

COM ED LATE FILED  
EXHIBIT 6



---

**ORDINANCE AND  
AGREEMENT**

---

**BETWEEN THE  
CITY OF CHICAGO**

---

**AND COMMONWEALTH  
EDISON COMPANY**

---

**OFFICIAL FILE**

I.C.C. DOCKET NO. 12-0372  
*late filed* Exhibit No. 6  
Witness Wm. Mueller  
Date 2/28/13 Reporter \_\_\_\_\_

Effective January 1, 1992



TABLE OF CONTENTS

1. DEFINITIONS.....3

2. GRANT.....3

    2.1 Right Granted.....3

    2.2 Conditions and Limitations.....3

        2.2.1 Police Powers.....3

        2.2.2 Regulation of Public Ways or Property.....3

        2.2.3 Compliance With Laws, Rules and Regulations.....3

        2.2.4 Jurisdiction.....3

        2.2.5 Consent.....3

3. TERM & TERMINATION.....3

    3.1 Term.....3

    3.2 Acceptance and Effective Date.....3

    3.3 Extension.....4

    3.4 Termination.....4

    3.5 Obligations Upon Termination.....4

4. MUNICIPAL COMPENSATION.....4

    4.1 Municipal Compensation.....4

    4.2 Procedures.....5

    4.3 Revenue Estimate.....5

5. MUNICIPAL ACQUISITION.....5

6. MANAGEMENT AND SERVICE.....5

    6.1 Basic Obligation.....5

    6.2 Management and Operation.....5

    6.3 Emergency Procedures.....6

    6.4 Service Representative.....6

    6.5 Pricing Commitment.....7

7. EQUAL OPPORTUNITY/AFFIRMATIVE ACTION.....7

    7.1 Equal Opportunity.....7

        7.1.1 Nondiscrimination.....7

        7.1.2 Affirmative Actio.....7

        7.1.3 Purchasing.....7

            7.1.3.1 Special Activities.....8

            7.1.3.2 Participation Goals and Waivers.....8

        7.1.4 Community Outreach.....8

    7.2 Implementation.....8

8. ENFORCEMENT.....8

    8.1 Annual Report and Meeting.....8

    8.2 Accounts and Reports; Audit Rights.....9

    8.3 Physical Inspection.....9

    8.4 Plant Report.....9

    8.5 Filings.....9

    8.6 Other Enforcement Information.....9

    8.7 Disclosure of Documents or Information.....9

    8.8 Adjustment Board.....10

9.	USE OF PUBLIC WAYS OR PROPERTY.....	11
9.1	Non-Exclusive Grant.....	11
9.2	Permits and Procedure.....	11
9.3	Restoration of Streets and Property.....	11
9.4	Relocation.....	11
9.5	Tree Trimming in Rights of Way.....	11
9.6	Use of Utility Poles and Conduit.....	12
9.7	Undergrounding.....	12
10.	SUPPLEMENTAL AGREEMENT.....	12
11.	TRANSFER AND ASSIGNMENT OF LICENSE.....	12
12.	ADMINISTRATION.....	13
12.1	Non-Waiver.....	13
12.2	Modification.....	13
12.3	Indemnification.....	13
12.4	Notices.....	13
12.5	Entire Agreement.....	13
12.6	Governing Law.....	13
12.7	Force Majeure.....	13
12.8	Time of Essence.....	13
13.	REPEAL.....	13

**ORDINANCE AND AGREEMENT  
BETWEEN THE CITY OF CHICAGO  
AND COMMONWEALTH EDISON COMPANY**

WHEREAS, pursuant to an ordinance adopted May 25, 1948 and approved on June 10, 1948, the City of Chicago granted certain rights to Commonwealth Edison Company to provide electric energy within the City of Chicago; and

WHEREAS, the City of Chicago and Commonwealth Edison Company desire to renew the existing grant to Commonwealth Edison Company with certain amendments and modifications as set forth in this ordinance;

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO.**

The electric utility license agreement between the City and the Licensee is renewed on the terms and conditions set forth in this ordinance.

**SECTION 1  
DEFINITIONS**

When capitalized and used in this ordinance, the following terms shall have the meanings given, unless a different meaning is expressed or clearly indicated by the context. Words not defined herein shall be given their common and ordinary meaning.

1.1 "Adjustment Board": The board constituted pursuant to Paragraph 8.8 hereof.

1.2 "Annual Report": The report to be provided to the City by the Licensee pursuant to Paragraph 8.1 hereof.

1.3 "Capital Security": A share of capital stock or an evidence of long-term debt.

1.4 "Certified": This term shall mean, with respect to a minority business enterprise or women's business enterprise, that such entity has been certified as such by the City, Cook County, the State of Illinois or an independent organization with an established record of promoting equal opportunity and affirmative action.

1.5 "Chicago": The geographical area within the political boundaries of the City, including all territory subsequently annexed but not including territory subsequently disconnected, as those boundaries are defined at the time service is provided.

1.6 "City": The City of Chicago, a municipality of the State of Illinois and a home rule unit of government pursuant to Article VII, Section 6 of the 1970 Constitution of the State of Illinois, and where consistent with the context, its agencies, divisions, boards, bureaus, officers and employees.

1.7 "Compact": The supplemental agreement authorized by Section 10 hereof, a copy of which is attached hereto as Exhibit A.

1.8 "Competent Authority": Any governmental body or forum vested by law with authority to do the act or to make the order, rule or regulation involved. In the absence of any such other governmental body or forum, the City shall constitute Competent Authority to the extent it has the authority to act.

1.9 "Depreciation Reserve": The net credit balance in the Licensee's reserve for depreciation as of December 31, 1991, plus all amounts thereafter credited to such account for or in connection with the depreciation of Utility Facilities, and less all amounts thereafter charged to such account in connection with the retirement of Utility Facilities.

1.10. "Effective Date": The date this License becomes effective pursuant to Paragraph 3.2 hereof.

1.11. "ICC": The Illinois Commerce Commission or its successors.

1.12 "Liability": Actual or claimed loss or damage to property or injury to or death of persons, and actual or claimed responsibility for such loss, damage, injury or death, together with expenses of every sort and kind incident to such loss, damage, injury, death or responsibility, including, but not thereby excluding any other expense, court costs, fines and attorneys' fees.

1.13 "License": Consistent with the context of its use, this term shall mean (a) the rights, privileges and obligations created or arising under this ordinance and the Compact and procedures established pursuant to this ordinance or the Compact and (b) the ordinance and the Compact.

1.14 "Licensee": In the absence of an express reference to Commonwealth Edison Company, the term "Licensee" shall mean Commonwealth Edison Company, its successors, assignees and all other persons or entities controlled by Commonwealth Edison Company.

1.15 "Municipal Compensation": The compensation to be paid to the City by the Licensee as partial consideration for this License that is described in Section 4 hereof.

1.16 "Parties": The City and the Licensee.

1.17 "Plant Report": A report, in a mutually agreed form, which includes all utility plant owned by the Licensee stated at original cost, showing year of acquisition or installation and analyzed into retirement plant units and classified in accordance with the Classification of Accounts as prescribed by the ICC or other Competent Authority.

1.18 "Previous License": The ordinance titled "An Ordinance Granting to Commonwealth Edison Company Rights to Provide Electric Energy Within the City of Chicago and in Public Ways and Property" passed by the Chicago City Council on May 25, 1948, approved by the Mayor on June 10, 1948 and accepted by the Licensee on June 11, 1948.

1.19 "Provide Electric Energy" or "Providing Electric Energy": To use, maintain and operate Utility Facilities and to produce, generate, purchase, transmit, distribute, sell, advertise, and promote the use or sale of electric energy (excluding, however, appliances, merchandise, jobbing, contract work and servicing of customers' installations, the charges for which are not required to be included in schedules filed with Competent Authority), and direct, administer, supervise, conduct and account for all of the same.

1.20 "Provision of Electric Energy": The act or result of Providing Electric Energy as herein defined.

