

Agreement - Duke Power Share Agreement

This agreement (See Exhibit #2) permits the City of Westfield Public Works Department to enter into a Power Share Program with Duke Energy. This Power Share Program is an energy program that allows Duke Energy to manage the peak demands on their electrical system in Central Indiana by reducing the electrical load utilizing alternative operation of facilities by the use of on site generators at the Public Works River Road Water Treatment Facility and Wastewater Treatment Facilities.

Power Share Program pays premiums for participation in the program and an additional credit for power reductions during events. Additional credits are typically available during events, however not knowing how many events will be called and the cost of each makes an estimate of those benefits difficult. Below is a detail of the estimated premiums that typically make up the bulk of the cost savings realized by this program.

River Road Water Treatment Plant

Summer Premium	\$7,575.00
Winter Premium	\$2,187.00
Total	\$9,762.00

Wastewater Treatment Plant

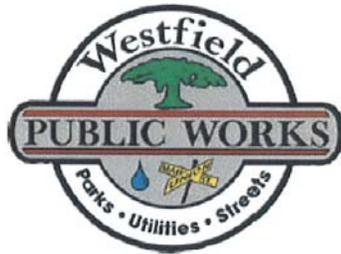
Summer Premium	\$7,200.00
Winter Premium	\$3,132.00
Total	\$10,332.00

Total Potential Credit Combined: \$20,094.00

The Public Works Department has participated in the program the past two years.

Therefore, the Westfield Public Works Department recommends that the Board of Public Works and Safety authorize the Westfield Public Works Department Director to execute the agreement with Duke Energy to enter in to the Duke Energy Power Share Agreement for 2008.

EXHIBIT #2



**Westfield Public Works
Duke Energy
Power Share Agreement
2008**

Duke Energy Power Share

The Power Share program is a energy management program offered by Duke Energy to better manage the peak demands on the electrical system in central Indiana. The program consists of an agreement between the City of Westfield and Duke Energy to reduce the electrical load by utilizing alternative operation of facilities and the use of on site generators.

By agreeing to reduce our demand on the system Duke agrees to provide the City of Westfield a credit to our electrical cost based upon our average demand for the same period. In addition to the premium for participating in the program, there are additional premiums paid for the electrical load that is reduced should a Power Share event be called.

The total credit for the premium for participation in the program and the potential premium for the electrical load reduction are based upon usage for that period and are finalized at the end of the season. The premium numbers presented here are estimates, however the participation premium is the largest portion of the therefore these numbers are generally close to the overall cost savings.

Summer Power Share

During the summer months, June thru September, there is the potential for a total of 12 Power Share events. These events are typically called during periods where the temperature is in excess of 90 degrees. During the event there is a 8 hour period, 12:00 P.M. – 8:00 P.M., where we are expected to reduce load at two of our facilities, the River Road Water Treatment Plant, and the Waste Water Treatment Plant. During that time alternative operation methods will be utilized or the on site generator will be run to provide electricity. At no time will services be jeopardized to participate in the Power Share event.

The Power Share events can only be called on weekdays, excluding holidays. There is a limit of 3 total events in any given week and a maximum of 2 consecutive events in that same time period.

Winter Power Share

During the winter months, December thru February, there is the potential for a total of 12 Power Share events. These events are typically expected when temperatures are extremely cold. During the event there is a 6 hour period, 7:00 A.M. – 1:00 P.M., where we are expected to reduce load at two of our facilities, the River Road Water Treatment Plant, and the Waste Water Treatment Plant. During that time alternative operation methods will be utilized or the on site generator will be run to provide electricity. At no time will services be jeopardized to participate in the Power Share event.

As with the Summer Power Share program events can only be called on weekdays, excluding holidays. There is a limit of 3 total events in any given week and a maximum of 2 consecutive events in that same time period.

Power Share Cost Benefits

The Power Share program pays premiums for participation in the program and an additional credit for power reductions during events. Additional credits are typically available during events, however not knowing how many events will be called and the cost of each, makes an estimate of those benefits difficult. Below is a detail of the estimated premiums which typically make up the bulk of the cost savings realized by the program.

