



Legislation Details (With Text)

File #: 18-0228R
Type: Resolution
File created: 3/14/2018
On agenda: 3/26/2018
Enactment date:
Name:
Status: Passed
In control: Public Works and Utilities
Final action: 3/26/2018
Enactment #:
Title: RESOLUTION AUTHORIZING AGREEMENT WITH TENASKA MARKETING VENTURES AND TENASKA GAS STORAGE, LLC, FOR ASSET MANAGEMENT SERVICES.
Sponsors:
Indexes:
Code sections:
Attachments: 1. Exhibit A

Date	Ver.	Action By	Action	Result
3/26/2018	1	City Council	adopted	

RESOLUTION AUTHORIZING AGREEMENT WITH TENASKA MARKETING VENTURES AND TENASKA GAS STORAGE, LLC, FOR ASSET MANAGEMENT SERVICES.

CITY PROPOSAL:

RESOLVED, that the proper city officials are hereby authorized to enter into an agreement, substantially in the form attached hereto as exhibit A, with Tenaska Marking Ventures, a Nebraska partnership and Tenaska Gas Storage, LLC a Delaware limited liability company for asset management services for the city's natural gas supply.

STATEMENT OF PURPOSE: The purpose of this resolution is to authorize an agreement with Tenaska Marking Ventures and Tenaska Gas Storage, LLC, ("Tenaska") to provide asset management services to the city's natural gas utility to manage its contract pipeline capacity and its natural gas supply to allow the city to maximize its revenue potential from unneeded supply capacity and unneeded supply volume.

In order for the city to meet the need for gas to be supplied to its customers, it is necessary for it to purchase supplies of gas and pipeline capacity to transport it to the city from the well head well in advance of when it may be needed. Because those supplies and capacity must be contracted for well in advance of when it is to be delivered, it is necessary to contract on a "worst case" scenario which often leads to the city having more gas and more pipeline capacity than it needs to meet the actual demand on any particular day.

Because other gas users often have needs that they are unable to meet with their existing capacities, there is a market for the city's excess capacity and product. Tenaska is an asset management company that assists the city in managing these assets and in marketing this excess to entities that need it. The city receives 70% of the profits of such transactions and Tenaska retains 30% as compensation for their services.