1.21 "Public Ways or Property": The surface, the air space above the surface and the are below the surface of any right-of-way and public street and any avenue, highway, lane, path, alley, sidewalk, boulevard, drive, bridge, tunnel, park, parkway, viaduct, waterway or other public right-of-way and all property owned, controlled or leased by the City including public utility easements or rights-of-way in which the City has jurisdiction, and any temporary or permanent fixtures or improvements located thereon now or hereafter held by the City in which the City holds rights sufficient, without consent of any other party, to permit the Licensee the use thereof for the purpose of installing or maintaining Utility Facilities.

1.22 "Term": The period elapsing between the Effective Date of this License and termination of this License pursuant to Section 3 hereof.

1.23 "Utility Facilities": Include property, land, structures, equipment, materials and supplies, used in or useful for the production, generation, purchase, transmission, distribution or sale of electric energy (excluding, however, appliances, merchandise, jobbing, contract work and servicing of customers' installations, the charges for which are not required to be included in schedules filed with Competent Authority) and the direction, administration, supervision, conduct or accounting for all of the same, whether owned or held by Licensee under lease, license, contract, joint use or joint ownership agreement or claim of right.

## SECTION 2 GRANT

2.1 Right Granted. Commonwealth Edison Company is hereby granted a non-exclusive right to Provide Electric Energy in Chicago. This right includes a license to acquire, construct, lease, use, maintain, operate and remove its Utility Facilities in, upon, along, across, over and under Public Ways or Property, on the terms and conditions specified in this License.

### 2.2 Conditions and Limitations.

2.2.1 Police Powers. The City expressly reserves the right to adopt, from time to time, in addition to the provisions contained herein, such ordinances, rules and regulations as it may deem necessary in the exercise of the City's governmental powers.

2.2.2 Regulation of Public Ways or Property. The City expressly reserves the right to enforce reasonable regulations concerning the Licensee's access to or use of the Public Ways or Property, including requirements for permit applications.

2.2.3 Compliance with Laws, Rules and Regulations. The Licensee shall promptly and fully comply with all applicable statutes, ordinances, judgments, decrees, orders, rules and regulations of any Competent Authority having jurisdiction over the Licensee's activities.

2.2.4 Jurisdiction. Notwithstanding anything in this License to the contrary, and without derogation to the provisions of this License, the standards of service related to the Provision of Electric Energy shall be as determined by Competent Authority and compliance therewith shall be determined only by such Competent Authority.

2.2.5 Consent. Whenever performance of an obligation of the Licensee hereunder requires the consent or approval of Competent Authority, the Licensee shall make a good faith effort to obtain such consent or approval. The Licensee shall not be considered to be in default or breach of any such obligation if, notwithstanding the Licensee's good faith efforts, the Licensee is unable to obtain any such required consent or approval.

## SECTION 3 TERM & TERMINATION

3.1 Term. The License shall terminate on December 31, 2020, unless (a) the License is extended under the provisions of Paragraph 3.3 hereof, (b) the License is terminated before such date under the provisions of Paragraph 3.4 hereof, or (c) the City acquires the Utility Facilities.

3.2 Acceptance and Effective Date. This License shall be effective and in full force commencing on January 1, 1992, if, within twenty-one (21) days of the adoption of this ordinance by the City Council and approval by the Mayor of the City, Licensee executes a written instrument approved in form and substance by the Corporation Counsel of the City, pursuant to which the Licensee: (a) accepts without qualification the rights and privileges granted by this License, subject to the included terms

and conditions; (b) executes the Compact; and (c) waives (i) all rights and privileges granted under the Previous License and under any grant by the City to any predecessor or assignor company, (ii) all claims against the City arising during the term of the Previous License for loss or damage to Utility Facilities in Public Ways or Property or to any other Utility Facilities; and (iii) any and all claims arising from or as a result of the actions of the City related to the City's demand for acquisition that is described in Paragraph 13.2 hereof.

**3.3 Extension.** If neither Party has given notice to the other, on or before December 31, 2019, that it intends to permit this License to expire, then the Term shall continue beyond the stated expiration date. Upon such extension, this License shall continue to be in effect, with all provisions of the License retaining the same force and effect as before the extension, until it is terminated by the City or the Licensee by at least one year's written notice to the other Party. Notice given after December 31, 2019 and before December 31, 2020, shall be effective, as provided above, one year from the date of such notice.

**3.4 Termination.** This License may be terminated prior to December 31, 2020, upon one year's written notice:

(i) by the City, if the City shall acquire the Utility Facilities, or if the Licensee fails: (a) to accept in writing an amendment hereto adopted as provided in Paragraph 8.8.3(b) hereof within thirty (30) days after such adoption; or (b) to remedy or cure any breach or default of any condition of this License within one hundred and eighty (180) days following written notice so to do by the City, if the issue of such breach or default shall not have been submitted to an Adjustment Board or to a court of competent jurisdiction in a proceeding brought by either the City or the Licensee; or (c) to remedy or cure any breach or default of any condition of this License (except a breach of Section 7 hereof), the issue of which breach or default shall have been submitted to an Adjustment Board as provided in Paragraph 8.8.3(a) hereof, in the manner and within the time fixed in the decision of said Adjustment Board upon finding that a breach or default existed; or (d) to remedy or cure any breach of Section 7 hereof, the issue of which breach shall have been submitted to a court of competent jurisdiction, within one hundred and eighty (180) days after such court has determined that such condition has been breached, and in accordance with any mandatory order of such court with respect to the method by which such breach shall be remedied or cured;

(ii) by Licensee, if the City, within one hundred and eighty (180) days after a report by the Adjustment Board shall fail to adopt an ordinance amending this ordinance, as provided in Paragraph 8.8.3(b) hereof; and

(iii) by either the City or the Licensee, if any provision or condition of this License be finally adjudged invalid by any court of competent jurisdiction.

**3.5 Obligations upon Termination.** Upon termination of this License, the City and the Licensee shall each discharge by performance all obligations due the other that arose up to the date of termination of the License. Upon the effective date of termination of the License, all rights and privileges granted to the Licensee and the City under this License shall come to an end. The Licensee, upon sixty (60) days' written notice to the City, to be given within one year after the termination of this License as provided in this Section 3, within a reasonable time may remove its Utility Facilities from the Public Ways or Property.

#### **SECTION 4** **MUNICIPAL COMPENSATION**

**4.1 Municipal Compensation.** As partial consideration for this License, and in full satisfaction of the Licensee's obligation to pay municipal compensation under the Previous License or any other prior ordinance, the Licensee shall pay to the City, on or before the last day of each calendar month that this

License is in effect, Municipal Compensation equal to 4% of the Licensee's aggregate revenues received from the Provision of Electric Energy in Chicago during the calendar month immediately preceding the month during which such payment is made. However, there shall be deducted from the Municipal Compensation any amount paid by the Licensee on account of any new or additional tax levied hereafter by or for the City based upon the Licensee's revenues or receipts from or sales of electric energy or on the Licensee's electric utility business in Chicago, or on account of any new or additional license, permit or other fees imposed during the term of the Previous License or the Term hereof on the Licensee for the right to use the Public Ways or Property, except that there shall be no deduction from the Municipal Compensation for any fee paid for permits issued by the City to the Licensee pursuant to the City's ordinance of July 20, 1988, or a successor ordinance, to the extent that the rate or amount of any such permit fee does not exceed the rate or amount established in the ordinance of July 20, 1988, adjusted by the change in the final Consumer Price Index - All Urban Consumers U.S. City Average for All Items, Base 1987-89 ("CPI"), as published by the United States Department of Labor, from December 31, 1991 to the time such fee is imposed. In addition, no such tax or license, permit or other fee shall be deducted if and to the extent that such tax or license, permit or other fee represents directly or indirectly a transfer to the City of a tax or license, permit or other fee now paid by the Licensee to the State of Illinois.

**4.2 Procedures.** The Comptroller of the City and a designated representative of the Licensee shall: (i) establish procedures for the method of transmitting the Municipal Compensation to the City, including verification of monthly payments due and determination of the amount of any overpayments or underpayments due to corrections in the Licensee's books of account after the date on which the monthly Municipal Compensation payment was calculated; and (ii) with respect to the CPI, if the Department of Labor changes the Base, agree upon appropriate adjustments to reflect such change or, if the CPI is discontinued or its basis is changed, agree upon an appropriate substitute index.

