

ORDINANCE NO. 013-48

AN ORDINANCE AUTHORIZING THE  
TREASURER TO EXECUTE  
AN ELECTRICITY CONTRACT

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

WHEREAS, The Authority's annual expenditure for electricity is approximately Thirty-two Million Dollars (\$32,000,000.00); 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, The Authority may continue to obtain cost savings and increased budgeting accuracy by entering into an agreement with a RES for its electricity requirements; and

WHEREAS, The Authority will issue a Request for Proposals ("RFP") to identify a responsible RES that can fulfill the Authority's electricity needs; and

WHEREAS, Sealed proposals in response to the Authority's RFP are expected to be submitted in May 2013; and

WHEREAS, Under industry practice, proposals submitted for electricity contracts are valid for very short time periods due to price fluctuations and changes in market conditions; and

WHEREAS, Volatility in the electricity market creates an imperative for the Authority to act in a matter of hours to enter into an electricity agreement that will serve its best interests; and

WHEREAS, In order for the Authority to enter into a contract under such volatile market conditions, it is necessary and desirable to obtain Chicago Transit Board approval in advance, to authorize execution of an agreement; now, therefore:

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

SECTION 1. Based on the statements set forth in the preamble of this ordinance, the Treasurer, or designee, with the approval of the Chairman of the Board,

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shall evaluate opportunities from those responses submitted pursuant to the RFP to enter into a contract for electricity for a term that does not exceed three (3) years with a suitable supplier that best meets the Authority's electricity service and financial needs based on price and other factors stated in the RFP.

SECTION 2. The Board hereby authorizes 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 the selected supplier.

SECTION 3. A block-index agreement, if selected by the Authority, will convert portions of the Authority's electricity supply from the indexed based price under the contract executed pursuant to this ordinance into fixed-price agreements. This conversion authority will be effective throughout the full term of the Authority's contract with the supplier.

SECTION 4. The Board hereby authorizes the Treasurer, or designee, with approval of the Chairman of the Board, to transfer additional metered accounts from ComEd to the contract authorized by this ordinance throughout the remainder of the term of the contract without additional Board approval.

SECTION 5. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:

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Chairman

April 19, 2013

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Assistant Secretary

April 19, 2013