



Legislation Text

File #: 30047, Version: 1

Fiscal Note

The Monona Terrace and Water Utility budgets anticipate the savings associated with an electric service agreement with interruptible service. Monona Terrace receives a discount of \$4,300 per month, and the Water Utility receives a discount of \$2,300 per month for two participating wells. These amounts do not change under the new agreements.

Metro Transit is currently evaluating its options, including the potential need for a new emergency generator as the current generator is aging. Therefore, Metro Transit is not yet prepared to enter into a new agreement. Under the current agreement, Metro's estimated monthly electric utility savings are \$1,242, and this amount would not change under a new agreement. Metro could be expected to incur additional costs of \$1,242 for each month for which Metro is not operating under an electric service agreement with MG&E. These costs will be accommodated within the Metro Transit 2013 adopted operating budget; no additional appropriation is required.

Title

A Resolution authorizing an Electric Service Agreement for the Purchase of Direct Control Interruptible Electric Service with Madison Gas and Electric Company for various City locations

Body

WHEREAS, since July 3, 1997 the City has had an "Electric Service Agreement for the Purchase of Direct Control Interruptible Electric Service" with Madison Gas and Electric Company (MGE) for electrical service at the Monona Terrace Community and Convention Center, under which the city receives a credit toward its electrical service fees in exchange for allowing service to be interrupted and generator power from City owned generators at Monona Terrace to be made available to MGE. The most recent agreement was authorized in Resolution ID # 21753 adopted in 2011;

WHEREAS, the City has a similar agreements for generators at Metro and Water Utility facilities, with the identical credit applied toward energy costs;

WHEREAS, the City currently has agreements in place for all of these locations;

WHEREAS, The Public Service Commission of Wisconsin (PSC) approved new MGE tariffs in Docket 3270-UR-118, effective Jan. 1, 2013, with a supplemental order issued on April 2, 2013; particularly a change to tariff sheet Is-2 which governed the above-mentioned interruptible service Agreements, whereby, the existing program that the city participates in ceased to exist as of May 1, 2013 and is replaced by a similar program under tariff sheet Is-4;

WHEREAS, MGE only very recently informed the City of these changes, which in the opinion of MGE, requires all interruptible rate customers to execute new agreements under the new Is-4 tariff in order to continue receiving the credit as of May 1, 2013;

WHEREAS, under the new agreements, each department would receive the same daily credit amount but rules regarding service interruption and the minimum loads and capacities have changed; and a new "buy-through" conditions as described in Is-4;

WHEREAS, one change is that the agreements run for a period of 3 years with automatic renewals of additional 3-year terms unless either party gives the other 3 years advance notice to cancel the agreement;

WHEREAS, the new agreements incorporate rate schedules Cg-2, Cg-4, Cg-6, and Is-4, all of which are subject to amendment from time to time by the PSC; and

WHEREAS, despite the changes in the program Monona Terrace and Water Utility have determined it is cost effective and desirable to continue these agreements under the new tariff structure (Metro will evaluate whether it wants to continue and take steps necessary to effectuate that decision);

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Clerk are authorized to execute new "Electric

Service Agreements for the Purchase of Direct Control Interruptible Electric Service" with Madison Gas and Electric Company for all applicable locations in the City, under tariff sheet Is-4, as described above, in a form approved by the City Attorney.