**4.3 Revenue Estimate.** On or before July 1 of each year, the Licensee shall provide the City with its best estimate of the Municipal Compensation payment amount for the following calendar year.

## SECTION 5 MUNICIPAL ACQUISITION

At any time during the Term hereof, upon one year's written demand by the City, the Licensee shall grant, bargain, sell, convey, assign and set over to the City, or any public authority designated by the City, the Utility Facilities, free and clear of all mortgage and other liens, for a cash consideration equal to the cost of reproduction new of Licensee's Utility Facilities, minus the depreciation in Licensee's Utility Facilities (which shall be taken to be the same proportion of the cost of reproduction new as its then Depreciation Reserve bears to its investment in electric plant), subject, however, to a maximum consideration equal to Licensee's investment in Utility Facilities and a minimum consideration equal to the difference between Licensee's investment in Utility Facilities and the amount of Licensee's Depreciation Reserve. Such "Depreciation Reserve," "investment in electric plant" and "investment in Utility Facilities" shall be taken as shown by Licensee's books of account kept in accordance with the provisions of this ordinance.

## SECTION 6 MANAGEMENT AND SERVICE

**6.1 Basic Obligation.** The Licensee shall take all reasonable and necessary steps to assure an adequate, safe and reliable supply of electricity to meet the electric energy needs of Chicago. During the Term of this License, the Licensee shall comply with all laws, regulations, and orders of Competent Authorities respecting the Licensee's Provision of Electric Energy in Chicago, pursuant to this License.

**6.2 Management and Operation.** During the Term of this License, the Licensee shall be honestly, prudently, and efficiently managed. Licensee shall, to the full extent of its ability, provide Utility

Facilities adapted for serviceable, efficient and economical Provision of Electric Energy adequate for actual and potential users thereof in Chicago, and operate and maintain such Utility Facilities efficiently and economically and in accordance with the highest standards and best systems, methods, and skills then reasonably available for the Provision of Electric Energy.

### **6.3 Emergency Procedures.**

6.3.1 The Licensee shall, in coordination with the City's police and fire departments, establish standard operating procedures for emergency situations, including procedures for cutting and restoring power at locations involved in police and fire emergencies.

6.3.2 In the event of an emergency that the Licensee believes poses a threat of immediate harm to the public or to any of the Utility Facilities, the Licensee is hereby granted access to the Public Ways or Property without a permit to ameliorate the threatened harm. The Licensee shall advise the City of the emergency at its earliest feasible opportunity.

### **6.4 Service Representative.**

6.4.1 The Licensee shall maintain such local offices and facilities as it deems adequate for the purpose of providing repair and maintenance services and personnel available during office hours to address concerns the City might have regarding the Provision of Electric Energy and the administration of this License. The Licensee shall designate a service representative for Chicago and provide the City with the location and telephone number of the local office and the name and telephone number of the Licensee's service representative.

6.4.2 The Licensee shall maintain such local offices and facilities as it deems adequate for the purpose of providing the City with 24-hour emergency service pertaining to the operation of the Utility Facilities. The Licensee shall provide the City with the location and telephone number of the local office, the name of the Licensee's emergency representative and the telephone number or numbers at which the Licensee's emergency representative can be reached 24 hours a day.

6.4.3 The City shall designate an electric representative and shall provide the Licensee with the name of the City's electric representative and the telephone number or numbers at which the City's electric representative can be reached during office hours.

6.4.4 The City shall designate an emergency representative and shall provide the Licensee with the name of the City's emergency representative and the telephone number or numbers at which the City's emergency representative can be reached 24 hours a day.

6.4.5. Each Party shall promptly notify the other Party in the event that any of the information required to be provided under Paragraphs 6.4.1 through 6.4.4 is changed.

6.5 Pricing Commitment. Except as otherwise required or allowed by law or by order of Competent Authority, the Licensee shall maintain its prices and charges at a level that is substantially equal to its cost of providing service, including the cost of capital.

## **SECTION 7 EQUAL OPPORTUNITY/AFFIRMATIVE ACTION**

7.1 Equal Opportunity. During the Term of the License, the Licensee shall continue to expand employment, business and economic opportunities on an equal-opportunity basis. Although the City's Minority and Women-Owned Business Enterprise Procurement Program, Municipal Code Section 2-92-420 et seq., applies by its terms only to the City, the Licensee, as to its business within the City, will endeavor to comply with the purpose of that Ordinance. The Licensee's initiatives in this area shall include the items set forth below.

7.1.1 Nondiscrimination. The Licensee shall not discriminate against any employee or applicant for employment, customer or applying customer, or any contractor or potential contractor, because of race, creed, color, religion, age, sex, national origin, handicap or

disability, ancestry, marital status, parental status, sexual orientation or military discharge. The Licensee shall comply with all federal, state and City laws, ordinances and orders that prohibit discrimination, including, but not limited to, the aforementioned forms of discrimination.

**7.1.2 Affirmative Action.** The Licensee shall expand opportunities for minorities and women in all areas of employment, including, but not limited to, hiring, promotion, recruitment or recruitment advertising, compensation and selection for training and apprenticeship. The City and the Licensee acknowledge that the Licensee has previously undertaken efforts to achieve equal employment opportunities and currently has implemented equal employment opportunity affirmative-action plans. These efforts and the plans currently in effect shall be continued and expanded, as appropriate, to meet the goal of expanding employment, business and economic opportunities for minorities and women on an equal-opportunity basis. In view of the Licensee's efforts to date, the primary objectives of the Licensee's future affirmative-action initiatives shall be:

(i) continued expansion of employment opportunities for minorities and women in the work force of the Licensee;

(ii) to expand employment and promotion of minorities and women in those job categories and classifications, particularly in those managerial and professional levels, where minorities and women have been underutilized; and

(iii) continuing implementation of training programs to increase the awareness of the Licensee's supervisory personnel regarding the Licensee's commitment to equal-opportunity initiatives.

**7.1.3 Purchasing.** The Licensee shall endeavor to increase contracting and procurement opportunities for minority and women's business enterprises. The City and the Licensee acknowledge that the Licensee has established a minority purchasing program and has previously undertaken efforts to promote and enhance contracting opportunities for minority business enterprises. This program shall be continued and expanded to increase contracting opportunities for both minority and women's business enterprises.

**7.1.3.1 Specific Activities.**

(a) The Licensee, in conjunction with various representative minority and women's groups, shall conduct at least two business development workshops annually. The purpose of the workshops shall be (i) to introduce individual minority and women's businesses to the Licensee and its business practices and available opportunities to provide goods and services to the Licensee, (ii) to expand the Licensee's Certified minority and women's business enterprise vendor base and (iii) to solicit input regarding the Licensee's minority and women's business development programs.

(b) In addition, the Licensee shall continue to target areas of significant expenditure by the Licensee for which no Certified minority or women's business enterprise suppliers or contractors are currently known. As part of its efforts, the Licensee shall discuss those targeted areas of opportunity with representative minority and women's business organizations.

(c) The Licensee shall also make efforts to encourage general contractors and architecture/engineering firms with which it does business to expand their use of Certified minority and women's business enterprises as subcontractors and joint venture partners.

**7.1.3.2 Participation Goals and Waivers.**

(a) The Licensee shall use good-faith efforts to achieve participation of Certified minority business enterprises in the Licensee's contracts related to construction or rehabilitation of the Licensee's buildings in Chicago equal to 25 percent of the total dollar value of such contracts and to achieve participation of Certified women's business enterprises equal to 5 percent of the total dollar value of such contracts.

(b) In the calculation of the participation values set forth in Paragraph 7.1.3.2(a), the Licensee's minority and women's business enterprise coordinator may exclude contracts and classes of contracts if, notwithstanding in Licensee's efforts,

(i) there are no Certified minority or women's business enterprises known to the Licensee that provide the materials or services required by a contract or class of contracts; or

(ii) there are no Certified minority or women's business enterprises that bid on a contract or class of contracts who can provide contract materials or services of a sufficient quantity and quality to meet the Licensee's standards and specifications.

