

## A G E N D A



## Recommendation for Council Action

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| Austin City Council                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                         | Item ID | 52502 | Agenda Number | 2.            |
| Meeting Date:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 12/17/2015                                                                                                                                                                                                                                                              |         |       | Department:   | Austin Energy |
| Subject                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                         |         |       |               |               |
| Authorize amendments to two existing contracts with Atmos Pipeline – Texas, for natural gas transportation services, to extend the contracts for 36 months for an estimated aggregate amount not to exceed \$3,000,000.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                         |         |       |               |               |
| Amount and Source of Funding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                         |         |       |               |               |
| Funding will be provided through the Power Supply Adjustment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                         |         |       |               |               |
| Fiscal Note                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                         |         |       |               |               |
| There is no unanticipated fiscal impact. A fiscal note is not required.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                         |         |       |               |               |
| Purchasing Language:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                         |         |       |               |               |
| Prior Council Action:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | November 21, 2013 – Approved 24-month extensions; December 16, 2010 - Approved 36-month contracts.                                                                                                                                                                      |         |       |               |               |
| For More Information:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Jeff Vice, Director, Local Government Issues (512) 322-6087; Pat Sweeney, Director, Energy and Market Operations (512) 322-6292; Khalil Shalabi, VP, Energy Market Operations & Resource Planning (512) 322-6520.                                                       |         |       |               |               |
| Council Committee, Boards and Commission Action:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | November 16, 2015 – Approved by the Electric Utility Commission on a vote of 10 - 0.                                                                                                                                                                                    |         |       |               |               |
| Related Items:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                         |         |       |               |               |
| MBE / WBE:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | These contracts will be awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation. |         |       |               |               |
| Additional Backup Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                         |         |       |               |               |
| These contracts amend the term of existing natural gas transportation agreements with Atmos Pipeline – Texas, a division of Atmos Energy Corporation (“Atmos”), under which Atmos provides transportation services for natural gas supply to Austin Energy’s gas-powered generating facilities. Atmos provides one of three pipelines connected to the Sand Hill Energy Center and one of two pipelines connected to the Decker Creek Power Station. The transportation agreements allow Austin Energy to access gas supply basins located along the Atmos Pipeline – Texas natural gas pipeline system. Service is needed from multiple pipelines for improved reliability, enhanced competition and broader access to natural gas supplies. |                                                                                                                                                                                                                                                                         |         |       |               |               |
| The current contracts expire December 31, 2015. The amendments extend the term of the agreements for 36 months to December 31, 2018.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                         |         |       |               |               |