

RESOLUTION NO. 1
OF THE BOARD OF THE FORT COLLINS ELECTRIC UTILITY ENTERPRISE
AUTHORIZING THE GENERAL MANAGER OF THE ELECTRIC UTILITY
TO SUBMIT A REVISED LETTER OF COMMITMENT TO PLATTE RIVER POWER
AUTHORITY FOR WIND GENERATED ELECTRICITY

WHEREAS, the Fort Collins community has demonstrated strong interest in having renewable power available to its residents; and

WHEREAS, the Fort Collins City Council has previously approved Resolution 97-21, authorizing the General Manager of the Electric Utility to submit a letter of commitment to Platte River Power Authority (PRPA) for the purchase of wind generated electricity; and

WHEREAS, since private construction financing of U.S. wind projects has become less readily available and the wind generation vendor involved in this project can no longer supply wind power under the terms of the earlier Resolution 97-21, including the previously proposed long-term financing, it is therefore necessary to restructure the transaction which was approved in Resolution 97-21; and

WHEREAS, in restructuring this transaction, PRPA will guarantee the needed long-term financing, provided that the Fort Collins Electric Utility Enterprise commits to indemnify PRPA up to \$1.5 million in capital expenses if necessary; and

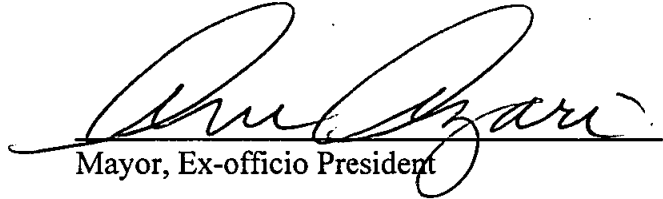
WHEREAS, the Fort Collins Electric Utility remains committed to providing its citizen customers with the option of purchasing wind generated electricity.

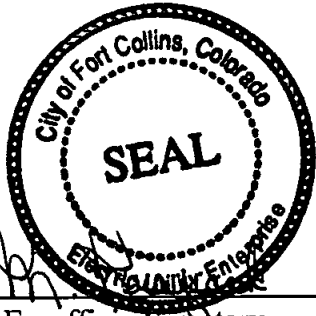
NOW THEREFORE BE IT RESOLVED BY THE BOARD OF THE FORT COLLINS ELECTRIC UTILITY ENTERPRISE as follows:

Section 1. That the Board hereby finds that providing wind generated electricity to the Fort Collins community serves the public purpose of providing the public with a renewable and clean energy resource and that this public purpose is served by the Fort Collins Electric Utility Enterprise agreeing, in the event of a default by the wind generation vendor, to indemnify PRPA in a principal amount not to exceed \$1.5 million dollars for PRPA to acquire and operate the wind turbine.

Section 2. That the General Manager of the Electric Utility is authorized to submit a revised letter of commitment to PRPA in order to commit the City's Electric Utility Enterprise to: (1) purchase wind power from PRPA for a period of 20 years in accordance with the terms of the existing Tariff - Schedule 7: Wind Energy Pilot Rate; and (2) in the event of default by the wind generation vendor, indemnify PRPA in a principal amount not to exceed \$1.5 million for PRPA to acquire the wind turbines.

Passed and adopted at a regular meeting of the Council of the City of Fort Collins, Ex-officio the Board of Directors of the City of Fort Collins Electric Utility Enterprise, held the 6th day of January, A.D. 1998.


Mayor, Ex-officio President



ATTEST:


City Clerk, Ex-officio Secretary