



**CITY OF GREAT FALLS
COMMISSION AGENDA REPORT**

Item: City Commission to approve release of a Natural Gas and Electric Services Request for Proposals

From/Initiated/and Presented by: Greg Doyon – City Manager

Action Requested: Approve Release of Gas and Electric Request for Proposals

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (authorize/not authorize) the City Manager to issue a Request for Proposals for Natural Gas and Electric Supply, and (authorize/not authorize updates to the Request for Proposals for Natural Gas and Electric Supply as recommended by the hired consultant.”

2. Mayor calls for a second, discussion, public comment, and calls the vote.

Background: The City’s natural gas supply contract with Energy West Resources expired on June 30, 2013. The contract with Energy West Resources was for a period of three (3) years. Previously the City participated in a natural gas purchasing group which combined multiple organizations to increase purchasing volume and secure the best rate. The purchasing group dissolved as partners explored better pricing and billing alternatives to meet their individual needs.

Bundling gas and electric supply proposals was explored with the thought it would generate more competitive rates. After engaging Bill Pascoe as a consultant for gas and electric supply, it was determined that separate proposals for natural gas and electricity would yield better proposals. As advised by the consultant, there are very few, if any, Montana suppliers that have the interest, transmission capability, and necessary licenses to provide both commodities.

A majority of the City’s electric supply is currently purchased from Electric City Power (ECP). ECP purchases its electric supply from Southern Montana Electric G&T (Southern). As part of the City’s settlement agreement with Southern on May 1, 2013, the City is transitioning itself from an electric utility supplier to an electric customer. As part of the City’s financial recovery, it is hoped that a competitive process will produce electric charges that are far below what the City has experienced with ECP.

There are nuances to both gas and electric supply that the Commission needs to recognize and consider. First, future proponents will need to address several elements in their proposals including imbalance charges, deposits, lines of credit, collateral, pre-payment, confidential information, and award timing.

Imbalance Charges

The RFP for natural gas will require the supplier to address imbalances with gas supply and demand.

The RFP for electricity will require the City to settle its energy imbalances. The consultant does not anticipate that imbalance charges will be significant for the City based on review of power consumption for the past several years.

Large energy imbalances are one of the factors that contributed to ECP losses after only one year. This current scenario is very different. The City's electricity requirement can be quantified with good confidence. The City **will not** be providing power to outside customers nor is the City working within the constructs of fixed rate contracts with outside customers.

Deposit, Line of Credit, Collateral, and/or Pre-Payments

Suppliers for gas and electricity may require (at a minimum) a financial review and possibly a deposit or letter of credit. This is common practice in the industry and protects them from a customer who, for whatever reason, stops paying for their power supply. Another technique is for the supplier to require collateral to cover energy expenses. Customer pre-payment for their energy supply is also a possible requirement. The bill is then reconciled in subsequent utility invoices.

Some suppliers may be concerned with supplying power to the City because of a lack of understanding about the events between City/ECP and Southern. Suppliers may not understand that the City will be able to pay its power bills just as it always has done. During the RFP process the consultant will review this in greater detail with proponents in an effort to assuage any supplier concerns about the City's ability to pay. Hopefully, those conversations will prevent or limit the need to tie up the City's resources in deposits/letter of credit or other instrument previously described.

Confidentiality

Proponents will seek confidentiality on certain portions of their proposals with the City. The onus of confidentiality will be on the supplier as articulated in the RFP. The consultant has advised that without some level of confidentiality both in the release of the proposed rate and supply contract, the City will not receive competitive rate proposals.

In light of lessons learned with prior lawsuits and the City's own legal arguments about trade secrets; confidentiality is a concern of both the Commission and taxpayers. This proposal process is different. The City is seeking to purchase, not sell, power. A competitive bid process will save the City money on its gas and electric charges. The final cost to the taxpayer will be known. The City is seeking a multi-year agreement, so the rate will not only be disclosed, but it will be fixed providing known costs to the City for the duration of the contract.

