

ORIGINAL

BALTIMORE COUNTY, MARYLAND

AMENDMENT NO. 1 TO AGREEMENT

THIS AMENDMENT NO. 1 TO AGREEMENT ("Amendment") is made this 6th day of October, 2017 by and between BALTIMORE COUNTY, MARYLAND, a body corporate and politic (hereinafter "Entity") and WGL ENERGY SERVICES, INC. 8614 Westwood Center Drive, Suite 1200, Vienna, VA 22182-2260 (hereinafter the "Contractor").

WHEREAS, by agreement dated August 1, 2016 ("Agreement"), the County engaged said Contractor to perform purchasing transactions for electricity on the PJM hourly pricing and wholesale fixed rate block markets for the member jurisdictions of the Baltimore Regional Cooperative Purchasing Committee (BRPC), based on the request of and in conjunction with the BRPC's Energy Advisor. Members of BRPC executed a memorandum of understanding (MOU) to establish an Energy Board to oversee the electric procurement program.; and

WHEREAS, the Contractor bills each entity under Fixed Rate Budget Billing (\$/KWh) based on estimated total costs of the BRPC portfolio, and are adjusted periodically to true-up actual versus billed costs; and

WHEREAS, the BRPC Energy Board recently voted to change the billing structure from a fixed rate budget billing method to a bifurcated billing method, reflecting actual costs for electricity used as originally stated in the Agreement; and

WHEREAS, both parties now desire to amend Paragraph 1.6 of the Contract Attachment A of the Agreement to change the method of billing for actual electricity use by each BRPC member included in the Agreement.

NOW THEREFORE, the parties hereto mutually agree for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged and agreed as follows:

1. The existing paragraphs 1.6.1 and 1.6.4 of the Contract Attachment A of the Agreement which state:
 - 1.6.1 All portfolio costs will be billed to Entity members based on Fixed Rate Budget Billing (\$/KWh). Billing rates will be based on the estimated costs of the portfolio and adjusted periodically to true-up actual vs. billed costs.
 - 1.6.4 The Supplier will bill the three rate classes at a fixed \$ rate per KWh based on BRPC approved billing rates provided by entity or its representative and subject to agreement by the Supplier which will not be unreasonably withheld. Billing rates can be changed up to three times per year, however it is anticipated that in most cases billing rates will be adjusted twice per year (summer rate and non summer rate). The Supplier will bill each Entity account on a monthly basis based on the utility monthly metered usage for each account. The billing will include the account number, utility name, service address, building name, utility rate class, meter read from date, meter read to date, KWh usage for service period, billing rate (\$/KWh) and \$ billed amount (equal to metered KWh x billing rate).

Supplier will issue hard copy summary bill(s) via U.S. mail and an excel spreadsheet listing the billing information listed above which it will send to each Entity member and copy the EA via email each month. Monthly billing is payable within 30 Business Days of receipt.

Shall be stricken in their entirety and the following shall be inserted in lieu thereof:

1.6.1 All portfolio costs will be billed to Entity members based on Bifurcated Billing. Under Bifurcated Billing, accounts will be billed a separate fixed dollar amount representing PJM's unforced capacity obligation charges (herein referred to as "Fixed Capacity Charge") and a separate fixed dollar amount representing PJM's Network Integrated Transmission Services (NITS) and Transmission Enhancement Charges (TECs) (herein referred to as "Fixed Transmission Charge") associated with that account and a fixed \$/KWh based rate for all other supply costs. The \$/KWh based rate will be based on the estimated costs of the portfolio and adjusted periodically to true-up actual vs. billed costs.

1.6.4 The Supplier will bill the three rate classes at a fixed \$ rate per KWh under Bifurcated Billing based on BRCP approved billing rates provided by entity or its representative and subject to agreement by the Supplier which will not be unreasonably withheld. Billing rates can be changed up to three times per year, however it is anticipated that in most cases billing rates will be adjusted twice per year (summer rate and non summer rate). The Supplier will bill each Entity account on a monthly basis based on the utility monthly metered usage for each account. The billing will include the account number, utility name, service address, building name, utility rate class, meter read from date, meter read to date, KWh usage for service period, \$/KWh based billing rate and \$ billed amount (equal to metered KWh x billing rate).

For Bifurcated Billing the Supplier will bill each member the Fixed Capacity Charge and the Fixed Transmission Charge each month for that member's collective accounts. The Fixed Capacity Charge and Fixed Transmission Charge will each appear as a separate lump sum \$ charge on the monthly Supplier invoice. The Fixed Capacity Charge and Fixed Transmission Charge will not be broken out by account.

The Fixed Transmission Charge will be adjusted every January to reflect the new transmission capacity requirement for all accounts and the Fixed Capacity Charge will be adjusted every June to reflect the new capacity requirement for all accounts (January and June herein referred to as the "Adjustment Months"). The Fixed Capacity Charge and Fixed Transmission Charge will be the same each month until the next adjustment month and will not be subject to true-ups nor adjustments for account enrollments and terminations occurring between the Adjustment Months.

Prior to the initial Bifurcated Billing month and each Adjustment Month thereafter, Supplier will submit to BRCP, or its designee, the schedule of monthly Fixed Capacity Charges and Fixed Transmission Charges for each member by corresponding account for review.

Each month, Supplier will send to each member a hard copy summary bill(s) via U.S. mail as well as an excel spreadsheet list of the billing information listed above and copy the EA via email. Monthly billing is payable within 30 Business Days of receipt.

2. The existing paragraph 2.1 of the Agreement which states:

- 2.1 In consideration of the services to be performed and goods to be provided by the Contractor, the Contractor shall be paid in accordance with the unit prices of the price sheets as set forth in the Bid.

Shall be stricken in its entirety and the following shall be inserted in lieu thereof:

- 2.1 In consideration of the services to be performed and goods to be provided by the Contractor, the Contractor shall be paid in accordance with the unit prices of the price sheets as set forth in the Bid, In consideration of the additional services to be performed as described in Amendment 1 to Agreement, the Service Fee unit price as set forth in the Bid shall be increased by \$0.02 per MWh.
3. All other terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, it is the intent of the parties that Contractor has signed this Amendment under seal and further, that the parties have executed this Amendment the day and year first written above.

WITNESS:

David Clark
Manager, Channel Sales
and Sales Support

WGL ENERGY SERVICES, INC.

Federal Identification No. 52-1542887

By: *Clinton S. Zediak, Jr.* (SEAL)
Clinton S. Zediak, Jr.
Vice President

WITNESS:

Tricia Kofey

BALTIMORE COUNTY, MARYLAND a body corporate and politic

By: *[Signature]* *10/6/17*
Fred Homan Date
Administrative Officer

APPROVED FOR FORM AND LEGAL SUFFICIENCY*

OFFICE OF BUDGET AND FINANCE:

(Subject to Execution by A Duly Authorized County Administrative Official and County Council, if Indicated)

[Signature] *23711 590 10/6/17*
OFFICE OF THE COUNTY ATTORNEY
*Approval of Form and Legal Sufficiency Does Not Convey Approval or Disapproval of Substantive Nature of Transaction. Approval is Based Upon Typeset Document. All Modifications Require Re-Approval.

**MASTER AGREEMENT ONLY
ENCUMBRANCES ARE BY DELIVERY ORDER**

John Neff *10/6/17*
Office of Budget and Finance Date *10/6/17*

REVIEWED AND APPROVED:

Keith Dorsey
Keith Dorsey, Director
Office of Budget and Finance