

Item #6A:
Village President Underwood
Electric Aggregation - *Update*

David Lothspeich

From: Sharon Durling [sdurling@nimec.net]
Sent: Wednesday, May 07, 2014 4:49 PM
To: David Lothspeich
Subject: Aggregation program savings

Hello David,

Your program is slated to start June 1, coincident with the new ComEd rate of 7.48 (annualized.)

wanted to give you a quick update on the savings that your program will achieve over the next 12 months. Below you will find your new power rate compared to the newly released ComEd rate, your savings percentage, the annual savings for the average homeowner and the community wide savings for the next year. (We presumed 75% of households fully participating in the program, thus the \$350,000 estimate.)

Aggregation Rate	ComEd Rate	% Lower	Savings/House	Agg'd Savings
6.519	7.48	13%	\$184	\$350,000

Kind regards,
Sharon Durling

NIMEC: Northern Illinois Municipal Electric Collaborative

www.nimec.net

847-607-1804



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Article updated: 5/7/2014 2:06 PM

ComEd customers brace for 38 percent rate hike

By Anna Marie Kukec

Residential customers around the suburbs who receive their power from ComEd will see a 38 percent hike on June 1.

ComEd said Wednesday that the Illinois Power Authority set its cost per kilowatt hour at 7.59 cents, an increase from 5.52 cents set in 2013, ComEd spokesman David O'Dowd said.

"The authority buys on behalf of ComEd annually, so customers who have ComEd for their power will see the increase," O'Dowd said.

The cost of power is about two-thirds of a consumer's bill.

A ComEd residential customer who uses about 655 kilowatts of electricity per month for \$68 could see a bill for \$83 per month, the utility said.

In addition, the other portion of the bill that deals with the delivery costs could see a change down the road. ComEd filed on April 16 for a rate increase for delivery costs via the Illinois Commerce Commission, which regulates the utility. That process takes about 11 months before a decision is made.

ComEd's proposed delivery service charges could increase by about \$3 on the average monthly residential bill starting in January 2015. This is based on a revenue request of about \$275 million to recover the cost of investments already made in the system, the utility said.

The delivery charges affect all consumers of electricity, since the network is owned by ComEd and used by a variety of other power supply companies.

ComEd said April 16 that it needed the extra money for its ongoing modernization project for the power grid and other service-enhancing

investments across the region.

That April 16 filing was the fourth under the 2011 Smart Grid law that established a performance-based rate model to support modernizing the electric infrastructure serving northern Illinois, ComEd said.

The modernization is a 10-year project to transform the electric grid throughout the region.

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David Lothspeich

From: David Hoover [dhoover@nimec.net]
Sent: Tuesday, May 06, 2014 2:15 PM
To: NIMEC Members
Subject: new ComEd rates



Dear Members,

ComEd just released their new residential rates for the 12 months, beginning June 1.

Summer	Non-Summer	Annualized
7.60¢	7.42¢	7.48¢

The rates are set for the 4 summer months, and 8 non-summer months. From this, we calculated the weighted average annualized rate. This represents a 36% increase from the current ComEd rate.

The rates above include Energy and Transmission. They do not include the Purchased Electricity Adjustment, which has averaged close to an additional 0.5¢ over the last few years. (These rates do not include ComEd's delivery fees.)

Please also note: ComEd will re-set these rates in the Fall for the remaining Non-Summer months.

Dave

David Hoover
Executive Director
847.392-9300

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Article updated: 5/2/2014 4:29 PM

Lake Zurich has new 3-year electric contract for homes, small business

By Bob Susnjara

While the monthly savings are expected to be reduced, Lake Zurich residents and small businesses should continue receiving electricity from a provider at a cheaper rate than ComEd's.

Under a new contract with Homefield Energy starting in July, Lake Zurich's residential customers and small businesses will pay 7.2 cents per kilowatt hour in the first two years. The rate will drop to 6.35 cents per kilowatt hour in the deal's third and final year.

Village officials were told ComEd is projected to charge nearly 8 cents per kilowatt hour beginning in July. Homefield's rate will average 6.9 cents over the three years.

Lake Zurich's latest contract was secured by the Northern Illinois Municipal Electric Cooperative. The organization obtained Lake Zurich's expiring 4.75-cent rate with FirstEnergy Solutions in July 2012 as part of a consortium with Crystal Lake, Yorkville and South Elgin.

ComEd's price was 8.3 cents in 2012 and 5.8 cents in the second year. Lake Zurich officials calculated that households saved an average of \$247 in supply costs last year by receiving their electricity from FirstEnergy rather than ComEd through what's called municipal aggregation.

"These are real dollars," electric cooperative Executive Director David Hoover told the village board during a recent presentation. "We know communities that did not aggregate and we know what they paid."

Hoover said the price gap has narrowed between alternative providers and ComEd, which is why Lake Zurich consumers won't save as much in the new deal with Homefield Energy.

Lake Zurich and a host of other towns received voter approval to participate in municipal electricity aggregation. The concept is that suburbs can use the collective bargaining power of residents and small commercial accounts to bargain for lower power prices from suppliers.

Responding to a query from Trustee Jonathan Sprawka, Hoover said Lake Zurich was not grouped with other villages for the new contract running through June 2017. He said his organization has found getting the best price from an alternative energy provider is a complicated process that rewards towns using more electricity.

"We find that (population) size does not actually dictate the best pricing in negotiation," Hoover said. "Basically, aggregations in and of themselves have enough mass to warrant attractive pricing."

Elsewhere, Gurnee's new rate of 6.69 cents per kilowatt hour for the next three years will begin in July through a

contract with FirstEnergy. Libertyville's rate will be at 6.54 cents under a three-year deal with FirstEnergy that also begins in July.

Twitter: @DHBobSusnjara

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Oswego OKs electric rates

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2

By Linda Girardi For Sun-Times Media May 2, 2014 9:38AM

Updated: May 2, 2014 9:38PM

The village of Oswego has locked in electricity rates for residential and small businesses that choose to opt in to a new two-year electric aggregation program.

Mark Horton, village finance director, said the village selected a bid from Verde Energy USA that will begin July 1.

Voters approved a referendum in 2012 that allows the community to contract with an energy supplier to reduce electricity costs for residential and small business electric customers.

Horton said the village opted for 100 percent renewable energy at 7.15 cents per kilowatt.

"Based on the rates we have been seeing, it is a fairly good rate," Horton said.

He said renewable energy includes solar and wind power and non-coal fueled power plants. The existing two-year electric aggregation contract with First Energy Solutions will expire June 30. The current rate is 4.75 cents per kWh.

Village officials had anticipated higher electricity prices based on market conditions, but said the rate likely will be lower than ComEd.

Horton said the rates for renewable energy ranged from 7.15 to 7.97 cents per kWh and non-renewal energy rates ranged from 7.07 to 7.69 cents per kWh.

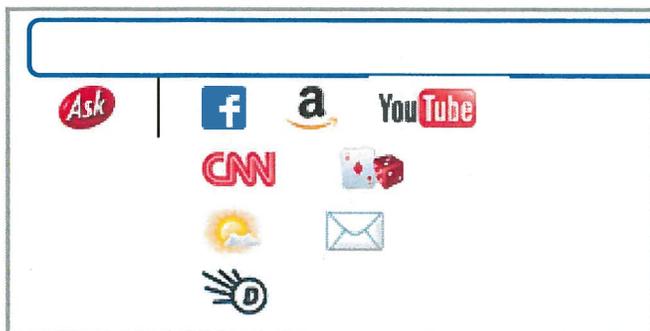
Horton said the agreement includes an option for individual residents to opt out and there will be no early termination fees. Residents already enrolled in the program will not have to re-enroll in the program.

"Residents already using an alternative electric supplier will be notified by letter of the rate and given an opportunity to opt in," Horton said.

He said Verde offers a feature on its website for customers to establish an account and monitor their power usage and receive information on energy efficient products.

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NORTHWEST HERALD

Crystal Lake enters into new aggregation contract

Published: Wednesday, April 16, 2014 3:06 p.m. CDT

CRYSTAL LAKE – Crystal Lake residents will once again have a chance to pay for power through an aggregation program after city officials approved a new three-year deal.

Through the current aggregation program, residents pay 4.7 cents per kilowatt hour compared to the 6 cents per kilowatt hour offered through ComEd. With both rates set to expire in June, aggregation prices are expected to increase closer to projected ComEd rates.

