

SPONSOR:

Simon/Adams

## ORDINANCE NO. 4-10

AN ORDINANCE TO APPROVE THE ACQUISITION OF A SUPPLEMENTAL PROJECT SHARE OF HYDROELECTRIC POWER FROM AMERICAN MUNICIPAL POWER, INC. AND TAKING OTHER ACTIONS IN CONNECTION THEREWITH, AND DECLARING AN EMERGENCY.

WHEREAS, the City of Jackson, Ohio ("Municipality") owns and operates an electric utility system for the sale of electric power and associated energy for the benefit of its citizens and taxpayers; and

WHEREAS, in order to satisfy the electric power and energy requirements of its electric utility system the Municipality has arranged to purchase economical and reliable power and energy from American Municipal Power, Inc. ("AMP") through the execution of Power Sales Contracts (PSCs"); and

WHEREAS, Municipality has supported AMP's developmental effort to plan and permit the Meldahl Hydroelectric Project, FERC License No. 12667 ("Meldahl Project"), and AMP's purchase of a forty-eight and six-tenths percentage (48.6%) undivided ownership interest in the currently operating Greenup Hydroelectric Project, FERC License No. 2614 ("Greenup Project") (the Meldahl Project and Greenup Project being collectively referred to hereinafter as "Hydroelectric Projects") and

WHEREAS, because AMP's acquisition of an ownership interest in the Greenup Project is contingent upon the Meldahl Project being declared in Commercial Operation, AMP made available the Hydroelectric Projects as a package such that each Participant participates in both the Meldahl Project and Greenup Project, although each Participant executed separate PSCs for each project (individually the "Greenup PSC" and "Meldahl PSC" and collectively, "Project PSCs"); and

WHEREAS, the Municipality adopted Ordinance 93-09, which authorized Municipality to obtain from AMP up to 270 kW, comprised of the electric power and energy to be generated at the Hydroelectric Projects, and expressed as a percentage, allocated approximately 60% to the Meldahl Project and 40% to the Greenup Project (Municipality's "Initial Project Share"); and

WHEREAS, the Municipality has been afforded an opportunity to purchase from AMP under the Project PSCs, additional shares of the Hydroelectric Projects "Capacity" (as defined in the Project PSCs) in addition to the Municipality's initial Project Share ("Initial Project Share") which additional shares are limited and which will be allocated to those Participants who have authorized such purchase by February 1, 2010; and

WHEREAS, after further consideration of all relevant facts, including but not limited to the Hydroelectric Projects Feasibility Report, this Council finds that it is in the best interests of the Municipality and the Municipality's citizens and taxpayers, for the Municipality to have the ability to purchase additional shares of the Hydroelectric Projects Capacity supplemental to the Municipality's Initial Project Share, as set forth above; and

WHEREAS, AMP's Board has established a February 1, 2010 deadline for Participants to enact legislation for Project participation, in order to establish final Project Shares so that financing can be accomplished expeditiously during a favorable market period, therefore requiring prompt action to protect the public interest.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JACKSON, STATE OF OHIO, as follows:

**Section One.** That the Mayor has been previously authorized by Ordinance 93-09 to acquire, without bid, the Municipality's Initial Project Share, total nominal amount of 270 kW of power and energy from AMP and to execute and deliver the Project PSCs and any and all other documents necessary to become a Participant in the Hydroelectric Projects as set forth in the Project PSCs, and to carry out its obligations thereunder,

**Section Two.** In addition to the Municipality's Initial Project Share, the Mayor is also hereby authorized, after consultation with AMP regarding additional, available Capacity, to determine to acquire additional Project Shares of up to a nominal amount of 1370 kW, and expressed as a percentage of all such shares and, allocated approximately 60% to the Meldahl Project and 40% to the Greenup Project ("Additional Project Share"), in combination with the Initial Project Share, to be set forth as the Municipality's "Project Share" in a revised appendix to the Project PSCs.

**Section Three.** That the PSC between the Municipality and AMP, revised as described in Section Two above, and all actions of this Council and the Mayor related thereto, are hereby ratified and approved.

**Section Four.** That the Mayor of this Municipality, as part of such officer's official duties, is hereby authorized to exercise any and all additional rights and/or privileges granted to the Municipality as a result of its purchase of additional shares of Hydroelectric Projects Capacity.

**Section Five.** This Ordinance is hereby declared to be an emergency Ordinance necessary for the immediate preservation of the public peace, health, or safety of the City of Jackson, in that it is necessary to adopt this Ordinance as soon as possible in order to assure the Municipality can acquire Additional Project Share, because such Additional Project Share must be authorized prior to February 1, 2010. Therefore, this Ordinance shall go into effect upon passage and approval by the Mayor, as provided in Ohio Revised Code Section 731.30.

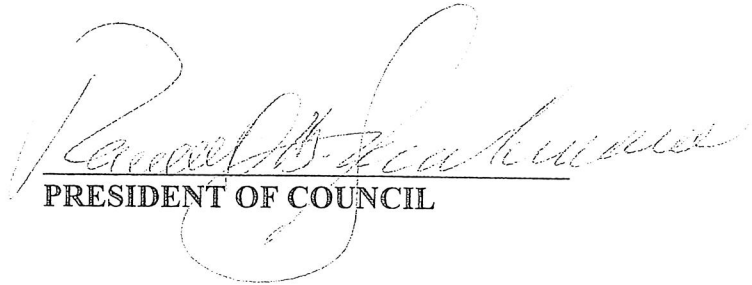
**Section Six.**

In the event this Ordinance receives a majority vote for passage but fails to receive the required number of votes to pass as an emergency, then this Ordinance shall be deemed to have passed but with no emergency clause and shall take effect at the earliest time permitted by law.

**Section Seven.**

This Council finds and determines that all formal actions of this Council concerning and relating to the passage of this ordinance were taken in an open meeting of this Council and that all deliberations of this Council that resulted in those formal actions were in meetings open to the public, all in compliance with the law.

Date: 2-22-10

  
PRESIDENT OF COUNCIL

  
CLERK OF COUNCIL

Approved:

Date: 2-22-10

  
MAYOR