 6 and 7 for approval and Trustee Tony Miller seconded the motion. all voting aye, the motion carried.

3. Village Utility Needs Analysis: Not discussed.

4. Replacement of old power plant doors: John said the doors were ordered two weeks ago and it will take 6 - 8 weeks to get them in.

5. Franchise Fee (Ameren): Nothing new on this topic.

6. Highway lighting: Nothing new.

7. HAPS: Ron said the housing in units 10 and 11 have been completed but are not yet operational. He also said unit 12 will be back in service tomorrow or Monday. Units 6, 8 and 9 will have the mufflers replaced due to the height and size of pipe.

After that, we will go on hold until the fall because we need to have the units operational during the peak summer months.

8. Contaminated Fuel in Generators: John said he had Bob Jenkins call to advise Dave Schmidt we need the generator back soon as we are fast approaching storm season.

9. Lightning Strike at old power plant: Done, item can be taken off the agenda.

10. Fuel Cost Adjustment: Dennis said with the rough calculations he did, there is not a significant savings. He wants to talk to Dean Park about it after reviewing it some more. Ron said the street lights will be put on our electric system map by BHM&G.

11. Ameren Automated Metering: Dennis said the agreement was put together with some suggestions and changes. He suggested an onsite meeting with Ameren to confirm the addresses for the exact poles they want to use. Mike suggested we tag them.

Dennis asked that we get Kentucky Data Link on the agenda. They are the company that has approached the Village asking to attach fiber to our poles. Their attorneys are reviewing the contract.

12. Arc Flash Study: BHM&G's agreement was included in the packet. Dennis will confirm the prices in the contract are the ones for Freeburg since Mascoutah is mentioned in the contract. He will get a revised agreement from them. The cost for the arc flash study will run between \$30,000 - \$45,000 with an additional \$8,000 - \$10,000 for the West Wastewater Treatment Plant.

Trustee Tony Miller motioned to recommend BHM&G's Arc Flash Study corrected agreement at a cost not to exceed \$50,000 for approval and Trustee Steve Smith seconded the motion. all voting aye, the motion carried.

13. Sale of scrap material: Ron was advised by Verbal Blakey that we may want to keep some of the engine parts as we may be able to use them for emergency purposes. T&R took 14 of the transformers and scrapped them. Solomon picked up 42 transformers. Ron said we purchased some concrete vessels from Kohnen Concrete that will be put at the north power plant to store the new transformers that were recently purchased.

14. Unisom purchase of cell tower: Dennis said the Unisom representative will be here next month.

15. Spill containment/Wiegmann: On hold for now.

16. Chubb Insurance Inspection: Ron said the information was sent to the insurance company. IMEA has an infrared gun that we will use to do that testing. We will also do the oil test.

17. Repairs to Digger Truck: Done as of today. Item can be taken off the agenda.

B. NEW BUSINESS: Ron said IMEA will now be picking up old refrigerators free of charge. This replaces the light bulb program.

Dennis advised the committee HD Supply had a corporate representative in charge of safety here. He conducted a safety audit for the electric department. He will give us a summary of what we need along with a quote to provide the needed items. Dennis said this is the first time we've done this. Ron said they do conduct training at no charge.

C. GENERAL CONCERNS: Ron said IMEA will conduct URGE testing on June 21st with units 6,8 and 9 in the morning and 10, 11 and 12 in the afternoon.

D. PUBLIC PARTICIPATION: None.

E. ADJOURN: *Trustee Steve Smith motioned to adjourn at 6:42 p.m. and Trustee Tony Miller seconded the motion. All voting aye, the motion carried.*



Julie Polson
Office Manager

Julie Polson

From: FPWD [FPWD@FREEBURG.COM]
Sent: Tuesday, May 03, 2011 9:48 AM
To: Dennis Herzing; Julie
Subject: Fw: Suplus parts

Please put on electric committee agenda.

Ron

----- Original Message -----

From: Verbal J. Blakey
To: FPWD
Sent: Tuesday, May 03, 2011 9:41 AM
Subject: RE: Suplus parts

Ron,

In order to install any of these parts on your engines without triggering a construction permit, you will have to ensure that the installation of the parts does not increase the capacity of the unit or change the fuel consumption. Additionally, there is a financial trigger on the costs of the work. The basic trigger is spending 50% of the replacement cost of the unit. This is not likely the case with the parts that you have listed below.

If the parts are all considered routine maintenance, then the above issues do not matter. Under all circumstances you will need to document the parts installed, the purpose for the work and all associated costs.

Please let me know if you have more questions.

Verbal Blakey
BHMG Engineers, Inc.

From: FPWD [mailto:FPWD@FREEBURG.COM]
Sent: Monday, May 02, 2011 2:49 PM
To: Verbal J. Blakey
Subject: Suplus parts

Verbal

As of our phone conversation we have several spare parts for our unit 1 - 3 Superiors and also unit 4 the Busch-Sulzer. At committee meetings we have been discussing shed room requirements and if it is possible to use the spare parts or with scrap prices should we get rid of those parts if we can't use them. We have complete heads, pistons, sleeves and connecting rods. We have had them for at least 10 years some longer. Let me know if use of any of this requires a construction permit or if we or able to even use them at all.