Crystal Lake City Council members locked into a deal with Homefield Energy that will see rates drop over the life of the three-year contract. Rates in the first two years would cost 7.2 cents per kilowatt hours while the final 12 months would drop to 6.4 cents per kilowatt hour.

Industry experts have speculated ComEd's new rate starting in June would be between 7.2 and 7.6 cents per kilowatt hour.

While residents who stay in the aggregation program would realize a savings over ComEd, anyone can opt-out of the program and revert to ComEd rates. Residents can also join the aggregation at a later time.

Because of the flexibility individuals have in joining or leaving the aggregation program, Mayor Aaron Shepley said it was a no-lose situation.

"I think it is an easy call," he said. "The three-year rate for Homefield is less than the low end of what is being projected for ComEd."

The average rate of the three-year aggregation contract is 7 cents per kilowatt hour.

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Geneva residents raise concerns about city's electric costs

Published: Wednesday, April 16, 2014 9:21 p.m. ♦ CDT

GENEVA — ♦ City residents are concerned about the cost of electricity in Geneva, and what the future holds for possible rate increases.

Residents Bill Scown and Llona Steele spoke to the Geneva city council recently, airing their concerns about the city's investment in Prairie State Energy Campus. ♦

Geneva is a member of – and has a contract with – Northern Illinois Municipal Power Agency for an entitlement share of 35 megawatts in Prairie State Generating Company. The company owns Prairie State Energy Campus in downstate Marissa, a coal-fired power plant, according to the city's website.

Steele read from a Feb. 28 letter from Illinois State Rep. Tim Schmitz, R-Batavia, to Illinois Attorney General Lisa Madigan, in which he calls for an investigation “into possible fraud or misrepresentation by Peabody Energy that led to several municipalities in Illinois to invest in the Prairie State Energy Campus.”

The project was marketed to communities and cooperatives as a “secure, low-cost electricity source” to build a 1,500-megawatt generating power plant with a coal mine next to it, providing necessary fuel, according to Schmitz's letter. ♦

He noted that in addition to Geneva, Batavia and Rochelle also are members of NIMPA. The project went from an estimated cost of \$2 billion to \$5 billion in 2010, Schmitz wrote.

“Extensive cost overruns and poor generating capacity have resulted in Illinois ratepayers being charged exorbitant energy prices in the short run and responsible for unforeseen costs over the life of the contracts,” Schmitz wrote. ♦

Geneva Mayor Kevin Burns said it was the first time officials had heard of Schmitz's letter.

“I respect the fact that he wants to support his constituents,” Burns said.◆

Scown blamed an increase in his electric costs on Geneva being one of 300 communities that have invested in Prairie State Energy Campus. According to the city’s website, its electric utility keeps its rates stable by receiving power from its own facility, landfill gas generation, as well as its investment in the energy campus.

“I would like to see a public discussion of how best to deal with these high and increasing costs of power from Prairie State,” Scown said. “I would like to see discussion of this problem out of the closet.”

Burns said officials were unable to discuss the issue at a meeting last week because Public Works Director Dan Dinges and Electric Superintendent Michael Buffington were not available to answer technical questions.

“We have met with Mr. Scown for over two hours and ... and for all practical purposes, his questions were answered,” Burns said. “He left the meeting with a greater appreciation for that investment and how it would benefit the city of Geneva in the long term. To then stand before the council a few months later and claim a lack of transparency – where he found all information he sought on the website – and to accuse◆Prairie State of fraud, is baseless.”

Burns said officials have evidence that the aggregate electrical market is inching up, and by summer, the city’s rates will be lower than the aggregate.

Schmitz did not return messages seeking comment about his letter to Madigan. A spokesman from Madigan’s office was unable to comment about the status of Schmitz’s letter.◆

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April 18, 2014 10:25 a.m.

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Oak Park ditches all-green power supply; residents can still opt for clean energy

By: Jennifer Fisher | For Sun-Times Media | @jennydfisher



Rows of electrical circuit boxes at Oak Park's ComEd power substation, upgraded in March 2011. | Sun-Times Media File

After two and a half years of pioneering green energy village-wide, Oak Park trustees opted for the cheaper option — “brown power” — in a new contract with supplier Constellation Energy.

Three companies submitted bids for the village contract, and trustees voted last week to go with the least expensive bid, from Constellation, of 7.47 cents per kilowatt-hour for a year-long contract and a non-renewable energy mix, according to assistant village manager Robert Cole.

“They were concerned about lower income and fixed-income people,” Cole said. “It was a really difficult decision for

them, and ultimately they came down to, well, we've got to think of the most vulnerable segment of the community — so they chose the cheapest segment possible.”

Residents can still opt-in to a green power mix by calling Constellation Energy, according to Cole. Constellation will offer the renewable mix for 7.57 cents per kilowatt-hour

“If you look back at the industry’s experience with opt-in programs, the success rate is typically pretty low,” he said. “We think Oak Park can beat that ... We have a lot of people that are very interested in environmental sustainability and public health.”

Oak Park has participated in the state’s community choice aggregation program since April 2011, when residents approved a referendum allowing the village to go out to bid for a new energy supplier. The aggregation program lets municipalities bundle residential and small commercial retail accounts in order to seek a cheaper or cleaner source of electric power.

When trustees selected a 100-percent renewable energy contract with Integrys Energy Services at the end of 2011, Oak Park made headlines as one of the first municipalities in Illinois to go with all green energy. Villagers could still opt-out of the program and choose another energy supplier, but residents were enrolled in all-green energy by default.

“We saw [municipal] aggregation as not just being about the best price, but about responding to the idea of preparing for climate change and a smart community future,” former Oak Park Sustainability Manager K.C. Doyle told the World Wildlife Fund for a report published this March. Doyle recently left the village to take a job in Lake County.

Under the prior, two-year contract with Integrys, villagers paid 5.79 cents per kilowatt-hour, according to Cole. The village extended the initial contract for a few more months, until the end of May, but Cole said Integrys could not provide the 5.79-cent rate any longer after that.

That’s because energy consumers are expecting a pretty significant increase in costs from ComEd — which carries electricity to consumers from companies like Integrys and Constellation — due to rising costs of maintaining the transmission lines.

“Everybody’s rates are going up because of the transmission charge,” Cole said.

Besides Constellation Energy, the village of Oak Park received two other bids for electrical aggregation this year. Integrys bid 7.9 cents per kilowatt-hour for an all-green energy mix, while Verde Energy bid 8.559 cents per kilowatt-hour for an all-green mix. Cole said he did not know why Verde and Integrys only submitted bids for all-green power, or why Constellation only submitted a bid for brown power.

The village is expected to go back onto the open market in spring 2015 to seek new bids.

When trustees voted Friday to approve the bid from Constellation, they did not know that Constellation could offer green energy at 7.57 cents per kilowatt-hour, Cole said. Village staff worked out that rate with Constellation in the last few days.

Trustee Colette Lueck was the only village board member to vote against going with Constellation.

“I felt the cost differential was not enough to discard a policy position of supporting all-green energy sources,” Lueck wrote in an email to Pioneer Press. “The Board has been overwhelmed with emails that indicate citizens agree with my position.”

Lueck noted that citizens could always opt out of the village’s aggregation program if cost was a factor.

“But public policy would be to choose green.” she said. “Oak Park has won awards for being the first community to

choose all green aggregation. That choice has brought us national awards and increased investments.”

Lueck, who said she would be opting-in to the green energy mix herself, encouraged other residents to do so.

“Citizens need to make their commitment to green clear,” she said.

Residents can expect to receive a letter in the mail outlining the new program within the next few days, according to Cole. They can then choose to return to ComEd as a supplier, research their options and find their own supplier, or do nothing and be automatically enrolled in the brown power mix from Constellation.

In order to choose green energy, residents must call the company directly, Cole said.

“We’re trying to encourage people to opt in to the green alternative by simply calling Constellation and agreeing to the one-tenth extra cent per kilowatt-hour,” he said. “Research says the odds are against us, but I think Oak Park’s unique.”

Residents have until May 8 to opt out of the default brown power mix.

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Article updated: 4/16/2014 4:19 PM

ComEd seeks rate hike for Smart Grid

By

ComEd wants another rate increase to help offset the costs of modernizing Illinois' electric grid.

The company on Wednesday filed a rate request with the Illinois Commerce Commission, asking permission to collect an addition \$275 million in delivery charges. The increase would cost residential customers about \$3 per month extra starting in January 2015.

The ICC has eight months to act on the request. In December it approved a rate increase allowing ComEd to collect an additional \$340 million this year.

