

**Always There. Always On.**

*Hinsdale Electric: Reliable, Dependable & Affordable*

Village of Hinsdale  
Town Hall Meeting  
January 25, 2007

## How did we get here?

- Ongoing complaints about lack of reliability
- Year-long discussions with ComEd 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

- 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's rate can be more attractive as it would not pay shareholder dividends or corporate income taxes and can use tax-exempt financing

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## 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

Village Plan: Dramatically improve reliability by burying 90% of distribution system in 10-years and upgrading transmission system in 5 years

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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 30 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 system
- Enter into mutual aid agreements like for Police, Fire, & Public Works for emergencies
- Provide contractual back-up

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## Conclusion & Next Steps

- Feasibility study makes it clear that we can:
  - Significantly Improve Reliability
  - Reinvest and Rebuild the Electrical System
  - Provide Cost-Effective Rates
- We will continue to have dialogue with ComEd while we pursue other alternatives.
- Task Force will recommend that an advisory question be put on the April 2007 ballot to gauge residents' support on this issue

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## Naperville Reliability

	Hinsdale	Naperville
Average Outages per Year	4.56	0.58
October 3	Power out for days	Minor outages reported
Reinvestment in Infrastructure	NO	YES

*ComEd average number of outages per year per customer is 1.2*