**7.1.4 Community Outreach.** The Licensee shall continue and expand, as appropriate, its community outreach programs focused on employment and procurement for minorities and women. In continuing the development and implementation of these programs, the Licensee shall actively seek the advice of representative minority and women's organizations.

**7.2 Implementation.** It shall be the responsibility of the Licensee to continue to develop and implement the equal-opportunity initiatives described above. To facilitate and assure that efforts are made as required herein, the Licensee shall designate the employees who shall be responsible for implementing, monitoring and evaluating these initiatives. The Licensee shall provide adequate staff and support resources to meet these responsibilities.

## **SECTION 8 ENFORCEMENT**

### **8.1 Annual Report and Meeting.**

**8.1.1** On or before April 1 of each calendar year, beginning April 1, 1993, the Licensee shall provide the City with an Annual Report containing the following information: (a) the Plant Report required pursuant to Paragraph 8.4 hereof; (b) during the first ten years of the Term hereof, a report on the implementation of Section 2 of the Compact; (c) a report on the implementation of Section 3 of the Compact; (d) the Licensee's plans for construction in Public Ways or Property during the succeeding twelve months; (e) a report on the Licensee's equal opportunity/affirmative action activities and initiatives, as described in Section 7 hereof; and (f) the Licensee's plans and forecasts pertaining to generating capability and alternative sources of power, as provided in Paragraph 2.1(l) of the Compact.

**8.1.2 Meeting.** The City and the Licensee shall hold a meeting each year to discuss the Annual Report, to coordinate planned construction activity within the Public Ways or Property and to discuss such other matters incident to this License as either Party deems appropriate.

**8.2 Accounts and Reports; Audit Rights.** The Licensee shall keep its books and records in accordance with the regulations of the ICC and any other Competent Authority. The Licensee shall permit the City to inspect or audit its books, accounts, correspondence, documents and data for any proper purpose under this License. Any such inspection or audit shall be conducted during normal business hours upon reasonable written notice specifying the purpose of such inspection or audit. Any such inspection or audit shall be conducted by or under the supervision of a certified public accountant employed or engaged by the City.

**8.3 Physical Inspection.** The Licensee shall permit the City to inspect the Utility Facilities located in Chicago for any proper purpose under this License. Any such inspection shall be conducted during normal business hours upon reasonable written notice specifying the purpose of such inspection. Any such inspection shall be conducted through any person acting under the direct supervision and responsibility of a professional engineer.

**8.4 Plant Report.** The Licensee shall provide to the City an updated year-end Plant Report on or before April 1, 1992, and thereafter annually during the Term of this License as part of its Annual Report.

**8.5. Filings.** The Licensee shall provide to the City a copy of each periodic report or record filed with any state or federal agency regulating the Licensee's rates, service, issuance of securities, or compliance with affirmative action and equal opportunity requirements. The Licensee shall also provide the City with a copy of any report made to the United States Environmental Protection Agency or the Illinois Environmental Protection Agency (or their successors) regarding an event involving hazardous materials in Chicago. The reports described in this Paragraph 8.5 shall not be provided to the City to the extent that the Licensee is required by law or regulation to keep such reports confidential.

**8.6 Other Enforcement Information.** The Licensee shall from time to time furnish such additional information or documents and allow such inspections as the City reasonably requests to assess the Licensee's compliance with the provisions of this License. Such information and documents shall be provided and such inspections shall be allowed upon reasonable written request specifying the purpose for which such information, documents or inspections are requested, which purpose shall be a proper purpose under this License.

**8.7 Disclosure of Documents or Information.** The City agrees that no documents or information provided to the City by the Licensee in accordance with this License shall be made available to the public if such documents or information are exempt from disclosure under the provisions of the Illinois Freedom of Information Act or Section 5-108 of the Public Utilities Act, as such statutes may be amended from time to time.

**8.8 Adjustment Board.**

**8.8.1** From time to time during the Term hereof, upon written demand of either the City or Licensee, there shall be appointed an Adjustment Board consisting of three nationally recognized outstanding and disinterested consulting engineers who shall have been engaged exclusively in private practice as such for at least five years next prior to their appointment and who have no direct or indirect interest in any Capital Security issued by either the City or Licensee, one to be selected by the City and one by Licensee, and the third (who shall act as Chairman of the Adjustment Board) by the two so selected if they can agree, otherwise by the Chief Judge of the United States Circuit Court of Appeals for the judicial circuit in which Chicago is located, who shall serve for such term and compensation as the City and Licensee shall mutually agree upon, or if they are unable to agree, then as fixed by said Chief Judge above described, and whose reasonable compensation and expenses shall be borne by the Licensee. In the event any member of said Adjustment Board shall die or for any other reason refuse or be unable to act, his successor shall be appointed in the same manner and by the same person or persons as such member was appointed. Pending the appointment of such successor, all proceedings before said Adjustment Board shall be stayed; provided, that if either the City or Licensee shall, for a period of thirty (30) days after notice shall be given to it by the other, fail or refuse to appoint a member to the Adjustment Board or a successor to a member of the Adjustment Board as herein set forth in this connection, then the member of the Adjustment Board appointed by the other party and the third member appointed, if necessary, by the Chief Judge aforesaid, shall constitute the Adjustment Board and function as such until such member or successor shall be appointed.

**8.8.2** The Adjustment Board shall follow the rules of the American Arbitration Association, except where they conflict with the provisions of this License, which provisions shall control. Any hearing shall take place in Chicago, unless otherwise agreed in writing by the Parties. All decisions and recommendations made by the Adjustment Board shall be in writing and concurred in and signed by at least two members of the Adjustment Board, and copies thereof shall be given to the City and Licensee promptly thereafter.

8.8.3 Said Adjustment Board shall investigate and determine, by a majority vote:

(a) Upon the written demand of either the City or Licensee, any disagreement with respect to:

(i) the amount of the "cost of reproduction new" and "depreciation," as these terms are used in Section 5 hereof; and

(ii) whether the Licensee has breached or failed fully to perform and satisfy or has defaulted in the performance of any condition or obligation imposed by this License (except the conditions and obligations imposed by Section 7 hereof), and if so, the manner in which and the time within which such breach, failure or default should be cured or remedied.

Any decision of the Adjustment Board or a majority thereof with respect to any of the above-named matters in this Paragraph 8.8.3(a) shall be final, binding and conclusive upon both the City and the Licensee, and shall be a condition precedent to any act, action at law or suit in equity by either the City or the Licensee to which said matters or any thereof, is or are relevant or determinative;

(b) Upon the written demand of either the City or the Licensee, (which demand may be made by either the City or the Licensee not more often than once in any period of five consecutive years) whether any change in laws, public regulations, economic conditions or in the art or methods of Providing Electric Energy has caused any provision hereof (except provisions with respect to Term, Municipal Compensation or municipal acquisition) to become unreasonable or unfair to either the City or the Licensee or to both, and if so, to recommend to the City and the Licensee the manner in which such unreasonableness or unfairness should be corrected, which recommendation may be enacted into an ordinance amending the provisions of this License, which amendatory ordinance shall be in force from the date of its acceptance in writing by the Licensee.

## SECTION 9 USE OF PUBLIC WAYS OR PROPERTY

### 9.1 Non-Exclusive Grant.

9.1.1 Nothing in this License shall be construed to grant the Licensee an exclusive license to operate in Chicago. Except as otherwise provided herein or by Competent Authority, the Licensee's work in or occupancy of the Public Ways or Property shall be at no direct expense to the City.

9.1.2 The City reserves the right to make a similar use itself, or to make a grant for a similar use by any other person, of the Public Ways or Property.

9.1.3 The Licensee shall not unreasonably interfere with the use or occupancy of the Public Ways or Property by others. The City agrees to require all other contractors, subcontractors, franchisees, licensees and permittees in the Public Ways or Property to agree not to interfere unreasonably with the rights of the Licensee in the Public Ways or Property.

9.2 Permits and Procedure. The Licensee shall obtain all required permits before beginning any construction or other work in the Public Ways or Property. The Licensee shall comply with the standard permit procedures of the City's departments for its operations in Chicago. The City shall not unreasonably delay, withhold or withdraw any permit or approval the Licensee is required to obtain. The City may inspect the Licensee's work in the Public Ways or Property to assure that such work complies with permit requirements.