The company says it's making "strong progress" on upgrades that include switching 4 million northern Illinois customers to wireless "smart meters."

ComEd and downstate electricity provider Ameren are undertaking a 10-year, \$3.2 billion project to modernize and "storm-harden" Illinois' power grid. That includes replacing aging cables and poles.

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David Lothspeich

From: Dave Bennett [dbennett@mayorscaucus.org]
Sent: Wednesday, May 07, 2014 12:23 PM
To: Mayor Amrich, Island Lake; Mayor Bart, Wauconda; Mayor Black, Kildeer; Mayor Harrison, Zion; Mayor Hill, Round Lake Beach; Mayor Hucker, Beach Park; Mayor Kovarik, Gurnee; Mayor Kovarik, Gurnee 2; Mayor Lahr, Lindenhurst; Mayor Leitner, Tower Lakes; Mayor Lentz, Mundelein; Mayor Loffredo, Lake Villa; Mayor Loy, Winthrop Harbor; Mayor Lucassen, Round Lake Park; Mayor Lucassen, Round Lake Park 2; Mayor Lumpkins, Round Lake Heights; Mayor MacGillis, Round Lake; Mayor McCombie, South Barrington; Mayor Motley, Waukegan; Mayor Norris, Riverwoods; Mayor Pannell, Park City; Mayor Pannell, Park City 2; Mayor Pecaro, Highwood; Mayor Rockingham, North Chicago; Mayor Ryback, Wadsworth; Mayor Soto, Hainesville; Mayor Urlacher, Mettawa; President Barkemeyer, Bannockburn; President Barkemeyer, Bannockburn 2; President Beggan, Third Lake; President Beggan, Third Lake 2; President Kellermann, Deer Park; President O'Hara, Lake Bluff; President O'Neill Leitner, Tower Lakes; President Pino, North Barrington; President Smith, Old Mill Creek; President Underwood, Long Grove; President Weihofen, Lakemoor; President Wysocki, Green Oaks; President Yeaton, Port Barrington
Cc: Deb Waszak; Adrian Marquez, Highwood; Bob Irvin, Mettawa; Dave Kilbane, Round Lake Beach; David Alarcon, Lakemoor; David Lothspeich; Doug Maxeiner, Wauconda; Drew Irvin, Lake Bluff; Jim Connors, Deer Park; John Lobaito, Mundelein; Jon Kindseth, Beach Park; Kathy Nelander, North Barrington; Lori Heitman, Lake Villa; Mark Masciola, South Barrington; Matthew Formica, Lindenhurst; Michael Talbett, Kildeer; Moses Amidei, Wadsworth; Noelle Kischer, Waukegan; Pat Beggan, Third Lake; Patrick Muetz, Gurnee Interim; Russell Kraly, Round Lake; Scott Hartman, Highwood; Sheire Farmer, North Chicago Interim; Teresa Ponio, Island Lake; Tracy Miracle, Beach Park 2
Subject: RE: ComEd Releases New Electric Rates

A couple of Managers/Administrators have rightly pointed out that the new ComEd rates I provided earlier do not include the Purchased Energy Adjustment (PEA) ComEd is allowed by law to charge the customers for which it actually supplies electricity. The PEA is listed as a separate charge on the bills these customers receive. It fluctuates from month-to-month. The maximum it can be is 0.5 cents/kWh.

If recent history is a lesson, from June 2013 to May 2014, there were eleven months where ComEd charged their customers the maximum allowable 0.5 cents. The only month where it didn't was April 2014 when the PEA was 0.442 cents/kWh.

ICC staff tells me that ComEd won't announce its PEA for June 2014 until later this month. If it continues to levy the maximum of 0.5 cents, then the total price it will charge customers to whom it supplies electricity in June will be 8.096 cents/kWh. If it levies the average amount it charged in 2013-2014 (0.495 cents/kWh), its price will be 8.091 cents. But again, this will only be for the month of June as ComEd is allowed to adjust the PEA from month-to month.

Dave

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From: Dave Bennett

Sent: Wednesday, May 07, 2014 11:02 AM

To: 'Mayor Amrich, Island Lake'; 'Mayor Bart, Wauconda'; 'Mayor Black, Kildeer'; 'Mayor Harrison, Zion'; 'Mayor Hill, Round Lake Beach'; 'Mayor Hucker, Beach Park'; 'Mayor Kovarik, Gurnee'; 'Mayor Kovarik, Gurnee 2'; 'Mayor Lahr, Lindenhurst'; 'Mayor Leitner, Tower Lakes'; 'Mayor Lentz, Mundelein'; 'Mayor Loffredo, Lake Villa'; 'Mayor Loy, Winthrop Harbor'; 'Mayor Lucassen, Round Lake Park'; 'Mayor Lucassen, Round Lake Park 2'; 'Mayor Lumpkins, Round Lake Heights'; 'Mayor MacGillis, Round Lake'; 'Mayor McCombie, South Barrington'; 'Mayor Motley, Waukegan'; 'Mayor Norris, Riverwoods'; 'Mayor Pannell, Park City'; 'Mayor Pannell, Park City 2'; 'Mayor Pecaro, Highwood'; 'Mayor Rockingham, North Chicago'; 'Mayor Ryback, Wadsworth'; 'Mayor Soto, Hainesville'; 'Mayor Urlacher, Mettawa'; 'President Barkemeyer, Bannockburn'; 'President Barkemeyer, Bannockburn 2'; 'President Beggan, Third Lake'; 'President Beggan, Third Lake 2'; 'President Kellermann, Deer Park'; 'President O'Hara, Lake Bluff'; 'President O'Neill Leitner, Tower Lakes'; 'President Pino, North Barrington'; 'President Smith, Old Mill Creek'; 'President Underwood, Long Grove'; 'President Weihofen, Lakemoor'; 'President Wysocki, Green Oaks'; 'President Yeaton, Port Barrington'

Cc: 'Deb Waszak'; 'Adrian Marquez, Highwood'; 'Bob Irvin, Mettawa'; 'Dave Kilbane, Round Lake Beach'; 'David Alarcon, Lakemoor'; 'David Lothspeich, Long Grove'; 'Doug Maxeiner, Wauconda'; 'Drew Irvin, Lake Bluff'; 'Jim Connors, Deer Park'; 'John Lobaito, Mundelein'; 'Jon Kindseth, Beach Park'; 'Kathy Nelander, North Barrington'; 'Lori Heitman, Lake Villa'; 'Mark Masciola, South Barrington'; 'Matthew Formica, Lindenhurst'; 'Michael Talbett, Kildeer'; 'Moses Amidei, Wadsworth'; 'Noelle Kischer, Waukegan'; 'Pat Beggan, Third Lake'; 'Patrick Muetz, Gurnee Interim'; 'Russell Kraly, Round Lake'; 'Scott Hartman, Highwood'; 'Sheire Farmer, North Chicago Interim'; 'Teresa Ponio, Island Lake'; 'Tracy Miracle, Beach Park 2'

Subject: ComEd Releases New Electric Rates

Importance: High

Mayor:

Commonwealth Edison filed the following residential electric rates for 2014-2015 with the Illinois Commerce Commission yesterday:

	Summer June 2014- September 2014 Actual	Non-Summer October 2014 – May 2015 Estimated
Electric Supply Charge:	6.591 cents/kWh	6.415 cents/kWh
Transmission Charge	1.005 cents/kWh	1.005 cents/kWh
TOTAL	7.596 cents/kWh	7.420 cents/kWh

Please note that the Non-Summer rate is just an estimate at this time. That's because only 78% of the expected electricity needed for the Non-Summer period has been purchased to-date. I've been told that the final rates for the Non-Summer period will not be known until September 2014 when the remaining Non-Summer period electricity will be purchased.

I hope this information helps you and your residents as everyone considers their electric supply options for the coming year.

Dave

Dave Bennett, Executive Director
Metropolitan Mayors Caucus
233 S. Wacker Drive, Suite 800
Chicago, IL 60606

Village of Long Grove Electric Aggregation Program

Following the passage of a voter referendum on March 20, 2012, the Village of Long Grove contracted with an ICC-licensed electric supplier to procure lower-cost electric supply. The Village again sought competitive bids to renew the program and contracted with Constellation, an Exelon company for a 35-month term at a fixed rate of 6.529 ¢ per kWh. That term begins on meter read dates in June 2014 and ends upon meter read dates in May 2017.

