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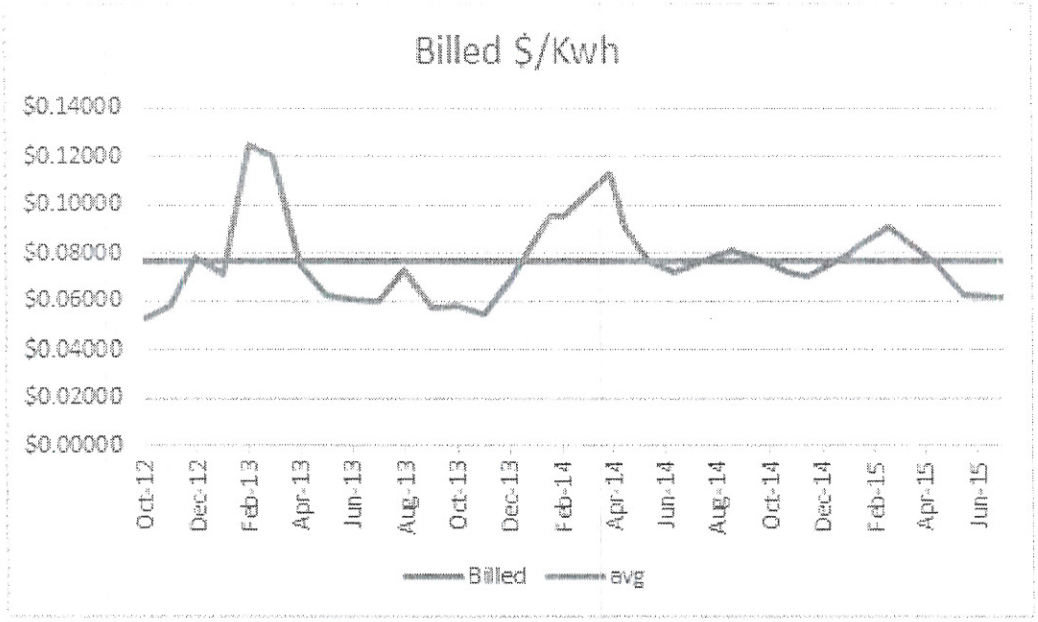
Date: 07/06/15 11:53
Subject: Third Party Electric Supply

THIS EMAIL TO SERVE AS A DRAFT MINUTES FOR AN HEC MEETING HELD AT 0730 3 JULY 2015

On Friday, 3 July, Julie, Brian and I met with Jerry Hawkins of Titan Energy. Jerry briefed us on the past two plus years performance with Integrys. In October 2012 we entered into a 3 year fixed rate contract for our G2 accounts with Integrys Energy. The rate applied was $0.0678 / Kwh. Over the past 33 months, comparing the Integrys fixed rate with the Unitil rate, the town saved a total of $125,373 by entering into a third party agreement..
The contract for the G1 account, WWT, was based strictly on the market index from October 2012 thru Nov. 2013. From Dec 2013 thru June 2015, the WWT contract was a block pricing arrangement where a portion of the cost was based on a fixed rate of $0.06174 and the remainder of the usage was costed at the market index. In addition, an energy adder of $0.0179/Kwh was included to account for the line losses from the supplier to our meter. Over the past 33 months, again comparing Integrys to Unitil, the town saved a total of $9,375 on the WWT supply.
The following graph depicts the history of the rates paid to Integrys for WWT over the past 33 months. The billed dollars includes the fixed cost plus the day ahead LMP cost plus adders



Titan has gone to the market place and the low bidder, Constellation, has proposed the following rates for a 24 month period:

Fixed rate for all 60 accounts , G1 + G2 $0.0778/Kwh
If G2 stays fixed and G1 employs a market based scheme again, the G2 rate will be $0.07900, and in a block pricing plan, G1 fixed rate will be $0.076 and the adder will be $0.02 to $0.025.

I have asked Titan to model the index plan for us. I would like to get together soon as a committee and formulate a recommendation that we can take to the Town Manager for approval. Let me know what you think.

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