



Legislation Details (With Text)

File #: 1507-2014 **Version:** 1
Type: Ordinance **Status:** Passed
File created: 6/17/2014 **In control:** Public Utilities Committee
On agenda: 7/21/2014 **Final action:** 7/23/2014
Title: To authorize the Director of Public Utilities to modify the existing agreement and add an additional 40 months to the original end date of August 2014 with AEP Retail Energy for street light generation and transmission services and to declare an emergency.

Sponsors:

Indexes:

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Attachments:

Date	Ver.	Action By	Action	Result
7/23/2014	1	CITY CLERK	Attest	
7/22/2014	1	MAYOR	Signed	
7/21/2014	1	COUNCIL PRESIDENT	Signed	
7/21/2014	1	Columbus City Council	Taken from the Table	Pass
7/21/2014	1	Columbus City Council	Approved	Pass
7/14/2014	1	Columbus City Council	Tabled to Certain Date	Pass

The purpose of this legislation is to authorize the Director of Public Utilities to extend the existing agreement with AEP Retail Energy for street light generation and transmission services.

The City of Columbus, Division of Power is a retail customer with AEP Ohio and owns street lights that are metered and billed by AEP Ohio. AEP Retail Energy is a competitive retail electric service provider and affiliate of AEP Ohio. The Division of Power has coordinated with AEP Retail Energy to reduce the power cost of the street lights on the AEP Ohio system.

By switching the generation and transmission of the street lights currently on the AEP Ohio system to AEP Retail Energy, the Department of Public Utilities in 2011 reduced the cost of the megawatt hours (MWh) from \$62.62/MWh to \$49.90/MWh for annual savings of approximately \$126,000.00. AEP Ohio will continue to charge the Division of Power for distribution and customer charges. All the contractual information was reviewed and approved by the City Attorney's Office with the original contract in 2011. The Division and AEP Ohio would like to continue this cost saving measure by modifying the existing agreement and adding an additional 40 months to the original end date of August 2014. By continuing this agreement, it is anticipated that the Division will save over \$100,000 annually for energy costs.

The Department of Public Utilities feels it is in the best interest of the City of Columbus to enter into this agreement with AEP Retail Energy to take advantage of the power cost savings. This ordinance is being submitted as an emergency so that the department will not have interruption in the agreement and will be able to continue to take advantage of the cost savings to the Division of Power.

1. **Amount of additional funds:** There are no additional funds needed. This amendment is to ADD: 40 months to the life of the agreement that was to end August 2014.

2. **Reason additional needs were not foreseen:** This is a planned modification to be completed prior to the August 2014 end date.
3. **Reason other procurement processes not used:** This is a continuation of the current agreement that is benefiting the Division of Power by reducing the MWh cost for an approximate annual savings of over \$100,000.00 annually.
4. **How was cost determined:** This planned modification does not cost the Division of Power any funds.

FISCAL IMPACT: No funding required for this contract

SUPPLIER: AEP Retail Energy 13-4922640, Expires 6/24/2016

To authorize the Director of Public Utilities to modify the existing agreement and add an additional 40 months to the original end date of August 2014 with AEP Retail Energy for street light generation and transmission services and to declare an emergency.

WHEREAS, The City of Columbus, Division of Power is a retail customer with AEP Ohio, 1 Riverside Plaza, Columbus, Ohio, 43215 and owns street lights that are metered and billed by AEP Ohio, and

WHEREAS, AEP Retail Energy, is a competitive retail electric service provider and affiliate of AEP Ohio and the Division of Power has coordinated with AEP Retail Energy to reduce the power cost of the street lights on the AEP Ohio system.

WHEREAS, By switching the generation and transmission of the street lights currently on the AEP Ohio system to AEP Retail Energy, the Department of Public Utilities would reduce the cost of the megawatt hours (MWh) for an approximate annual savings of over \$100,000.00, and

WHEREAS, AEP Ohio would continue to charge the Division of Power for distribution and customer charges, and

WHEREAS, an emergency exists in the usual daily operation of the Department of Public Utilities, in that it is immediately necessary to modify and extend the agreement with AEP Retail Energy for street light generation and transmission services so that the Department of Public Utilities can take advantage of the cost savings to the Division of Power for the immediate preservation of the public health, peace, property and safety; **Now, Therefore**

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBUS:

SECTION 1. That the Director of Public Utilities be and is hereby authorized to modify and extend the agreement with AEP Retail Energy for an additional 40 months from the original end date of August 2014 for street light generation and transmission services for the Division of Power.

SECTION 2. It is in the best interest of the City of Columbus to modify and extend this agreement with AEP Retail Energy to take advantage of the power cost savings.

SECTION 3. That for the reasons stated in the preamble hereto, where is hereby made a part hereof, this Ordinance is hereby declared to be an emergency measure, which shall take effect and be in force from and after its passage and approval by the Mayor, or ten days after passage if the Mayor neither approves nor vetoes the same.