The areas of confidentiality include indicative rates that will only be reviewed by the consultant (unlike final proposed rates that will be disclosed). Proponents may not want source and

transmission information disclosed to competitors. In any case, it will be up to the proponent to make the case using appropriate Montana Code sections.

Award Timing

The Commission will be asked to hold two special meetings on the day the final proposals are received in order to award the bid and lock in rates. The natural gas and electric supply business is dynamic and proposed rates need to be refreshed, sometimes within hours of a proposal.

The timing of the proposed rates is sensitive necessitating two separate bid review and approvals by the City Commission. Additionally, the consultant will need adequate time to review the proposal and make a recommendation. The first meeting will be held in the morning to review gas proposals. The second meeting will be held in the afternoon to review electricity supply proposals. Before final action, the Commission will seek public comment.

Fiscal Impact:

Gas Supply

The final rate for the expired Purchasing Group's contract with Energy West Resources was \$5.6470 MMBtu (plus distribution charges). In comparison, the current month to month rate (varies) also with Energy West Resources is \$3.4760 MMBtu.

The City's adopted FY2014 budget was based on the total expense of last year's gas supply.

Electric Supply

The City's electric charges with Southern fluctuates monthly. Last billing cycle the MWh charge was \$69.86 plus distribution charges. It is anticipated that if the competitive bid process is allowed to proceed, the rates could be significantly reduced.

The City's adopted FY2014 budget was based on total expense of last year's electric supply charges. If significant savings are achieved with upcoming energy proposals, the City will utilize those savings to address energy imbalances and/or rebuild fund balance.

Alternatives:

Gas Supply

1. Continue Month to Month Supply - The City could continue receiving its gas supply through Energy West Resources or another supplier, but the pricing rate would change monthly and there would be no certainty.

Recommendation: Seek competitive proposals for gas supply as recommended by Bill Pascoe. The purpose of the competitive bidding process is designed to lock in favorable rates for the City for a fixed period of time. Stability and known costs are important to the City's financial health for the next several years.

Electric Supply

1. Default to NorthWest Energy - The City could return to NWE and purchase electricity at the company's default rate.

Recommendation: Seek competitive proposals for electric supply as recommended by Bill Pascoe. It is unlikely NorthWest Energy would provide a competitive alternative to the City. Instead, the alternative would simply be NWE's default supply rate of over \$60 MWh. The consultant believes we can achieve better savings. Additionally, once the City defaults to NWE it would not have the ability to perform competitive bids for electricity in the future.

Attachments/Exhibits: Draft RFP for Gas and Electric Supply

Legal Notice

Request for Proposals - Natural Gas Supply

The City of Great Falls (City) is soliciting firm, fixed price proposals for Natural Gas Supply for a period of one to five years beginning November 1, 2013. Estimated annual consumption by the City is approximately 40,000 to 50,000 MMBtu.

The detailed RFP is available on the City of Great Falls website www.greatfallsmt.net, or from Bill Pascoe, Pascoe Energy Consulting, 104 Country Club Lane, Butte, MT 59701. Questions and inquiries should be directed to Bill Pascoe at pascoeenergy@aol.com or by phone at (406) 494-2075.

Notices of intent to propose ~~must~~ **should** be submitted by **5:00 P.M., October 4, 2013 (MDT)** to pascoeenergy@aol.com. **Indicative proposals must be submitted by 5:00 P.M., October 18, 2013 (MDT) to pascoeenergy@aol.com.** Final proposals must be received by **9:00 A.M. (MDT), October 24, 2013**, at City of Great Falls, Civic Center, City Clerk's Office, Room 202, or PO Box 5021 Great Falls, MT 59403.

Publication Dates:

September 22, 2013
September 29, 2013
October 13, 2013

Request for Proposals – Natural Gas Supply

Introduction

The City of Great Falls, Montana (City) is issuing this Request for Proposals (RFP) to secure firm natural gas supplies for the City to be effective November 1, 2013. The City is seeking a multi-year fixed-price contract.