Ron



Angela Markley
Counsel

8825 Bond Street
Overland Park, KS 66214
Tel: 913.754.3317
angela.markley@windstream.com

April 22, 2011

RECEIVED

APR 26 2011

VIA FEDERAL EXPRESS

Attn: Mr. Dennis R. Herzing
Village Administrator
Village of Freeburg
14 Southgate Center
Freeburg IL 62243

Re: Agreement for Joint Use of Poles and Rights-of-Way

Dear Mr. Herzing:

Please find enclosed 2 copies of the above-referenced agreement with Windstream KDL, Inc. Both copies have been executed by Windstream KDL, Inc. Please counter-execute both copies and return one copy to the following address:

Windstream KDL, Inc.
8825 Bond Street
Overland Park, KS 66214
Attn: Angela Markley

Please call me if you have any questions. I can be reached at (913) 754-3317.

Sincerely,

Angela Markley
Counsel

Enclosures

AGREEMENT FOR JOINT USE OF POLES AND RIGHTS-OF-WAY

THIS AGREEMENT made and effective the ____ day of _____, 2011, by and between the Village of Freeburg (hereinafter "The Village") and Windstream KDL, Inc. (hereinafter called "Licensee").

WITNESSETH:

WHEREAS, the Village owns, operates and maintains poles, power lines and public rights-of-way within its Limits;

WHEREAS, Licensee desires to place certain lines, attachments and appurtenances on certain Poles of The Village, for the purpose of providing all lawful communications services in compliance with any and all local, state or federal regulations;

WHEREAS, The Village is willing to issue Licensee a non-exclusive license, to the extent it may lawfully do so, to place, replace, relocate, modify, repair, maintain and remove its communications attachments for the provision of lawful communications services on The Village's poles and rights-of-way;

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein contained, the parties hereto, for themselves, their assigns and successors, do hereby covenant and agree to the following:

SECTION 1. THE VILLAGE'S GRANT OF LICENSEE TO ATTACH TO THE VILLAGE'S POLES AND OCCUPY PUBLIC RIGHTS-OF-WAY

1. All authority granted under this Agreement or under any license under this Agreement specifically authorizes Licensee to occupy The Village's right-of-way and other public easements for the purpose of installing and maintaining communications attachments. For any Village poles ("Pole") or Village rights-of-way ("Right-of-Way") that occupy or constitute anything other than public rights-of-way or easements, The Village expressly apportions or grants Licensee the right to occupy that right of way or easement, to the extent that The Village may lawfully do so.
2. No use, however extended, of Poles or Rights-of-Way under this Agreement shall create or vest in Licensee any ownership of property right in said Poles or Right-of-Way, but Licensee's rights in such Poles and Rights-of-Way shall be and remain a mere license. Nothing in this Agreement shall be construed to compel The Village to maintain any Pole or Right-of-Way for any period of time.
3. The license granted to Licensee hereunder with respect to any Pole or Right-of-Way shall be non-exclusive in that The Village reserves the right to use any and all such Poles for any lawful purpose of business or to lease or otherwise permit any other person or entity the right to lease or use any or all Poles for any lawful purpose.

SECTION 2. TECHNICAL REQUIREMENTS

1. Licensee's use of Poles covered by this Agreement shall at all times be in conformity with the requirements of the latest edition of the National Electric

Safety Code (NESC), including any applicable grandfathering provisions, National Electric Code (NEC), Occupational Safety and Health Code (OSHA) and the requirements of The Village's written specifications or other public authorities in effect at the time of the original construction or major change to Attachments.

SECTION 3. ESTABLISHING JOINT USE OF POLES

1. Throughout the term of this Agreement, Licensee may designate a Pole or Poles on which it desires to place any attachment. Licensee shall not place any attachment on The Village's Pole(s) prior to receiving an approved Application for Permit from The Village, attached hereto as Exhibit A.
2. As provided on Exhibit B (Pole Attachment Permit Application Process), upon receipt of Licensee's Application for Permit, The Village shall schedule a joint ride-out of the Poles designated in the Application for Permit, if necessary, in order to conduct a pre-construction survey to determine whether make-ready is necessary to accommodate Licensee's proposed attachments. Licensee shall participate in the pre-construction survey.
3. Whether or not it was necessary to conduct a joint ride-out and pre-construction survey, within thirty (30) days of the receipt of Licensee's Application for Permit the Village shall approve, conditionally approve or deny each Application for Permit by returning one copy of it to Licensee reflecting its approval, conditional approval or denial in the appropriate space.
4. The Village shall not unreasonably withhold approval of Licensee's Permit Applications, and shall not withhold approval except for reasons of reliability, capacity, safety and generally applicable engineering purposes.
5. If make-ready is necessary to accommodate Licensee's Attachment, including the modification or rearrangement of the attachments of The Village or any other third party attacher on any Pole or the placement of new Poles or replacement of one or more existing Poles, The Village shall return a copy of the Application for Permit to Licensee reflecting such conditional approval and detailing the required make-ready and the estimated cost, and schedule associated with such make-ready. If Licensee is willing to accept The Village's modifications to the Permit Application, Licensee shall return the Permit Application to The Village signed by a duly authorized representative and reflecting Licensee's acceptance of the make-ready and payment of the estimated cost associated with such make-ready.
6. Upon receipt of written authorization and payment, The Village will proceed with the make-ready work according to the specific agreed upon installation plans and the terms of the Agreement. Upon completion of the make-ready work, The Village shall sign and return a copy of the approved Application for Permit authorizing Licensee to make its Attachment(s).
7. In the event the actual make-ready costs exceed the estimate, Licensee shall pay the balance upon invoicing. In the event actual make-ready costs are less than the estimate, The Village shall reimburse Licensee the balance immediately upon completion of the make-ready work.

