

# Electric Transmission Service Contract with City of Alachua

Item #211007

March 10, 2022 UAB

March 17, 2022 CC

# The City of Alachua

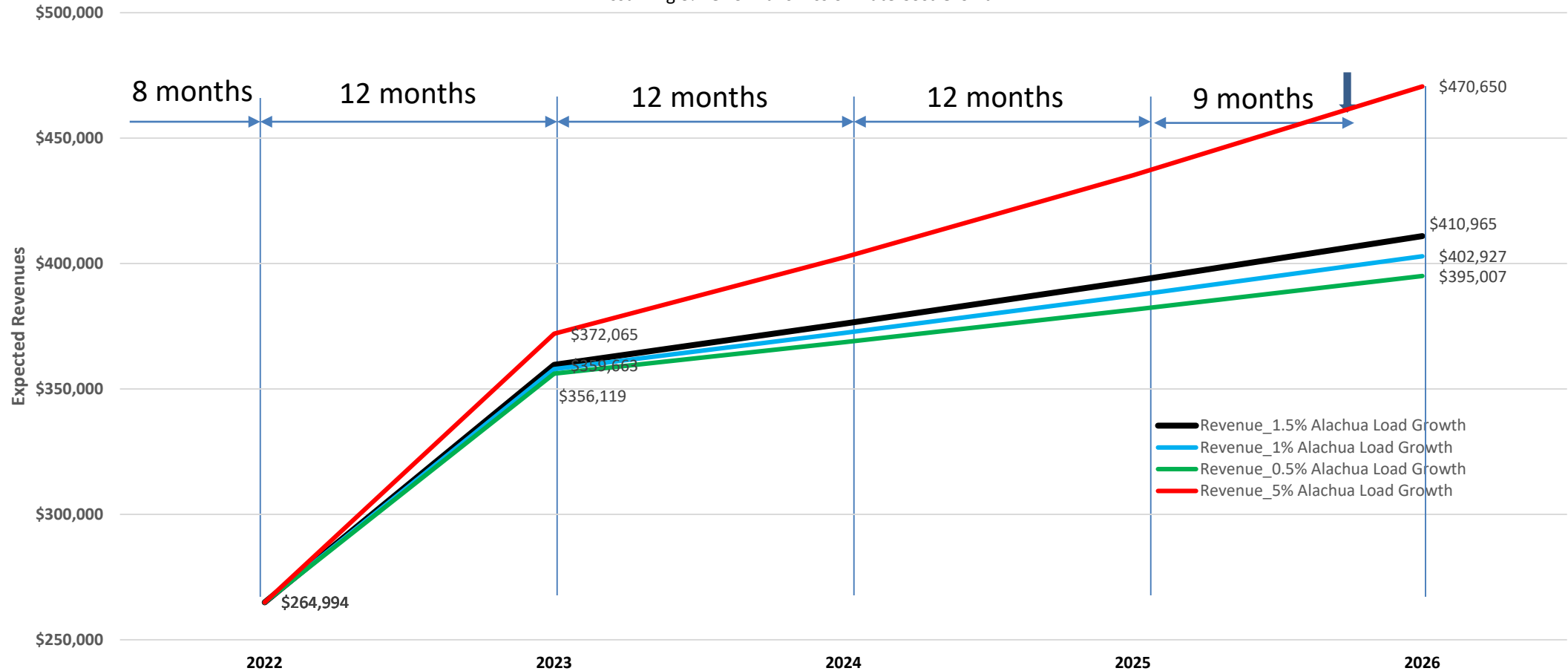
## Factual Summary of Agreement

- Extends a long standing relationship with an important neighbor & customer for another four years
- The transmission rate is expected to be \$2.36/kW-month, which translates to ~\$265,000/year in revenue assuming a ~10MW peak demand each year
- Net Present Value of the contract (2022-2026) is expected to yield ~\$1.6M in transmission revenues
- Agreement Primary Term length is four years with option of successive two year term extensions
- City of Alachua Commission executed its portion of the Agreement on 2/28/22
- At the end of Agreement, City of Alachua has the option to disconnect its substation from GRU's transmission network at its own cost
- GRU is seeking to continue the Operations & Maintenance Contract with the City of Alachua to span the entire four year term

# Transmission Service Agreement Projected Revenues

Primary Contract Term: 4/1/2022 - 9/30/2026

Assuming 3% GRU Transmission Rate Cost Growth



# Recommendations

1. Authorize the General Manager or his designee to execute the Agreement between the City of Gainesville, d/b/a GRU, and the City of Alachua for the delivery of energy and capacity by the City of Alachua to GRU through the transmission system of GRU, subject to the approval of the City Attorney as to form and legality
2. Authorize the General Manager or his designee to execute such other documents as may be necessary or desirable to proceed with the transaction authorized above, subject to the approval of the City Attorney as to form and legality, and to take such other actions as may be necessary or advisable to proceed with such transaction in accordance with this City Commission authorization