



MEMORANDUM

To: Members of the Finance Committee

From: Rich Olson, City Manager

Date: February 16, 2015

Re: Consideration – Letter of Authorization for NCEMPA Assets Sale
Consultant

BACKGROUND:

In July 2014, I informed the City Council that I had retained the services of Power Services to advise City staff on technical issues associated with the sale of generating assets by the NCEMPA. At the time I entered into the agreement, there was a limit of \$5,000 placed on the contract, which is my spending authority on non-budgeted matters such as this. Since July 2014, City staff has met with Power Services on three different occasions and has participated in three telephone conference calls along with Rocky Mount and Wake Forest, who also have hired Power Services. All Power Services bills are being split three ways.

ANALYSIS:

On January 23, 2015, I received the sixth invoice from Power Services; and we now have spent \$4,466.83 with them. We will exceed the \$5,000 limit placed on the contract; and I am requesting that the City Council increase the limit on the agreement to \$10,000. At the present time, we are about 75% complete with their analysis. As we get close to the end of the sale, there will be a need for Power Services to provide a review of any changes proposed by the NRC, NCUC and any legislation, which comes out of Raleigh.

Attached, you will find a Letter of Authorization dated February 2, 2015 issued by Power Services, which amends the total amount of fees to \$10,000.

STAFF RECOMMENDATION:

By motion, recommend that the City Council authorize City Manager Rich Olson to execute the Letter of Authorization with Power Services as presented.

RCO/vdw



1616 E. Millbrook Road, Suite 210
Raleigh, NC 27609
Toll-Free: 1-866-231-6610
Tel: 919-256-5900
Fax: 919-256-5939
www.powerservices.com

Letter of Authorization

February 2, 2015

Mr. Richard Olson, City Manager
City of Elizabeth City
Post Office Box 347
Elizabeth City, North Carolina 27907-0347

Subject: Full Requirement, Asset Purchase Agreement, All Requirements Agreement
Additional Scope

Dear Mr. Olson:

PowerServices appreciates the opportunity to continue to assist you and the City with evaluation and recommendation regarding the NCEMPA-Duke Energy Progress Full Requirement and Asset Purchase Agreements. PowerServices will additionally review the NCEMPA All Requirements Agreement for the Cities, which has not been provided by NCEMPA to date. PowerServices will provide the following services to the City of Elizabeth City.

1. PowerServices will continue to provide a thorough review of the Agreements, and provide recommendations to the City in order for the City to be aware of its leverage options to position it such that the agreements will benefit the City and its consumers to the maximum extent. PowerServices will also continue to provide evaluation and recommendation regarding of the impact of all three Agreements on the City, and the leverage we believe the City may have.
2. Work shall be completed by June 30, 2015, dependent upon the delivery date of the NCEMPA/Cities All Requirements Agreement.
3. The additional engineering fees are currently estimated at \$10,000.00. Unless services are specifically performed for the City of Elizabeth City, cost will be shared with the City of Rocky Mount and the Town of Wake Forest. This addition will bring the total fees to \$15,000, and this amount will not be exceeded without the City of Elizabeth City's written authorization.

We appreciate the opportunity to provide these services to the City. Please contact me if you have any questions regarding our estimate.

Sincerely,

Gregory L. Booth, President
(PowerServices' representative)

Accepted by:

(City Representative Signature)

Date: _____

(Printed Name)

(Title)