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May 8, 2014

Mr. Frank J. Comeriato, Jr.
Public Works Director
1769 Georgetown Rd.
Hudson, Ohio 44236

Subject: Invoice for Professional Services

Dear Frank:

In response to your request, I have reviewed the documents you received from AMP regarding the proposed Remaining Requirements Service Arrangement, the proposed 3 MW On-Peak Congestion Hedge and the proposed 2018-2020 3 MW 5x16 Block Power Purchase. Provided herein is a summary of our findings and recommendations regarding these proposed power supply arrangements.

Remaining Requirements Service Arrangement

Under AMP's proposed remaining Requirements Service Arrangement the City would be able to lock-in a price for nearly all of its energy requirements in excess of the anticipated amount of energy that will be supplied from the City's previously committed resources. Based on AMP's projections, this would amount to approximately 25% of the City's energy requirements.

Under the Remaining Requirements Service Arrangement, there is no minimum level or maximum limit on the amount of energy that is to be supplied. Also, the price for the energy is fixed over the life of the contract, which would run through 2018. Therefore, the supplier would be taking on both the load and market price risk.

We recommend that the City enter into the Remaining Requirements Service Arrangement with AMP by adopting the Energy Purchase Power Supply Schedule Ordinance and executing the Energy Purchase Power Supply Schedule with AMP. This will allow AMP to solicit quotes for Remaining Requirements Service for the City and will put the City in a position to "pull the trigger" on a deal when the price is right.

May 8, 2014

3 MW On-Peak Congestion Hedge



AMP is recommending that the City purchase a 3 MW On-Peak Congestion Hedge for the City's 3 MW 5x16 Barclays power purchase at a price of \$4 per MWh or less. The proposed Congestion Hedge would lock in the price for congestion associated with delivering this purchase from the IND HUB to the AMP-ATSI node and would eliminate the extreme fluctuations in the congestion charges experienced during the polar vortex in January and February of this year. We concur with AMP's recommendation.

2018-2020 3 MW 5x16 Block Power Purchase

AMP is also proposing that the City purchase a 3 MW block of on-peak power for the period 2018-2020. We do not recommend approval of this arrangement. We recommend keeping this position open for a possible future solar energy project or other renewable energy resource.

Hopefully, this correspondence is responsive to your request. As always, should you have any questions regarding these matters, please do not hesitate to contact me.

Respectfully,


John T. Courtney

psltr