SECTION 4. RELOCATION, REPLACEMENT OR MODIFICATION OF LICENSEE'S ATTACHMENTS AT THE VILLAGE'S REQUEST

1. Upon written notice from The Village, Licensee, within the period specified in the notice, shall replace, relocate or modify all and any portion of its attachments on a Pole that The Village, in its reasonable discretion, requests in such notice. Should the replacement, relocation or modification of Licensee's attachments be due to the request and/or benefit of any other attacher, Licensee will be reimbursed by such attacher, for costs associated with the replacement, relocation or modification of Licensee's Attachments. If Licensee fails to perform such work within the period specified in the notice, The Village, in the exercise of its sole discretion, may perform all or any portion of such work and charge Licensee the costs thereof.
2. Whenever any Right-of-Way consideration or any city, county or state regulation makes relocation of a Pole necessary, The Village shall bear the cost of relocation of such Pole, except Licensee shall bear the entire risk and expense of relocating its Attachments.

SECTION 5. MAINTENANCE AND REPAIR OF ATTACHMENT

1. Licensee shall exercise precautions to avoid damage to facilities of The Village and of others supported on Village Poles. Licensee shall make an immediate report to The Village of the occurrence of any such damage and hereby agrees to reimburse The Village for the full expense incurred in making repairs and agrees to indemnify The Village as otherwise provided herein.
2. Licensee shall at its sole risk and expense, maintain all its Attachments on Poles in a safe condition, in accordance with the Technical Requirements specified in Section 2. Licensee will immediately cure any condition which presents an imminent threat to safety of lives or property. Licensee may perform maintenance and repair work without giving prior written notice to The Village. However, should Licensee fail to comply materially with the standards set forth in this agreement, The Village may require Licensee to correct such conditions within either 30 days, or longer period depending on the circumstances and the time required to correct the non-compliance. However, The Village, in the exercise of its sole discretion, and after making reasonable attempts to notify Licensee, may perform such repairs or maintenance that it deems necessary to protect the health, safety and welfare of its employees and the general public.

SECTION 6. REMOVAL OF ATTACHMENTS

1. Licensee, in the exercise of its sole discretion, may remove any Attachment on any Pole, without the prior approval of The Village. Licensee shall, however, notify The Village within 30 days of removal.
2. If The Village is requested by a third party to remove its Pole(s), upon 30 days' notice from The Village, Licensee, at its sole risk and expense and within the period so specified in the notice, shall remove all or any portion of the Attachments on any Pole(s) that The Village, in the exercise of its reasonable discretion, requests in such notice. Notwithstanding the foregoing, if such request is by a private property owner and The Village's

poles are legitimately on the third party's private property, The Village shall notify private property owner that it must pay Licensee to remove its attachments and for any accommodations necessary for the continued operation of Licensee's attachment (i.e., placing Licensee's facilities underground). Otherwise, Licensee shall not be required to remove its Attachments from the Pole(s). In the event upon removal of The Village's Attachments Licensee's Attachments remain on the Pole(s), the Pole(s) shall become the property of Licensee and Licensee shall hold harmless The Village from every obligation, liability or cost and from all damages, expenses or charges incurred thereafter, arising out of or because of the presence of or condition of the Pole(s). Licensee shall also pay to The Village a sum equal to the present salvage value in place of such abandoned Pole(s) or other equitable sum as agreed to by the Parties and Licensor shall provide Licensee with a properly authorized bill of sale for such Pole(s).

SECTION 7. EMERGENCIES

1. In the event of an emergency, Licensee, at its sole risk and expense, shall have the right to place, replace, relocate or modify attachments on any Pole without first obtaining The Village's approval for such work, however, Licensee will make all efforts to notify The Village. If such emergency placement, replacement, relocation or modification does not conform to the standards set forth in this agreement, Licensee, at its sole risk and expense, shall remove, replace, relocate or modify all or any portion of such attachments upon written notice from The Village and within the time period specified in the notice.
2. In the event of an emergency, The Village should make every reasonable effort to notify Licensee, but, if under the circumstances it cannot, The Village may permanently or temporarily replace, relocate, remove, modify or perform any other work in connection with Licensee's attachments on any Pole. Licensee shall reimburse The Village for the actual expense that The Village may incur for such emergency work. In such event, The Village shall notify Licensee immediately of both the Poles affected and the work performed.

SECTION 8. POLE ATTACHMENT FEES, CHARGES AND RATES

1. The Village shall invoice Licensee on February 1 of each year for the number of poles on which attachments are maintained. Annual Pole Attachment Fee invoices shall be payable on April 1st of each year and the effective date of any annual rate adjustment shall also be effective on April 1 of the same year. For purposes of calculating the annual Pole Attachment Fees, The Village shall pro-rate the fees based on the number of months an attachment actually occupied a pole. For the purposes of this paragraph, any attachment placed within a particular month shall be deemed to have occupied the pole for the entire month.
2. Equipment associated with Licensee's mainline attachments set forth in the preceding paragraphs, such as power supplies, conduit, risers, cables, wires or other ancillary equipment necessary to the operation of Licensee's network shall be considered "associated equipment" included in the annual Pole Attachment Fee and shall not incur additional Pole Attachment Fees when attached to a pole with a mainline attachment.