The services requested include natural gas supply and related services. The City will execute a contract for natural gas supply with the successful proposer.

Supply and Transportation Requirements

The City is requesting proposals to meet its full requirements for gas supply. This includes metered volumes and fuel for transportation on the NorthWestern Energy (NWE) gas transmission system (currently 2.46%) and the Energy West Montana (EWMT) gas distribution system (currently 1.12%). The attached Exhibit A contains a tabulation of monthly metered volumes for the City for July 2010 through June 2013.

Deliveries must be made into the NWE gas transmission system and nominated to the Great Falls City Gate (Pool 2008). The supplier will work with NWE and EWMT to nominate appropriate volumes of gas to be delivered each day. During “constrained” days and “critical” days on the NWE and/or EWMT gas systems, the supplier may be required to nominate gas based on peak day requirements of the City as determined by EWMT. The peak day requirement (including NWE and EWMT fuel) is currently estimated to be approximately 405 MMBtu.

The supplier will bill the City based on metered monthly volumes. The supplier will be responsible for working with NWE and EWMT to maintain an appropriate balance between metered volumes and nominations. The supplier will be responsible for truing up any imbalances with NWE and EWMT.

Pricing and Contract Term

The City is requesting fixed price proposals for the following periods:

- One (1) year – November 1, 2013 thru October 31, 2014
- Two (2) year – November 1, 2013 thru October 31, 2015
- Three (3) year – November 1, 2013 thru October 31, 2016
- Four (4) year – November 1, 2013 thru October 31, 2017
- Five (5) year – November 1, 2013 thru October 31, 2018

Proposals must include a single price for each period offered (for example, for a 3-year contract the offered price is \$3.50/mmbtu). Proposals with prices that vary from year-to-year will not be considered (for example, for a 3-year contract the price offered is \$3.30/mmbtu for the first year, \$3.50/mmbtu for the second year and \$3.70/mmbtu for the third year). Proposals with prices indexed to market prices or other variables will not be considered.

Preferred Form of Contract

The City prefers to use the NAESB Base Contract for Sale and Purchase of Natural Gas with the elections indicated in attached Exhibit B. Other contracts or contract terms will be considered if provided with proposer’s Notice of Intent to Propose.

Billing

Billing will be sent to the City at the address listed below:

CITY OF GREAT FALLS
ATTN: Fiscal Services
PO Box 5021
Great Falls, MT 59403-5021

Billing must be based on metered volumes and, at a minimum, billing must be consolidated so that the City receives a single bill for gas supply for the City each month. Consolidated billing which includes EMWT delivery charges is preferred.

Proposal Evaluation Criteria

All proposals will be evaluated based on ability to best meet the gas supply needs of the City considering price, contract term, credit requirements, reliability of supply and other factors. The City reserves the right to consider any factor deemed relevant to its natural gas supply needs.

Schedule

RFP Released	September 22, 2013
Notice of Intent to Propose	5 pm MDT, October 4, 2013
Indicative Proposals	5 pm MDT, October 18, 2013
Final Proposals	9 am MDT, October 24, 2013
Proposal Award	11:30 am MDT, October 24, 2013

Proposals

Notice of intent to Propose

Proposers ~~must~~ **should** provide a Notice of Intent to Propose by 5 pm MDT on October 4, 2013 to pascoeenergy@aol.com. **Submittal of a timely Notice of Intent to Propose is a prerequisite to submitting Indicative and Final Proposals.**

With this notice, proposers must indicate that they are willing to use the NAESB Base Contract for Sale and Purchase of Natural Gas with the elections shown in attached Exhibit B or provide an alternative contract or contract terms for review.

With this notice, proposers must also indicate any requirements for credit and explain the process and timing for completing the credit review process, if necessary.

