

Always There. Always On.

Hinsdale Electric: Reliable, Dependable & Affordable

Village of Hinsdale
Town Hall Meeting
March 7, 2007

How did we get here?

- Ongoing complaints about lack of reliability
- Discussions with Com Ed for more than a year have not produced results
- Engaged Latham & Associates to conduct preliminary feasibility study
- Village is now reviewing its options

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Our Mission:

Provide reliable electrical service to our residents and business owners at a cost-effective rate

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Primary Focus: Reliability, Rates & Reinvestment

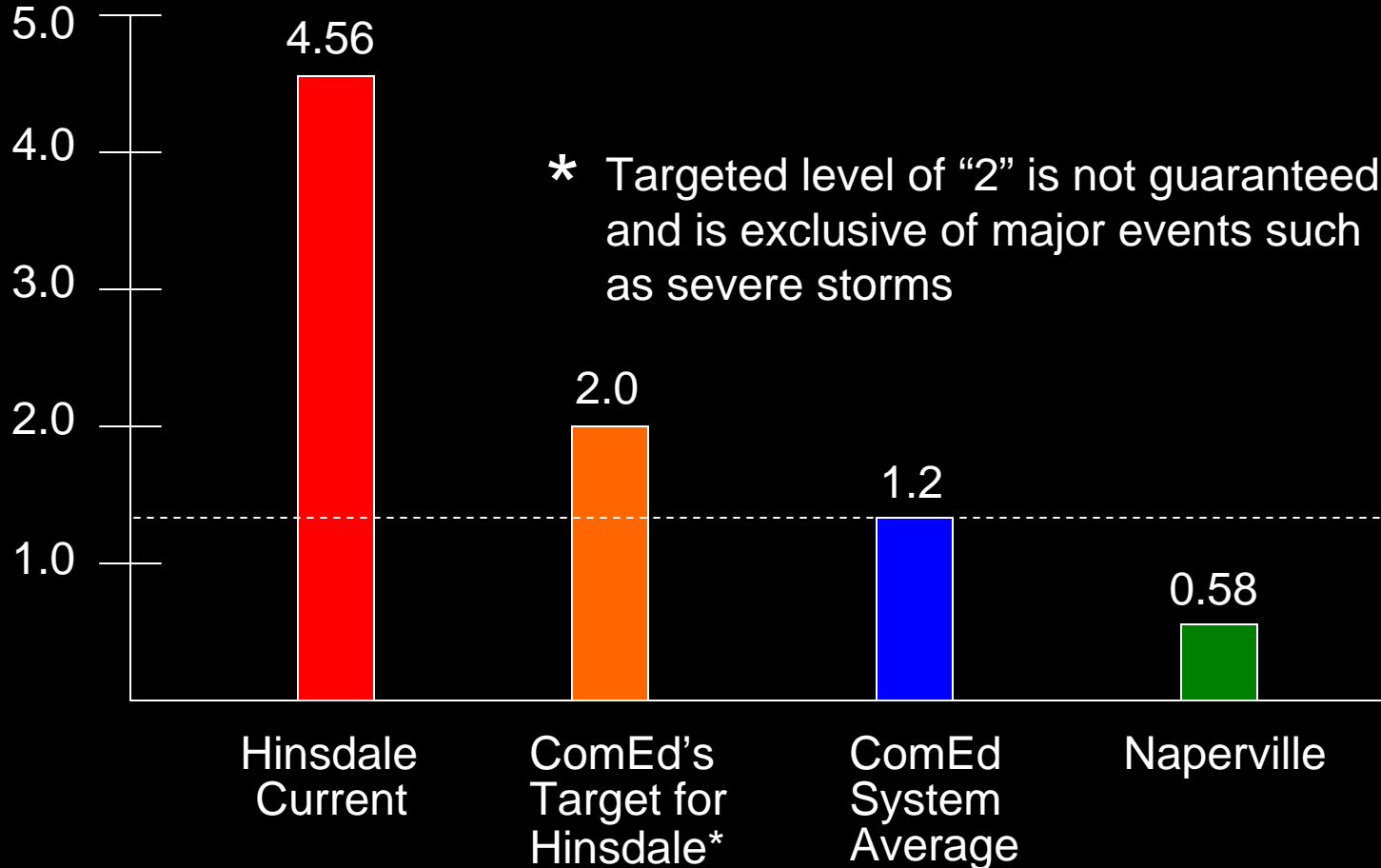
- In 2005, Hinsdale experienced 280% more service interruptions than other municipalities
- ComEd recently granted a 24% rate increase
- Village can purchase wholesale power on the open market at a better price (Hinsdale Hospital and Districts 86 & 181 already purchase on the open market)
- Hinsdale's rate can be more attractive as it would not pay shareholder dividends or corporate income taxes and can use tax-exempt financing; savings put toward reinvestment

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ComEd RELIABILITY

Average No.
of Service
Interruptions
Per Customer
Per Year



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Feasibility Study Results

- Latham diligently completed 71-page comprehensive report
- Projected Net Savings over 25 Years

Base Case : \$85 million to \$117 million

Reinvestment Case : \$51 million to \$81 million

- Apparent that ComEd is not using revenues derived in Hinsdale to reinvest in Hinsdale
- Feasibility assumptions are conservative and ranges include 25% cost variance

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Village: Ability to Operate Utility

- Over 42 IL communities operate an electric utility including area towns such as Naperville, St. Charles, Geneva, Batavia, & Winnetka
- Hinsdale has successfully operated a water utility since 1923

Disruptions:

- Burying of overhead lines would greatly reduce damage to the system
- Enter into mutual aid agreements like for Police, Fire, & Public Works for emergencies
- Provide contractual back-up

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Identified Problems with the System

- Distribution System is Antiquated and Overhead
- 70% over the system is more than 30 years old
- Transmission System is Unreliable and Undersized

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Village's Plan to Improve Reliability

Hinsdale believes the following is needed:

- Build 138-12 kV networked transmission line and substation
 - ⇒ Similar to what exists in Oak Brook and Burr Ridge
- Replace 10% of overhead lines per year with buried lines; 90% of system underground within 10 years and replace old underground circuits within 5 years
- Reliability equal to or better than ComEd's system average within 2 years; or, accelerated line burial to 15% per year until target is reached

Improvements should be made at no additional cost to Hinsdale residents

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Why Continue to Study “Municipalization”?

Rates: Similar or more attractive pricing for residents

Reliability: Achieve better than system average performance

Reinvestment: Money generated in Hinsdale stays in Hinsdale

Local control: Similar to local schools, parks, library

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Referendum Question on the April, 17, 2007 Ballot

- “Shall the ordinance authorizing the Village of Hinsdale to operate for hire a public electric utility for the use and benefit of private consumers and users, and charge for such consumption and use as authorized be adopted?”

- *What this means: It's the first step in the process*

Gives Village authority to operate an electric utility not the funding to operate an electric utility

- *To move forward, what else is required?...*

Two referendum questions on April 2008 ballot

First question would authorize purchase

Second permits issuance of bonds

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Moving Forward...

Overriding goal remains:

Improve electrical service reliability

- Village continues to explore its options
- Cooperative process
- Committed to ongoing dialogue with Com Ed

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Thank you for attending!

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