3. The pole attachment fee for the first year of this agreement shall be Ten Dollars (\$10.00) per pole per year. As provided in Section 8 (#1) above, upon sixty (60) days advance written notice, The Village may increase the Pole Attachment Fee once per year. Annual Pole Attachment Fee increases during the first Five (5) year term of this Agreement shall be based on the Consumer Price Index ("CPI") for Urban Consumers but the total Pole Attachment Fee shall be capped at Twenty Dollars (\$20) per pole. Following the first Five (5) year term, upon The Village's request, the parties shall negotiate whether the Twenty Dollar (\$20) per pole cap shall remain in place or increase.
4. Whenever Licensee is required under this Agreement to reimburse The Village for The Village's expenses, such expenses shall include The Village's full and actual cost and expense therefore. Bills for expenses and other charges under this Agreement, other than annual Pole Attachment Fees, shall be payable within forty-five (45) days after receipt of a detailed invoice therefore. If Licensee disputes any annual Pole Attachment Fee increase under this Agreement, Licensee must nevertheless pay an amount equal to the prior year's rental rate for the number of poles it currently occupies, by the due date contained on the invoice, subject to Section 18, which requires that in the event the Parties have been negotiating a disputed rate for more than a year, the annual Pole Attachment Fee increases during the disputed period will be based on the CPI for Urban Consumers and any balance due will be retroactive to the date of the original invoice.
5. Interest shall be charged at the rate of 8% annually or the maximum allowed by law, whichever is less, on the unpaid balance of delinquent, undisputed bills for each month or part thereof that any bill remains unpaid.

SECTION 9. UNAUTHORIZED ATTACHMENTS

1. If any of Licensee's Attachments for which no Permit Application has been issued shall be found attached to The Village's Poles, Licensee, within 30 days of receipt of written notification from The Village shall submit a Permit Application for such unauthorized Attachment.
2. The charge for each unauthorized Attachment shall be in an amount equal to the annual Pole Attachment Fee per each unauthorized Attachment for the number of years the attachment has occupied the pole. If the parties cannot reasonably determine the date on which the attachment was installed, the fee shall be equal to the rental payments due since the last inventory The Village conducted or dating back 5 years whichever is less.

SECTION 10. INVENTORIES AND AUDITS

1. The Village may request annually that Licensee provide an inventory of poles to which Licensee is attached. The Village may, thereafter, at its own expense, conduct an inventory or audit to verify Licensee's report.
2. No inventory or inspection, or lack thereof, by The Village shall operate to relieve Licensee of any responsibility, obligation, or liability assumed under this Agreement.

3. Any safety violations associated with Licensee's Attachments will be corrected within 30 day's written notice. If the safety violation cannot be reasonably corrected within 30 days, the parties will establish an extended time frame based on the difficulty of making the correction and the number of parties and Village Poles involved. If Licensee fails to correct any safety violation within the agreed upon time frame, The Village, in the exercise of its sole discretion and without further notice or demand to Licensee and at the sole risk and expense, may perform such work as it deems necessary.

SECTION 11. DEFAULTS

1. If Licensee shall fail to comply with the material provisions of this Agreement, or should default in any of its material obligations under this Agreement, The Village shall grant Licensee 30 days notice and opportunity to cure.
2. Should Licensee fail to either cure the default or present a plan for a timely cure of the default within 30 days, The Village, in exercise of its reasonable discretion, may terminate the agreement on 30 days' additional notice.
3. If Licensee defaults in the performance of any work which it is obligated to do under this Agreement, The Village may elect to do such work and Licensee shall reimburse The Village for all cost thereof.
4. Upon termination or cancellation of this Agreement, in whole or in part, for any reason, Licensee shall remain liable to The Village for any and all fees, other payments and damages that may be due or sustained prior to such termination or cancellation.

SECTION 12. INDEMNIFICATION AND INSURANCE

1. Licensee shall indemnify, protect, save harmless and insure The Village, its officers, directors, employees, members, agents, contractors and subcontractors from and against any and all liability, losses, costs, expenses, causes of action, damages, claims and demands for, or litigation with respect to damages to property and for injury or death to persons, including payments made under any Worker's Compensation law or under any plan for employee disability and death benefits and including all expenses incurred in defending against any such claims or demands, or other damages that may be caused by Licensee, its officers, directors, employees, members, agents, contractors or subcontractors with respect to the erection, operation, maintenance, presence, use, repair, transfer, rearrangement or removal of Licensee's attachments or unauthorized attachments on or in the vicinity of The Village's distribution poles or Village's easements or rights-of-way. Such indemnity obligation shall apply except in the event of The Village's acts of negligence or intentional misconduct.
2. **UNLESS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES SUFFERED BY THE OTHER PARTY OR BY ANY CUSTOMER OF THE OTHER PARTY FOR LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, WHETHER BY VIRTUE OF ANY STATUTE, IN**

TORT OR IN CONTRACT, UNDER ANY PROVISION OF INDEMNITY, OR OTHERWISE, REGARDLESS OF THE THEORY OF LIABILITY UPON WHICH ANY SUCH CLAIM MAY BE BASED.

3. Licensee shall carry insurance at its sole cost and expense to cover its indemnification obligations under this Agreement. The amounts of such insurance against liability due to damage to property or to injury or death of persons as to any one occurrence shall be in the amount of \$3,000,000.00 per injury or damage claim with a total of \$5,000,000.00 against all damage claims. Licensee shall also carry such insurance as will protect it from claims under any Workers' Compensation laws in effect that may be applicable to it. All insurance required shall be kept in force by Licensee for the entire life of the agreement and the company or companies issuing such insurance shall have an A.M. Best rating of A- or better. Licensee shall submit to The Village certificates by each company insuring Licensee to the effect that it has insured Licensee for all liabilities of Licensee under this agreement and that it will not cancel nor fail to renew any policy of insurance issued to Licensee except after thirty (30) days notice to The Village.

