

CONSULTING SERVICES AGREEMENT ("CSA")

Between Bethel Electric Rate Consulting, LLC and Rochelle Municipal Utilities

THIS CONSULTING SERVICES AGREEMENT (as it may be amended or modified from time to time, (the "Agreement" or "CSA") is made as of March 21st, 2016, by and between The City of Rochelle, Illinois ("Rochelle"), organized pursuant to the laws of the State of Illinois, on behalf of its subdivision, Rochelle Municipal Utilities ("RMU") and Bethel Electric Rate Consulting, LLC, ("BERC"), a corporation duly incorporated and validly existing under the laws of the State of Ohio, each being sometimes herein referred to separately as a "party" or collectively as the "parties".

Recitals

WHEREAS, RMU desires to retain BERC to render electric rate and related consulting services; and

WHEREAS, BERC desires to provide such services as an independent contractor.

Provisions

1. **Consulting Services Agreement.** RMU agrees to retain BERC to perform, and BERC agrees to provide to RMU, electric rate and related consulting services, upon the terms and conditions set forth herein, as such services may be requested by RMU from time to time and agreed by the parties. The scope of any such services shall be specified in a written Amendment to this Agreement, in the form of Appendix No. 1 hereto, agreed to and executed by BERC and RMU, on a project by project basis. BERC's services may include, but are not limited to, advice and consultation, the preparation of written documents and analyses, assistance in negotiations with others, the provision of expert testimony on behalf of RMU for submission in regulatory and judicial proceedings, and the giving of oral testimony on behalf of RMU in such proceedings. BERC may decline to provide any consulting and related services requested by RMU hereunder at BERC's sole discretion, and for any reason, including without limitation, that such service may require BERC to take a position in conflict with BERC's opinions, previously stated or otherwise. RMU may require that BERC execute non-disclosure and/or confidentiality agreements on a project-specific basis as appropriate. Either BERC or RMU may terminate this Agreement at any time by providing thirty (30) days prior written notice of termination to the other party.

2. **Relationship between parties.** BERC is being retained only for the purposes and to the extent set forth in this Agreement and in an Amendment or Amendments to this Agreement specifying the services to be performed by BERC for an individual project or projects. BERC and RMU acknowledge the independent status of BERC and individuals employed or otherwise contracted by BERC to assist in any project hereunder, and BERC assumes full responsibility for withholding and paying all workers' compensation, income, self-employment and other taxes or charges resulting from performance of services under this Agreement. Nothing in this Agreement shall be deemed or construed to create a relationship of employer and employee, or partners or joint venture parties, as between RMU and BERC, nor is BERC to represent or imply to anyone that BERC is an employee of RMU. RMU's sole interest in BERC's performance lies in the results to be

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achieved by BERC. The manner and method of implementing and completing the performance of the services will be left to BERC's control and professional judgment. BERC shall adhere to all state, federal and local laws, rules and regulations applicable to BERC's performance of services hereunder and shall perform the services hereunder in a manner consistent with generally accepted professional conduct. None of the benefits provided by RMU to its employees, including, but not limited to, workers' compensation insurance, unemployment insurance, and health insurance are available from RMU to BERC.

3. **Term.** The term of this Agreement shall commence on the date it is executed by authorized representatives of both BERC and RMU, and shall continue for an initial period of two (2) years, and thereafter for periods of one (1) year each, until and unless terminated by either party giving thirty (30) days prior written notice to the other party of the intended termination date.
4. **Compensation.** RMU shall compensate BERC for consulting services at the rate per hour specified in an Amendment to this Agreement, which Amendment shall describe the scope of services and compensation for each project to be performed by BERC hereunder. BERC shall periodically present appropriately detailed invoices for services hereunder to RMU, addressed as specified in each such Amendment hereunder.
5. **Expense reimbursement.** RMU will reimburse BERC for all necessary out-of-pocket expenses, including use of personal transportation based on IRS-approved mileage rates. RMU may, at its discretion, require the provision of receipts or statements of account to support expenses for meals, travel and lodging.
6. **Training, facilities, and equipment.** RMU shall not be required to provide BERC with training or continuing education of any type. BERC shall supply the facilities, tools and equipment necessary for BERC to perform the services hereunder.
7. **Applicable law.** This Agreement shall be governed by Ohio law.
8. **Invalid provision.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect its other provisions, and this Agreement shall be construed as if such invalid or unenforceable provision had been omitted.
9. **Modification.** Any change or modification of this Agreement must be in writing and signed by both parties.
10. **Notice.** Any notice given pursuant to this Agreement must be in writing and delivered to the party at the address or email address of such party set forth below. Any such notice shall be deemed effective upon receipt by the addressee.

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11. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes any prior agreement, understanding or condition, whether oral or written, between the parties with respect to the subject matter hereof.