Long Grove Program vs. ComEd rate in cents per kilowatt hour

	<i>Supply + transmission</i>	<i>PEA fee¹</i>	<i>Effective rate</i>
Long Grove rate	6.529¢	none	6.529¢
Com Ed rate ²	6.5 to 7.2¢ (Est, June 1, 2014)	0.500 ¢	7.0 to 7.5¢
Your savings off the ComEd supply rate (Estimated):			6.7 to 12.9%

All residents and small commercial retail accounts will automatically be enrolled unless they

- 1) choose to opt out by following instructions as directed in the opt out notice sent to their ComEd mailing address in March 2014;
- 2) have already switched their ComEd electric account and are enrolled with another Alternate Retail Electric Supplier (ARES) or
- 3) participate in the Residential Real-Time Pricing (RRTP) program.

Residents who participated in the previous program with the Village's initial Supplier, Integrys, will receive continued service from Integrys through their June meter read dates, after which service will be switched to Constellation. The previous Supply rate with Integrys was 5.509¢/kWh through May meter read dates. The Village secured a one-month extension with Integrys through June 2014 meter read dates at a rate of 5.780¢/kWh. Thereafter, service will be switched to Constellation unless ratepayers elect to opt out of the Village's aggregation program. That one-month extension is fortuitous, as the ComEd rate to compare is expected to remain at the current level of 6.023¢/kWh for the month of May.

Supply with Constellation commences on meter read dates in June. That service will be reflected on ComEd bills received following those June readings. The ComEd rate to compare is expected to rise

¹ The Purchased Electricity Adjustment (PEA) is variable and is currently quoted at 0.5 cents per kilowatt-hour. There is no PEA charge from your new supplier.

² The ComEd Price to Compare changes; the current rate can be found at www.pluginillinois.org by adding the Electric Supply Charge and the Transmission Services Charge.

significantly effective June 1, 2014, due to Capacity charges as previously approved by State regulators. This affects all ratepayers in ComEd territory.

If you have already switched your electric account from ComEd to an alternate supplier, or you are on ComEd's RRTP program, you will not automatically be enrolled in the Village's electric aggregation program which starts at June meter read dates, but you may contact Constellation directly to enroll. It is recommended that you first confirm with your existing supplier whether canceling your contract would trigger an early termination fee. Alternatively, you can wait until your current contract expires and join the program at that time. There is no enrollment fee to join the aggregation program at any time during the 35-month term which ends at meter read dates in May 2017.

Although the Village presented this opportunity for residents and small commercial retail electric ratepayers, do not contact Village Hall to enroll your account, but rather, contact Constellation's customer service at 800-718-1493.

Residents will continue to receive one bill from ComEd, which will include the electric supply charges from Constellation. ComEd will continue to charge for *delivering* electricity. The way you pay your bill is not affected by your enrollment in the program.

Electric Aggregation Program FAQs

1. How can I enroll in the program?

You need do nothing if you have an eligible resident or small commercial retail electric account; you will automatically be enrolled unless you opt out, are already enrolled with another supplier, or participate in the Residential Real-Time Pricing (RRTP) program.

2. What is an eligible resident or small commercial account?

Any resident who is currently with ComEd and has not already switched to an Alternate Retail Electric Supplier (ARES) or who is not enrolled in a special Residential Real-Time Pricing (RRTP) program is eligible, and small commercial retail accounts are eligible. Your residence or business must be located within Village limits.

3. What is a "small commercial account?"

A small commercial account is defined by the ICC as a commercial account using under 15,000 kWh per year. By law, larger accounts may not be included in the program.

4. What if I don't want to be in the program?

You may opt out before the program begins, at no cost. Eligible resident and small commercial accounts will receive an opt out letter to which they must respond within 14 days if they do not want to be in the program. Otherwise, they will automatically be enrolled.

5. I am located with the Village limit, have already switched to another ARES, but would like to join the program. Can I do this?

Yes. Contact Constellation directly at 800-718-1493 to enroll. We suggest you check your contract to review any early termination fees you may be liable for; you may wish to wait for your current contract to expire before enrolling in the aggregation program. You may join the program at any time during the 35-month contract, for no fee. Again, for the Village's program there is no fee to enroll and there is no fee to later vacate the program.

6. Why is the Village doing this?

A Municipal Electric Aggregation Program was approved by voters in a March 20, 2012 referendum allowing the Village to seek pricing from an ARES for residents and small commercial accounts.

7. Are other municipalities doing this?

Yes. Over 600 Illinois municipalities have implemented electric aggregation programs to help ratepayers achieve savings versus the supply rate established by the Illinois Power Agency (IPA) that is otherwise available through ComEd. Millions of Illinois ratepayers are currently enrolled in similar programs across the State.

8. How can the Village get lower rates than ComEd?

The State of Illinois has deregulated energy markets. There is no longer a sole electric supplier and now many ICC-regulated companies offer electricity supply to residents. Deregulation, and new technologies in electricity procurement have driven market prices lower.

9. What is the current ComEd rate?

The effective ComEd rate for the period June 1 2014 through May 31 2015 will be announced near the end of May 2014 but as of yet, is unknown. That rate is comprised of a fixed charge (which includes supply and transmission services) plus a variable charge, the Purchase Electricity Adjustment (PEA), which can adjust monthly, but since August 2013 has remained static at 0.5 cents per kWh. The ComEd rate and breakdown of the components comprising that number can be found here:

<http://www.pluginillinois.org/FixedRateBreakdownComEd.aspx>

The Village offers one fixed rate. To find the equivalent ComEd Price to Compare, you must add 1) Electric Supply Charge, 2) Transmission Services Charge, and 3) the Purchased Electricity Adjustment.

10. How will the new supplier's rate compare with the ComEd rate under "Electric Supply Services" on my bill?

There is simply one fixed rate that covers both electric supply and transmission services, and no other charge for that portion of your electric bill. You will never be charged a Purchase Electricity Adjustment by Constellation.

11. Will I get two bills, one from ComEd and another from the new supplier?

No. ComEd will continue to bill you for electric supply, delivery and taxes. ComEd *delivers* electricity, and will continue to bill you for that, but they do not *supply* electricity. They will pass along the fees you pay for your energy *supply* (the actual electricity) to the new supplier. ComEd will retain the fees that you pay ComEd for delivering the electricity.

12. Will that affect my ComEd electric service?

No. ComEd has not generated electricity since 2007. A government agency, the Illinois Power Agency (IPA) has contracted your electric supply for you. Now you can choose a new supplier.

13. Whom do I call if I have service problems?

Call ComEd with reports of outages or downed power lines at 800-334-7661. For questions about

your supply, you may call the customer service number for Constellation. This will be listed under "Electric Supply Services" on your ComEd bill.

14. How will I know if I am saving money?

Your new supplier's rate will be clearly stated on your ComEd bill along with the customer service number. Subtract that number from the ComEd supply rate and the difference, multiplied by your kWh usage for the month, is the dollar amount you have saved that month.

15. Will the new Constellation rate change?

The rate is fixed for 35 months. The Village can go back to bid for new rates when this term expires. You will automatically be included in the program again, or you may choose to opt out.

16. I am on ComEd's special lower residential space heating rate. How do I benefit?

Effective June 1 2013, there is no longer a special Residential Electric Space Heat rate. Electric space heat accounts now have the same rate as non-electric space heat accounts.

17. If I am automatically enrolled in the program now, can I leave the program at any time?

Yes, you may later leave the program and move your account back to ComEd or another ARES. You will not be charged any early termination fee to leave the program at any time during the 35-month term.

The rate contracted for residents and small commercial business owners of the Village is \$0.06529 (or 6.529¢) per kWh for a term of 35 months.

18. When will my account be switched to Constellation?

Your account will be enrolled in the aggregation program upon your meter read date in June 2014.

19. What is ComEd's 12-month "stay" requirement?

Please note regulations that prohibit customers from switching accounts frequently. If your account was with an alternative supplier, and you moved back to ComEd more than two months ago, you are under a 12-month stay or "bundled hold" and may not switch to a new supplier for that time.

If you are automatically enrolled in the Village's aggregation program, and later switch back to ComEd, you must switch to a new, different supplier within two months or you will be subject to that 12-month bundled hold. If you have never chosen a supplier and choose to opt out of the aggregation program, you are not under a 12-month bundled hold and may switch to another supplier at any time.

20. Who is the new supplier?

Constellation's parent company, Exelon, is a FORTUNE 200 company with approximately \$33 billion in annual revenues. Constellation's affiliates are leading suppliers of energy products and services to electric and natural gas customers in 47 states and Washington D.C.

