

ITEM # 10
DATE 01-27-2009

COUNCIL ACTION FORM

SUBJECT: INTERNET SERVICE AGREEMENT FOR POWER PLANT ELECTRIC CONTROL ROOM

BACKGROUND:

The City of Ames has two Internet lines that provide Internet service for all City of Ames locations. Presently those lines max out at 94.1% capacity during the workday and average 21.1% utilization overall.

When the City reaches peak Internet usage, the capability of the Electric Control Room to communicate with other agencies is degraded. To maintain communications at an adequate level, the Electric Control Room needs a dedicated T1 Internet connection.

Electric Services is sharing information with other agencies 24 hours a day. All the energy trading and communications are currently through the City Internet connection. Whenever that connection is strained, Electric Services has limited capability to sell or purchase energy and reduced ability to communicate or respond to system-wide emergencies. If they are not able to communicate the current state of our electric generation, service to our customers can be reduced.

In the future, Electric Services is making application to become a market participant in the Midwest Independent System Operators (MISO). MISO will require that Electric have real time transfer of data from Electric's SCADA system to the MISO control center. A separate T1 Internet connection will be a fast, reliable means of meeting this requirement. Currently, MidAmerican Energy acts as the balancing authority for the electric interconnection. When MidAmerican Energy enters the MISO, Electric will have no option but to join MISO and establish a separate T1 Internet connection.

In order to provide the required Internet capacity and reliability required by Electric, it is recommended that the City enter into a three-year agreement to obtain an additional T1 Internet line and equipment from Qwest Communications at a total three-year cost of \$16,560.00. Three Qwest Communications one-year agreements would have an estimated total three-year cost of \$21,213.48.

Because the proposed contract covers more than one year, City Council approval is required. The Qwest Communications agreement contains a "nonappropriation" clause, giving the City Council the option to not appropriate funds in future years.

ALTERNATIVES:

1. Approve a three-year agreement between the City of Ames and Qwest Communications to obtain an additional T1 Internet line and equipment from Qwest Communications at a total three-year cost of \$16,560.00.
2. Approve a one-year agreement between the City of Ames and Qwest Communications to obtain an additional T1 Internet line and equipment from Qwest Communications at an estimated total three-year cost of \$21,213.48.

MANAGER'S RECOMMENDED ACTION:

This dedicated Internet connection is needed in order to participate in needed electric interchange activities. By approving a three-year agreement between the City of Ames and Qwest Communications to obtain an additional T1 Internet line and equipment from Qwest Communications at a total three-year cost of \$16,560.00, the City will save \$4,653.48 over three years.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving a three-year agreement between the City of Ames and Qwest Communications to obtain an additional T1 Internet line and equipment from Qwest Communications at a total three-year cost of \$16,560.00.