9.3 Restoration of Streets and Property. When the Licensee does any work in or affecting the Public Ways or Property, it shall, at its own expense, promptly remove any obstructions therefrom and restore such Public Ways or Property to as good a condition as existed before the work was undertaken, unless otherwise directed by the City. If weather or other conditions do not permit the complete restoration required by this Paragraph, the Licensee may, with the approval of the City, temporarily restore the affected Public Ways or Property, provided

that such temporary restoration is at the Licensee's sole expense and provided further that the Licensee promptly undertakes and completes the required permanent restoration when the weather or other conditions no longer prevent such permanent restoration. Upon the request of the City, the Licensee shall restore the Public Ways or Property to a better condition than existed before the work was undertaken, provided that the City shall bear any additional costs of such restoration. If the Licensee fails to promptly restore the Public Ways or Property as required by this Paragraph 9.3, the City may, upon giving 14 days' written notice to the Licensee, restore such Public Ways or Property or remove the obstruction therefrom, at the expense of the Licensee.

**9.4 Relocation.** Upon receiving at least 30 days' written notice from the City, the Licensee shall, at its own expense, temporarily or permanently remove, relocate, change or alter the position of any Utility Facilities in Public Ways or Property, whenever the City shall have determined that such removal, relocation, change or alteration (a) is reasonably necessary to the construction, repair, maintenance, improvement or use of such Public Ways or Property; (b) is reasonably necessary to the location, construction, replacement, maintenance, improvement or use of other property of the City, or; (c) is reasonably necessary for the operations of the City. In connection with such removals, relocations, changes or alterations, the City shall take reasonable steps to minimize the Licensee's expense.

**9.5 Tree Trimming in Rights of Way.** From time to time, when Licensee believes it to be warranted by existing conditions, the Licensee shall, at its own expense, cause the trees and vegetation growing upon or overhanging any of the Public Ways or Property in the City where Utility Facilities are erected to be trimmed in such a manner that there shall be a proper clearance between the nearest wires or equipment and any portion of the trees or vegetation. Said trees and vegetation shall be trimmed so that no branches, twigs or leaves come in contact with or in any way interfere with the Utility Facilities. The Licensee shall exercise reasonable care to avoid unnecessary destruction of or serious harm to trees located in the Public Ways or Property. The Licensee shall notify the City no less than seven days before it plans to perform such work.

**9.6 Use of Utility Poles and Conduit.** The Licensee shall grant the City permission, at the City's sole risk and expense, but without charge, to use the Licensee's conduit and poles located in Public Ways or Property, for any lawful purpose other than a proprietary purpose; provided however, that such use shall be exercised under the Licensee's supervision and direction and shall not materially interfere with the Licensee's use of the conduit and poles. In addition, the City shall indemnify and save harmless the Licensee from all Liability which may result directly or indirectly from the City's use of the Licensee's conduit and poles.

**9.7 Undergrounding.** At the request of the City, the Licensee shall underground future planned overhead Utility Facilities, provided that the total cost of replacement of overhead planned Utility Facilities by undergrounding such Utility Facilities, as a result of a request by the City, shall not exceed one million dollars (\$1,000,000) in any one calendar year; provided, however, that if Licensee agrees, the City may accelerate the one million dollars (\$1,000,000) per calendar year expenditure cap for any succeeding years remaining within the Term and aggregate such amount of undergrounding of a future planned overhead Utility Facility.

## **SECTION 10 SUPPLEMENTAL AGREEMENT**

The Mayor of the City is authorized and directed to execute the supplemental agreement (the "Compact") attached hereto as Exhibit A.

**SECTION 11**  
**TRANSFER AND ASSIGNMENT OF LICENSE**

11.1 Commonwealth Edison Company shall not have the right to assign its rights and privileges under this License or to otherwise transfer such rights and privileges in any manner whatsoever without the prior written approval by an ordinance enacted by the City; provided, however, that the purchaser of the Utility Facilities at a judicial sale foreclosing the lien of, or at any execution sale consequent upon default and judgment under any present or future mortgage, deed of trust or other indenture providing for the issuance of the Licensee's long term debt, shall succeed to the rights and license of the Licensee, but subject to all terms and provisions hereof.

11.2 In the event of a transfer or assignment of the Licensee's rights and privileges under this License, all provisions of this License that are obligatory upon, or that inure to the benefit of, the Licensee shall also be obligatory upon and shall inure to the benefit of any and all successors and assigns of the Licensee.

**SECTION 12**  
**ADMINISTRATION**

12.1 Non-Waiver. Neither this ordinance nor any provision or condition hereof shall waive, abridge, release, limit, surrender, impair, remove, or subordinate:

- (a) any right, power, duty, or jurisdiction now or hereafter possessed by the City, the State of Illinois, or any officer, agency, department, or commission thereof;
- (b) any provision of any constitution, statute, or order of Competent Authority;
- (c) any obligation or duty now or hereafter imposed upon Licensee by law or by order of Competent Authority; or
- (d) any right of the City or the Licensee to obtain judicial review of any judgment or decree of a judicial tribunal or any order of Competent Authority.

12.2 Modification. Except for administrative or technical procedures and other ancillary matters required by the provisions of this License to be established in subsequent discussions between the Parties, or exercises of governmental authority, this License may be supplemented or modified only in the manner of its original adoption and acceptance.

12.3 Indemnification. The Licensee, at all times during the Term hereof, at its sole expense and risk, shall indemnify the City, its officers, agents and employees against any and all Liability:

- (a) for loss or damage to property of the Licensee, its officers, agents, employees, licensees and invitees in Public Ways or Property pursuant to this License, or for injury to or death of any such employee, agent or licensee while in Public ways or Property pursuant to this License, however arising; or
- (b) arising directly or indirectly from any act or omission of Licensee or any person acting for it done or claimed to have been done by virtue of or pursuant to this License or any right or license granted hereunder or any authorization, plan or specification approved, prescribed or issued pursuant hereto.

12.4 Notices. Unless otherwise specified in this License, all notices, requests, demands, approvals or other communications pursuant to or required by this License shall be sent to the persons named below. The designated recipient or address for either Party may be changed by notice given in accordance with the requirements of this provision. Copies of any

notices relating to non-compliance, termination or acquisition shall also be given, at the same time, to the Corporation Counsel of the City and to the General Counsel of the Licensee.

The City:

ATTN: Title  
City of Chicago  
City Hall  
121 North LaSalle Street  
Chicago, IL 60602

Licensee:

ATTN: Title  
Commonwealth Edison Company  
P. O. Box 767  
Chicago, IL 60690  
or  
10 South Dearborn Street  
Chicago, IL 60603

Notices shall be timely and effective upon receipt if delivered by courier on or before the final day for an action to be taken and upon mailing if sent by registered or certified mail, postage pre-paid, at least three days before the final day for an action to be taken.

12.5 Entire Agreement. The City and the Licensee agree that the provisions, terms, and conditions of this License comprise the entire agreement of the Parties concerning matters covered by this License.

12.6 Governing Law. This License shall be governed by, and construed in accordance with, the laws of the State of Illinois.

12.7 Force Majeure. The Licensee shall not be deemed in violation of this License for the delay in performance or failure to perform in whole or in part its obligations under this License due to strike, war or act of war (whether an actual declaration is made or not), insurrection, riot, act of public enemy, fire, flood or other act of God or by other events to the extent that such events are caused by circumstances beyond the Licensee's control and are not caused by negligence on the part of the Licensee or any person acting on its behalf. In the event that the delay in performance or failure to perform affects only part of the Licensee's capacity to perform its obligations under this License, the Licensee shall perform such obligations to the extent it is able to do so in as expeditious a manner as possible. The Licensee shall promptly notify the City's electric representative in writing of an event covered by this Paragraph and the date, nature and cause thereof. Furthermore, the Licensee, in such notice, shall indicate the anticipated extent of such delay and the obligations under this License to be affected thereby.

12.8 Time of Essence. Whenever this License requires an act to be performed by or within a certain time, such time shall be deemed to be of the essence.

### SECTION 13 REPEAL

13.1 The Previous License is hereby repealed, effective on the date this License becomes effective, except that Section 4.4 of the Previous License shall survive this repeal.