SECTION 13: ASSIGNMENTS

1. Licensee shall not, without prior written consent of The Village transfer, assign, delegate or sublet any of its rights or obligations under this Agreement, which consent shall not be unreasonably withheld, conditioned, delayed or denied. However, Licensee may assign or transfer this Agreement and the rights or obligations under it, in whole or in part, without approval, to any affiliate controlling, controlled by or under common control with said Party, or an entity that acquires or succeeds to ownership of all or substantially all of Licensee's assets, upon thirty (30) days notice prior to such assignment or transfer.
2. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns where assignment is permitted by this Agreement.

SECTION 14: APPLICABLE LAW

1. This Agreement shall be governed by and interpreted and construed in accordance with the laws of the State of Illinois. The venue of any legal proceeding relative to this Agreement shall be in a court of competent jurisdiction in Illinois or appropriate regulatory forum as the case may be.

SECTION 15: ENTIRE AGREEMENT

1. This Agreement and all attachments hereto shall constitute the entire Agreement of the Parties pertaining to the subject of this Agreement and supersedes all prior agreements, negotiations, undertakings, understandings, proposals, statements and representations, whether written or oral, concerning such matters.

SECTION 16: NOTICE

1. Any notice required to be given or made in connection with this Agreement shall be in writing and shall be made by certified or registered mail, return receipt requested, express mail or other overnight delivery service by a reputable company with tracking capability, proper postage or other charges prepaid and addressed or directed to the respective representative of the Parties below:

To Village: Village of Freeburg
Village Administrator
14 Southgate Center
Freeburg, IL 62243
618/539-5545

To Licensee: Windstream KDL, Inc.
Senior Vice President
3701 Communication Way
Evansville, IN 47715

Copy to: Windstream KDL, Inc.
Legal Dept.
8825 Bond St.
Overland Park, KS 66214

2. Any notice given or made pursuant to or in connection with this Agreement shall be effective as of the time of delivery to or receipt by the Party to whom such notice is addressed.

SECTION 17: MODIFICATION AND WAIVER

1. Modifications to this Agreement shall only be effective when submitted in writing and signed by the duly authorized representatives of the Parties. Such modifications to be effective shall expressly be identified as a modification with specific references to the provisions of this Agreement to be modified. Any modification shall be effective on the date such modification is signed by the Parties, unless such notification expressly provides otherwise.
2. No duties or rights under this Agreement shall be waived except as expressly provided in this Agreement or unless the Party having the right expressly waives such duties or rights in writing so stating it s a waiver. No course of dealing, failure to enforce or insist upon compliance with any of the terms or conditions of this Agreement shall constitute or be construed as a waiver or relinquishment of any term, right or condition, but shall remain at all times in full force and effect.

SECTION 18; HEADINGS

1. The headings in this Agreement are inserted for convenience of reference only and shall in no way be considered in the interpretation of this Agreement.

SECTION 19: TERM

1. This Agreement shall continue in force and effect for a period of five (5) years from the date of execution and, if not terminated by either Party giving written notice of its intent to terminate not less than 180 days prior to the end of the first term, thereafter, year to year until terminated by either Party giving written notice of its intention to do so not less than 180 days prior to the end of the term. Notwithstanding the foregoing, prior to the end of the initial five (5) year term, the Parties may choose to extend the Agreement for another multi-year term. Licensee shall remove all its Attachments from The Village's Poles within 180 days after the effective date of termination, unless the Parties are in the process of negotiating a replacement Pole Attachment and Right-of-Way Use Agreement. In the event the Parties are in the process of negotiating a revised Pole Attachment Fee, as per Section 8, the Village shall not terminate the Agreement over a disagreement about the rate or rate methodology. Instead, unless the Agreement is terminated by its terms, the Agreement shall remain in effect while the Parties are negotiating the revised Pole Attachment Fee. Notwithstanding the foregoing, if the parties are unable to reach agreement over the revised Pole Attachment Fee increase for longer than a twelve (12) month period from the invoice date, the existing rate shall be increased based on the CPI for Urban Consumers for each additional year during the dispute and will be retroactive to the invoice date. After termination of this Agreement, Licensee shall pay The Village for any remaining pole attachments, at the last Pole Attachment Fee for the period of time following termination until final removal of all Pole Attachments.

SECTION 20: FORCE MAJEURE

1. Neither Party shall be held liable for any delay or failure in performance of the Agreement from any cause beyond its control and without its fault or negligence, such as, but not limited to, acts of civil or military authority, acts of nature, governmental regulations, embargoes, epidemics, riots, fires, wars, terrorist acts, insurrections, explosions, earthquakes, floods, strikes, power blackouts, unusually severe weather conditions or the inability to secure products and supplies.

SECTION 21: EXISTING AGREEMENTS

1. All existing Agreements between the Parties hereto for the Joint Use of Poles are by previously conferred by The Village, by contract to others not parties to this Agreement, to use any poles covered by this Agreement; and The Village shall have the right to continue and extend such rights and privileges. The attachment privileges herein granted shall at all times be subject to such existing contracts and arrangements. The attachment privileges herein granted shall be non-exclusive, and The Village shall have the right in its sole discretion to grant attachment privileges of any sort to any person, firm or corporation.

SECTION 22: THIRD PARTY BENEFICIARIES

1. The Parties agree that the terms of this Agreement and the Parties' respective performance of obligations hereunder are not intended to benefit any person or entity not a party to this Agreement, that the consideration

provided by each under this Agreement only inures to the respective parties hereto, and that no person or entity not a party to this Agreement shall have any rights hereunder nor the right to require the performance hereunder by either of the respective parties hereto.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed effective as of the date and year first written above.

