

SPONSOR: Heather Burns

ORDINANCE NO. 182-06

AN ORDINANCE AUTHORIZING THE CITY TO ENTER INTO AN AGREEMENT BETWEEN THE CITY OF JACKSON, OHIO, AND AMERICAN ELECTRIC POWER SERVICE CORPORATION, FOR A FACILITIES, CONSTRUCTION AGREEMENT FOR A 138 kV AND LOWER VOLTAGE FACILITIES NECESSARY TO EXPAND THE LICK STATION DELIVERY POINT FROM THE AEP TRANSMISSION STATION, AND DECLARING AN EMERGENCY.

WHEREAS, the City of Jackson is involved in a project to upgrade its electric transmission facilities; and

WHEREAS, as part of the upgrade process, it is necessary for American Electric Power to expand an existing 138 kV transmission delivery point, to provide additional capacity to the City's electric distribution system; and

WHEREAS, the Lick Station Delivery Point is located adjacent to the City's Lick Substation; and

WHEREAS, this agreement is necessary in order to proceed with the City's electric distribution system upgrade.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JACKSON, STATE OF OHIO, as follows:

Section One. The Mayor and/or his designated representative is authorized to enter into an Agreement between the City of Jackson, Ohio, and American Electric Power Service Corporation, agent for Columbus Southern Power Company, to expand an existing 138 kV transmission delivery point, to provide additional capacity to the City's electric distribution system. A copy of the Agreement is attached hereto as Exhibit "A". The cost of this contract shall be in an amount of Two Hundred One Thousand Six Hundred Fifty and No/100 Dollars (\$201,650.00), and shall be paid from line item _____.

Section Two. This Ordinance is hereby declared to be an emergency Ordinance necessary for the immediate preservation of the public peace, health, or safety of the City of Jackson, in that it is necessary to enter into this agreement as soon as possible in order to continue with the City's electric distribution upgrade project in a timely manner. Therefore, this Ordinance shall go into effect upon passage and approval by the Mayor, as provided in Ohio Revised Code Section 731.30.

Section Three. In the event this Ordinance receives a majority vote for passage but fails to receive the required number of votes to pass as an emergency, then this Ordinance shall be deemed to have passed but with no emergency clause and shall take effect at the earliest time permitted by law.

Section Four. It is hereby found and determined that all formal actions of this Council relating to the adoption of this Ordinance were adopted in an open meeting of this Council, and that the deliberations of this Council that resulted in such formal actions, were in a meeting open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Date: July 24, 2006


PRESIDENT OF COUNCIL


CLERK OF COUNCIL

Approved:

Date: 7/31/06


MAYOR

EXHIBIT "A"

FACILITIES, CONSTRUCTION AGREEMENT
CITY OF JACKSON DELIVERY POINT

THIS AGREEMENT, made this ___ day of _____, 2006, by and between American Electric Power Service Corporation (hereinafter called "AEPSC"), agent for Columbus Southern Power Company, an Ohio corporation, d/b/a American Electric Power (hereinafter called "AEP") and The City of Jackson, Ohio (hereinafter called "City"), together herein called the "Parties",

WITNESSETH THAT:

WHEREAS, AEP owns electric facilities and is engaged in the generation, transmission, distribution and sale of electric power and energy in Ohio; and

WHEREAS, City is a municipal corporation of the State of Ohio, owning and operating facilities for the generation, transmission and distribution of electric power and energy in the City of Jackson, Ohio; and

WHEREAS, City has requested AEP to expand an existing 138 kV transmission delivery point (hereinafter called the "Lick Station Delivery Point"), to provide additional capacity to the City's distribution system; and

WHEREAS, the Lick Station Delivery Point is located in Jackson County, Ohio, at a point adjacent to the AEP 138 kV Lick Station, (hereinafter called the "AEP Transmission Station ") as shown on Exhibit A, attached hereto, on land owned by AEP; and

WHEREAS, City and AEP wish to enter into an agreement;

NOW, THEREFORE, in consideration of the promises and of the mutual covenants set forth herein, the Parties agree as follows:

Facility Construction,

1. This Agreement shall cover the 138 kV and lower voltage facilities necessary to expand the Lick Station Delivery Point from the AEP Transmission Station, as shown in Exhibit A, including, but not limited to, the following:
 - a. City shall engineer and design, purchase and install equipment, and expand the Lick Station Delivery Point, as shown on Exhibit A, which will include, among other items, one 138 kV circuit breaker, 138 kV bus work, and associated relay and control systems to facilitate the utilization of AEP Lease Conductors (separate agreement) to serve a new City owned Distribution station as shown on Exhibit A.