13.2 The notice of demand for acquisition of the Utility Facilities given by the City to the Licensee pursuant to the Previous License on December 28, 1989, and extended by agreement of the Parties dated as of November 16, 1990, is hereby withdrawn.

**SUPPLEMENTAL AGREEMENT  
BETWEEN THE CITY OF CHICAGO  
AND COMMONWEALTH EDISON COMPANY**

## TABLE OF CONTENTS

1. Definitions.....	1
2. Reliability.....	1
2.1 Transmission and Distribution Enhancement.....	1
2.2 Report of Service Interruptions.....	3
2.3 Tree Removal and Replacement.....	3
2.4 Customer Charges.....	3
2.5 Load Projections.....	3
2.6 Licensee Responsibility.....	3
3. Conservation.....	3
3.1 Electric Energy Efficiency Programs.....	3
3.2 Customer Awareness.....	4
3.3 Building Audits.....	4
4. Cogeneration.....	4
5. Residential Bills.....	5

**SUPPLEMENTAL AGREEMENT BETWEEN THE CITY OF CHICAGO  
AND COMMONWEALTH EDISON COMPANY**

WHEREAS, the City and the Licensee have determined to renew "An Ordinance Granting to Commonwealth Edison Company Rights to Provide Electric Energy Within the City of Chicago and in Public Ways and Property," which became effective June 10, 1948, as supplemented by an agreement dated as of November 16, 1990, with certain amendments and modifications specifying the terms and conditions under which the Licensee shall continue to Provide Electric Energy within Chicago; and

WHEREAS, the Licensee and the City have reached agreement regarding certain related matters;  
NOW, THEREFORE, the Licensee and the City do hereby execute this Compact.

**SECTION 1**

**Definitions**

Capitalized terms that are not defined herein shall be given the meaning assigned to them in the Ordinance. Words not defined herein or in the Ordinance shall be given their common and ordinary meaning.

1.1 "Energy Efficiency/DSM" means applications of technologies and techniques for increasing the efficiency of electric energy use or reducing or managing demand for electric energy. Such applications may be designed to achieve greater end-use benefits from electric energy consumed, reductions in electric energy consumption, shift of electric energy demand to times when it can be met more economically.

1.2 "Ordinance" means the "Ordinance and Agreement Between the City of Chicago and Commonwealth Edison Company," adopted December 11, 1991, Approved \_\_\_\_\_, 1991 and effective January 1, 1992.

1.3 "Public Utilities Act" means Ill. Rev. Stat. ch. 111-2/3, para. 1-101 et. seq., or any successor thereto, both as amended from time to time, and the rules, regulations and standards promulgated thereunder, also as amended from time to time.

1.4 "Qualifying Facility" means a cogeneration facility or a small power-production facility that meets the criteria for qualification set forth in Subpart 3 of 18 C.F.R. 292, as it may be amended from time to time.

**SECTION 2**

**Reliability**

2.1 Transmission and Distribution Enhancement. In furtherance of the Licensee's obligations to Provide Electric Energy, the Licensee has developed a long-range transmission and distribution enhancement plan that is focused on improvements to certain current Utility Facilities and construction of new Utility Facilities. The Licensee shall budget at least \$1 billion for expenditure by the Licensee over a ten-year period commencing January, 1992 for investment in transmission and distribution enhancements within or for the benefit of Chicago. The Licensee's transmission and distribution enhancement plan shall include the following initiatives

(a) The City and the Licensee have developed a mutually acceptable plan for completion of the construction of the 345-kV Line from the Licensee's Burnham substation to its Taylor substation, and this line shall be completed as promptly as possible.

(b) The Licensee shall proceed expeditiously with such other planned 345-kV projects as are necessary to Provide Electric Energy in Chicago in a reliable manner. The 345-kV projects the Licensee

currently plans to undertake, together with currently projected service dates, are detailed in Schedule I.

(c) The Licensee shall expand its 138-kV transmission system within Chicago by converting existing 69-kV facilities and by constructing new substations, both as necessary. The projects the Licensee currently plans to undertake to provide new 138-kV to 12-kV capacity to convert existing 69-kV supply systems, together with currently projected service dates, are detailed in the relevant portions of Schedules 2 and 3.

(d) The Licensee shall proceed promptly with a plan to reconfigure the distribution of electric energy to the downtown area of Chicago. The projects the Licensee currently plan to undertake to establish a downtown distribution reconfiguration, together with currently projected service dates, are detailed in the relevant portions of Schedules 2, 3 and 4. In addition, within one year after the Effective Date, the Licensee shall have (i) reviewed and, as appropriate, improved procedures for annual inspections and surveillance of the Licensee's transmission substations (TSSs) and transmission distribution centers (TDCs); and (ii) reviewed and, as appropriate, developed a program for enhancement of TSSs and TDCs in Chicago.

(e) All new 138-kV to 12-kV TDCs constructed after the Effective Date and located in residential or commercial areas of Chicago shall be enclosed. However, all transformers at these future locations shall be enclosed on four sides.

(f) The licensee shall use its best efforts to complete a transmission system Supervisory Control and Data Acquisition System (SCADA) in Chicago by January 1, 1997.

(g) The Licensee shall continue to upgrade its distribution facilities, specifically including the conversion of selected 69-kV substations to 138-kV and, as appropriate, the conversion of older 4-kV circuits to 12.5-kV circuits. The projects the Licensee currently plans to undertake to implement such upgrades, together with currently projected service dates, are included in Schedule 2.

(h) The Licensee shall proceed with the development and implementation of an automated distribution system, including fault-locating devices and isolation devices to accelerate restoration capability, where appropriate. In addition, by December 31, 1995 the Licensee shall complete the development and implementation of Automated Mapping/Facilities Management (AM/FM) projects in Chicago that are designed to accelerate restoration capability. The Licensee shall continue to cooperate with the City to determine the feasibility of a City/Licensee program for AM/FM.

(i) The Licensee shall promptly evaluate and, when appropriate, implement improved standards for equipment installation, fire safety, maintenance and security at its TSSs and TDCs.

(j) The Licensee shall provide to the City periodic reports documenting information in electric service interruptions affecting customers in Chicago as provided in Paragraph 2.2 of this Compact.

(k) The Licensee shall use its best efforts to reduce the duration and frequency of service interruptions in Chicago.

(l) The Licensee shall continue to periodically review its plans and forecasts pertaining to generating capability and alternative sources of power. These plans and forecasts shall be forwarded to the City in connection with the meetings provided for in Paragraph 8.1.2 of the Ordinance.

**2.2 Report of Service Interruptions.** The Licensee recognizes that, as part of its obligation and commitment to Provide Electric Energy in Chicago, the Licensee also bears an obligation to cooperate with

the City in transmitting relevant information regarding certain electric service interruptions that may occur from time to time within Chicago, as provided below.

2.2.1 Whenever the Licensee must perform planned or routine maintenance or repairs on its Utility Facilities that will result in loss of electric power to customers in Chicago, the Licensee shall make reasonable efforts to notify potentially affected customers of the scheduled time and duration of the planned activity.

2.2.2 The Licensee shall report to the City electric service interruptions that affect one percent or more of the Licensee's customers in Chicago and persist for more than fifteen minutes. Such reports shall be made within one hour after the Licensee learns of such electric service interruptions.

2.2.3 The Licensee shall maintain records of electric service interruptions affecting electric service in Chicago pursuant to standards promulgated by the ICC. In the absence of any such standards, the Licensee shall maintain records showing the date, time of day, duration, affected area, extent, cause and remedial action taken for interruptions of electric service in Chicago that last more than one minute.

2.2.4 The Licensee shall maintain records showing the average customer service interruption frequency and duration, both within Chicago and for the Licensee's system as a whole.

2.2.5 The Licensee shall report to the City on a calendar quarterly basis, in a form mutually agreeable to the Licensee and the City, a summary of the information contained in the Licensee's records, as set forth in Paragraphs 2.2.3 and 2.2.4 of this Compact. The report required by this Paragraph 2.2.5 shall be delivered to the electric representative designated by the City, as set forth in Paragraph 6.4.3 of the Ordinance.

