TO: HONORABLE CITY COUNCIL
FROM: CITY MANAGER DEPARTMENT: UTILITIES
DATE: MAY 10, 2004
SUBJECT: FINANCE COMMITTEE RECOMMENDATION TO ADOPT AN ORDINANCE OF THE COUNCIL OF THE CITY OF PALO ALTO APPROVING A CUSTOM PRODUCTS CONTRACT WITH THE WESTERN AREA POWER ADMINISTRATION FOR THE PROCUREMENT OF ELECTRICITY AND AUTHORIZING THE CITY MANAGER TO PURCHASE UP TO $10 MILLION OF CUSTOM PRODUCTS FROM THE WESTERN AREA POWER ADMINISTRATION

COMMITTEE REVIEW AND RECOMMENDATIONS
On April 20, 2004, the Finance Committee voted unanimously to recommend that Council adopt the attached Ordinance authorizing the City Manager to execute a Custom Product Contract, substantially similar to the one attached, with the Western Area Power Administration for the option to purchase electric power Custom Products with a cost not to exceed $2,000,000 per year and not to exceed $10,000,000 during the term of the agreement from January 1, 2005 through September 30, 2010; and to execute electric commodity day-ahead schedule firming service transactions under the terms of the agreement and subject to proposed parameters and limitations.

ATTACHMENTS
A: Ordinance of the Council of the City of Palo Alto Authorizing the Negotiation and Execution of the Western Area Power Administration Custom Products Contract and To Subscribe to the Day-Ahead Firming Service Product Under Specified Terms and Conditions During the Period January 1, 2005 Through September 30, 2010, Inclusive
B: Excerpt of Finance Committee Minutes from April 20, 2004
C: CMR:191:04 Ordinance of the Council of the City of Palo Alto Approving A Custom Products Contract With The Western Area Power Administration For The
Procurement of Electricity And Authorizing the City Manager to Purchase Up To $10 Million of Custom Products From the Western Area Power Administration

PREPARED BY:  Tom Kabat, Senior Resource Originator
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DEPARTMENT APPROVAL:  

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JOHN ULRICH
Director of Utilities

CITY MANAGER APPROVAL:  

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EMILY HARRISON
Assistant City Manager