

EXHIBIT 2



Date: 09/02/2016

To: Elton Brock, Purchasing Manager *EB*

From: William A. Bunselmeyer, Energy Services & Business Development Manager

Subject: Justification for selection of Software Perpetual Licensing Agreement for Denton Municipal Electric customer online dashboard – PicoTera Systems

Denton Municipal Electric (DME) Energy Services group has selected PicoTera Systems to enter into a three year agreement to deliver an online dashboard for all DME ratepayers. The selection of PicoTera Systems is in alignment with DME's never ending effort to improve quality service to its customers while reducing costs.

It is DME's intent to offer its customers access to all their electric consumption data along with tools to understand and improve their usage patterns, determine their best rate option, estimate monthly billing, and visually understand behavioral changes and energy efficiency upgrade benefits.

PicoTera Systems is a company created under High Performance SmarteBuilding, LLC (SmarteBuilding). SmarteBuilding is a service provider of real-time energy monitoring and feedback to commercial, government, and educational buildings. The SmarteBuilding service typically lowers energy costs and delivers an ongoing grassroots awareness/education program for customers. PicoTera Systems was established specifically for utilities to provide load profiling services to its customers, i.e. residential, commercial, government, and industrial.

After much review and consideration of responses to RFP-6067, the evaluation committee has ranked PicoTera Systems as having the best value for the City of Denton. Although PicoTera Systems was not the lowest bidder in cost, they can provide all the services required, including value true-up and eliminating duplicates, through a user friendly software for both DME and its customers at a fixed rate. The committee also agrees that PicoTera Systems' staff has a high level of skill and knowledge regarding electric rates, consumption, behavior patterns, load factor, power factor, and energy efficiency and conservation.

DME is proposing a three year contract with PicoTera Systems in an amount not to exceed \$225,000.

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