River Road Water Treatment Plant		Wastewater Treatment Plant	
Summer Premium:	\$7575.00	Summer Premium:	\$7200.00
Winter Premium:	\$2187.00	Winter Premium:	\$3132.00
Total:	\$9762.00	Total:	\$10332.00
Total Potential Credit: \$20094.00			

turn power into profit.

PowerShare®

Definitions, Terms and Conditions

Summer/Winter CallOption, Service Agreement (with QuoteOption)

Duke Energy Indiana, Inc. Rider PLM – Peak Load Management



QuoteOption Terms and Conditions

1. Service under Rider PLM shall commence upon acceptance of a signed agreement or renewal registration via the PowerShare® Web site. Service under the QuoteOption program shall continue thereafter until such time a new PowerShare agreement is entered into or service under the Duke Energy Indiana, Inc. Rider PLM is discontinued.
2. Customers will receive Event Incentive Credits on their electric bill. Depending on the Customer's billing cycle and when Event Incentives are issued within the month, posting of the credits to the Customer's bill may be delayed one billing cycle.
3. Company may notify Customer that it is exercising its QuoteOption, at which time Customer is requested to provide load reduction or generation when Company in its sole discretion determines an event is necessary. The QuoteOption offer is totally voluntary and may be declined by Customer without any liability imposed to the customer.
5. Once notified, Customer must confirm participation within one and one-half hours of the posted QuoteOption event and provide an estimate of the amount of load reduction to be provided. If Customer fails to provide confirmation of its intent to reduce load or sell generation in response to Company's quoted prices, Customer will not be eligible for an Event Incentive Credit. In order to be an effective alternative to meeting Company's obligation to provide reliable service to its Customers, it is imperative that Customers provide accurate estimates of the amount of load reduction. Failure to do so may result in a Customer being removed from the program.
6. In the event that system or regional generation constraints increase unexpectedly, Company reserves the right at its sole discretion to: a) have a QuoteOption event and post Event Incentive Value with minimal advance notification, or b) post a higher Event Incentive Value if one has already been posted. In the event that Duke Energy Indiana, Inc. does post a higher Event Incentive Value all Customers confirming their intent to reduce load via the PowerShare Web site will receive the higher of the posted Event Incentive Values for that day for all load reduced or generation provided.
7. If Customer has confirmed participation, Customer will receive an Event Incentive Credit calculated as follows: Customer's actual usage for each hour during the event period will be subtracted from Customer's Pro Forma Load for that hour. This difference (but never less than zero) will be multiplied by each hour's applicable Event Incentive Value. If Customer elects to sell metered generation back to Company, then Company will pay Customer for such metered generation at the same hourly prices contained in the Company's Event Incentive Value for that day.
8. Company may provide advance notice of a potential PowerShare event. Such notice will be for informational purposes only and will not be deemed an official notice under the QuoteOption Program.
9. Company will utilize an internet-based system for the purposes of posting Event Incentive Values and to confirm Customer participation. Customers will be responsible for providing their own internet access. In the event that the internet system is temporarily unavailable, Company will have in place an alternative notification process. Company will provide written documentation and training on the process to be used to notify Customer.
10. Customer is responsible for providing dedicated phone communications links to applicable meters in accordance with Company's guidelines and procedures. Any incremental cost for special metering beyond what is normally provided in the Standard Tariff shall be borne by Customer. Service Agreements shall not be deemed effective until such time meter and phone lines are considered operational by Company.
11. Except as provided in Rider PLM, all terms, conditions, rates, and charges outlined in the applicable Standard Rates will apply.
12. No Liability for Failure to Reduce Load. Regardless of whether Customer notifies Company of its intent to reduce load in response to a posted Event Incentive Value, Customer shall have no obligation to actually reduce its load and shall have no liability to Company for failure to provide load reduction.
13. If power is interrupted to Customer during a PowerShare event, then Company shall not be responsible for paying an Event Incentive Credit for the interruption, or for the excess of the event period. Customers are notified to be prepared to take other measures. Other reasons why meter may be interrupted include but are not limited to accidents, storm outage, equipment failure, outages or malfunctions and periods of involuntary load curtailment. Additionally, Customer shall not receive an Event Incentive Credit for any event periods in which Customer's load is already down for an extended period due to planned or unplanned outage as a result of renovation, repair, refurbishment, force majeure, strike, or any event other than Customer's normal operating conditions.
14. This Agreement shall not be construed as any promise or warranty by Company to provide continuous or uninterrupted power to Customer.

