

RESOLUTION NO. 2008-03-005R

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT
FOR INTERVENTION IN THE AMEREN RATE CASE
BEFORE THE ILLINOIS COMMERCE COMMISSION

WHEREAS, the City of Urbana is a home rule municipality with a population of 25,000;

WHEREAS, Ameren has filed a case before the Illinois Commerce Commission, wherein it seeks rate increases of up to forty-one percent (41%);

Whereas, it is in the economic interests of the City of Urbana and its citizenry to intervene in such a utility case in cooperation with the City of Champaign and other Central Illinois municipalities,

Whereas, it has, from time to time, proven to be economically prudent to share the costs of intervention in utility cases with other interested communities;

WHEREAS, Section 10 of Article VII of the 1970 Illinois Constitution and "The Intergovernmental Cooperation Act" (5 ILCS 220/, et seq.) provide for intergovernmental cooperation;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

The Intergovernmental Agreement entitled "INTERGOVERNMENTAL AGREEMENT FOR INTERVENTION IN AMEREN ELECTRICITY DELIVERY RATE CASE (ICC Cases No. 07-0585, 0586, & 0587)" (attached hereto) is hereby approved, and the Mayor is authorized to enter into said agreement on behalf of the City of Urbana.

PASSED by the City Council this _____ day of _____,
_____.

AYES:

NAYS:

ABSTAINS:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this _____ day of _____,
_____.

Laurel Lunt Prussing, Mayor

**INTERGOVERNMENTAL AGREEMENT FOR INTERVENTION IN AMEREN
ELECTRICITY DELIVERY RATE CASE (ICC Cases No. 07-0585, 0586, & 0587)**

WHEREAS, reliable and low cost electric service is essential for the economic health of the local and regional community; and

WHEREAS, AmerenCILCO, AmerenCIPS, and AmerenIP have proposed a general increase in rates for delivery service as reflected in Illinois Commerce Commission Docket Nos. 07-00585, 07-0586, and 07-0587 (consolidated); and

WHEREAS, the parties and their individual, commercial, and industrial residents purchase substantial energy services from the above-named businesses; and

WHEREAS, the parties desire to agree to share the costs of intervening in those cases; and

WHEREAS, Section 10 of Article VII of the 1970 Illinois Constitution and “The Intergovernmental Cooperation Act” (5 ILCS 220/, et seq.) provides for intergovernmental cooperation.

NOW, THEREFORE, agree as follows:

Section 1 Original and Additional Parties. The CITY OF CHAMPAIGN, ILLINOIS ("Champaign") shall be designated the "original party". Other governmental agencies may become parties to this Agreement by requesting to do so and agreeing to the terms herein. Such additional party shall contribute financially to these undertakings in a proportionate amount according to the population of all of the governmental units that have signed this Agreement. The contribution shall be based on total costs including those costs incurred before the approval of this Agreement by an additional party. Champaign shall notify all parties of the addition of any party to the Agreement, and

together with such notification shall provide the current pro rata breakdown of costs, based on the population of all parties.

Section 2. Lead Agency. Champaign shall be the lead agency on behalf of the parties. The Lead Agency shall be authorized to intervene into the cases in Illinois Commerce Commission Docket Nos. 07-00585, 07-0586, and 07-0587 (consolidated) on behalf of all and any of the parties to this Agreement, including additional parties. The Lead Agency on behalf of the parties shall contract for services desirable or necessary, to facilitate the intervention including without limitation, financial, legal, and engineering consultants. Such contracts shall be entered into as expeditiously as possible in order to maintain the case schedule designated by the ICC Administrative Law Judge; in this case, Interveners are required to have expert testimony on file by March 18, 2008. Any contractual limitations in use of the work product of service providers in these cases shall be applicable to additional parties in the same manner as apply to Champaign. The Lead Agency shall cause reports to be sent periodically to the parties and make available copies of work produced by services purchased under this Agreement.

Section 3. Executive Committee. Upon request of any party, an Executive Committee will be formed that will guide decision-making. Each party's contact person, designated upon signing of this Agreement, shall be such party's representative to the Executive Committee.