The City intends to publicly release all price information included in Final Proposals received in response to this RFP when the contract is awarded. Pursuant to MCA §2-6-102, all price information provided may be subject to public inspection. At each bid proposal stage, proposers with concerns about disclosure of confidential proprietary, or trade secret information as identified in MCA §30-14-402, must identify and detail the nature and bases for those concerns when they submit documentation supporting or relating to their proposals. This information must be sufficient to allow the City to consider the request to designate documents as confidential proprietary or trade secret information. If there is a public records request, then Proposers will be required to establish that the information is not subject to public disclosure.

Indicative Proposals

Indicative Proposals must be submitted by 5 pm MDT on October 18, 2013 to pascoeenergy@aol.com. Submittal of a timely Indicative Proposal is a prerequisite to submitting a Final Proposal.

An Indicative Proposal must include the following:

Section 1 – Proposer Information

This section must contain a description of the Proposer and include the name of the contact person, complete with pertinent information including address, phone number, fax number and email address.

This section must be signed by a person with authority to offer the proposal to the City on behalf of the Proposer and indicating that the Proposer understands and consents to the terms of the RFP.

Section 2 – Pricing

This section will present indicative pricing for any proposals offered.

Proposals must include a single price for each period offered (for example, for a 3-year contract the offered price is \$3.50/mmbtu). Proposals with prices that vary from year-to-year will not be considered (for example, for a 3-year contract the price offered is \$3.30/mmbtu for the first year, \$3.50/mmbtu for the second year and \$3.70/mmbtu for the third year). Proposals with prices indexed to market prices or other variables will not be considered.

Transaction confirmations must be attached for each offer.

Section 3 – Firm Supply

This RFP is seeking firm gas supply. This section must describe the source(s) of gas to be supplied and the Proposer's capabilities for providing a firm supply including any storage and/or upstream pipeline capacity rights.

Section 4 – Operations and Billing

This section must indicate that the proposer acknowledges that its offers are for full requirements supply – metered amounts plus fuel on the NWE and EWMT systems (currently 2.46% and 1.12%, respectively) – and that Proposer understands the requirements to coordinate daily nominations and balancing true ups with NWE and/or EWMT.

This section must also indicate Proposer's ability to provide consolidated billing (based on metered volumes) to the City and indicate whether or not Proposer is offering to include EWMT delivery charges in its consolidated billing.

Final Proposals

Final Proposals must be submitted by 9 am MDT on October 24, 2013 to City of Great Falls, Civic Center, City Clerk's Office, Room 202, or PO Box 5021 Great Falls, MT 59403.

Section 1 – Proposer Information

This section must contain a description of the proposer and include the name of the contact person, complete with pertinent information including address, phone number, fax number and email address.

This section must be signed by a person with authority to offer the proposal to the City on behalf of the proposer and must indicate that the Final Proposal incorporates information from the Indicative Proposal without changes except for the final binding prices.

Section 2 – Pricing

This section will present final pricing for any proposals offered. Final prices must remain open until 11:30 am MDT on October 24, 2013.

Proposals must include a single price for each period offered (for example, for a 3-year contract the offered price is \$3.50/mmbtu). Proposals with prices that vary from year-to-year will not be considered (for example, for a 3-year contract the price offered is \$3.30/mmbtu for the first year, \$3.50/mmbtu for the second year and \$3.70/mmbtu for the third year). Proposals with prices indexed to market prices or other variables will not be considered.

Transaction confirmations must be attached for each offer. The confirmations must be unchanged from those included in the Indicative Proposal except for prices.

Proposal Award

The winning Proposer will be selected and notified by 11:30 am on October 24, 2013. Contracts and transaction confirmations will be executed by the City at that time. If the City is unable to meet this time line, the winning proposer will be provided with an opportunity to refresh its proposal pricing.

RFP Terms and Conditions

The RFP shall not constitute a commitment to purchase supply from any entity submitting a response to this RFP. The City retains the right to reject any and all proposals.

The City reserves the unilateral right to waive any technical or formal requirements contained in the RFP.