Village of Freeburg

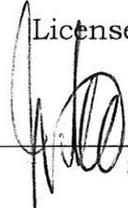
By: _____
Signature

Name: _____

Title: _____

Date: _____

Licensee

By:  _____
Signature

Name: John C. Greenbank

Title: SVP Transport Svcs

Date: 4-18-2011

EXHIBIT A

APPLICATION FOR PERMIT

Application Date: ____/____/____

To: **Village of Freeburg**

Desire to: Attach to Utility Pole(s) Remove Attachment from Utility Pole(s)

Permit No. _____

No. of Poles this permit _____ Sheet 1 of _____

Licensee Name: _____

Address: _____

Contact Person: _____ Title: _____ Phone No.: _____

Utility Contact Person: _____ Title: _____ Phone No.: _____

Narrative Description of proposed activity: _____

In accordance with the terms and conditions of the Pole Attachment Licensing Agreement dated _____, application is hereby made for a Permit to attach to and/or vacate Pole(s) in the locations detailed on the attached Route Map(s).

Permission is hereby granted to Licensee to attach and/or vacate poles listed on the attached Field Data Summary Sheets, subject to payment of the necessary Make-Ready Work charges as set out by Utility and agreed to by the Licensee.

SUBMITTED:

APPROVED:

Licensee _____

Utility _____

By _____

By _____

Title _____

Title _____

Date _____

Title _____

EXHIBIT B

POLE ATTACHMENT PERMIT APPLICATION PROCESS

The following procedure is to be followed by each Licensee seeking to make new attachments on The Village's Poles. Note that no entity may make any attachments to Village Poles without having first entered into a binding Agreement for Joint Use of Poles and Rights-of-Way.

1. Licensee shall submit a written Application for Permit in the form of Exhibit A. Upon receipt of the Application, The Village shall schedule a joint ride-out of the Poles designated in the Application, if necessary, in order to perform a pre-construction survey. Licensee shall participate in the survey, which will include a review of the proposed attachment(s) to determine whether make-ready work is necessary to accommodate Licensee's proposed attachments.
2. Following the pre-construction survey, if make-ready is necessary, The Village shall return a copy of the Application for Permit detailing the required make-ready and the estimated cost associated with such make-ready, within 30 days of the Application for Permit submission. If Licensee is willing to accept The Village's make-ready suggestions and estimate, Licensee shall sign and return the Application for Permit along with the estimated payment. If make-ready is not necessary, The Village will sign and return a copy of the approved Application for Permit authorizing Licensee to make its attachments in accordance with the agreed upon installation plans.
3. Upon receipt of written authorization and payment, the Village will proceed with make-ready work according to the specific agreed upon installation plans and the terms of the Agreement.
4. Upon completion of the make-ready work, The Village will sign and return a copy of the Application for Permit authorizing the Licensee to make its Attachment(s) in accordance with agreed upon installation plans.

EXHIBIT C

SPECIFICATIONS FOR LICENSEE'S ATTACHMENTS

The following engineering and construction practices will be followed by Licensee when making Attachments to Utility Poles.

- A. All attachments shall be made in accordance with the technical requirements specified in Section 2 of the Agreement and this Exhibit C and Exhibit D.
- B. Clearances
 1. Attachment and Cable Clearances: Licensee's Attachments on Utility Poles, including metal attachment clamps and bolts, metal cross arm supports, bolts and other equipment must be attached so as to maintain the minimum separations specified in the National Electrical Safety Code (NESC), including any exceptions in specified clearances and in drawings and specifications Utility may from time to time furnish Licensee, subject to any exceptions permitted by the NESC. (See Drawings I-1 to I-5)
 2. Service Drop Clearance: The parallel minimum separation between Utility's service drops and communications service drops shall be twelve (12) inches, and the crossover separation between the drops shall be twenty-four (24) inches. (See Drawing I-4)
 3. Sag and Mid-Span Clearances: Licensee will be particularly careful to leave proper sag in its lines and cables and shall observe the established sag of power line conductors and other cables so that minimum clearances are (a) achieved at poles located on both ends of the span; and (b) retained throughout the span. At mid-span, a minimum of 12" of separation must be maintained between any other cables. At the pole support, a 12" separation must be maintained between Licensee and any other connection/attachment. (See Drawing I-4)
 4. Service Clearances: A four-inch (4") separation shall be maintained between Utility's service cable and/or any other Attaching Entity's facilities located on the customer's private property in accordance with the National Electrical Code (NEC).
 5. Vertical Runs on Poles: All Risers on poles, including those for power feed for TV amplifiers, shall be placed on the quarter faces of the pole and shall be covered by a riser guard with a two-inch (2") clearance in any direction from cable, bolts clamps, metal supports and other equipment. Secondary cable providing service to street lights may be covered with non-metallic conduit to allow minimum clearances to communication cables as permitted in the NESC.
 6. Climbing Space: A Clear Climbing Space must be maintained at all times on the face of the pole. All Attachments must be placed so as to allow and maintain a clear and proper Climbing Space on the face of the Utility Pole. Licensee's

cable/wire Attachments shall be placed on the same side of the pole as those of other Attaching Entities. In general, all other Attachments and Risers should be placed on pole quarter faces. (See Drawing I-5)

C. Down Guys and Anchors

1. Licensee shall be responsible for procuring and installing all anchors and guy wires to support the additional stress placed on the Utility's poles by Licensee's Attachments.
2. Anchors and guy wires must be installed on each Utility pole where there is an angle or a dead-end occurs. No proposed anchor can be within four (4) feet of an existing anchor without written permission of Utility.
3. Licensee may not attach guy wires to the anchors of the Utility or third party user without the anchor owner's prior written consent.
4. No attachment may be installed on a Utility pole until all required guys and anchors are installed, nor may any Attachment be modified, added to or relocated in such a way as will materially increase the stress or loading on Utility poles until all required guys and anchors are installed.
5. Licensee's down guys shall be downed to ground wires of the Utility's Pole.

