



MEMORANDUM

TO: Mayor and Council Members

CC: Marc A. Ott, City Manager

FROM: Larry Weis, General Manager
Austin Energy

DATE: November 4, 2010

SUBJECT: Critical Business Need for Repair at Decker Creek Power Station

ACTION:

As detailed below, and in accordance with City Council approved purchasing procedures, I am designating the repair of the Decker Creek Power Station's Generating Unit 2, No. 22 (Decker Unit 2) forced draft fan motor as a Critical Business Need of Austin Energy. This motor was removed during the current maintenance outage for routine preventative maintenance and internal inspection. During inspection, significant unanticipated damage was found which will require repair for reliable operation of the motor and Decker Unit 2. The damage necessitates repair of the rotor and rewinding of the motor which is expected to be complete in three to four weeks. Failure to perform these repairs would result in limiting the Decker Unit 2 to roughly 55% of its capability. The motor repair will be performed by Integrated Power Services for a total cost of \$193,878.02.

BACKGROUND:

Decker Unit 2 is a 425 MW Steam Generating Unit and is equipped with two forced draft fans supplying combustion air to the gas-fired boiler. The loss of one of these forced draft fans due to motor failure would limit the output of the Unit to approximately 240 MW gross. Full capabilities of Decker Unit 2 are needed to meet ERCOT market dispatch requirements under the Nodal Market beginning December 1, 2010.

Larry Weis
General Manager