



# City of Columbus

Office of City Clerk  
90 West Broad Street  
Columbus OH 43215-9015  
columbuscitycouncil.org

## Legislation Text

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**File #: 0904-2007, Version: 1**

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**BACKGROUND:** This ordinance authorizes the Public Utilities Director to sign an Interconnection and Local Delivery Service Agreement between the City of Columbus and American Electric Power Service Corporation.

The United States Federal Energy Regulatory Commission (FERC) issued its Order 2000 in December of 1999 to establish Regional Transmission Organizations to control and monitor high voltage transmission service in the United States. PJM Interconnection, L.L.C. (PJM), is a Regional Transmission Organization offering transmission service to eligible customers, and having functional control over the American Electric Power Company Inc.'s (AEP) East Zone transmission network upon integration of AEP's East Zone into PJM.

The reason for executing this agreement is because AEP has become a member of PJM. The agreement is a FERC requirement and, therefore, a PJM requirement. The agreement is required by PJM because PJM is the transmission provider and controls the usage of the transmission lines. AEP owns the transmission lines but does not control their usage. ILDSA has a term of one year but has an evergreen clause and will continue as long as AEP is participating in PJM. If another vendor becomes our power provider in the future, we will still have to have the ILDSA agreement with AEP because we would still use their transmission lines through PJM. The ILDSA agreement, since it covers local transmission-related services, is needed regardless of whether AEP or a third party supplies wholesale power to the City of Columbus.

**FISCAL IMPACT:** There is no fiscal impact on the current budget as the cost of the transmission service provided by PJM is currently included in the existing contract for capacity and energy between the City of Columbus and American Electric Power Service Corp. (AEPSC), authorized by Ordinance 0837-2006, passed May 22, 2006, and subsequently funded by Ordinances 2021-2006, passed December 4, 2006, and 0106-2007, passed February 26, 2007

Emergency action is requested in order that we may immediately comply with FERC regulations.

AEP Service Corporation is a publicly held company and their Contract Compliance Number is 134922640.

To authorize the Director of Public Utilities to enter into a Service Agreement for Interconnection and Local Delivery Service Agreement between the City of Columbus and American Electric Power Service Corporation; and to declare an emergency. (\$0)

WHEREAS, the AEP companies are wholly owned subsidiaries of American Electric Power Company, Inc., owning and operating, inter alia, electric facilities for, and engaged in, the generation, transmission, distribution and sale of electric power and energy;

WHEREAS, the City of Columbus is a municipal corporation of the State of Ohio, owning and operating facilities for the generation, transmission and distribution of electric power and energy in the City of Columbus, Ohio; and

WHEREAS, The United States Federal Energy Regulatory Commission (FERC) issued its Order 2000 in December of 1999 to establish Regional Transmission Organizations to control and monitor high voltage transmission service in the United States; and

WHEREAS, PJM Interconnection, L.L.C. ("PJM"), is a Regional Transmission Organization ("RTO"), offering transmission service to eligible customers, and having functional control over the AEP East Zone transmission network upon integration of AEP's East Zone into PJM ("Transmission Provider"); and

WHEREAS, the City of Columbus and American Electric Power have had previous transmission operating agreements to provide services for various Division of Power and Water electrical substations; and

WHEREAS, the Parties wish to establish the terms and conditions of the local delivery services, as defined under this Interconnection and Local Delivery Service Agreement ("ILDSA"), that AEP will provide to Customer in coordination with, but separate from, the transmission service that will be provided by the PJM RTO; and

WHEREAS, Interconnection and Local Delivery Service agreements are FERC approved documents for addressing the relationship between transmission owners, such as AEP, and wholesale electric customers, such as the City of Columbus; and

WHEREAS, an emergency exists in the usual daily operation of the Division of Power and Water, of the Department of Public Utilities, in that it is immediately necessary to enter into an Interconnection and Local Delivery Service agreement with American Electric Power Service Corporation for the preservation of the public health, peace, property, safety and welfare; now, therefore,

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of Public Utilities be and is hereby authorized to enter into an interconnection and Local Delivery Service Agreement between the city of Columbus and American Electric Power Service Corporation to define and update the interconnection relationship between the City of Columbus and American Electric Power.

SECTION 2. That for the reasons stated in the preamble hereto, which is hereby made a part hereof, this ordinance is hereby declared to be an emergency measure and shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.