D. Miscellaneous Requirements

1. Cable Bonding: Licensee's messenger cable shall be bonded to Utility's pole ground wire at each pole that has a ground wire.
2. Customer Premises: Licensee's service drop into customer premises shall be protected as required by the most current edition of the NEC.
3. Communication Cables: All Communications cables/wires not owned by Utility shall be attached within the Communications space that is located 40 inches below the Utility neutral or the lowest Utility-owned effectively grounded messenger.
4. Riser Installations: All Licensee's Riser installations shall be placed on metal stand-off brackets. (See Drawing I-3)
5. Tagging: On a going-forward basis, all Licensee's attachments shall be identified with a band type marker or other identification. The marker must identify the Licensee.
6. Safety Zone: No mounting brackets are permitted in the safety zone. The safety zone between communication facilities and supply facilities on the same pole extends horizontally out to the boundaries of the climbing space and working space. The safety zone is measured vertically from the level of the closest surface of the communication facility to the level of the closest surface of the supply facility. The required clearance of the safety zone is measured vertically between the levels of the equipment involved. Stand off bracket installation will not be allowed to meet the 40" clearance requirement. (See Drawing I-5)

E. Utility Construction Standards

1. Refer to the attached Utility Construction Standards or obtain the applicable construction standards from the Utility in accordance with the affected Utility's requirements.
2. Apply the Utility's construction standards in coordination of the applicable NESC, NEC and any other Federal, State or Local code requirements.



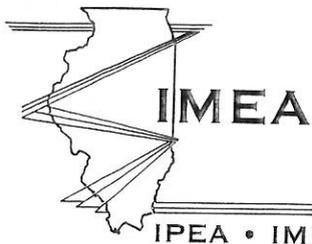
612 W. St. Clair Street
Freeburg, IL 62243
(618) 410-3524 (618) 530-7132
americanpatriots2@netzero.net

Dear Dennis,

The Patriotic Sisters would like to request the village to supply electricity and water to the lot in front of Ace Hardware store on June 11th for our BBQ. Your support is greatly appreciated.

Thank You,

Phyllis Sheppard



IPEA • IMUA

3400 CONIFER DRIVE, SPRINGFIELD, IL 62711
217-789-4632 / FAX 217-789-4642

April 28, 2011

Dear IMEA Participating Member:

In accordance with Section 3 of the Power Sales Contract, IMEA hereby gives notice of a revision to Rate Schedule B. This rate schedule was approved at the April 28, 2011 Board of Director's meeting and will become effective on July 1, 2011. Please file the enclosed rate schedule with your Power Sales Contract with IMEA.

As always, call if you should have any questions.

Sincerely,

Ronald D. Earl
President & CEO

Enclosure

*PARTNERS IN DELIVERING
EXCELLENCE IN UTILITY SERVICES*

ILLINOIS MUNICIPAL ELECTRIC AGENCY
ILLINOIS PUBLIC ENERGY AGENCY
ILLINOIS MUNICIPAL UTILITIES ASSOCIATION

WWW.IMEA.ORG

6. Billing Demand. The Billing Demand in any Billing Period shall be the metered demand for the period as determined under paragraphs 4 and 5 giving effect to all applicable adjustments, including those for Schedules B-2, B-4, and B-6.
7. Billing Energy. The Billing Energy in any Billing Period shall be the metered energy for the period as determined under paragraphs 4 and 5 giving effect to all applicable adjustments as required, including those for Schedules B-2, B-4, and B-6.
8. Maximum Lagging Reactive Billing Demand. The Maximum Lagging Reactive Billing Demand for any billing period shall be the highest hourly summation of the flow of reactive power from IMEA to each Participating Member during the Billing Period.
9. Cost Adjustments. The Agency shall apply adjustment factors as either charges or credits on the Participating Member bills as determined from the variance in the Agency's demand and energy supply costs from those as calculated at the time of the Agency's base rate determination or to distribute revenues associated with premiums charged to certain purchasers. Adjustments for variances in demand related costs shall be accounted for using the Demand Cost Adjustment ("DCA"). Adjustments made to credit the amount collected from the premium paid by new Participating Members or other purchasers shall be accounted for using the Premium Credit Adjustment ("PCA"). Adjustments for variances in energy related costs shall be accounted for using the Energy Cost Adjustment ("ECA"). Adjustments for variances in the 2007C debt service costs shall be accounted for using the Debt Service Adjustment ("DSA"). The DCA, PCA and ECA will be applied on the invoice following the applicable month of service but shall be applied to the demand or energy usage from the prior billing period. The DCA, PCA, ECA and DSA are further defined below:

DCA: Demand related cost variance shall be computed monthly as the difference between the Agency's actual and base demand related costs. The resulting DCA factor for the period shall be calculated to the nearest \$0.01 per kilowatt, using the following formula:

$$DCA = \frac{SRDC - (9.50 \text{ times MBD})}{MBD}$$

Where:

SRDC is the total fixed costs of the Agency's System Resources used to serve the Agency's Participating Members during the prior billing period, which includes, but is not limited to, the following:

- (1) Capacity payments to generating Participating Members.
- (2) The demand related costs of all long term power purchased by the Agency.
- (3) The monthly debt service obligation associated with the financing of Agency-owned resources and facilities other than the debt service associated with the 2007C Revenue Refunding Bonds. The debt service obligation shall be proportioned monthly based on historic monthly demand.