21. I already have electric service with this supplier at a different rate. How can I join the aggregation program to get this new, lower rate?

Call Constellation at 800-718-1493 for information about how to switch to the rate negotiated on your behalf by the Village.

- 22. I am enrolled in low-income assistance program. Will that be affected?**
No. If you currently receive assistance via PIPP or LIHEAP, that status will not change as a result of enrollment in the program and you can continue to get these benefits for your ComEd bill.
- 23. I'm on ComEd's budget billing plan. Will that change?**
No, if you are currently on the budget-billing plan, you will remain on the budget-billing plan.
- 24. Can I still have my payment automatically deducted from my checking account as I do now?**
Yes. The way you pay your ComEd bill will not change and is unaffected by your participation in the program. ComEd continues to be responsible for all billing.
- 25. Will someone come to my home or call to sign me up?**
No. No one from the Village will call you or come to your home to sign you up. You need do nothing to automatically be enrolled in the program (if your account is eligible). If someone calls or visits your home claiming to be the Village's power supplier, please report such activity to Village Hall or file a complaint with the ICC at <http://www.icc.illinois.gov/consumer/complaint>.
- 26. Will ComEd's viability be threatened by the loss of all these accounts?**
No. Since 2007, ComEd no longer generates electricity but is responsible for delivery. ComEd rates are delivery rates only. Your new supplier rates are for the supply only.
- 27. Will ComEd raise its rates?**
ComEd must request a rate hike from State of Illinois regulators. Regardless of which company you select as your supplier, it does not impact whether or not ComEd requests an increase in its delivery rates.
- 28. What happens if I move?**
If you stay within the Village limits, you may choose to remain in the aggregation program but you will need to contact Constellation to re-enroll. Any move or change in the account holder name on your account generates a new ComEd account and account number, and will not automatically be placed in the program.

If you move outside of the area, you will never be subject to an early termination fee. Check your new community to find out if they have a municipal electric aggregation program for which you can sign up. New residents moving into the community after the program begins will not be automatically enrolled in the program, but may contact Constellation to enroll, at no fee. They will enjoy that same fixed rate of 6.529 ¢ per kWh.
- 29. How is the Village able to procure these rates to achieve savings?**
By combining the purchasing power of all residents and small commercial accounts, the Village was able to contract rates lower than residents can expect to achieve when switching individually to a new supplier. The Village combined the purchasing power of resident and small business electric accounts to negotiate a favorable rate.
- 30. Is my electric supply at greater risk now that deregulation has opened markets to many new suppliers?**
No. By law, ComEd remains the Provider of Last Resort (POLR), so if there is an issue with securing electric supply, ComEd will be required to deliver it.

31. Will my utility tax decrease?

The aggregation program will not impact your utility tax due. You are taxed on energy usage in kilowatt-hours, not the dollar cost of supply.

32. Does the energy supply include any renewable “green” energy sources?

Yes. Your energy supply meets, at minimum, the Illinois Renewable Portfolio Standard, which is eight percent for the “Energy Year” 2013-2014 (June 1, 2013 to May 31, 2014). Thus a portion of your electric supply is sourced from renewable resources such as solar and wind and may be represented through the purchase of Renewable Energy Certificates (RECs). If you wish to receive 100% RECs for your energy usage, you may do so by calling Constellation at 800-718-1493 to enroll in the 100% renewable program at the rate of 6.621 cents per kWh.

33. What is a Renewable Energy Certificate (REC)?

A Renewable Energy Certificate is a means by which you can support green energy sources such as geothermal, hydropower, solar and wind. When you consume energy, Constellation purchases Renewable Energy Certificates to represent the equivalent amount of your actual electricity consumption. RECs are property rights to the non-power qualities of renewable electric generation—the environmental qualities of electric power generated from renewable sources.

The Illinois Commerce Commission offers more information about energy deregulation in Illinois and energy supply choices at www.pluginillinois.org.

For specific questions about your electric account, do not call Village Hall; call the new Village aggregation program supplier: Constellation, at 800-718-1493.

If you require additional assistance, call the Village’s electric aggregation consultant, NIMEC at 800-727-3820. This is a voice message system on which you may leave your question and callback number. You will be contacted within 24 hours and NIMEC will work with you to answer your question or resolve your issue with Constellation or ComEd.

To report an electrical outage, for assistance with meter readings, or for questions pertaining to your ComEd bill, always call ComEd at 800-334-7661.

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P.O. Box 4911
Houston, TX 77210-4911



**Important information regarding
the Village of Long Grove
Electricity Aggregation Program.**

Action to opt-out required by April 9, 2014.





Welcome to the Village of Long Grove Municipal Aggregation Electricity Program.

0001V1 *****AUTO**5-DIGIT 60514 T1 P1 *** **
[Barcode]
<First Name> <Last Name>
<Address Line 1>
<Address Line 2>
<City> <State> <Zip>



This notification is in regards to your electric service at:

<Service Address Line 1>
<Service Address Line 2>
<Service City>, <Service ST> <Zip>

Fixed Supply Price	6.529¢/kWh
Contract Term	35 months

Dear <First Name> <Last Name>,

Two years ago, the Village established a Municipal Aggregation Program to lower residents' electric costs. To avoid interruption in the program, the Village secured a one-month extension with the current Supplier through June 2014. After seeking bids beyond this period, the Village is pleased to announce Constellation has been selected as our new supplier beginning June 2014. This new contract with Constellation is for a 35-month term with a fixed price of **6.529¢/kWh** for bills received July 2014 through May 2017.

You're Automatically Enrolled

As an eligible Village of Long Grove residential or small business customer, you are automatically enrolled unless you decide to opt-out. To learn more about the program, please see the enclosed Terms and Conditions and the FAQ.

Who is Constellation?

Constellation is a leading electricity supplier within the U.S. to the residential, commercial and industrial marketplace. Constellation is licensed by the Illinois Commerce Commission and has been chosen by the Village of Long Grove as the alternate retail electric supplier to provide electricity to Long Grove residents and small businesses that are eligible for the program and who do not opt-out.

How To Opt-Out

You don't need to do anything to get this new low rate, however, if you decide not to take part in the program, please respond in one of four ways by **April 9, 2014** as described below.

- Mail:** Return the form below in the pre-addressed stamped envelope.
- Fax:** Fax the Opt-Out form below to 1-866-422-6233.
- Phone:** Call Constellation at 1-800-718-1493.
- Web:** Visit home.constellation.com/optout.

We look forward to this collaboration.

Sincerely,

David Lothspeich, Village Manager
Village of Long Grove

Bruce Stewart, Chief Marketing Officer
Constellation

Here's how you benefit.

- Receive an exclusive electricity offer of a fixed rate of **6.529¢/kWh** for your July 2014 through May 2017 billing cycles.
- Price certainty for 35 months; July 2014 through May 2017 billing cycles.
- Receive one bill from ComEd, but with a low electricity price from Constellation.
- ComEd will continue to service all distribution lines and meters to your home, as well as respond to service issues.
- 100% renewable energy is also available at **6.621¢/kWh** for 35 months through our call center only.

To learn more:



Call 1-800-718-1493



Visit us online at
home.constellation.com/optout

We encourage you to review the details of the offer as further defined in the enclosed Terms and Conditions and FAQ inserts. Constellation NewEnergy, Inc. is a subsidiary of Exelon Corporation. Exelon Corporation also owns Commonwealth Edison Company (ComEd). Constellation NewEnergy is not the same company as ComEd. The prices of Constellation NewEnergy are not regulated by the Illinois Commerce Commission. You do not have to buy Constellation NewEnergy electricity or any other product in order to receive the same quality regulated service from ComEd. Illinois Alternative Retail Electric Supplier License #10-0540

[QR Code] <First Name> <Last Name>
<Address Line 1>
<Address Line 2>
<City> <State> <Zip>



I **do not** want to participate in the Village of Long Grove Electricity Aggregation Program.

Phone Number Cell Work Home

<Code>
Opt-Out Code

Service Address:
<Service Address Line 1>
<Service Address Line 2>
<Service City>, <Service ST> <Zip>

ComEd Account Number

Signature _____ Date _____

What is Municipal Aggregation and how can I benefit?

Under municipal aggregation, local officials bring the community together for improved group purchasing power. The community benefits by receiving competitively-priced electricity from an Alternative Retail Electric Supplier licensed by the Illinois Commerce Commission.