Confidentiality

The City intends to publicly release all price information included in Final Proposals received in response to this RFP when the contract is awarded. Pursuant to MCA §2-6-102, all price information provided may be subject to public inspection. At each bid proposal stage, proposers with concerns about disclosure of confidential proprietary, or trade secret information as identified in MCA §30-14-402, must identify and detail the nature and bases for those concerns when they submit documentation supporting or relating to their proposals. This information must be sufficient to allow the City to consider the request to designate documents as confidential proprietary or trade secret information. If there is a public records request, then Proposers will be required to establish that the information is not subject to public disclosure.

Additional Information or Clarifications

Requests for clarifications or additional information concerning this RFP can be directed to Bill Pascoe, Pascoe Energy Consulting at (406) 494-2075 or pascoenergy@aol.com.

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City of Great Falls Natural Gas Consumption (MMBtu)

	July	August	September	October	November	December	January	February	March	April	May	June	Total
2010-2011	2,061.2	1,434.4	1,150.8	1,139.8	2,755.0	6,534.6	7,577.9	6,832.6	7,472.1	5,954.1	3,635.2	2,081.0	48,628.7
2011-2012	2,399.5	1,413.9	1,046.5	1,081.4	3,557.5	6,196.6	6,995.1	6,836.7	5,967.1	4,426.3	2,521.3	1,608.9	44,050.8
2012-2013	1,662.7	801.1	963.1	1,084.0	3,388.2	5,337.8	7,243.1	6,285.1	5,477.7	4,859.3	3,442.3	1,482.8	42,027.2
3-year Avg	2,041.1	1,216.5	1,053.5	1,101.7	3,233.6	6,023.0	7,272.0	6,651.5	6,305.6	5,079.9	3,199.6	1,724.2	44,902.2

Notes:

1. Volumes shown are metered amounts and do not include fuel on NorthWestern Energy or Energy West Montana.
2. Volumes shown include City of Great Falls and the City's Wastewater Treatment Plant operated by Veolia Water North America

Legal Notice

Request for Proposals - Electricity Supply

The City of Great Falls (City) is soliciting firm, fixed price proposals for Electricity Supply for a period of one to five years beginning November 1, 2013. Estimated annual electricity requirements for the City are approximately 23,000 MWh.

The detailed RFP is available on the City of Great Falls website www.greatfallsmt.net, or from Bill Pascoe, Pascoe Energy Consulting, 104 Country Club Lane, Butte, MT 59701. Questions and inquiries should be directed to Bill Pascoe at pascoeenergy@aol.com or by phone at (406) 494-2075.

Notices of intent to propose ~~must~~ **should** be submitted by **5:00 P.M (MDT), October 4, 2013** to pascoeenergy@aol.com. **Indicative proposals must be submitted by 5:00 P.M. (MDT), October 18, 2013 to pascoeenergy@aol.com.** Final proposals must be received by **9:00 A.M. (MDT), October 24, 2013**, at City of Great Falls, Civic Center, City Clerk's Office, Room 202, or PO Box 5021 Great Falls, MT 59403.

Publication Dates:

September 22, 2013
September 29, 2013
October 13, 2013

Request for Proposals – Electricity Supply

Introduction

The City of Great Falls, Montana (City) is issuing this Request for Proposals (RFP) to secure firm electricity supplies for the City to be effective November 1, 2013. The City is seeking a multi-year fixed-price contract.

The services requested include electricity supply and related services. The City will execute a contract for electricity supply with the successful proposer.

Supply and Transmission Requirements

The City is requesting proposals to meet the monthly on-peak (7x16) and off-peak (7x8) energy schedules shown in attached Exhibit A.

The supplier must also provide renewable energy certificates (RECs) as required by Montana law.

Deliveries must be made into the NWE transmission system. Deliveries north of NWE's South of Great Falls transmission constraint are preferred.

The City intends to procure firm Network Integration Transmission Service (NITS) on the NWE transmission system. However, there may be a short period prior to NWE's approval of the City's firm NITS application when nonfirm transmission service will be utilized. The supplier will use the City's OATI certificate to make and tag energy and/or transmission schedules, as necessary.

