



CITY OF URBANA, ILLINOIS
DEPARTMENT OF PUBLIC WORKS

PUBLIC FACILITIES

MEMORANDUM

TO: Bruce Walden, CAO
William Gray, PW Director

FROM: Pat Pioletti

DATE: January 18, 2007

RE: Electric Rate Increase

Rates for electricity have increased across the board as of January 2, 2007. Due to deregulation, we are now in the position of trying to assess the impact of the rate increases and determine the best solution for the City of Urbana. To date, I have explored several options including accepting the Ameren phase-in plan, joining an electric coop, and forming our own coop.

Sufficient information has been gathered to discuss our options and formulate a plan of action. Given pending deadlines (February 2, 2007 for joining the Chamber of Commerce coop) and opportune bid timing, this discussion should be held with the Urbana City Council Committee of the Whole at their meeting scheduled for January 22, 2007. At that time, I can explain the current situation, our process to date, and our options. I will also be asking for authorization to make commitments to purchase our electricity from a third party provider at the staff level.