How is the Village of Long Grove able to choose a certified electricity supplier on the community's behalf and who is eligible?

Long Grove residents voted to give the Village of Long Grove the ability to negotiate on behalf of the community for a contract for an electricity supplier.

All eligible participants in the program will receive notice of the new program rates, terms and conditions, and will have the option to opt-out from participation. In order to be eligible you must meet the following requirements:

1. You must not have already chosen an electricity supplier on your own.
2. You must not be in arrears on your bill payment.
3. Your service address must be located within the Village of Long Grove limits.
4. Your utility company must be ComEd.
5. You must be a small commercial/ industrial customer; using not more than 15,000 kilowatt hours per year or you must be a residential customer.

What does "opt out" mean?

"Opt out" means that we are operating under the assumption that you want to participate in the Village of Long Grove Municipal Aggregation Electricity Program but you can decide not to participate. You can opt out by returning the opt-out form included in your mailer, through the call center using the phone number provided or via the web using the website provided. If you opt out, you will not be enrolled as an electricity customer with Constellation and will continue to be served by your current supplier. You will also not receive the Village of Long Grove competitive electricity price. Regardless, all customers will continue to have their electricity distributed by ComEd.

What happens if I do not send in the opt-out form?

If you do not opt-out prior to expiration of the deadline, you will be included in the Village of Long Grove Municipal Aggregation Program and receive competitively priced electricity from Constellation. However, you have the option to terminate your participation in the program at any time without incurring an early termination penalty.

What if I'm enrolled in the PIPP program?

Residents who are enrolled in the PIPP program will not be affected by the Municipal Aggregation Program, and can continue to participate in the municipality's program.

I am currently under the budget billing option as provided by ComEd. Can I retain this service?

If you have chosen budget billing, the utility will continue to manage your budget billing and determine your monthly payment for electricity or if you wish to initiate budget billing or have any questions regarding your budget, please contact your utility for more information.

Who is Constellation?

Constellation's affiliates are leading suppliers of energy products and services to electric and natural gas customers in 47 states as well as Washington, D.C. We've been helping customers navigate competitive energy markets for as long as customers have had a choice of their energy supplier and have provided affordable, reliable energy to businesses nationwide for years.

Constellation's parent company, Exelon, is a FORTUNE 200 company with approximately \$33 billion in annual revenues.

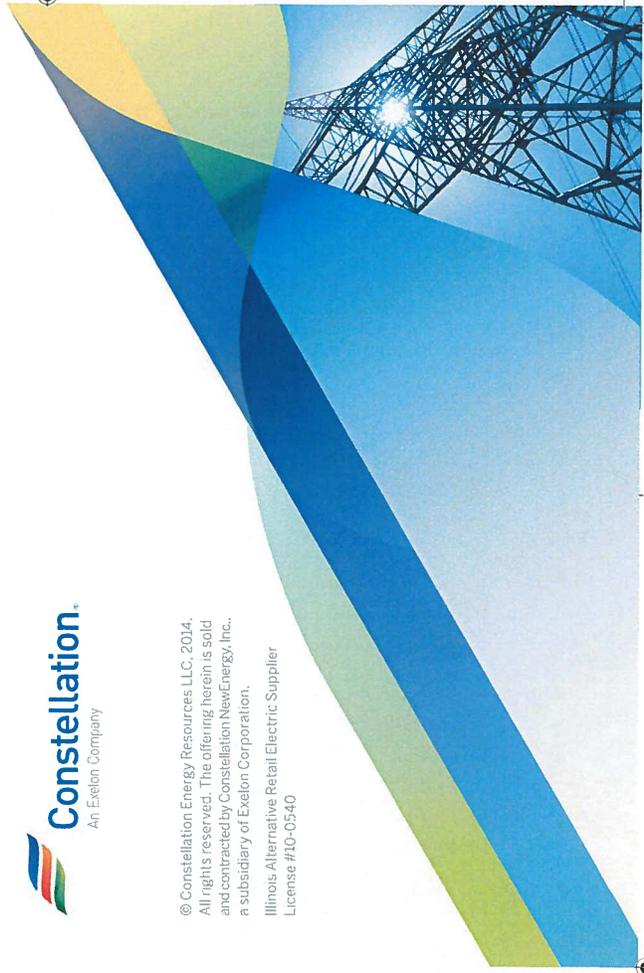


Constellation.
An Exelon Company

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Illinois Alternative Retail Electric Supplier
License #10-0540



Municipal Aggregation Program FAQs



What information do I need to opt out?

Customers will need the 4-6 digit opt-out code provided in the original opt-out letter. If this is not available, the customer care team can pull up your information based on the service address.

Are there fees associated with the program?

Enrollment in the program is free and you need not take any action. You only need to be eligible to participate. Once enrolled in the program, you can cancel your agreement at any time and switch back to ComEd without any fee.

Will I be allowed to join the program after the initial enrollment period?

The Village of Long Grove has secured the same electric supply rate, terms and conditions for eligible customers who wish to join its municipal aggregation programs after the initial enrollment period. This would include customers who move into the Village of Long Grove, who were with another supplier and would like to join the aggregation program or customers who initially opted-out and want to join at a later date. These customers will have an individual agreement with Constellation for electricity supply but will retain the same electric supply rate, terms and conditions of the aggregation programs.

What is the rescission period?

ComEd will provide you a notice confirming your enrollment with Constellation that provides you a period during which you may rescind such enrollment. Please follow the instructions on the enrollment notice if you would like to rescind.

When will my Constellation electricity supply begin and how do I know when my meter read occurs?

Supply will start on your first applicable meter read date, which we estimate to be in June. Refer to your bill to get the exact meter read date.

When will I see my new rate?

Customers can expect to see their new rate beginning as soon as their July 2014 bill, depending on the enrollment date.

What if I am with another supplier and want to join the Long Grove program?

Based on the records provided by the utility, we assumed you are not with another supplier; otherwise we would not have sent you this notice. However, if you recently signed up with a new supplier or if you believe you are on an older contract, carefully review the terms and conditions of that agreement before proceeding as your ability to terminate early with that supplier may be restricted.

How can Constellation offer a lower price than ComEd's current price?

During select market opportunities, Constellation buys electricity at a lower price than ComEd, and then passes on those savings to its customers.

Tell me more about your renewable option?

The 100% renewable option means that Constellation purchases energy from renewable wind electricity resources equal to the amount of electricity you use. Constellation has secured a competitive renewable rate of 6.62¢/kWh for 35 months. You can choose this rate instead of the standard aggregation price by contacting our Customer Care team at 1.800.718.1493.

How did the Village of Long Grove develop this Program?

Pursuant to Section 1-92 of the Illinois Power Agency Act ("Act"), 20 ILCS 3855/1-92, each Illinois municipality is authorized to aggregate the electric loads of small commercial and residential customers located within its municipal boundaries. As part of the aggregation, each municipality may solicit bids, select an Alternative Retail Electric Supplier, and enter into a service agreement to facilitate the purchase of electricity and related services and equipment on behalf of its residents and small businesses. In accordance with the Act, your village passed a resolution authorizing a referendum for the community on the November 6, 2013 ballot asking the public for authority to create an opt-out Aggregation Program for its residents and small business customers, which was approved by the residents of the Village of Long Grove.

Where can I learn more about electricity deregulation and assistance programs?

The Illinois Commerce Commission (ICC) has assistance programs to help customers with their energy bills. Eligibility and enrollment information can be found on the ICC's website at www.icc.illinois.gov. Additional information can be found at www.PlugInIllinois.org.

What are questions that can be directed to my Utility?

Please contact ComEd at 1.800.334.7661 for questions on the following topics:

- Problems with your electricity service
- Questions about your bill
- Tax exemptions

How do I know if the residential rate class that I am in is eligible for your service?

Residential customers on non-hourly rate classes are eligible for our service. Savings estimates will vary based upon whether you are currently on a standard residential rate or a space heating rate. Please carefully review all details provided in our offers. You can find your rate class and any special provisions on your bill.

What happens at the end of my Constellation electricity contract term?

The Village of Long Grove will rebid the term and price on behalf of residents or return customers to ComEd. You will be notified of the outcome by the village and/or supplier for the new term.

ComEd's contact number is 1.800.334.7661

Please refer to the enclosed letter and Terms and Conditions for program pricing and further information.

To find out more about Constellation visit home.constellation.com/optout



Constellation.

