



City of Columbus

Office of City Clerk
90 West Broad Street
Columbus OH 43215-9015
columbuscitycouncil.org

Legislation Text

File #: 0938-2011, Version: 1

The purpose of this legislation is to authorize the Director of Public Utilities to enter into an agreement with AEP Retail Energy for electric power costs services associated with the water treatment process.

The City of Columbus, Division of Power and Water (Water) is a retail customer with AEP Ohio and owns a water treatment infrastructure that is 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 and Water (Water) has coordinated with AEP Retail Energy to reduce the power cost associated with the water facilities on the AEP Ohio system.

By switching the generation and transmission of the associated with the water treatment infrastructure currently on the AEP Ohio system to AEP Retail Energy, the Department of Public Utilities would reduce the cost of the mega watt hours (MWh) from \$81.52/MWh to \$62.75/MWh for an approximate 39 month savings of \$925,000.00. AEP Ohio would continue to charge the Division of Power and Water (Water) for distribution and customer charges. All contractual information has been reviewed and approved by the City Attorney's Office.

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 can enter into the agreement at the earliest time possible to take advantage of the cost savings to the Division of Power and Water (Water) and to lock into rates.

FISCAL IMPACT: No funding required for this contract

SUPPLIER: AEP Retail Energy 13-4922640, Expires 4-13-13

To authorize the Director of Public Utilities to enter into an agreement with AEP Retail Energy for electric power costs; and to declare an emergency.

WHEREAS, The City of Columbus, Division of Power and Water (Water) is a retail customer with AEP Ohio and electric power costs 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 and Water (Water) has coordinated with AEP Retail Energy to reduce the power cost of the associated with the water treatment process on the AEP Ohio system.

WHEREAS, By switching the electric power costs currently on the AEP Ohio system to AEP Retail Energy, the Department of Public Utilities would reduce the cost of the mega watt hours (MWh) from \$81.52/MWh to \$62.75/MWh for an approximate annual savings of \$925,000.00, and

WHEREAS, AEP Ohio would continue to charge the Division of Power and Water (Water) for electric power costs, and

WHEREAS, an emergency exists in the usual daily operation of the Department of Public Utilities, in that it is immediately necessary to enter into the agreement with AEP Retail Energy for electric power costs so that the Department of Public Utilities can take advantage of the cost savings to the Division of Power and Water (Water) 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 enter into an agreement with AEP Retail Energy for electric power costs associated with the water treatment process for the Division of Power and Water (Water).

Section 2. 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.

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.