Customer Information

Customer Name: Business name as it appears on Duke Energy Indiana, Inc. utility bill.
Service Address: Service address as it appears on Duke Energy Indiana, Inc. utility bill.
Account Number: Per billing account.
Primary Contact: Utilized by the Duke Energy Indiana, Inc. Retail Energy Desk for notification purposes.
Secondary Contact: Backup notification contact, utilized by the Duke Energy Indiana, Inc. Retail Energy Desk.
Company Representative: Agreement to be signed and dated by an authorized agent of Company at such time meter and phone are considered operational by Company.
Time Zone: The time zone in which the premise to be served is located.
Operating Company: Duke Energy Indiana, Inc.

QuoteOption

Fixed Reduction: Used when a customer will reduce load each hour during an event by a fixed amount. The Pro Forma Load Level is an estimate of the Customer's baseline load during a notice period that would have occurred, absent the notice being issued by Company. The Pro Forma Load Level (baseline) will be used to determine the Event Incentive Credit to be given by subtracting the Customer's actual usage during the event period from the Pro Forma Load Level. The Pro Forma Load Level will be based on the Customer's historical load and an hourly temperature forecast for the period when QuoteOption is exercised. The Customer agrees that Company will establish a Pro Forma Load Level to be used each time the QuoteOption is exercised.

Metered Generator: Used when Customer selects the option to sell generation to Company. Energy sold to Company will be measured through a Customer-supplied, modern-equipped meter, connected to the output of the generator. All metering configurations must be pre-approved by Company. At the request of the Customer, Company will provide turnkey metering solutions at Customer's expense. This Service Agreement shall not be deemed effective until such time as Company considers meter and phone logistics operational.

Event Incentive Value: An Event Incentive Value is the price at which Company may issue a request to purchase energy (or load reduction) from Customer. Event Incentive Values will be communicated to Customer via the PowerShare® Web site. To receive an Event Incentive Credit, Customer must provide confirmation to Company via the PowerShare Web site of its intent to reduce load. Company shall utilize PowerShare notification systems (fax, phone, e-mail, etc.) to assure that Customers are apprised of any potential PowerShare event. The Company has sole discretion in establishing the Event Incentive Value and will make this determination based upon the Duke Energy Indiana, Inc. projected marginal operating cost, available resources, and weather conditions.

Load Reduction: The amount of load reduction that Customer estimates it will provide in response to the posted hourly Event Incentive Value from Company. The Customer shall have no liability for failing to actually reduce its load. Company will assist Customer in identifying load reduction opportunities and developing a load reduction strategy.



CallOption

CallOption Program

	June Through September				Day-Ahead Notice				December Through February			
	Annual Duration	Max. # of Calls	Max. # of Consecutive Days	Annual Premium \$ / kW	Call Duration Hours	Max. # of Calls	Max. # of Consecutive Days	Annual Premium \$ / kW	Call Duration Hours	Max. # of Calls	Max. # of Consecutive Days	Annual Premium \$ / kW
Option A	8	12	2/3	\$9.00	6	12	2/3	\$9.00	6	12	2/3	\$9.00
Option B	8	8	2/3	\$6.00	6	8	2/3	\$6.00	6	8	2/3	\$6.00

CallOption Compliance Plan

Used when a customer will reduce load each hour during an event by a fixed amount. The Pro Forma load is an estimate of the Customer's baseline load (Pro Forma Load Level) during an event period that would have occurred absent Company exercising the CallOption. Company will use the Pro Forma Load Level to calculate the Customer's event premium. The Pro Forma Load Level is calculated by averaging the Pro Forma Load Level over the period when the CallOption is exercised. The Pro Forma Load Level will be based on the Customer's historical summer loads and weather forecast for the period when CallOption is exercised. For a Customer that selects the "Fixed Reduction" product, Customer agrees that Company will establish a Pro Forma Load Level (baseline) to be used each time the CallOption is exercised.