An Exelon Company





CONSTELLATION TERMS AND CONDITIONS ILLINOIS RESIDENTIAL OR SMALL COMMERCIAL ELECTRIC SUPPLY ALTERNATIVE RETAIL ELECTRIC SUPPLIER RESIDENTIAL LICENSE NUMBER 10-0540

Purchase of Power and Energy Service. Constellation NewEnergy, Inc. ("Constellation") agrees to sell, and you agree to buy, your full requirements for residential or small commercial power and energy service at the price and on the terms and conditions specified in this agreement (the "Contract"). Price and other terms of this Contract are subject to change as provided below. Throughout this Contract, the words "you" and "your" refer to the customer who has signed this Contract. The words "we", "us" and "our" refer to Constellation. Constellation is an independent seller of power and energy service certified by the Illinois Commerce Commission and is not representing or acting on behalf of the local distribution company responsible for the service territory where you reside, Commonwealth Edison Company ("Utility"), any governmental bodies, or consumer groups. You will receive written notification from the Utility confirming a pending switch of your electric power and energy supplier. IF YOU ARE A SMALL COMMERCIAL BUSINESS: By enrolling with us, you represent that you are a non-residential customer within the Utility service territory with annual electricity usage below 15,000 kilowatt-hours ("kWh").

THE VILLAGE OF LONG GROVE AGGREGATION PROGRAM. THIS CONTRACT HAS BEEN ENTERED INTO IN ACCORDANCE WITH THE AGGREGATION PROGRAM OF THE VILLAGE OF LONG GROVE ESTABLISHED PURSUANT TO SECTION 1-92 OF THE ILLINOIS POWER ACT WHEREBY THE VILLAGE OF LONG GROVE ARRANGED FOR THE PROVISION OF ELECTRIC SUPPLY SERVICE BY CONSTELLATION TO ITS RESIDENTIAL INHABITANTS AND SMALL COMMERCIAL INHABITANTS AND DO NOT OPT-OUT OF THE PROGRAM (THE "AGGREGATION PROGRAM").

Consumer Education Program. Enclosed with this Contract is a copy of the current consumer education program materials developed by the Illinois Commerce Commission and, at your request during the term of this Contract and at no charge, we will provide you the then-current consumer education program materials developed by the Illinois Commerce Commission.

Term. The initial term of the Contract will be as set forth in the Aggregation Program (the "Term"), beginning at the next meter read date after the Utility processes your enrollment (the "Effective Date"). If you joined the Aggregation Program after the initial opt-out period, your total enrollment period in the Aggregation Program may be shortened accordingly and the Contract Term applicable to you will end at same time as contemplated by the Aggregation Program. Your switch to Constellation as your alternative retail electric supplier may take up to 2 billing cycles to take effect.

Fixed Pricing. Your price for power and energy service will be 6.529 cents per kilowatt-hour (kWh) plus all applicable taxes during the Term.

Other Pricing Terms. The price charged for power and energy service under this Contract is reflective of competitive market conditions, was not set or approved by the Illinois Commerce Commission and does not include any applicable taxes or local distribution company fees or charges which will be charged by the Utility. There is no charge for entering into this Contract or for terminating this Contract at the end of the then-applicable Contract term as provided in the "Term" and "Renewal" sections.

Rescission. YOU MAY RESCIND THIS CONTRACT AND THE PENDING ENROLLMENT WITHIN 10 BUSINESS DAYS AFTER THE UTILITY PROCESSES THE ENROLLMENT REQUEST. BY NOTIFYING CONSTELLATION AT 1-877-997-995 OR YOUR UTILITY AT 1-800-334-7661. The Utility will provide you an enrollment notice and such notice will inform you of any rescissions rights you may have and will state the last day for making a request to rescind. If you make such a request to rescind our Contract within that timeframe, your enrollment with Constellation Energy will be cancelled and you will not incur an early termination fee. Upon rescission in accordance with applicable law, this Contract is cancelled and neither party shall have any further obligation hereunder.

Price Comparison. Based on information available to us, our initial fixed price is lower than the Utility's BES, Residential Non-Electric Space Heating Rate as of the date of this offer. You acknowledge that we have disclosed to you the basis of this comparison prior to entering into this Contract. However, the Utility's tariff rates and other factors relevant to this comparison likely will change from time to time and therefore Constellation cannot guarantee savings over the Utility's rates for the entire term of this Contract or any renewals.

Net Metering. If you currently own or plan to install during the term of this Contract solar, wind, or other eligible renewable electrical generating facilities in order to supply all or part of your electricity usage and such generating facility is or will be net metered by the Utility you must notify us in order for us to determine your eligibility and to properly enroll or continue to serve you. We reserve the right not to serve your net metered account if we already serve net metered accounts in excess of the load we are required to serve under Illinois law and will notify you at the time of you enter into this Contract with us or notify us that you are adding a qualifying generating facility to your account if we are able serve you.

Renewal. THIS CONTRACT MAY BE RENEWED BY THE VILLAGE OF LONG GROVE IN ACCORDANCE WITH ITS AGGREGATION PROGRAM UPON PROVIDING A RENEWAL NOTICE THAT INCLUDES THE REVISED TERMS AND CONDITIONS PRIOR TO THE END OF THE TERM IN ACCORDANCE WITH THE AGGREGATION PROGRAM AND YOUR DECISION NOT TO OPT-OUT OF SUCH RENEWAL. The contract renewal notice will set forth the proposed Fixed Price for the renewal term, the proposed length of the renewal term, the bill cycle in which service under the new term will begin and any other proposed changes to the terms and conditions of this Contract.

Initiation of Service. THE PURPOSE OF THIS DOCUMENT IS TO AUTHORIZE CONSTELLATION TO CHANGE YOUR ELECTRIC POWER AND ENERGY SUPPLIER AND, BY ENTERING INTO THIS CONTRACT, YOU AUTHORIZE CONSTELLATION TO UNDERTAKE WHATEVER STEPS NECESSARY TO ACCOMPLISH YOUR SWITCH. Constellation will begin providing power and energy service to you on the next applicable meter read date after the Utility processes your enrollment and your service will continue throughout the term of this Contract. The Utility will notify you of the date on which your power and energy service from Constellation will begin. Constellation's power and energy service will be delivered to your residence using the Utility's electricity distribution wires. You represent and warrant that the electricity supply being purchased under this Contract is to be used solely for residential purposes. Constellation's obligations under this Contract are conditioned on you providing complete and accurate information and on you remaining a Utility distribution customer throughout the term under the applicable residential or small commercial electric rate class.



Billing and Payment. The cost of your power and energy service will be included on your bill from the Utility, and is due and payable when your Utility bill is due at the billing address provided in your Utility bill. You acknowledge that the Utility may provide us with your billing and payment information. You will be invoiced for Constellation's charges under this Contract at the applicable price set forth in the "**Fixed Pricing**" section above (or, during any renewal period, under any revised price, terms and conditions as may be established as described in the "**Renewal**" section above) multiplied by your electricity usage as measured by the Utility in kWh during the applicable billing period. You agree to accept the measurements as determined by the Utility for purposes of accounting for the amount of power and energy services provided by us under this Contract. If the Utility is unable to read your meter, the Utility will estimate your usage and your charges will be calculated accordingly and adjusted on a future bill. Supplying you under this Contract is conditioned on the Utility accepting our enrollment of your account for consolidated billing by the Utility. If you are not eligible for consolidated billing, you need to remedy that restriction with the Utility before we can serve you. Should the Utility cease providing consolidated billing for your account and/or commence billing us for any charges relating to you, we will bill you and you will pay us for all such charges. You will be billed additional charges, including taxes and charges to transmit and distribute the electricity to your home, from the Utility consistent with its filed tariffs. You are responsible for paying any new or increased taxes, fees or other charges imposed on us or you in connection with our supply of electricity to you during the term of this Contract. We will notify you if any new or increased taxes, fees or other charges are imposed. Constellation reserves the right to change billing methods.

Budget Billing. If you have chosen Budget Billing, the utility will continue to manage your Budget Billing and determine your monthly payment for electricity or if you wish to initiate Budget Billing or have any questions regarding your budget, please contact your utility for more information.

Constellation reserves the right to make adjustments at any time and you authorize Constellation to bill you directly if necessary to collect any amounts under this Contract.