- b. AEP shall modify, at City's expense, existing Transmission line facilities to facilitate the connections necessary for the City to connect their new 138 kV Distribution Station to the City's expanded Lick Station Delivery Point as shown in Exhibit A.
 - c. AEP shall modify, at City's expense, the existing protection and control facilities at AEP's Lick 138 kV Station to facilitate the expansion of the new Delivery Point to the AEP Transmission Station Facilities.
2. City agrees to reimburse AEP for the actual cost of installing the AEP Transmission Station and Line Facilities as outlined in Paragraph 1, subsections (b) through (c) Presently, AEP's estimate of the cost of such activities is \$201,650. A breakdown of the cost estimate is shown on Exhibit B. Estimated costs are based on a May 2007 service date for AEP's construction and an overall May 2007 service date for the complete project. The estimates include total AEP loaded costs, grossed up for taxes (including Capital, and Removal costs). The gross up rate for the State of Ohio, used in calculating the gross-up amount, is 29.16%.
3. City has received necessary authorization to spend \$201,650 for the initial estimated costs. If the actual costs exceed \$201,650, City shall use best efforts to obtain additional authorizations for the additional funding necessary to reimburse AEP for its actual costs, including any costs attributable to delay in obtaining such additional authorizations. AEP shall have no obligation to incur any additional internal or external costs beyond \$201,650, or to perform any activities pursuant to Paragraph 1, subsections (b) through (c) unless and until City has received the additional authorizations.
4. City agrees not to materially change the configuration of the City's Lick station beyond the proposed configuration (Exhibit A dated 12/14/2005) without prior agreement from AEP, such agreement not to be unreasonably withheld or delayed.

Billing and Payments

5. AEP will invoice the City for actual expenses on a monthly basis as estimated in Exhibit B. If the costs reflect a higher total cost estimate than is set forth in paragraphs 2 or 3, City shall promptly seek additional authorizations to cover such increased costs and use its best efforts to secure the same. AEP may suspend work pending receipt of such additional authorizations.

Billing Disputes

6. City will promptly process all invoices for payment to AEP, such that the amount due shall be paid in full within 60 days.

If to AEP: American Electric Power Service Corporation
Attn: Manager, Transmission and Interconnection Services
1 Riverside Plaza,
Columbus, Ohio 43215

Or, at such other address as any Party shall have designated to the other.

Any written notice required or appropriate hereunder also may be sent by telex, telecopy or other electronic means of communicating written or printed material. Notice of any change in the above addresses shall be given in the manner specified in this subsection.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective corporate officers, duly authorized, as of the day and year first written above.