- (4) The monthly fixed operations and maintenance expense associated with the production and transmission of electricity from the Agency's own resources.
- (5) A credit for the revenue collected by the Agency related to the Schedule B-6 demand charges.
- (6) A credit for the revenue collected by the Agency related to the Reactive Demand Charge.
- (7) A credit for the revenue collected by the Agency related to the 1991 Project Demand Payment - New Participating Members as calculated in accordance with Section 4(b)(3) above.
- (8) Other monthly fixed costs, credits or Agency obligations which are considered related to the supply of capacity to the Participating Members, and are considered appropriate to charge as a demand related cost by the Board of Directors.

MBD is the total kilowatt billing demand of the Agency's Participating Members under Rate Schedule B for the prior period, excluding the kilowatt billing demand billed under the Hydro Backup Rate (See Resolution 94-6-318) and Schedule B-6.

PCA: The PCA shall be a credit paid monthly to the 29 Participating Members who executed a Power Sales Contract with IMEA prior to January 1, 2007. The premium shall be collected from the Participating Members and other purchasers on a monthly basis based on the appropriate rate methodology as contained in the respective Addendum to Power Sales Contract. The total premium amount collected from Participating Members and other purchasers shall then be credited to the 29 Participating Members based on the following formula, rounded to the nearest \$0.01 per kilowatt:

$$PCA = \frac{PR \text{ times } (-1)}{MBD29}$$

Where:

PR is the total premium revenues collected for the prior month from the premium charged to Participating Members and other purchasers under their respective Addendums.

MBD29 is the total kilowatt billing demand for the prior month of the 29 Participating Members who executed a Power Sales Contract with IMEA prior to January 1, 2007.

ECA: Energy related cost variance shall be computed monthly as the difference between the Agency's actual and base energy related costs. The resulting ECA factor for the period shall be calculated, to the nearest \$0.00001 per kilowatt-hour, using the following formula:

$$ECA = \frac{SREC}{MBE} - 0.02500$$

Where:

SREC is the total energy related cost of the Agency's System Resources for the Agency's Participating Members' usage during the period, which includes, but is not limited to, the following:

- (1) Fuel and generation payments to generating Participating Members.
- (2) The energy related costs of losses associated with transmission and distribution service charges.
- (3) The costs of all long and short-term energy and all short term power purchased by the Agency.
- (4) The monthly fuel and variable operations and maintenance expenses associated with the production of electricity from the Agency's own resources.
- (5) 2.00 Mills/kWh – For the purpose of funding ongoing capital requirements and increasing the Agency's General Reserve Fund.
- (6) Current year Delivery Service Charge revenue in excess of delivery service expenses, which have not yet been placed into the Renewals & Replacements Fund or otherwise used to offset delivery service expenses ("Excess Delivery Service Revenues"), may be used at the discretion of the President & CEO as a credit in this Energy Cost Adjustment ("ECA") formula. Delivery service expenses in excess of Delivery Service Charge revenue for a given month shall be added to the ECA formula if and to the extent there are no remaining Excess Delivery Service Charge Revenues for the current fiscal year.
- (7) Other monthly operating costs, credits or Agency obligations which are considered related to the supply of energy to the Participating Members, and are considered appropriate to charge as an energy-related cost by the Board of Directors.

MBE is the total kilowatt-hour billing energy for each billing period of the Agency's Participating Members.

DSA: The debt service cost variance associated with the Series 2007C Bonds shall be computed monthly as the difference between the revenue collected from the 1991 Project Demand Charge in Section 4(b)(1) above and the monthly debt service requirement ("DSR") for the 2007C Bonds. Amounts calculated for the DSA may be accumulated for several months during a fiscal year and then apportioned on a pro-rata basis to the 19 Participating Members paying the 1991 Project Demand Charge for regular 30 year debt service in accordance with Section 4(b)(1) above. Credits so accumulated shall be refunded to such Members during the fiscal year at the discretion of the President & CEO so the net amount remaining in the DSA at the end of the fiscal year is zero.

$$\text{DSA} = (2.40 \text{ times ABD}) + \text{DSB} - \text{DSR}$$

Where:

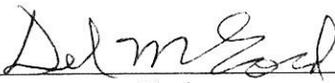
ABD is the adjusted billing demand of Participating Members paying 30 year debt service.

DSB is the debt service collected under the B-2 rate.

DSR is the actual debt service requirements for the billing period. The debt service requirement shall be proportioned monthly based on historic monthly demand.

10. Adjustment for Service to Non-Participating Members. Adjustments to the Energy Cost Adjustment may be made monthly to reflect the costs of service and revenues derived from sales by the Agency to non-participating member systems. The revenues from such sales shall be examined monthly on a case-by-case basis and any profits shall be credited to the rate stabilization account unless directed otherwise by the Board of Directors.
11. Tax Adjustment. In the event of the imposition of any tax, or payment in lieu thereof, by any lawful authority on the Agency for the purchase, production, transmission, or sale of electricity, the charges hereunder may be increased to pass on the Member its share of such tax or payment in lieu thereof.
12. Billing Period. The Billing Period shall be as nearly as practical to a calendar month.

Effective: July 1, 2011

Approved: 
Chairman

Issued by: 
President & CEO