2.3 Tree Removal and Replacement. The Licensee and the City agree to develop a cooperative program for the removal and replacement of certain municipally owned trees located in the Public Ways of Property which conflict or potentially conflict with the Licensee's Utility Facilities.

2.4 Customer Charges. In furtherance of the purposes of this Section 2, the Licensee has filed with the ICC a rider, attached as Schedule 5, to provide for a service policy allowing customers whose electric service is interrupted because of an operating error or equipment malfunction for twelve or more consecutive hours to receive a credit against the monthly customer charge.

2.5 Load Projections. The Licensee's ten-year transmission and distribution enhancement plan described in Paragraph 2.1 hereof shall be updated and modified, as required by changing technology, load projections and actual load growth, so as to avoid unnecessary expenditures and imprudent investment, consistent with the applicable provisions of the Public Utilities Act.

2.6 Licensee Responsibility. Subject to Competent Authority, the Licensee shall retain the responsibility to determine the need for additions to and replacements of, and the most economically efficient method of constructing, Utility Facilities.

### SECTION 3 Conservation

#### 3.1 Electric Energy Efficiency Programs.

3.1.1 The City and the Licensee recognize and agree that energy conservation programs offer opportunities for the efficient use of electric energy and reduction of customers' electric energy costs. The

Licensee recognizes and shares the City's strong desire to advance the implementation of cost-effective conservation programs that provide direct opportunities to the Licensee's customers to manage more efficiently their use of electric energy and, thereby, create the opportunity to reduce their electric costs. In this regard, the City has urged the Licensee, and the Licensee agrees, to expand the Licensee's current conservation programs and offer additional conservation programs for the benefit of the Licensee's customers. Further, the Public Utilities Act contains certain least-cost planning provisions. The City and the Licensee recognize that the Illinois General Assembly adopted these provisions because least-cost planning will result in lower energy costs than customers would otherwise incur without the implementation of least-cost planning.

3.1.2 In furtherance, and not by way of limitation, of the principles and goals recognized in Paragraph 3.1.1 hereof, the Licensee shall expend at least \$25 million in the implementation of Energy Efficiency/DSM programs from the Effective Date through December, 1996. In addition, to the extent that Energy Efficiency/DSM programs are identified during the five-year period described above that are cost-justified in the good faith judgment of the Licensee, the Licensee shall expend at least an additional \$25 million in the implementation of such programs. In its design, selection and implementation of Energy Efficiency/DSM programs, the Licensee shall meet as appropriate with the City. In addition, during the last year of the five-year period described above, the Licensee and the City shall meet regarding the appropriate level of expenditure for Energy Efficiency/DSM programs in future years.

3.1.3 The Licensee shall implement cost-effective Energy Efficiency/DSM programs as an integral part of the Licensee's Provision of Electric Energy to its customers. In doing so, the Licensee recognizes the importance of (i) implementing cost-effective programs the benefits of which would otherwise be lost if not pursued in a timely fashion and (ii) developing cost-effective programs for the various classes of the Licensee's customers. Consistent with the recognition of both the Licensee and the City that there should be a parity of treatment for rate-making purposes between the Licensee's investment in Energy Efficiency/DSM programs and the Licensee's other expenditures on Providing Electric Energy, the Licensee shall be required to implement only those Energy Efficiency/DSM programs that are approved by the ICC and for which the Licensee can recover (a) program costs, including, but not limited to, offsets for lost revenue and stranded expenditure (if any) resulting from such programs, and (b) return to the Licensee on such program costs to the extent approved by the ICC.

3.2 Customer Awareness. As customer awareness, customer understanding and encouragement for customers to use specific energy conservation programs are essential conditions to the effective implementation of energy conservation programs, the Licensee shall devote a significant amount of the Licensee's educational and advertising budgets to promote the principles of energy conservation and the benefits of the specific energy conservation programs to be implemented by the Licensee.

3.3 Building Audits. At the request of the City, the Licensee shall conduct, without charge to the City, electric energy audits of a total of up to 21 City-owned or City-occupied buildings, as may be designated from time to time by the City during the first five years after the Effective Date.

#### SECTION 4 Cogeneration

4.1 In response to the City's interest in promoting cogeneration, the Licensee recognizes the need to cooperate with potential cogenerators. The Licensee shall provide, on a timely basis, the relevant information required for interconnection with the Licensee's system by any person that desires to develop a Qualifying Facility related to its business in Chicago.

4.2 In order to increase cogeneration opportunities for the Licensee's current Rate 6 customers and reduce the current level of standby rates for such customers, the Licensee shall seek ICC approval of a separate, reduced monthly customer charge for those Rate 6 customers who require only standby service and to whom the Licensee's Rate 18 is applicable.

**SECTION 5  
Residential Bills**

Residential Bills. The Licensee, in cooperation with the City, shall conduct a cost-of-service study to reexamine the potential for cost-justified reallocation of the recovery-of-revenue requirements within the Licensee's residential customer class. Among the issues to be reexamined in such cost-of-service study shall be the appropriate level for the monthly customer charge and the appropriate cost-of-service methodology. Upon completion of the cost-of-service study the Licensee shall provide a copy of the study to the City. If the Licensee determines that lower rates for low-use and moderate-use residential customers are cost-justified within the residential customer class, the Licensee shall file any rate change, so justified with the ICC at the first time after the Effective Date that the Licensee's residential rate structure is before the ICC. The Licensee shall use its best efforts to support such filings with appropriate testimony before the ICC. The City and the Licensee agree that the sole purpose of actions taken pursuant to this Section 5 is to appropriately allocate costs within the residential customer class.

IN WITNESS WHEREOF, the City and the Licensee have caused this Compact to be signed this \_\_ day of \_\_\_\_\_, 1991.

**THE CITY OF CHICAGO**

By: \_\_\_\_\_  
Mayor

**COMMONWEALTH EDISON COMPANY,  
an Illinois corporation**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

SCHEDULE 1

<u>345kV Reinforcement Projects</u>	<u>Projected Service Date</u>
Burnham-Taylor (2-345kV circuits, 2-345/138kV transformers)	1994
Fisk-Crawford (2-345kV, 2-138kV circuits, initially operating at 138kV)	1993
McCook (Add 3rd-345/138kV transformer)	1994
Bedford Park-Crawford/fisk (2-345kV, 2-138kV circuits)	1993
McCook (Add 4th-345/138kV transformer)	1995
Burnham-Taylor (Increase circuit capacity)	1998
Fisk (2-345/138kV transformers)	1996
Fisk-Taylor (2-345kV circuits)	199E
Skokie-Northwest (2-345kV circuits, 2-345/138kV transformers)	2000
Northwest-West Loop-Fisk (2-345kV circuits, 2-345/138kV transformers)	2005
Crawford-Fisk (2-345kV, 3rd and 4th circuits)	2005
Elmhurst-Northwest (2-345kV circuits)	2010
Taylor (Add 2-345/138kV transformers)	2010
West Loop (Add 2-345/138kV transformers)	2012

SCHEDULE 2

<u>138kV Reinforcement Projects</u>	<u>Projected Service Date</u>
Fisk-Taylor (2-138kV lines via State TDC)	1994
Fisk-Taylor (2-138kV lines via McCormick)	1996
Fisk-West Loop (2-138kV lines)	1998
West Loop-Northwest (2-138kV lines)	2000

SCHEDULE 3

<u>Project</u>	<u>Projected Service Date</u>
Ontario TDC (Add 4th 50MVA Transformer)	1992
Ridgeland-Crawford (Upgrade 69kV Supply lines, 138kV Construction)	1992
Crawford Station Switchhouse #3 (4-50MVA Transformers)	1992
Quarry TSS (Convert supply from 69kV to 138kV)	1994
Ridgeland (Add 3rd 200MVA 138/69kV Transformer)	1993
Crawford Unit 7 (Convert output from 69kV to 138kV)	1993
Clybourn TSS (Add 4th 50MVA Transformer)	1993
LaSalle TSS (Convert supply from 69kV to 138kV)	1993
Fisk Unit 19 (Convert output from 69kV to 138kV)	1994
State TDC (4-50MVA Transformers)	1994
Medical Center TDC (Add 4th 50MVA Transformer)	1994
University TSS (Add 3rd 50MVA Transformer)	1994
Vernon Park TSS (Convert supply from 69kV to 138kV)	1995
McCormick Place TDC (4-50MVA Transformers)	1996
East Lake TDC (4-50MVA Transformers)	1996