The supplier will be responsible for supplying Spinning Reserves (Schedule 5 under NWE's Open Access Transmission Tariff (OATT)) and Supplemental Reserves (OATT Schedule 6). The City will pay for NWE transmission service and for Scheduling (OATT Schedule 1), Reactive Supply (OATT Schedule 2), Regulation (OATT Schedule 3) and Energy Imbalance (OATT Schedule 4).

Pricing and Contract Term

The City is requesting fixed price proposals for the following periods:

- One (1) year – November 1, 2013 thru October 31, 2014
- Two (2) year – November 1, 2013 thru October 31, 2015
- Three (3) year – November 1, 2013 thru October 31, 2016
- Four (4) year – November 1, 2013 thru October 31, 2017
- Five (5) year – November 1, 2013 thru October 31, 2018

Proposals must include a single price for each period offered (for example, for a 3-year contract the offered price is \$35/MWh). Proposals with prices that vary from year-to-year will not be considered (for example, for a 3-year contract the price offered is \$33/MWh for the first year, \$35/MWh for the second year and \$37/MWh for the third year). Proposals with prices indexed to market prices or other variables will not be considered.

Preferred Form of Contract

The City prefers to use the EEI Master Purchase and Sale Agreement with the elections indicated in attached Exhibit B. Other contracts or contract terms will be considered if provided with proposer's Notice of Intent to Propose.

Billing

Billing will be sent to the City at the address listed below:

CITY OF GREAT FALLS
ATTN: Fiscal Services
PO Box 5021
Great Falls, MT 59403-5021

Proposal Evaluation Criteria

All proposals will be evaluated based on ability to best meet the electricity supply needs of the City considering price, contract term, credit requirements, reliability of supply and other factors. The City reserves the right to consider any factor deemed relevant to its electricity supply needs.

Schedule

RFP Released	September 22, 2013
Notice of Intent to Propose	5 pm MDT, October 4, 2013
Indicative Proposals	5 pm MDT, October 18, 2013
Final Proposals	9 am MDT, October 24, 2013
Proposal Award	3 pm MDT, October 24, 2013

Proposals

Notice of intent to Propose

Proposers ~~must~~ **should** provide a Notice of Intent to Propose by 5 pm on October 4, 2013 to pascoenergy@aol.com. **Submittal of a timely Notice of Intent to Propose is a prerequisite to submitting Indicative and Final Proposals.**

With this notice, proposers must indicate that they are willing to use the EEI Master Purchase and Sale Agreement with the elections shown in attached Exhibit B or provide an alternative contract or contract terms for review.

With this notice, proposers must also indicate any requirements for credit and explain the process and timing for completing the credit review process, if necessary.

The City intends to publicly release the winning proposal price, a register of proposals and a summary of Final Proposal prices received in response to this RFP two weeks after the contract is awarded. Pursuant to MCA §2-6-102, all price information provided may be subject to public inspection. At each bid proposal stage, proposers with concerns about disclosure of confidential proprietary, or trade secret information as identified in MCA §30-14-402, must identify and detail the nature and bases for those concerns when they submit documentation supporting or relating to their proposals. This information must be sufficient to allow the City to consider the request to designate documents as confidential proprietary or trade secret information. If there is a public records request, then Proposers will be required to establish that the information is not subject to public disclosure.

Indicative Proposals

Indicative Proposals must be submitted by 5 pm on October 18, 2013 to pascoenergy@aol.com. Submittal of a timely Indicative Proposal is a prerequisite to submitting a Final Proposal.

An Indicative Proposal must include the following:

Section 1 – Proposer Information

This section must contain a description of the proposer and include the name of the contact person, complete with pertinent information including address, phone number, fax number and email address.

This section must be signed by a person with authority to offer the proposal to the City on behalf of the proposer and indicating that the proposer understands and consents to the terms of the RFP.

Section 2 – Pricing

This section will present indicative pricing for any proposals offered.

