



## Utility Committee Meeting

### AGENDA

November 1, 2011

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#### I. CALL TO ORDER

#### II. MATTERS BEFORE COMMITTEE

1. [Sale of Excess Reserve Electric Capacity](#)
2. [Discussion / Approval - Parking Lot Lights at Hospital](#)
3. [Discussion / Approval - Purchase Sewer Rehab Equipment](#)

#### III. ADJOURN



## Utility Committee Meeting

### AGENDA

November 1, 2011

**Item:**

Sale of Excess Reserve Electric Capacity

**Department:**

**Additional Information:**

**Financial Impact:**

**Budgeted Item:**

**Recommendation / Request:**

Viewing Attachments Requires Adobe Acrobat. [Click here](#) to download.

Attachments / click to download

 [Excess Electric Reserve Info](#)



October 17, 2011

City of Monroe, Georgia  
Attn: The Honorable Greg Thompson, Mayor  
215 North Broad Street  
Monroe, GA 30655

City of Forsyth, Georgia  
Attn: The Honorable Tye Howard, Mayor  
26 North Jackson Street  
Forsyth, GA 31029

**Re: MEAG Power Sale of Excess Reserve Capacity to the City of Forsyth  
on Behalf of the City of Monroe**

Dear Mayor Thompson and Mayor Howard:

This Letter Agreement sets forth the agreement between the Municipal Electric Authority of Georgia ("MEAG Power"), the City of Monroe, Georgia ("Monroe"), and the City of Forsyth, Georgia ("Forsyth") for MEAG Power's sale on behalf of Monroe of certain excess reserve capacity to Forsyth pursuant to Section 312 of the Power Sales Contract between MEAG Power and Monroe. MEAG Power is willing to facilitate and execute this transaction pursuant to Section 312, subject to this Letter Agreement.

The capitalized words or terms that are used in this Letter Agreement, but are not defined herein, shall have the same meanings as assigned to them in the Power Sales Contract.

In consideration of the mutual agreements set forth herein, the sufficiency and adequacy of which are acknowledged by MEAG Power, Monroe and Forsyth, it is understood and agreed that:

**(1) Sale of Excess Reserve Capacity by MEAG Power on Behalf of Monroe.**

**(a)** Pursuant to Section 312 of the Power Sales Contract between MEAG Power and Monroe, Monroe has declared capacity in the amount of 427 kW, as measured at B1, of the total kW of its Project One Entitlement Share (the "Sales Amount") to be excess to its needs. Monroe has requested MEAG Power to sell, and MEAG Power shall, in accordance with this Letter Agreement, sell this capacity, but no energy associated therewith, to Forsyth.

**(b)** This Sale Amount shall not reduce Monroe's Entitlement Share of output and services under the Power Sales Contract and Monroe shall remain liable to MEAG Power for its entire Entitlement Share. All payments received by MEAG Power from Forsyth for the Sale Amount pursuant to this Letter Agreement shall be credited to Monroe's obligation to MEAG Power to pay for its Entitlement Share.

Municipal Electric Authority of Georgia  
1470 Riveredge Parkway NW  
Atlanta, Georgia 30328-4686

1-800-333-MEAG 770-562-0300  
Fax 770-953-3111

(2) **Purchase of Excess Reserve Capacity by Forsyth.** Forsyth agrees to purchase the Sale Amount for a price of \$3.88 per kW-year (the "Contract Price"). MEAG Power shall bill Forsyth for such amount and Forsyth shall pay all amounts due in the same manner as other payments under the Power Sales Contract between MEAG Power and Forsyth.

(3) **Costs.** Monroe shall be obligated for all costs incurred by MEAG Power as a direct result of the transaction identified in this Letter Agreement. MEAG Power agrees to provide sufficient documentation to Monroe to enable it to verify any such costs.

(4) **Indemnification.** Monroe hereby indemnifies and holds MEAG Power and the remaining MEAG Power Participants harmless from and against any and all losses, costs, liabilities, damages, expenses (including without limitation attorneys' fees and expenses) of any kind and incurred or suffered by MEAG Power or its Participants as a result of, or in connection with, Monroe's sale of excess reserve capacity pursuant to this Letter Agreement.

(5) **Term.** The initial term of the sale of Monroe's excess reserve capacity to Forsyth pursuant to this Letter Agreement shall begin at 0000 hours on January 1, 2012 and end at 2400 hours on December 31, 2012, and until all obligations under this Letter Agreement are satisfied, including, but not limited to, Monroe's obligation to indemnify MEAG Power and the Participants. All times referenced herein are Central Prevailing Time.

(6) **Termination and Unwind.** If MEAG Power changes its policy concerning the computation of necessary reserve capacity from a "budgeted coincident peaks" standard to an "actual peaks" standard and such policy change goes into effect during the Term of this Letter Agreement, Monroe and Forsyth shall be returned to their respective positions as if this Letter Agreement had not been entered into (e.g., Forsyth shall receive a credit for amounts it paid pursuant to this Letter Agreement and Monroe shall be billed for all such amounts). Subsequently, this Letter Agreement shall terminate, except that Sections (3) and (4) shall remain effective.

If you are in agreement with the foregoing and after this Letter Agreement has been duly authorized by the respective governing bodies of Monroe and Forsyth, please execute this Letter Agreement in the space provided below.

**MUNICIPAL ELECTRIC AUTHORITY OF  
GEORGIA**

ATTEST:

By: \_\_\_\_\_  
Robert P. Johnston  
President and Chief Executive Officer

[SIGNATURES CONTINUED ON NEXT PAGE]

Agreed to and accepted, this \_\_\_\_ day  
of \_\_\_\_\_, 2011.

**CITY OF MONROE**

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

ATTEST:

\_\_\_\_\_  
City Clerk

[SEAL]

Agreed to and accepted, this \_\_\_\_ day  
of \_\_\_\_\_, 2011.

**CITY OF FORSYTH**

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

ATTEST:

\_\_\_\_\_  
City Clerk

[SEAL]



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