



**CITY OF GREAT FALLS
COMMISSION AGENDA REPORT**

Item: Ord. 3115, An Ordinance Repealing Title 5, Chapter 20, of the Official Code of the City of Great Falls (OCCGF) Titled “Establish and Operate an Electric Utility”

From: City Commission

Initiated By: City Commission

Presented By: Greg Doyon, City Manager

Action Requested: Conduct Public Hearing and Adopt Ord. 3115

Public Hearing:

1. Mayor conducts public hearing, calling three times each for proponents and opponents.
2. Mayor closes public hearing and asks the will of the Commission.

Suggested Motion:

1. Commissioner moves:

“I move the City Commission (adopt/deny) Ord. 3115.”

2. Mayor calls for a second, discussion, and calls for the vote.
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Staff Recommendation: Staff recommends that, after conducting the public hearing, Ord. 3115 be adopted.

Background: On May 1, 2013, the City of Great Falls/Electric City Power and Southern Montana G&T reached a settlement that will permanently sever the City’s relationship with Southern Montana G&T. The settlement agreement included an owed water credit in the amount of \$1,186,061.83 plus a mediated settlement amount of \$2,063,938.17, totaling \$3.25 million dollars to be paid in two installments.

On October 24, 2013, the City Commission awarded natural gas and electric supply contracts to Energy West Resources and PPL EnergyPlus, LLC, respectively. On November 1, 2013, two significant events occurred: 1) the City transitioned its electrical service from Southern to PPL 2) all customer contracts with ECPI were terminated. ECPI does not have any customers and the City Commission does not desire to continue operate ECPI as an electric provider.

Ordinance 2925, amending Title 5, Chapter 20, OCCGF, and authorizing and approving the creation of Electric City Power, Inc., was adopted on November 1, 2005. The City Commission does not desire to continue to operating ECPI and, therefore, wants to repeal the enabling ordinance. The process for repealing an ordinance is the same as adopting an ordinance.

At its December 3, 2013, City Commission meeting, City Commissioners approved the dissolution of ECPI, the Articles of Dissolution and authorized the City Manager to take all action to wind up and liquidate the affairs of ECPI. A public hearing for December 17, 2013, on Ord. 3115 was also set on this date.

Attachments/Exhibits: Ord. 3115

ORDINANCE 3115

AN ORDINANCE REPEALING TITLE 5, CHAPTER 20, OF THE OFFICIAL CODE OF THE CITY OF GREAT FALLS (OCCGF) TITLED “ESTABLISH AND OPERATE AN ELECTRIC UTILITY”

* * * * *

WHEREAS, on October 7, 2003, the City Commission adopted Ordinance 2861, which established Title 5, Chapter 20 of the OCCGF authorizing the City of Great Falls to establish and operate an electric utility and to market electric power services to consumers; and

WHEREAS, on November 1, 2005, the City Commission adopted Ordinance 2925 that repealed Ordinance 2861, and, in part, revised Title 5 Chapter 20 of the OCCGF, and authorized and provided for the creation of a non-profit corporation to be known as Electric City Power, Inc. in order to secure and provide reliable and economic supplies of electricity for the City of Great Falls; and,

WHEREAS, on November 15, 2005, the City Commission adopted Resolution Nos. 9529 and 9530 approving the Articles of Incorporation and the By-Laws of Electric City Power, Inc.; and,

WHEREAS, on March 2, 2010, the City Commission adopted Resolution 9876 authorizing the removal of Electric City Power, Inc. Directors in accordance with Montana Code Annotated (MCA), the Official Code of the City of Great Falls (OCCGF), and the Articles and the By-Laws of Electric City Power, Inc; and authorizing the initiation of the process of notification of the removal and subsequent appointment of members of the City Commission to fill the vacated positions; and,

WHEREAS, on March 16, 2010, the City Commission appointed the members of the City Commission to replace the five Electric City Power Directors that resigned or were removed by the City Commission, and have subsequently served one-year terms pursuant to the provisions of the By-Laws as amended by Resolution 9877, adopted April 20, 2010; and,

WHEREAS, on October 21, 2011, Southern Montana Electric Generation and Transmission Cooperative, Inc., filed bankruptcy under Chapter 11 of the Bankruptcy Code; and,

WHEREAS, on May 1, 2013, the City Commission approved a mutual Settlement and Release of all claims with Southern Montana Electric Generation and Transmission Cooperative, Inc., that totally, completely and permanently severed the City’s relationship with Southern Montana Electric Generation and Transmission Cooperative, Inc.; and,

WHEREAS, on October 24, 2013, the City Commission accepted proposals from Energy West Resources and PPL EnergyPlus, LLC, for gas and electricity supply for the City of Great Falls and authorized the City Manager to execute the necessary supply agreements; and,

WHEREAS, on November 1, 2013, the City transitioned its electrical service from Southern Montana Electric Generation and Transmission Cooperative, Inc. to PPL EnergyPlus, LLC.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA:

- Section 1. That Ordinance 2925 is hereby repealed;
- Section 2. That Title 5, Chapter 20 of the Official Code of the City of Great Falls is hereby repealed in its entirety;
- Section 3. This ordinance shall be in full force and effect thirty (30) days after second reading and final adoption by the City Commission.

APPROVED by the City Commission on first reading December 3, 2013.

ADOPTED by the City Commission of the City of Great Falls, Montana on second reading December 17, 2013.

Michael J. Winters, Mayor

ATTEST:

Lisa Kunz, City Clerk

(Seal of the City)

APPROVED FOR LEGAL CONTENT:

Sara R. Sexe, City Attorney

State of Montana)
County of Cascade : ss
City of Great Falls)

I, Lisa Kunz, City Clerk of the City of Great Falls, Montana, do hereby certify that I did post, as required by law and as prescribed and directed by the City Commission, Ordinance 3115 in three places within the limits of said City to-wit:

- On the Bulletin Board, first floor, Civic Center Building;
- On the Bulletin Board, first floor, Cascade County Court House;
- On the Bulletin Board, Great Falls Public Library

(Seal of the City)

Lisa Kunz, City Clerk