



## REQUEST FOR CITY COUNCIL ACTION

**MEETING DATE:**

September 20, 2017

**DEPARTMENT:**

Utilities

**DIVISION:**

Administration

- ☒ Motion
- ☐ Resolution
- ☐ Ordinance - Introduction
- ☐ Ordinance - Adoption
- ☐ Public Hearing

**TITLE:**

Electric Supply Agreement: Arizona Public Service Company

**SUMMARY RECOMMENDATION:**

Authorize the City Administrator to execute a standard electric supply agreement with Arizona Public Service Company (APS) to deliver the City's one-megawatt allocation of surplus Hoover Dam hydro-electric power. (Utilities/Administration) (Jay Simonton)

**REPORT:**

In September 2016, pursuant to Resolution R2016-025, the City Administrator executed a power sales contract with the Arizona Power Authority (APA) to provide the City with one megawatt of power generated from the Hoover Dam to a given delivery point (APA Contract). The City is scheduled to receive its first delivery of Hoover power on October 1, 2017.

Because the City does not have the infrastructure to transport the power from the Hoover Dam to a City facility, the City must contract with APS to "wheel," or deliver, the power to a designated City facility for consumption. The Arizona Corporation Commission approved a Preference Power Rider Schedule (PPR) in their most recent rate case in July 2017. The approved PPR permits APS to deliver the City of Yuma's allotment to a point of use. This separate APS service agreement allows the delivery of the power to the City's water and wastewater treatment facilities.

Under the attached agreement, APS will handle all transmission, scheduling, and other delivery issues associated with the Hoover power for the City. The City will receive a credit on its overall bill from APS based upon the amount of Hoover capacity and energy available under its contract with the APA. The APS bill-crediting program is similar to the one in which the City already participates for the Parker-Davis power. The agreement has an initial term of two-years that renews automatically in two-year increments, unless terminated by the City or by APS for a breach or default. APS will deliver the power to the Main Street Water Treatment Facility, and, in the event the Main Street Water Treatment Facility does not use all of the allotted power, the excess power will go to the Agua Viva Water Treatment Facility and Desert Dunes Wastewater Treatment Facility.

By approving this motion, the City Council authorizes the City Administrator to execute an electric supply agreement with APS to wheel the City's one-megawatt allocation of surplus Hoover Dam hydro-electric power.

FISCAL REQUIREMENTS	CITY FUNDS:	\$0.00	BUDGETED:	\$0.00
	STATE FUNDS:	\$0.00	AVAILABLE TO TRANSFER:	\$0.00
	FEDERAL FUNDS:	\$0.00	IN CONTINGENCY:	\$0.00
	OTHER SOURCES:	\$0.00 \$0.00 \$0.00	FUNDING FOR THIS ITEM IS FOUND IN THE FOLLOWING ACCOUNT / FUND / CIP:	
	TOTAL:	\$0.00		
	FISCAL IMPACT STATEMENT:			
ADDITIONAL INFORMATION	SUPPORTING INFORMATION NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT IS ON FILE IN THE OFFICE OF THE CITY CLERK: 1. 2. 3. 4. 5.			
	IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?  <input type="radio"/> Department <input type="radio"/> City Clerk's Office <input type="checkbox"/> Document to be recorded			
SIGNATURES	CITY ADMINISTRATOR:		DATE:	
	Gregory K. Wilkinson		9/12/2017	
	REVIEWED BY CITY ATTORNEY:		DATE:	
	Richard W. Files		9/11/2017	
	RECOMMENDED BY (DEPT/DIV HEAD):		DATE:	
Jay Simonton		9/5/2017		
WRITTEN/SUBMITTED BY:		DATE:		