Legislation Text

File #: 94188, **Version:** 1

Fiscal Note

The proposed resolution authorizes the Madison Water Utility (MWU) to enter into a three-year contract with Madison Gas & Electric Company (MG&E) for interruptible rate electric service agreements. The MWU utilizes emergency standby generators at its facility sites to improve reliability in the event of an emergency. Sites with the generators are eligible for interruptible electric rates. Under the agreement, the MWU expects to achieve utility credits (savings) valued between $2,500 and $11,000 per year, per site that is on an interruptible agreement. No additional appropriation is required. There is no change to service levels provided by the Madison Water Utility for entering into this agreement. Funding for electricity costs is currently available in the Water Utility's 2026 Adopted Operating Budget. No additional appropriation is required.

Title

Authorizing the Water Utility General Manager to enter into Interruptible Electric Service Agreements with Madison Gas & Electric Co. at Water Utility Sites

Body

WHEREAS, Madison Water Utility (MWU) installs emergency standby generators at its facility sites to improve reliability in the event of an emergency. These generators make the locations eligible for interruptible electric rates. Under the interruptible rate schedules approved by the Public Service Commission of Wisconsin (PSC), Madison Gas & Electric Co. (MGE) offers a discounted rate for electrical service in exchange for allowing electrical service to be interrupted. Electrical power from the City-owned emergency generators provide electrical power to the designated facility during service interruption; and,

WHEREAS, the City has other existing interruptible service agreements with MGE and Alliant Energy Corporation for generators at other MWU facilities, Madison Metro sites, and the Monona Terrace; and,

WHEREAS, all electric rate schedules and general interruptible service agreement terms and conditions are approved by the PSC, which rate schedules for MGE require that customers subject to rate schedules Cg-2, Cg-4, Cg-6, Cg-8 and Sp-3 who wish to use the interruptible industrial service rates enter into three-year contracts with MGE as provided for by rate schedules Is-3 and Is-4, all of which are subject to amendment from time to time by the PSC; and,

WHEREAS, MWU has determined that it is cost effective and desirable to enter into interruptible rate electric service agreements with MGE at any site with a City-owned generator, including sites not yet in operation, provided adequate backup generator service capacity could exist to keep the site operational.

NOW THEREFORE BE IT RESOLVED that the Water Utility General Manager is authorized to execute interruptible electric service agreements on behalf of Madison Water Utility (MWU), acting for the City of Madison, with Madison Gas & Electric Co. for interruptible electric service at all MWU generator sites, provided adequate backup generator service capacity exists to keep the site operational, in a form approved by the City Attorney, and pursuant to applicable PSC approved rate schedules as they may be updated from time-to-time.

powered by Legistar™