12. **Assignment.** BERC may not assign this Agreement, nor may BERC delegate or subcontract performance or obligations hereunder, without the prior written consent of RMU.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

City of Rochelle, Illinois, Municipal Utilities ("RMU")

By: David S. Plyman
Name: David S. Plyman
Title: City Manager
Address: 420 North 6th Street, Rochelle IL 61068

Bethel Electric Rate Consulting, LLC ("BERC")

By: Dennis W. Bethel
Name: Dennis W. Bethel
Title: President
Address: 2905 North Star Rd.
Upper Arlington Ohio 43221-2920
eMail: dwbethel.pe@gmail.com

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Appendix A

CONSULTING SERVICES AGREEMENT ("CSA")
Between Bethel Electric Rate Consulting, LLC and Rochelle Municipal Utilities

Amendment No. 1

This Amendment, dated as of March 21st, 2016 to the Consulting Services Agreement, dated as of March 21st, 2016, by and between The City of Rochelle, Illinois, Municipal Utilities ("RMU"), and Bethel Electric Rate Consulting, LLC ("BERC"), applies to a consulting service project to be identified by the parties as Project # 1 ("Transmission Formula Rate Annual Update" or "Annual Update").

Scope of Services: RMU and BERC hereby agree, pursuant to the terms of the Consulting Services Agreement, and the provisions of this Amendment No. 1, that BERC will provide consulting services to RMU in connection with RMU's Annual Update of its transmission service revenue requirement ("TSRR") pursuant to Attachments H-25, H-25A and H-25B (collectively, RMUs "Formula Rate") to the Open Access Transmission Tariff of the PJM Interconnection, LLC ("PJM Tariff"). The Annual Update is a process, described in Attachment H-25A, by which RMU's TSRR is revised each year based on RMU's costs for the prior calendar year. As requested by RMU, BERC will assist RMU in preparing, and/or verifying the compilation of the revised TSRR, the review process and any challenges to the Annual Update, pursuant to Attachment H-25A,

BERC and RMU will communicate regularly as to the specific tasks associated with this project to be undertaken by BERC, any specific deliverables and timelines for deliverables required by RMU of BERC from time to time, and any information required by BERC from RMU from time to time to complete deliverables and meet deadlines for deliverables to be provided by BERC, consistent with the provisions of the Consulting Services Agreement and this Amendment thereto.

Compensation: Upon receipt of invoices from BERC, RMU shall compensate BERC for consulting services pursuant to the Scope of Services described above at a rate of \$200 per hour of service provided, and reimburse BERC for out-of-pocket expenses and personal vehicle use consistent with the CSA.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

RMU

BERC

✓
By: David S. Plyman
Name: David S. Plyman
Title: City Manager

By: Dennis W. Bethel
Name: Dennis W. Bethel
Title: President

CONSULTING SERVICES AGREEMENT ("CSA")
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Amendment No. 2

This Amendment, dated as of January 1, 2017 to the Consulting Services Agreement, dated as of March 21st, 2016, by and between The City of Rochelle, Illinois ("Rochelle"), organized pursuant to the laws of the State of Illinois, on behalf of its subdivision, Rochelle Municipal Utilities ("RMU"), and Bethel Electric Rate Consulting, LLC ("BERC"), an Ohio limited liability company, applies to a consulting service project to be identified by the parties as Project # 2 – 3rd Transmission Interconnection.

Scope of Services: Rochelle and BERC hereby agree, pursuant to the terms of the Consulting Services Agreement, and the provisions of this Amendment No. 2, that BERC will provide electric transmission rate related consulting services to RMU in connection with RMU's efforts to effect the planning, construction and recovery of the costs of a third interconnection between the RMU transmission facilities and those of Commonwealth Edison Company ("ComEd") in the ComEd transmission zone of the PJM Interconnection, LLC ("PJM"). The Parties recognize that the process to plan, construct, and gain ComEd zone-wide cost recovery of the 3rd Transmission Interconnection may extend past 2020. As such, the Parties will determine each year by December 1, whether to continue BERC's participation pursuant to the CSA and this Amendment No. 2, and agree to continue or terminate this Amendment No. 2 by written Notice from Rochelle to BERC..

BERC and RMU will communicate regularly as to the specific tasks associated with this project to be undertaken by BERC, any specific deliverables and timelines for deliverables required by RMU of BERC from time to time, and any information required by BERC from RMU from time to time to complete deliverables and meet deadlines for deliverables to be provided by BERC, consistent with the provisions of the Consulting Services Agreement and this Amendment thereto.

Compensation: Upon receipt of Invoices from BERC, RMU shall compensate BERC for consulting services during 2017 pursuant to the Scope of Services described above at a rate of \$200 per hour of service provided, and reimburse BERC for out-of-pocket expenses and personal vehicle use consistent with the CSA.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

Rochelle

BERC

By: _____

Name:

Title:

By:  _____

Name: Dennis W. Bethel

Title: President