CITY OF JACKSON, Ohio
passed

Pursuant to Ordinance No. _____,
_____, 2006

By _____

Title _____

Date _____

COLUMBUS SOUTHERN POWER COMPANY

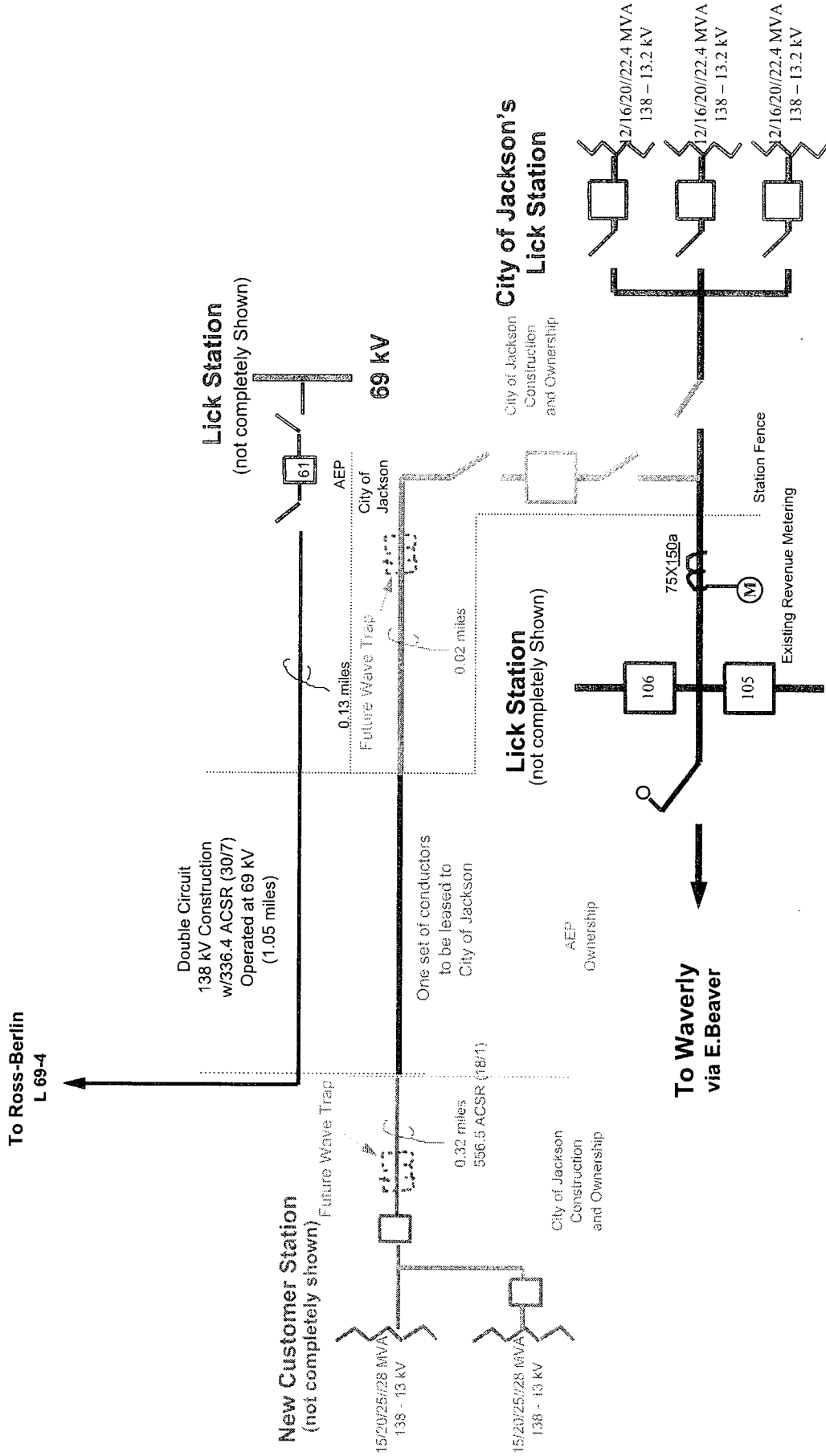
By: American Electric Power Service Corporation

As Agent for the Columbus Southern Power Company

By _____

Title Vice President – Transmission

Date _____



City of Jackson, Ohio
 138 kV Delivery Point
 Rev. 12/14/2005

Cost Estimate

Lick Station - Modify Relaying on existing City 138 kV Delivery Point to accommodate City's 138 kV Line extension	\$68,900
Prepare existing 138 kV line conductors for energization at 138 kV. Terminate line at west end for City attachment and extension. (in area of swamp)	<u>\$84,900</u>
Subtotal	\$153,800
Gross-up amount for Taxes	<u>\$44,850</u>
Subtotal	\$198,650
Plus Removal Cost	<u>\$3,000</u>
Total Project Cost	\$201,650

Note: Per guidelines, removal Cost is not gross-up for taxes

PROJECT COST PROJECTIONS

Estimated Payment Schedule

<u>Payment Due Date</u>	<u>Amount</u>
Jan. 2007	\$ 40,330
Feb. 2007	\$ 40,330
March 2007	\$ 40,330
April 2007	\$ 40,330
May. 2007 Station Commissioning	<u>\$ 40,330</u>

Balance Due: \$201,650

Total Estimated Project Cost: \$201,650

The City shall reimburse AEP for the total amount of each monthly invoice within sixty (60) days after receipt, unless such day is not a Business Day, in which case the City shall make payment on the next Business Day. If the City fails to make the monthly payments AEP will not be obligated to continue work until the payments continue. This may impact the in service date.

**STRUCTURE AND CONDUCTOR LEASE
AND
MAINTENANCE AGREEMENT
BETWEEN
COLUMBUS SOUTHERN POWER COMPANY
AND
CITY OF JACKSON, OHIO**