RESOLUTION NO. 2014-432

SPONSOR Mr. Pry

DATE September 22, 2014

COMMITTEE Finance

First Reading Passage Requested
(J. Dodson)

A Resolution authorizing the County Executive to execute an amendment to a 20-month agreement, for the period 2/1/14 through 9/30/15, with Constellation Energy Gas Choice, Inc., to supply natural gas for the County’s opt-out natural gas aggregation program, to extend the agreement for an additional 24 months, from 10/1/15 through 9/30/17, at a fixed rate based on the New York Mercantile Exchange weighted average plus $0.06/Mcf, for the Executive’s Department of Finance and Budget, and declaring an emergency.

WHEREAS, this Council previously enacted legislation placing upon the ballot at the May 7, 2002, primary election in the townships of Northfield Center, Twinsburg, Boston, Coventry, Springfield, Copley, Franklin, Richfield and the Village of New Franklin the question of whether they should have the authority to aggregate their retail natural gas loads and for that purpose, enter into service agreements to facilitate for those loads the sale and purchase of natural gas and further, that such aggregation would occur automatically except where any person elects to opt out, as provided by Section 4929.26 of the Ohio Revised Code; and

WHEREAS, at the May 7, 2002, primary election, the voters of all of the aforementioned political subdivisions approved their respective opt-out natural gas aggregation ballot measures; and

WHEREAS, this Council previously adopted Resolution No. 2004-353, which placed upon the ballot at the November 2, 2004, general election the question of whether Bath Township should have the authority to aggregate the retail natural gas loads in Bath Township, and for that purpose, enter into service agreements to facilitate for those loads the sale and purchase of natural gas, such aggregation to occur automatically except where any person elects to opt out; and

WHEREAS, at the November 2, 2004, general election, the voters of Bath Township approved Issue 68, the opt-out natural gas aggregation ballot measure; and

WHEREAS, on behalf of the aforementioned townships and the Village of New Franklin, now the City of New Franklin, the County filed a governance plan with the Public Utilities Commission of Ohio (“PUCO”) and became a certified governmental aggregator for natural gas; and

WHEREAS, on behalf of the County, Buckeye Energy Brokers, Inc., the County’s natural gas consultant, sent out requests for proposals in early November 2013 to PUCO-certified suppliers in the Ohio natural gas market to provide natural gas to the County’s opt-out natural gas aggregation program; and

WHEREAS, after reviewing offers with Buckeye Energy Brokers, Inc. the County selected Constellation Energy Gas Choice, Inc., to supply natural gas to the County’s opt-out natural gas aggregation program; and
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WHEREAS, this Council previously adopted Resolution No. 2013-501, which authorized the County Executive to execute a 20-month agreement with Constellation Energy Gas Choice, Inc., to supply natural gas for the County’s opt-out natural gas aggregation program, for the period 2/1/14 through 9/30/15, at a fixed rate based on the New York Mercantile Exchange (“NYMEX”) weighted average plus $1.142/Mcf and estimated to be $4.17/Mcf, and in no event to exceed $5.00/Mcf (the “Constellation Agreement”); and

WHEREAS, the County secured a fixed rate price of $4.38/Mcf during the 20-month term of the Constellation Agreement, which is lower than the Dominion East Ohio Standard Service Offer, which was $5.455/Mcf in March 2014; and

WHEREAS, due to favorable pricing in the natural gas market, on behalf of the County, Buckeye Energy Brokers, Inc., sent out requests for proposals in early September 2015 to PUO-certified suppliers in the Ohio natural gas market to provide natural gas to the County’s opt-out natural gas aggregation program at a fixed rate price beginning on 10/1/15, when the Constellation Agreement expires; and

WHEREAS, Constellation Energy Gas Choice, Inc., offered the best package to enable the County to secure a favorable price for Summit County residents by offering a fixed rate, at a fixed rate based on the NYMEX weighted average plus $0.06/Mcf for a 24-month period from 10/1/15 through 9/30/17; and

WHEREAS, the County wishes to enter into an amendment to the Constellation agreement to extend it for an additional 24 months, from 10/1/15 through 9/30/17, at a fixed rate based on the NYMEX weighted average plus $0.06/Mcf; and

WHEREAS, this Council finds and determines, after reviewing all pertinent information, that it is necessary and in the best interest of the County of Summit that the County Executive be authorized to execute said amendment to the Constellation agreement;

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Council of the County of Summit, State of Ohio, that:

SECTION 1

The County Executive is hereby authorized to execute an amendment to a 20-month agreement, for the period 2/1/14 through 9/30/15, with Constellation Energy Gas Choice, Inc., to supply natural gas for the County’s opt-out natural gas aggregation program, to extend the agreement for an additional 24 months, from 10/1/15 through 9/30/17, at a fixed rate based on the New York Mercantile Exchange weighted average plus $0.06/Mcf.

SECTION 2

This Resolution is hereby declared to be an emergency measure in the interest of the health, safety and welfare of the citizens of the County of Summit, Ohio, and for the further reason that it is immediately necessary in order to take advantage of favorable pricing in the natural gas market to secure the lowest price per Mcf possible for the customers the County’s opt-out natural gas aggregation program.
SECTION 3

Provided this Resolution receives the affirmative vote of eight members, it shall take effect immediately upon its adoption and approval by the Executive; otherwise, it shall take effect and be in force at the earliest time provided by law.

SECTION 4

It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

INTRODUCED September 22, 2014

ADOPTED September 22, 2014

CLERK OF COUNCIL

APPROVED September 22, 2014

EXECUTIVE

ENACTED EFFECTIVE September 22, 2014

Voice Vote: 11-0 YES: Comunale, Crawford, Feeman, Kostandaras Kurt, Lee, Prentice, Rodgers, Roemer, Schmidt, Shapiro