Proposals must include a single price for each period offered (for example, for a 3-year contract the offered price is \$35/MWh). Proposals with prices that vary from year-to-year will not be considered (for example, for a 3-year contract the price offered is \$33/MWh for the first year, \$35/MWh for the second year and \$37/MWh for the third year). Proposals with prices indexed to market prices or other variables will not be considered.

Transaction confirmations must be attached for each offer.

This section must also indicate that the proposer acknowledges that its offers include the energy amounts indicated in attached Exhibit A and spinning and supplemental reserves.

This section must also indicate how the proposal accounts for the cost of RECs.

Section 3 – Firm Supply and Delivery Points

This RFP is seeking firm electricity supply. This section must describe the source(s) of the electricity to be supplied and the point(s) of delivery into the NWE transmission system. The City intends to designate these sources as Network Resources under NWE's OATT. Resources and/or deliveries north of NWE's South of Great Falls transmission constraint are preferred.

Section 4 – Operations

This section must indicate that the proposer is willing and able to make and tag energy and/or transmission schedules, as necessary, using the City's OATI certificate.

Final Proposals

Final Proposals must be submitted by 9 am MDT on October 24, 2013 to City of Great Falls, Civic Center, City Clerk's Office, Room 202, or PO Box 5021 Great Falls, MT 59403.

Section 1 – Proposer Information

This section must contain a description of the proposer and include the name of the contact person, complete with pertinent information including address, phone number, fax number and email address.

This section must be signed by a person with authority to offer the proposal to the City on behalf of the proposer and must indicate that the Final Proposal incorporates information from the Indicative Proposal without changes except for the final binding prices.

Section 2 – Pricing

This section must present final pricing for any proposals offered. Final prices must remain open until 3 pm on October 24, 2013.

Proposals must include a single price for each period offered (for example, for a 3-year contract the offered price is \$35/MWh). Proposals with prices that vary from year-to-year will not be considered (for example, for a 3-year contract the price offered is \$33/MWh for the first year, \$35/MWh for the second year and \$37/MWh for the third year). Proposals with prices indexed to market prices or other variables will not be considered.

Transaction confirmations must be attached for each offer. The confirmations must be unchanged from those included in the Indicative Proposal except for prices.

Proposal Award

The winning proposer will be selected and notified by 3 pm on October 24, 2013. Contracts and transaction confirmations will be executed by the City at that time. If the City is unable to meet this timeline, the winning proposer will be provided with an opportunity to refresh its pricing.

RFP Terms and Conditions

The RFP shall not constitute a commitment to purchase supply from any entity submitting a response to this RFP. The City retains the right to reject any and all proposals.

The City reserves the unilateral right to waive any technical or formal requirements contained in the RFP.

Confidentiality

The City intends to publicly release the winning proposal price, a register of proposals and a summary of Final Proposal prices received in response to this RFP two weeks after the contract is awarded. Pursuant to MCA §2-6-102, all price information provided may be subject to public inspection. At each bid proposal stage, proposers with concerns about disclosure of confidential proprietary, or trade secret information as identified in MCA §30-14-402, must identify and detail the nature and bases for those concerns when they submit documentation supporting or relating to their proposals. This information must be sufficient to allow the City to consider the request to designate documents as confidential proprietary or trade secret information. If there is a public records request, then Proposers will be required to establish that the information is not subject to public disclosure.

Additional Information or Clarifications

Requests for clarifications or additional information concerning this RFP can be directed to Bill Pascoe, Pascoe Energy Consulting at (406)494-2075 or pascoeenergy@aol.com.

DRAFT

Attachment A

City of Great Falls Electricity Schedules (MW)

	On-Peak	Off-Peak
January	2	3
February	2	3
March	2	2
April	2	3
May	2	3
June	3	3
July	4	4
August	3	4
September	3	3
October	2	3
November	2	3
December	2	2

Notes:

1. On Peak Hours are HE8-23 MPT on all days (7x16)
2. Off Peak Hours are HE1-7 & 24 MPT on all days (7x8)