CONFIRMATION

This Confirmation dated 1/5/2016 is made a part of, and pursuant to terms of, the Agreement (Letter of Agency) between Buyer and Seller identified herein.

SELLER: Constellation Energy Services, Inc.	**BUYER: Town of Cortland**

NOTICES:	**NOTICES:**	**INVOICES:**
20 N. Wacker Drive Suite 2100 Chicago, IL 60606 Attn: Account Management Phone: (866) 906-5409 Fax: (312) 681-1993 Email: AMGreatLakes@constellation.com	59 S Somonauk Rd P.O. Box 519 CORTLAND, IL 60112 Attn: Mayor Russell C. Stokes Phone: (815) 756-9041 Fax: (815) 756-4583 Email: townadministrator@cortlandil.org	59 S Somonauk Rd P.O. Box 519 CORTLAND, IL 60112 Attn: Mayor Russell C. Stokes Phone: (815) 756-9041 Fax: (815) 756-4583 Email: townadministrator@cortlandil.org

QUANTITY	All usage associated with the Accounts listed below, as determined by the Utility and adjusted by Seller to include losses for delivery purposes.	
DELIVERY POINT	For each Account below, the interconnect between the applicable ISO's transmission system and the applicable Utility's distribution system.	
BILLING	☐ Seller Billing (Dual Billing)	☒ Seller Single Bill Billing (SBO or Consolidated Billing)
ENERGY PRICING	For each billing cycle, Buyer shall pay an Energy Charge per Account, which shall equal (i) the applicable Energy Rate below per kilowatt-hour (kWh), multiplied by (ii) the applicable billing cycle usage. The On-Peak, Off-Peak, Summer, and Non-Summer Energy Rates shall be applied to usage in the applicable “On-Peak”, “Off-Peak”, “Summer”, and “Non-Summer” periods, as defined by the applicable utility.	
LOSSES PRICING	For each billing cycle, Buyer shall pay a Losses Charge per Account, which shall equal (i) the Losses Rate below per kWh, multiplied by (ii) the billing cycle usage.	
ANCILLARY SERVICES PRICING	For each billing cycle, Buyer shall pay an Ancillary Services Charge per Account, which shall equal (i) the Ancillary Services Rate below per kWh, multiplied by (ii) the billing cycle usage.	
CAPACITY PRICING	For each billing cycle, Buyer shall pay a Capacity Charge per Account, which shall equal (i) the Capacity Rate below per kWh, multiplied by (ii) the billing cycle usage.	
TRANSMISSION SERVICE PRICING	For each billing cycle, Buyer shall pay a Transmission Service Charge per Account, which shall equal (i) the Transmission Service Rate below per kWh, multiplied by (ii) the billing cycle usage.	
RENEWABLE PORTFOLIO STANDARD (RPS) COMPLIANCE PRICING	For each billing cycle, Buyer shall pay an RPS Compliance Charge per Account, which shall equal (i) the RPS Rate below per kWh, multiplied by (ii) the billing cycle usage. Notwithstanding Change in Tariff or Law/Change in Law Provision of the Agreement, the Parties agree that Seller shall not pass through to Buyer (a) any increase or decrease in current RPS compliance charges or (b) other increase or decrease in Seller’s cost for RPS compliance resulting from a change in or change in interpretation or administration of current tariffs, laws, regulations, or other requirements of a Utility, ISO, FERC, or other transmission providers, as applicable. Notwithstanding the foregoing, Seller may pass through to Buyer (i) any increase or decrease in Seller’s cost for RPS compliance resulting from new or additional RPS compliance charges and (ii) other increase or decrease in Seller’s cost for RPS compliance resulting from a new or additional tariff, law, regulation, or other requirements of a Utility, ISO, FERC, or other transmission providers, as applicable.	
INVOICE FORMAT	Under “Invoice Format” below: o If “Detailed” Invoice Format is noted below, Seller shall invoice Buyer for the above Pricing as separate line items. o If “Combined with Transmission” Invoice Format is noted below, Seller shall invoice Buyer for the above Pricing as one combined rate for each Energy Rate, which shall be the result of summing the applicable Energy Rate with the Losses, Ancillary Services, Capacity, Transmission Service, and RPS Rates. o If “Combined without Transmission” Invoice Format is noted below, Seller shall invoice Buyer for the above Pricing as (i) one combined rate for each Energy Rate, which shall be the result of summing the applicable Energy Rate with the Losses, Ancillary Services, Capacity, and RPS Rates and (ii) a separate Transmission Service Charge.	

