

TOWN OF WEST SENECA



ENGINEERING DEPARTMENT

TOWN SUPERVISOR
SHEILA M. MEEGAN
TOWN COUNCIL
EUGENE P. HART
JOHN M. RUSINSKI

February 9, 2012

Honorable Town Board
Town of West Seneca

**Re: 2012 Renewal of Energy Supply Rates
Direct Energy**

Honorable Board Members,

Direct Energy is an energy provider on the supply side of the Town's Energy bills. The Town's Electrical distributors include National Grid and New York State Electric and Gas. The Town currently has a contract with Direct Energy that expires in July of 2012. Direct Energy notified us that electrical supply rates are significantly lower right now due to several factors(most notably the very mild winter we are experiencing) that the approximate 7.9 cents per Kilowatt Hour that we are currently paying. Based on the current rate that could be locked into on a 2 year term, the current rate is approximately 5.3 cents per Kilowatt Hour. This represents a yearly savings over what we are currently paying of approximately \$100,000 per year. As the rates change daily, actual 2, 3 and 4 year terms will be available at the time of the meeting for review.

This letter is to recommend the Board authorize the Supervisor to execute the necessary paperwork to renew the contract with Direct Energy based on an approximate savings of 2.6 cents per kilowatt hour of electrical usage (depending on term desired).

Very truly yours,

Richard B. Henry III, P.E.
Town Engineer

cc: Files: TB.
Project

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