

**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA**

**98-376**

**SYNOPSIS —**

**AGENDA:**  
AUGUST 24, 1998

Approval of Electric Service Agreement with MidAmerican Energy Company (MEC), Stan Bright, President, 666 Grand Avenue, Des Moines., Iowa 50309

**SUBJECT:**  
APPROVAL OF  
ELECTRIC  
SERVICES  
AGREEMENT WITH  
MIDAMERICAN  
ENERGY COMPANY

**FISCAL IMPACT –**

\$1 million avoided costs per year for the six-year term of the contract.

**TYPE:**  
**RESOLUTION  
ORDINANCE  
RECEIVE/FILE**

**RECOMMENDATION –**

**Approval**

**SUBMITTED BY:**  
ERIC ANDERSON  
CITY MANAGER

**BACKGROUND –**

On January 27, 1997, Council approved a request for proposals (RFP) designed to retain a consultant to perform a wide range of services aimed at reducing the City's energy costs. This precipitated a response from MEC to pursue a long-term contract with the City. This agreement is recommended as a better alternative to continuing with the RFP.

This agreement focuses on cost discounting. The terms of the agreement are outlined as follows:

- 1) The City agrees that MEC is it's exclusive provider of choice for electricity.
- 2) The City agrees to purchase all of its electricity from MEC for a term of six years.
- 3) In exchange for the discount, the City will not pursue acquisition of the streetlight system.

4) In return, MEC grants the City a price discount as detailed in Exhibit B.

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