DELIVERY PERIOD	The initial Delivery Period for each Account shall begin on the first meter read occurring on or after **2/29/2016** subject to the applicable Utility's confirmation of enrollment with Seller ("Start Date"). The initial Delivery Period shall continue through the latest meter read date that occurs on or before **2/27/2019** ("End Date"). The Parties acknowledge that the dates provided are based on the applicable Utility's read schedules, and actual meter read dates may vary.
RENEWAL	After the initial Delivery Period, service shall continue on a billing cycle-to-billing cycle basis based on the applicable Day-Ahead PJM hourly locational marginal price at the applicable residual load zone (A) (1) in accordance with the methodology described in the Agreement or, (2) if not described, at a variable market rate reasonably determined by Seller, plus (B) a holdover fee of 0.00934 unless (i) terminated by either Party giving 30 days written notice prior to the end of the initial Delivery Period noted above, or (ii) Buyer and Seller agree to alternate Pricing as evidenced by a fully executed Confirmation for the relevant Delivery Period. After the initial Delivery Period, service continuing on a billing cycle-to-billing cycle basis may be terminated by either Party giving 30 days written notice to the other Party.
SPECIAL CONDITIONS	Non-interval metered usage shall be allocated in Seller's reasonable discretion into On- and Off-Peak hourly periods based on the applicable Utility's class average data. Notwithstanding the Pricing sections above, unmetered usage shall be billed using the annualized general lighting charge as provided by the applicable Utility.For the avoidance of doubt: If capacity is fixed, Capacity Costs have been included in the identified rate for the Delivery Period. If capacity is identified as a variable pass through, Capacity Costs shall be passed through. "Capacity Costs" means a charge for fulfilling the capacity requirements for the Account(s) imposed by the ISO or otherwise. Capacity Costs includes, but is not limited to, the cost for procuring Capacity Performance resources (as currently required and defined by the ISO) in accordance with the provisions of FERC Order on Proposed Tariff Revisions (Docket No. ER15-623-000, et al, issued June 9, 2015).
	The Agreement noted above takes the form of a Master Retail Electricity Supply Agreement or Power Sale Agreement between the Parties noted herein.
	Notwithstanding the inclusion of such costs in the Pricing herein, Seller may pass through any future incremental increases in tariff charges (including, without limitation, network integration transmission service rates, network upgrade, and transmission enhancement charges).
	Buyer acknowledges that the pricing herein includes a negotiated fee paid to third party intermediaries involved in the negotiation and execution of this Confirmation. Buyer acknowledges that the intermediary is not an agent of Seller and, thus, is not authorized to bind or represent Seller.

Energy Rate in $/kWh	**Summer On-Peak in $/kWh**	0.03472
	Summer Off-Peak in $/kWh	0.03472
	Non-Summer On-Peak in $/kWh	0.03472
	Non-Summer Off-Peak in $/kWh	0.03472
Losses Rate in $/kWh	0.00216	
Ancillary Services Rate in $/kWh	0.00210	
Capacity Rate in $/kWh	0.00850	
Transmission Service Rate in $/kWh	0.00313	
RPS Rate in $/kWh	0.00115	

Utility Account #	Utility	Service Address	Invoice Format
3974033034	COMED	375 N Charles St Cortland, IL 60112	Detailed
4188054000	COMED	175 S Airport Rd Unit Irr Cortland, IL 60112	Detailed
0481166009	COMED	137 E Cortland Center Rd Cortland, IL 60112	Detailed
2875156024	COMED	100 S Llanos St Unit W3 Cortland, IL 60112	Detailed
5631039010	COMED	91 N Spruce St Unit W2 Cortland, IL 60112	Detailed
1239090004	COMED	227 S Somonauk Rd Unit W1 Cortland, IL 60112	Detailed
0403114054	COMED	134 Barbergreene Cortland, IL 60112	Detailed
7347065022	COMED	Lot 235 238 E Cortland Center Rd Cortland, IL 60112	Detailed
0723100114	COMED	173 W Pine Ave Cortland, IL 60112	Detailed
4707129051	COMED	173 W Pine Ave Cortland, IL 60112	Detailed
3567169021	COMED	269 E Maple Ave Cortland, IL 60112	Detailed
0993022049	COMED	660 E North Ave Unit Stp Cortland, IL 60112	Detailed
0419047171	COMED	156 E North Ave Cortland, IL 60112	Detailed
5715097078	COMED	522 E Ashford Ave Lift Cortland, IL 60112	Detailed

Buyer agrees that by signing below, Buyer authorizes Seller to begin enrollment and initiate service. This Confirmation to the Agreement is effective as of the date signed by Seller.

Seller:	**Constellation Energy Services, Inc.**	**Buyer:**	**Town of Cortland**
By:	_____	**By:**	_____
Name:	_____	**Name:**	_____
Title:	_____	**Title:**	_____
Date:		**Date:**	

Once executed, please return this Confirmation to Constellation Energy Services, Inc. by facsimile to (443) 213-6124