AN ORDINANCE REGARDING NEW FEDERAL STANDARDS PERTAINING TO ELECTRIC UTILITIES UNDER THE PUBLIC UTILITIES REGULATORY POLICIES ACT OF 1978, AS AMENDED BY THE ENERGY INDEPENDENCE AND SECURITY ACT OF 2007; DECLARING AN EMERGENCY; AND FOR OTHER PURPOSES.

WHEREAS, the Public Utility Regulatory Policies Act of 1978 ("PURPA") as amended by the Energy Independence and Security Act of 2007 requires municipal electric utilities with total retail sales of 500 million kilowatt-hours during any calendar year to formally consider and determine whether to adopt four new electric utility standards relating to integrated resource planning, design modifications promoting energy efficiency investment, smart grid investments and smart grid information (the “Standards”);

WHEREAS, Conway Corporation, the lessee operator of the city-owned electric utility, had annual retail sales in excess of this 500 million kilowatt-hours and accordingly must comply with PURPA, as amended by the Energy Independence and Security Act of 2007; and

WHEREAS, Management of Conway Corporation published a notice in the Log Cabin Democrat on December 9, 2008 and conducted a public hearing on December 19, 2008 and requested written comments through March 20, 2009 as required by PURPA, as amended by the Energy Independence and Security Act of 2007; and

WHEREAS, Management of Conway Corporation have considered the comments and evaluated the consequences of these new Standards to the Corporation and have recommended policies on those Standards; and

WHEREAS, the Board of Directors of Conway Corporation has adopted a resolution accepting the recommendation of Management;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CONWAY, ARKANSAS:

SECTION ONE. Integrated Resource Planning will not be implemented.

SECTION TWO. Rate design modification promoting energy efficiency investments are covered in current rate design allowing energy recovery for efficiency and no further changes are needed.

SECTION THREE. Smart Grid investments cannot be made under current contracts.

SECTION FOUR. Smart Grid information – no changes.
SECTION FIVE. It is ascertained and declared that the implementation of this Ordinance is of immediate concern to the inhabitants of the City; that by reason thereof an emergency exists and this Ordinance, being necessary for the immediate preservation of public welfare, shall take effect and be in full force from and after its passage and approval.

PASSED this 3rd day of November, 2009.

APPROVED:

[Signature]
Mayor Tab Townsell

ATTEST:

[Signature]
Michael O. Garrett
City Clerk/Treasurer