Firm Level:

An hour-by-hour level selected by Customer to which Customer agrees to reduce its load during an exercised CallOption. Firm Level is established by the premium company and will calculate a premium expected load level. (Note: Firm Level Option is not available for the "Fixed Reduction" product. Since the reduction by Customer for the contract period may be more or less than the pre-season expected level, a "True-Up" process will be utilized.)

True Up:

A process by which the summer ending premium payment to Firm Level and Metered End-use Customers is adjusted up or down to reflect the actual option load provided during the contract period. Company will determine the actual option load after the fact, using Customer's actual summer load levels.

Metered Generator:

Used when Customer selects the option to sell generation to Company. Compliance with the exercised CallOption will be measured through a Customer-supplied meter, connected to the output of the generator. All metering configurations must be pre-approved by Company. At the request of Customer, Company will provide turnkey metering solutions at Customer's expense. This Service Agreement shall not be deemed effective until such time as Company considers meter and phone logistics operational.

Metered End Use:

Used when Customer selects the option to provide a specified fixed load reduction to Company through end use metering. The specified fixed load reduction must be quantified for size and diversity prior to Company entering into this type of agreement with Customer. Compliance with the exercised CallOption will be measured through a Customer-supplied meter, connected to the input of the End Use load. All metering configurations must be pre-approved by Company. At the request of Customer, Company will provide turnkey metering solutions at Customer's expense. This Service Agreement shall not be deemed effective until such time as Company considers meter and phone logistics operational.

CallOption Event Incentive

Each time Company exercises its option under this agreement, Company will provide Customer an Event Incentive Credit for the Option Load. The total Event Incentive Credit is based upon the posted Event Incentive Value and option load for each hour during an event.

Annual Premium:

The annual premium will be based on the following options selected by Customer:

► Option Load ► Maximum number of events

Example Load (Subscribed by Duke Energy Indiana, Inc.)	1100kW	2100kW
Firm Load (Subscribed by Customer)	\$0.10	
Strike Price	1000kW	
Maximum number of events (Selected by Customer) 12		
Option Load (= 2100 * 12)		25200
Annual Premium (= 1000kW * \$25/kWh)		\$25,200

CallOption Annual Premiums – \$/kW per Year

Program Option	Summer Premium	Winter Premium	Maximum # of Events
Strike Price	\$25.00	\$9.00	12
\$0.10	\$17.00	\$6.00	8

Maximum Number of Events:

The Maximum Number of Events is Customer selected and determines the number of PowerShare® events in which the Customer will participate. The Company may invoke the CallOption to purchase energy (or load reduction) from Customer and has sole discretion as to whether the minimum Event Incentive Value has been met or exceeded such that Company is entitled to exercise a CallOption. When the Incentive is exercised, Customer will receive an Event Incentive Credit based upon the Option Load, Event Incentive Value and the number of hours for the event.

Option Load is the amount of load (reduction or generation supplied) that Customer elects to place under the CallOption.

CallOption Terms and Conditions

- Service under Rider PLM CallOption shall commence on the effective date below. All CallOption loads shall transition to the voluntary QuoteOption program for the period defined by the QuoteOption agreement.

