



Department Source: City Utilities - Water and Light

To: City Council

From: City Manager & Staff

Council Meeting Date: December 4, 2017

Re: Natural gas transportation service to the Columbia Energy Center.

Executive Summary

Staff has prepared for Council consideration an ordinance authorizing the City Manager to sign a gas service contract with Union Electric Company for the transportation of pipeline natural gas to the Columbia Energy Center.

Discussion

When Water & Light purchased the Columbia Energy Center (CEC) in June 2011, it came with a contract with the Union Electric Company for the transportation of natural gas. As part of the original construction of the plant, a new natural gas pipeline was constructed by Union Electric. The gas transportation contract called for the payment of a capital recovery charge in the amount of \$53,500 per month for the cost of the new natural gas pipeline. The original term of the gas transportation contract has expired.

Water & Light desires to replace the existing contract with a new gas transportation contract for the Columbia Energy Center. The new contract is a standard gas transportation form offered by Union Electric's tariff and is the same form that Council approved for the Municipal Power Plant in 2012. Upon execution of the new contract, Water & Light will no longer pay the capital recovery charge.

The monthly meter fees at the Columbia Energy Center, which are about \$1,516 per month, will not change with the new contract. The \$53,500 monthly capital recovery charge will no longer be paid, leading to a savings of \$642,000 per year.

Fiscal Impact

Short-Term Impact: The \$53,500 monthly capital recovery charge will no longer be paid, leading to a savings of \$642,000 per year.

Long-Term Impact: The \$53,500 monthly capital recovery charge will no longer be paid, leading to a savings of \$642,000 per year.

Strategic & Comprehensive Plan Impacts

[Strategic Plan Impacts:](#)

Primary Impact: Operational Excellence, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Comprehensive Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

Date	Action
April 16, 2012	B96-12 Authorizing a natural gas transportation service agreement with Union Electric Company.

Suggested Council Action

Authorize City Manager to sign Natural Gas Transportation Service agreement with Union Electric Company for natural gas service to the Columbia Energy Center.