Late or Insufficient Payment. When the Utility issues you a consolidated bill, all invoiced balances under this Contract that are not paid in full by the due date will be subject to the Utility's late payment policies and procedures. If Constellation directly invoices you, you are required to pay our invoices by the due date set forth in the invoice, which will be 20 days from the date the invoice was mailed. We reserve the right to charge you interest for any past due invoice amount at 1.5% per month or the highest amount permissible under applicable law, whichever is less. In addition, you agree to pay us our costs incurred in collecting amounts owed us, including reasonable attorney's fees and returned check charges. If you make a payment for an amount less than the total amount due, we may accept such payment without prejudice to any other rights or remedies that we may have against you and we may apply it to your account(s) as a partial payment. In addition, if you fail to remit payment in a timely fashion, you authorize us to report the delinquency to one or more credit-reporting agencies.

Termination. Constellation may terminate this Contract for any non-payment or any other breach of this Contract upon 30-days prior written notice to you of such termination. If you fail to cure within the 30-day notice period, we may terminate

the Contract even if you subsequently cure the non-payment or breach after such period has expired. Constellation may also terminate this Contract upon 30 days' prior written notice to you due to a change in law prohibiting us from being able to continue to serve you. In addition, we reserve the right to reject your enrollment or terminate this Contract if:

- you fail to meet or maintain satisfactory credit standing as determined by us;
- you fail to meet minimum or maximum threshold consumption levels as determined by us;
- you move within or outside of the Utility's service territory or you fail to remain a Utility distribution customer throughout the term under the applicable residential electric rate class;
- you fail to be eligible for Utility consolidated billing throughout the term;
- you rescind your authorization for release of information provided in the "**Information Release Authorization**" section below; or
- you provide any false, inaccurate or misleading information to Constellation or the Utility.

You may terminate this Contract prior to the end of the applicable term for your convenience by giving us not less than 30 days prior written notice.

Upon any termination of this Contract, you will return to receiving standard offer service from the Utility unless you have selected another alternative retail electric supplier. The effective date of any termination will be the next applicable meter read date after expiration of the required notice period. Upon any termination, you will remain responsible for all obligations, including payment for electricity and related costs and charges incurred under this Contract prior to the effective date of termination including any applicable termination fee. The delivery of electricity to you cannot be terminated or interrupted by the Utility as a result of any dispute between Constellation and you but may be terminated by the Utility for nonpayment of Utility charges in accordance with applicable law. The Utility will continue to respond to any service calls and emergencies and switching to Constellation will not impact your electric service reliability. If the Utility purchases the right to receive your payments under this Contract, your payment obligations may become Utility charges for purposes of termination of service.

Assignment, Address Change. Constellation may assign, subcontract or delegate all or any part of our rights and/or obligations under this Contract, including your payment obligations under this Contract, without notice or your consent. You may not assign any of your rights or obligations under this Contract without our prior written consent. If you move, you may terminate our Contract. You will be responsible for paying for all electricity supplied to your old address until the date this Contract is terminated in accordance with its terms. If you move within the Utility's service territory, you must contact the Utility in order to obtain new account and meter numbers for your new residence. Please contact us if you would like us to serve you again at your new location.

Change in Pricing and Other Terms. In addition to Constellation's right to revise the price, terms and conditions of this Contract as provided in the "**Renewal**" section above, this Contract may be revised at any time by Constellation upon the occurrence of any



event beyond its reasonable control that materially increases the obligations of Constellation or the cost of performing such obligations under this Contract. If we request such a change, Constellation will provide you notice of the changed prices and/or terms and conditions and you will have an opportunity to terminate this Contract without any further obligation by notifying us in writing within 30 days after the date of the notice of the new prices and/or terms and conditions, in which case your power and energy service will terminate effective as of the next meter read date after expiration of the required notice period. You will remain responsible for any unpaid balance as of the termination date but we will not assess a termination payment.

Information Release Authorization. Throughout the term, you authorize Constellation to obtain information from the Utility that includes, but is not limited to, account name, account number, billing address, service address, telephone number, standard offer service type, historical and future electricity usage, rate classification, meter readings, characteristics of electricity service and, when charges hereunder are included on your Utility bill, billing and payment information from the Utility. You authorize Constellation to release such information to third parties that need to know such information in connection with your power and energy service and to Constellation's affiliates and subcontractors. These authorizations will remain in effect as long as this Contract is in effect. You may rescind these authorizations at any time by either calling or providing written notice to us. We reserve the right to reject your enrollment or terminate this Contract in the event these authorizations are rescinded.

Dispute Resolution. If you have a billing or other dispute involving our service, please contact us at 1-800-718-1493. You must still pay your bill in full, but may deduct the specific amount in dispute while the charges remain in dispute.

Limitation of Liability; Jury Trial Waiver. You agree that neither Constellation nor any of its affiliates or subcontractors will be liable for any damages or claims for matters within the control of the Utility or the ISO-controlled electricity grid, which include maintenance of electric lines and systems, service interruptions, loss or termination of service, deterioration of electric services, meter readings or injury to persons or damage to property caused by the delivery or supply of electricity. Neither Constellation nor any of its affiliates or subcontractors will be responsible for any failure to commence or terminate power and energy service on the date specified herein due to any failure or delay in enrolling you with the Utility. Constellation's liability will be limited to direct actual damages only, which will not exceed the amount of your single largest monthly invoice during the preceding 12 months. In no event will Constellation or any of its affiliates or subcontractors be liable for any punitive, incidental, consequential, exemplary, indirect, third-party claims or other damages whether based on contract, warranty, tort, negligence, strict liability or otherwise, or for lost profits arising from any breach or nonperformance of this Contract. BOTH YOU AND CONSTELLATION AGREE IRREVOCABLY AND UNCONDITIONALLY TO WAIVE ANY RIGHT TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION, SUIT OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS CONTRACT OR THE TRANSACTIONS CONTEMPLATED BY THIS CONTRACT.

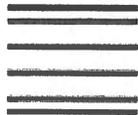
Force Majeure. We do not transmit or deliver electricity and causes and events out of our reasonable control ("Force Majeure Events") may result in interruptions in service. We will not be liable for any such interruptions or any other failure to

perform under this Contract caused by a Force Majeure Event. We are not and will not be liable for damages caused by Force Majeure Events, including but not limited to acts of God; acts of any governmental authority; accidents; strikes; labor disputes; required maintenance work; inability to access the Utility's system; non-performance by the Utility, including, but not limited to, a facility outage on its distribution lines; changes in laws, rules or regulations of any governmental authority; or any cause beyond our reasonable control.

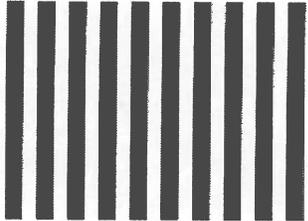
Miscellaneous. Except with respect to Constellation's affiliates and subcontractors under the "**Limitation of Liability; Jury Trial Waiver**" section, there are no third party beneficiaries of this Contract. Any payments due under this Contract, and all provisions relating to the payment and collection thereof, and the provisions contained in the "**Limitation of Liability; Jury Trial Waiver**" section above, will survive expiration or termination for any reason. This Contract constitutes the entire agreement between you and Constellation. No statement, promise or inducement made by either party not contained in this Contract will be valid or binding. Any reference to days or periods will mean calendar days.

Contact Information. **CONSTELLATION NEWENERGY, INC.'S ILLINOIS ALTERNATIVE RETAIL ELECTRIC SUPPLIER RESIDENTIAL LICENSE NUMBER IS 10-0540.** Should you have any questions about your Constellation NewEnergy contract or Constellation charges on your invoice, please contact us between the hours of 7:00 a.m. and 7:00 p.m. central time on weekdays, except holidays. Our toll-free number is 1-800-718-1493. We can be reached by email at: home@constellation.com or by mail at: Constellation NewEnergy Inc., c/o Residential Care, 1221 Lamar Street, Suite 750, Houston, TX 77010. Please contact us at this address to provide all notices under this Contract and contact us at this address or phone number to resolve any disputes regarding this Contract. For emergencies relating to your service, such as a power outage, please call Commonwealth Edison Company at 1-800-334-7661. The Illinois Commerce Commission can be reached at 1-800-524-0795, or TTY at 1-800-858-9277 and their website address is <http://www.icc.illinois.gov/>. The Illinois Attorney General's office can be reached at 1-800-386-5438 (Northern Illinois), 1-800-243-0618 (Central Illinois), and 1-800-243-0607 (Southern Illinois) and their website is <http://www.illinoisattorneygeneral.gov/>

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CONSTELLATION NEW ENERGY
1221 LAMAR ST STE 750
HOUSTON TX 77010-9925