Effective Date	Ending Date
Summer: First weekday in June	Last weekday in September
Winter: First weekday in December	Last weekday in February
- Customer will receive the Premium and Event Incentive Credits on its electric bill. Depending on the Customer's billing cycle and when calls are issued within the month, posting of the Event Incentive Credits to the Customer's bill may be delayed one billing cycle.
- Event Periods: Monday – Friday. Holidays Excluded. Two consecutive Call Events with maximum 3 events per week.
- Company may notify Customer that it is exercising its CallOption, at which time Customer is requested to provide load reduction or generation when Company in its sole discretion determines an event is necessary.
- Company will notify Customer that it is exercising a CallOption no later than 3:30 p.m. EST day-ahead (4:30 p.m. EDT day-ahead) for Summer CallOption and 12:00 p.m. EST day ahead (1:00 p.m. EDT day ahead) for Winter CallOption. Company may notify day-ahead on Sundays and holidays for reductions the following day.
- Company may provide advance notice of a potential PowerShare event for informational purposes only. Such advance notice will not be deemed an official notification under the CallOption Program.
- Customer shall have the right to buy through the CallOption by paying the buy-through price. Company will provide the buy-through price to Customer. Such buy-through prices will include applicable transmission and distribution charges, generation charges based on the Company's out-of-pocket and all applicable riders and taxes included in the Standard Rate. Customer will be billed for all contracted energy not reduced or generated at such buy-through prices. A cap of \$3.00/kWh will be placed on the buy-through price if energy during an event exceeds CallOptions.
- Buy-through prices will be posted in an hour-ahead or half-hour preceding each hourly CallOption period. (For example, Company will provide buy-through prices at approximately 1:30 p.m. for the hour 2:00 p.m. to 3:00 p.m.)
- Company will use CallOption Reduction Customers' firm base loads for the CallOption day exercised by 8:00 am EST (9:00 EDT) for Summer CallOption and by 6:30 am EDT (7:30 am EST) for Winter CallOption. CallOption load *only* a credit for On a CallOption only event, customers will receive a credit for the amount of load reduced. The credit is less. For additional load reduction, customers will not exceed 50% of the contracted amount. In any event, the credit is less. For additional reductions or generation, all reductions will be treated as bill reductions under the applicable standard tariff. On a CallOption and QuoteOption event, all CallOption customers must nominate additional load above their CallOption contractual amount to be eligible for additional Event Incentive Credits.
- Company will utilize an internet-based system for the purposes of posting buy-through prices. Customers will be responsible for providing their own internet access. In the event that the internet system becomes temporarily unavailable, Company will have to place an alternative notification process. Company will provide written documentation and training on the process to be used to notify Customer.
- Customer is responsible for providing dedicated phone communications links to applicable meters in accordance with Company's guidelines and procedures. Any incremental cost for special metering beyond what is normally provided in the Standard Tariff shall be borne by Customer. This Service Agreement shall not be deemed effective until such time as Company considers meter and phone logistics operational.
- Except as provided in Rider PLM, all terms, conditions, rates, and charges outlined in the applicable Standard Rates will apply.
- Customers selecting service under the CallOption Firm Level or Metered End-use compliance plan agree Company will utilize a true-up process to adjust the summer ending premium amount.
- Customer and Company mutually agree that load profiles utilized in establishing this Service Agreement accurately reflect the Customer's expected load profile for the Compliance Plan selected. In the event that the Customer's load profile substantially deviates from that utilized for this Service Agreement as a result of a change in physical plant or process, Customer and Company reserve the right to re-establish appropriate load profiles, premiums and event incentive credits based on projected energy usage. Additionally, Customer shall not receive event incentive credit for any PowerShare events in which Customer's contracted option load is already down for an extended period due to a planned or unplanned outage as a result of renovation, repair, refurbishment, force majeure, strike, or any event other than the Customer's normal operating conditions.
- This Agreement shall not be construed as any promise or warranty by Company to provide continuous or uninterrupted power to Customer.

PowerShare.



