



# Lexington-Fayette Urban County Government

200 E. Main St  
Lexington, KY 40507

## Legislation Details (With Text)

**File #:** 0501-17      **Version:** 1      **Name:** 2017 Natural Gas Contract  
**Type:** Resolution      **Status:** Approved  
**File created:** 4/26/2017      **In control:** Urban County Council  
**On agenda:** 4/27/2017      **Final action:** 4/27/2017  
**Enactment date:** 4/27/2017      **Enactment #:** R-249-2017

**Title:** Request Council authorization to enter into a contract with Constellation to supply natural gas for a three (3) year period. Under the SVGTS tariff, LFUCG can aggregate its natural gas consumption in order to solicit fixed-price bids from eligible CHOICE marketers. Since 2011, this process has resulted in comparable out-of-pocket expenses than if LFUCG were to purchase natural gas on an account-by-account basis using a quarterly, variable rate. In addition, the fixed-price method provides more accuracy to LFUCG in estimating and budgeting for natural gas utility costs. The price is not to exceed \$5.25 per Mcf (thousand cubic feet) through June 2020.

### Sponsors:

### Indexes:

### Code sections:

**Attachments:** 1. Memorandum - Constellation - Natural Gas Supplier.pdf, 2. Constellation Contract.pdf, 3. 00572289.pdf, 4. RESOLUTION - 249-2017.pdf, 5. 116-2017 - CONTRACT.pdf, 6. 116-2017 - CONTRACT.pdf

Date	Ver.	Action By	Action	Result
4/27/2017	1	Urban County Council	Suspended Rules for Second Reading	Pass
4/27/2017	1	Urban County Council	Approved	Pass
4/27/2017	1	Urban County Council	Received First Reading	Pass

A Resolution accepting the bid of Constellation Energy Gas Choice, LLC, and establishing a price contract for the supply of natural gas under the SVGTS Tariff (Columbia Gas of Ky., Inc.) at multiple Lexington-Fayette Urban County Government facilities, contingent upon a fixed price not to exceed \$5.25 per MCF for a period of up to three years, and authorizing the Mayor, on behalf of the Urban County Government, to execute an Agreement with Constellation Energy Gas Choice, LLC, related to the bid. [Council Office, Maynard]

Request Council authorization to enter into a Contract with Constellation to supply natural gas for a three (3) year period. Under the SVGTS tariff, LFUCG can aggregate its natural gas consumption in order to solicit fixed-price bids from eligible CHOICE marketers. Since 2011, this process has resulted in comparable out-of-pocket expenses than if LFUCG were to purchase natural gas on an account-by-account basis using a quarterly, variable rate. In addition, the fixed-price method provides more accuracy to LFUCG in estimating and Budgeting for natural gas utility costs. The price is not to exceed \$5.25 per Mcf (thousand cubic feet) through June 2020.

Budgetary Implications [select]: Yes

Advance Document Review:

**Law:** Yes, Completed by David Barberie

**Risk Management:** No

Fully Budgeted: Yes (Revenue)

Account Number: XXXX-XXXXXX-XXXX-72102

This Fiscal Year Impact: NA

Annual Impact: NA

Project:

Activity:

Budget Reference:

Current Balance:

BE IT RESOLVED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

Section 1 - That the bid of Constellation Energy Gas Choice, LLC, establishing a price contract for the supply of Natural Gas under the SVGTS tariff (Columbia Gas of Kentucky, Inc.) at multiple Lexington-Fayette Urban County Government Facilities, contingent upon a fixed price not to exceed \$5.25 per Mcf for a period of up to three years, be and hereby is accepted and approved as to the specifications and amounts set forth in the terms of the bid and Agreement, which are attached hereto and incorporated herein by reference, and the Mayor, on behalf of the Lexington-Fayette Urban County Government, be and hereby is authorized to execute the Agreement with Constellation Energy Gas Choice, LLC, related to the bid.

Section 2 - That this Resolution shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL:

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MAYOR

ATTEST:

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CLERK OF URBAN COUNTY COUNCIL