

ORDINANCE NO. 011-146

AN ORDINANCE AUTHORIZING THE
TREASURER TO MODIFY AN EXISTING
ELECTRICITY CONTRACT

WHEREAS, The Chicago Transit Authority ("Authority") collectively utilizes approximately five hundred forty-two million kilowatt-hours of electricity per year in the operation of its trains ("Traction") and its various facilities ("Non-Traction Power"); and

WHEREAS, The Authority's annual expenditure for electricity is approximately Thirty-nine Million Dollars (\$39,000,000); and

WHEREAS, As a result of deregulation, Commonwealth Edison customers have the option to purchase electricity from other electricity suppliers that have been certified by the Illinois Commerce Commission as Retail Electric Suppliers ("RES"); and

WHEREAS, On May 11, 2011, the Chicago Transit Board authorized the Treasurer, or designee, with the approval of the Chairman of the Board, to execute a fixed-price agreement, an index-price agreement, and/or block-index pricing agreements with a suitable supplier that best meets the Authority's electricity service and financial needs for a term up to three (3) years; and

WHEREAS, Pursuant to the authority granted by Ordinance No. 11-035, the Authority entered into an agreement with Exelon Energy Company ("Exelon") on September 21, 2011; and

WHEREAS, The Authority may continue to obtain cost savings and increased efficiencies for purchasing electricity by subsequently modifying the initial Exelon agreement; and

WHEREAS, On November 29, 2011, the Authority's Energy Advisor, Ameresco, advised the Authority that better rates were available for its purchases of electricity metered by ComEd at locations not originally included in the Authority's Agreement with Exelon. Therefore, the Authority decided that it would be in its best financial interest to execute Amendment No. 1 with Exelon; and

WHEREAS, Under industry practice, proposals submitted for electricity rates are valid for very short time periods due to price fluctuations and changes in market conditions; and therefore, the Treasurer, with the Chairman's approval, executed the December 1, 2011 Exelon amendment; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

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SECTION 1. The Board hereby retroactively authorizes the Treasurer, or designee, with the approval of the Chairman of the Board, to modify the existing agreement with Exelon because the modification is determined to be in the best financial interest of the Authority, to be effective on December 1, 2011.

SECTION 2. The Board hereby authorizes the Treasurer, or designee, with approval of the Chairman of the Board, to purchase additional meters throughout the remainder of the term of the Exelon agreement without additional Board approval.

SECTION 3. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

Chairman

December 14, 2011

Assistant Secretary

December 14, 2011