Service Agreement
Summer/Winter CallOption (with QuoteOption)
 Duke Energy Indiana, Inc. Rider PLM - Peak Load Management
 Definitions, Terms and Conditions

Customer Information

Customer Name:

Westfield Public Works - River Rd

Service Address: **15175 River Ave** City/State/Zip: **Noblesville, IN 46062**

Account Number: **8770304901**

Primary Contact: **Lambert, Rob** E-Mail: **rlambert@westfield.in.gov**
 Phone: **317-716-8175** Fax: **317-867-0202** Pager: **317-990-2806**

Secondary Contact: **Hauk, Bruce** E-Mail: **bhauk@westfield.in.gov**
 Phone: **317-710-2396** Fax: **317-867-0202** Pager:

Duke Energy Representative: **John Morrison** Date: **4/15/2008 10:37:18 AM**

Customer's Time Zone

EDT EST Other

Operating Company

Ohio Kentucky Indiana

Summer CallOption

CallOption Compliance Plan

- Fixed Reduction from Pro forma Load
- Metered Generator
- Metered End Use *
- Firm Level *

Hour (EDT)	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
Expected Level	326	305	291	293	310	305	314	362
Firm Level	10	10	10	10	10	10	10	10

CallOption Determinants

Strike Price / Maximum Event Hours

Winter CallOption

Hour (EDT)	7-8	8-9	9-10	10-11	11-12	12-13
Expected Level	385	253	182	219	216	260
Firm Level	10	10	10	10	10	10

Summer Option Load kW

Summer Annual Premium \$

Winter Option Load kW

Winter Annual Premium \$

* Premium True-up procedure will be applied for Firm Level and Metered End Use Compliance plans. See Terms and Conditions for additional information.

QuoteOption

Please enter your load reduction amounts for the designated pricing points.

QuoteOption Load Reduction*

\$0.10/kWh kW

\$0.25/kWh kW

* The load entered for each price quote offering represents the total cumulative QuoteOption load reduction.

Reduction Plan

System demand will be handled by water storage inventory. On site generator will be utilized if necessary.

Plan Attached

I agree to accept service under Duke Energy's PowerShare Program under the terms stated in this service agreement, including the [Definitions, Terms and Conditions, and Rider PLM](#).

By: _____

(insert name of customer's company in this space)

Date: _____

Title: _____





**Service Agreement
Summer/Winter CallOption (with QuoteOption)**

Duke Energy Indiana, Inc. Rider PLM - Peak Load Management

Definitions, Terms and Conditions

Customer Information

Customer Name:

Westfield Public Works - 166th St

Service Address:

3303 166th St W

City/State/Zip:

Westfield, IN 46074

Account Number:

7560358701

Primary Contact:

Lambert, Rob

E-Mail:

rlambert@westfield.in.gov

Phone:

317-716-8175

Fax:

317-867-0202

Pager:

317-990-2806

Secondary Contact:

Hauk, Bruce

E-Mail:

bhauk@westfield.in.gov

Phone:

317-710-2396

Fax:

317-867-0202

Pager:

Duke Energy Representative:

John Morrison

Date:

4/15/2008 9:35:35 AM

Customer's Time Zone

EDT EST Other

Operating Company

Ohio Kentucky Indiana

Summer CallOption

CallOption Compliance Plan

- Fixed Reduction from Pro forma Load
- Metered Generator
- Metered End Use *
- Firm Level *

Hour (EDT)	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
Expected Level	290	297	287	292	293	271	284	290
Firm Level	0	0	0	0	0	0	0	0

CallOption Determinants

Strike Price / Maximum Event Hours

Winter CallOption

Hour (EDT)	7-8	8-9	9-10	10-11	11-12	12-13
Expected Level	338	365	352	347	356	327
Firm Level	0	0	0	0	0	0

Summer Option Load kW

Summer Annual Premium \$

Winter Option Load kW

Winter Annual Premium \$

* Premium True-up procedure will be applied for Firm Level and Metered End Use Compliance plans. See Terms and Conditions for additional information.

QuoteOption

Please enter your load reduction amounts for the designated pricing points.

QuoteOption Load Reduction*

\$0.10/kWh kW

\$0.25/kWh kW

* The load entered for each price quote offering represents the total cumulative QuoteOption load reduction.

Reduction Plan

Plant load will be transferred to on site generator.

Plan Attached

I agree to accept service under Duke Energy's PowerShare Program under the terms stated in this service agreement, including the [Definitions, Terms and Conditions, and Rider PLM](#).

_____ By:

(insert name of customer's company in this space)

Date: _____

Title: _____

