

**CITY COUNCIL AGENDA ITEM COVER MEMO**

**FOR AGENDA OF COUNCIL MEETING/WORK SESSION – DATE: July 11, 2013**

**ACTION REQUESTED BY:** Huntsville Utilities

**COUNCILMAN: ALL                      DISTRICT: ALL**

**SUBJECT MATTER:** Gas Department Purchase

**EXACT WORDING FOR AGENDA:** Resolution authorizing the approval to purchase consulting services for a cost of service and rate design for HU Natural Gas System. (PR#10123002) (Utilities: Gas)

**ORDINANCE:                                      RESOLUTION: X                                      MOTION:**

**(IF AMENDMENT, STATE TITLE AND NUMBER OF ORIGINAL):** N/A

**ITEM IS TO BE CONSIDERED FOR:**

**INTRODUCTION:                                      ACTION: X                                      DISCUSSION:**

**UNANIMOUS CONSENT REQUIRED?** No

**BRIEFLY STATE WHY THE ACTION IS REQUESTED; WHY IT IS RECOMMENDED OR NOT RECOMMENDED; WHAT COUNCIL ACTION WILL PROVIDE, ALLOW, OR ACCOMPLISH; ANY ASSOCIATED COST; BUDGETED (?); AND ANY OTHER INFORMATION THAT YOU THINK MIGHT BE HELPFUL.**

To purchase consulting services from Kan Huston Associates, LLC. for a cost of service and rate design for HU Natural Gas System. The consultant will also provide a one year rate design maintenance service. The total estimated cost to Huntsville Utilities is \$50,000.00. This is a 2012-2013 Expense budgeted item (**Purchase Requisition #10123002**).

**MAYOR RECOMMENDS OR CONCURS?** YES \_\_\_\_\_ NO \_\_\_\_\_ N/A \_\_\_\_\_

**SIGNATURE:** William C. Pippin, President/CEO

**DATE:** June 30, 2013

**RESOLUTION 13- \_\_\_\_\_**

**WHEREAS**, the City of Huntsville Gas Utility Board has approved Purchase Requisition #10123002 which provides for consulting services from Kan Huston Associates, LLC to provide a cost of service and rate design for Huntsville Utilities Natural Gas System and a one year rate design maintenance service, at a total estimated cost of \$50,000.00; and

**WHEREAS**, the estimated cost of said consulting services is in excess of \$25,000.00 and requires the consent and approval of the City Council of the City of Huntsville, Alabama;

**NOW, THEREFORE, BE IT RESOLVED**, by the City Council of the City of Huntsville, Alabama that Purchase Requisition #10123002 which provides for consulting services from Kan Huston Associates, LLC to provide a cost of service and rate design for Huntsville Utilities Natural Gas System and a one year rate design maintenance service at a total estimated cost of \$50,000.00 be, and the same is hereby approved and written consent or approval of the City Council of the City of Huntsville is hereby granted to the City of Huntsville Gas Utility Board for the expenditure of sufficient funds from the proper fund belonging to the City of Huntsville Gas Utility Board for the payment of the cost thereof.

**ADOPTED** this the \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
President of the City Council of  
the City of Huntsville, Alabama

**APPROVED** this the \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Mayor of the City of Huntsville,  
Alabama



# HUNTSVILLE UTILITIES

Electricity – Natural Gas – Water

(256) 535-1200

[www.hsvutil.org](http://www.hsvutil.org)

P.O. Box 2048  
Huntsville, AL 35804

## REQUEST FOR APPROVAL

### **Purchase Requisition #10123002**

#### **Purchase Requisition #10123002 – Natural Gas Cost of Service and Rate Design**

Request the approval to purchase consulting services from Kan Huston Associates, LLC. This service will be used to provide a cost of service and rate design for Huntsville Utilities Natural Gas System. Kan Huston will also provide a one year rate design maintenance service. They will submit a series of three invoices, and the first payment should be \$17,000 (50% of labor billings plus direct expenses, i.e. Travel). This is a 2012-13 Expense item, Cost Center 522000, Cost Element Contract Labor #501052.

**Total Estimated Cost: \$50,000.00**