SCHEDULE 3, Continued

Austin TDC (4-50MVA Transformers) (Retire Columbus Park)	1998
North Bank TDC (4-50MVA Transformers) (Retire Kingsbury)	1999
Clinton TDC (4-50MVA Transformers)	1999
Lakefront TDC (4-50MVA Transformers)	2000
Lake Calumet TDC (4-50MVA Transformers) (Retire Roseland)	2000
Graceland TDC (4-50MVA Transformers)	2000
Lakeview TSS 35 (Convert supply from 69kV to 138kV)	2000
Ridgeland-Natoma (Install 2nd 138kV Circuit)	2002

SCHEDULE 4

<u>Project</u>	<u>Projected Service Date</u>
Ontario TDC (Add 4th 50MVA transformer)	1992
Quarry TSS (Convert supply from 69kV to 138kV)	1994
LaSalle TSS (Convert supply from 69kV to 138kV)	1993
State TDC (4-50MVA transformers)	1994
Vernon Park TSS (Convert supply from 69kV to 138kV)	1995
East Lake TDC (4-50MVA transformers)	1996

**SCHEDULE 5  
ELECTRICITY**

For the Cities and Villages listed on  
Sheets Nos. 4, 5, 6, 7 and 8  
and the unincorporated contiguous territory

Commonwealth  
Edison Company

ILL. C. C. No. 4  
9th Revised Sheet No. 56  
(Cancelling 8th Revised Sheet No. 56)

**TERMS AND CONDITIONS**

**Equipment Furnished and Maintained by Customer.**

All wiring and other electrical equipment on the premises, or connecting the premises with the Company's service, furnished by the Customer, should be suitable for the purposes hereof, and should be installed and maintained by the Customer at all times in conformity with the requirements of the National Fire Protection Association and the properly consulted local authorities, and shall be installed and maintained in conformance with the specifications and requirements contained in the Company's "Information and Requirements for the Supply of Electric Service", as filed with the Illinois Commerce Commission and in effect from time to time.

**Municipal Permits and Inspection Fees.**

The Customer agrees to secure, without cost to the Company, all necessary municipal permits for the installation and operation of the electrical wiring and equipment on the premises.

**Landlord's Consent.**

In case the Customer is not the owner of the premises or of intervening property between the premises and the Company's lines, the Customer shall obtain from the proper owner, or owners, the necessary consent to the installation and maintenance on the premises and on such intervening property of all wiring and other electrical equipment required for supplying electricity to the Customer.

**Continuous Service.**

The Company shall not be responsible in damages for any failure to supply electricity, or for interruption, or reversal of the supply, if such failure, interruption, or reversal is without willful default or negligence on its part, nor for interruptions, by underfrequency relays or otherwise, to preserve the integrity of the Company's system or interconnected systems.

- The Customer will be entitled to a reduction in charges for service equal to the Monthly Customer Charge for any billing month in which service to the Customer is interrupted for a period of 12 consecutive hours or more due to any of the following conditions: (i) Company equipment malfunction not caused by weather; (ii) Commonwealth Edison employe or its contractor error; (iii) accident involving Commonwealth Edison employe or its contractor; (iv) damage to Company equipment caused by Commonwealth Edison employe or its contractor; or (v) overloaded Company distribution equipment not caused by Customer negligence. If the duration of any service interruption resulting from any of the causes referred to in items (i) through (v) is equal to or exceeds 24 consecutive hours, or if there is more than one such service interruption of 12 consecutive hours in a billing month, the Customer will be entitled to an additional reduction in charges equal to the Monthly Customer Charge for such billing month multiplied by the number of increments of 12 consecutive hours of interruption in excess of the first such 12 consecutive hours. In applying this provision to any outage in a billing month in which the Monthly Customer Charge changes, the Monthly Customer Charge in effect at the start of the outage in question shall be used.

**Access to Premises.**

The properly authorized agents of the Company shall at all reasonable hours have free access to the premises for the purpose of reading, examining, repairing, or removing the Company's meters or other property.

(Continued on Sheet No. 56.10)

SCHEDULE 5, Con't

ELECTRICITY

For the Cities and Villages listed on  
Sheets Nos. 4, 5, 6, 7 and 8  
and the unincorporated contiguous territory

Commonwealth  
Edison Company

I.L.L. C. C. No. 4  
Original Sheet No. 56.10

TERMS AND CONDITIONS

(Continued from Sheet No. 56)

Right of Cut-Off.

The Company shall have the right to discontinue its electric service to the Customer and to remove its property from the Customer's premises upon prior written notice given pursuant to the provisions of 83 Illinois Administrative Code Part 280 as in effect from time to time, and Section 8-202 of "The Public Utilities Act, as amended" when:

- (a) bills for electricity are in arrears, or the Customer fails to make or increase a deposit or make payment under the terms of a deferred payment agreement, or
- (b) the Customer fails to comply with a Commission ruling or with any terms and conditions of the Company on file with the Commission, or
- (c) the Company discovers evidence of tampering with any meter or the wiring leading from the Company's service connection to any meter with the effect of reducing the registration of the Customer's demand or energy use, unless the Customer pays to the Company, the following or any combination thereof at the Company's election after notice of same is received by the Customer and within the time permitted for discontinuance of service in Section 280.130 of such Code Part 280:
  - (1) the amount of any Company revenue loss attributable to said tampering (such amounts to be estimated in accordance with Section 410.260 of the 83 Illinois Administrative Code Part 410, or, if Section 410.260 is not applicable, by means of historical or subsequent test data);
  - (2) Cash Deposit, the amount of which shall be determined in accordance with Section 280.70 of such Code Part 280, but requests for such deposits shall only be made in the event said Customer does not currently have on file with the Company a cash deposit in an appropriate amount;
  - (3) expenses incurred in replacing and/or repairing the meter and clerical expense incurred in the preparation of the bill.

The Company will not, however, require the current Customer to pay the Cash Deposit specified in (2) above or the expenses specified in (3) above when its investigation establishes that an unrelated predecessor customer performed the tampering or caused it to be performed.

Service disconnected hereunder shall be promptly reconnected upon the Customer fulfilling the obligations set forth herein. The Company's right to discontinue service hereunder is subject to the provisions of Section 280.160, Dispute Procedures, of such Code Part 280.

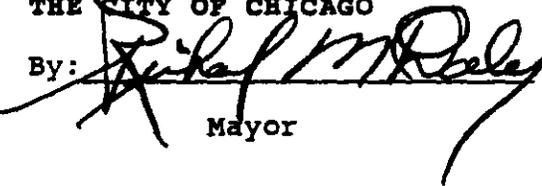
Whenever the Company disconnects service following an unauthorized restoration of service previously disconnected, the Customer must pay a reconnection charge of \$25.00 for each such occurrence in addition to any other amounts then payable before service will be restored by the Company.

(Continued on Sheet No. 57)

cost-of-service methodology. Upon completion of the cost-of-service study the Licensee shall provide a copy of the study to the City. If the Licensee determines that lower rates for low-use and moderate-use residential customers are cost-justified within the residential customer class, the Licensee shall file any rate changes so justified with the ICC at the first time after the Effective Date that the Licensee's residential rate structure is before the ICC. The Licensee shall use its best efforts to support such filings with appropriate testimony before the ICC. The City and the Licensee agree that the sole purpose of actions taken pursuant to this Section 5 is to appropriately allocate costs within the residential customer class.

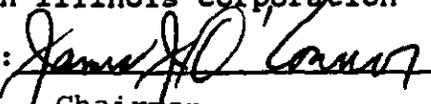
IN WITNESS WHEREOF, the City and the Licensee have caused this Compact to be signed this 20<sup>th</sup> day of December 1991.

THE CITY OF CHICAGO

By: 

Mayor

COMMONWEALTH EDISON COMPANY,  
an Illinois corporation

By: 

Its: Chairman