Section 4. Cost Sharing. All parties to this Agreement agree to share all costs of contractual services, including attorneys and experts pursuant to Section 2. The costs are to be divided among the parties on the basis of population. If an additional party is added to this Agreement, the total costs shall be shared with the original party and all additional parties on the basis of population. Provided however, if a city or village with a

population of less than 20,000 persons or a county desires to pay an upfront cost in lieu of a proportionate share, such party shall pay \$2,000 as its total cost responsibility under this Agreement. Parties shall be billed at the conclusion of the case, with costs required to be paid to consultants prior to that time being borne by the original party.

Total cost of the intervention action and research shall not exceed \$125, 000 for intervention into Case No. 07-0587 (AmerenIP). If an additional party is served by AmerenCilco or AmerenCips such that the party's participation requires intervention in Case no. 07-0785 or 07-786, the cost of additional consultant or legal services shall be divided as follows:

50% of the cost shall be divided between all parties based on the total population of all parties

If there is intervention in 2 cases: 25% of the total cost shall be divided between all the parties served by AmerenIP, based on the total population of parties served by AmerenIP.

25% of the cost shall be paid by parties served by another Ameren company.

If there is intervention in 3 cases is required, 16.66% of the total cost shall be divided between the parties served by AmerenIP, 16.66% between the parties served by AmerenCilco, and 16.66% of the cost between parties served by AmerenCips.

No party to this Agreement will seek reimbursement for its own staff time or in house resources provided to support this project.

Section 6. Payment. Payment for attorney and expert services rendered under this Agreement shall be due to the Lead Agency within 45 days following receipt by each of the participants of an itemized statement of the services performed. Such statement shall describe the services rendered.

Section 7. Completion and Termination.

(a) This Agreement will continue in full force until the decision of the Illinois Commerce Commission in the rate cases cited above. If the rate cases are appealed to the courts after the final decision of the Illinois Commerce Commission, no party shall be required to continue with the case or to contribute to such costs unless a supplemental amendment to this Agreement is approved by the party.

(b) Any signatory to this Agreement may terminate this Agreement by giving no less than forty-five (45) days' written notice of the intent to terminate this Agreement. Notice shall be considered given when deposited in the United States mail, postage prepaid, and addressed as provided:

City Manager
City of Champaign
102 North Neil Street
Champaign, IL 61820

City Attorney
City of Champaign
102 North Neil Street
Champaign, IL 61820

(c) In the event of termination of this Agreement by any participant prior to completion and final payment by that participant, the participant will pay the Lead Agency its proportionate share of costs for all services performed up to that party's total proportionate share of the project costs which costs were actually rendered up to date of termination. Champaign shall notify all other parties of the termination and recalculation of shares of remaining costs.

(d) In the event any of the provisions of this Agreement are violated by any signatory, the aggrieved party may serve written notice upon the other the intention to terminate such Agreement, such notice to contain the reasons for the termination. Unless within five (5) calendar days after the serving of such notice, the violation shall cease, and satisfactory Agreements for correction be made, the contract shall expire five (5) calendar days after such service. In addition to any other remedies available at law, the

defaulting party shall be liable to the other parties for any damages sustained by them based on the default. The terminating party shall pay the Lead Agency its proportionate share of the project costs up to the point of termination.

Section 8 Designated Contact Persons. Each party shall designate a representative who shall be the contact person concerning the Intergovernmental Agreement and the ICC cases referenced above. Champaign shall inform all parties of the designated contact persons for each jurisdiction. Such designated contact person shall have authority to make decisions concerning direction in the case for such party and shall be added to the service list to receive all filings in the case, if he/she so requests.

CITY OF CHAMPAIGN, ILLINOIS

CITY OF URBANA, ILLINOIS

By: _____
City Manager

By: _____

ATTEST:

ATTEST:

City Clerk

City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

City Attorney

City Attorney

DATE: _____

DATE: _____

Designated Contact person:

Phone: _____

Email: _____