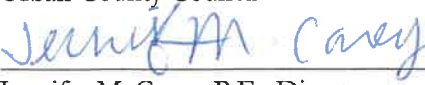




**TO:** Mayor Linda Gorton  
Urban County Council

**FROM:**   
Jennifer M. Carey, P.E., Director  
Division of Environmental Services

**DATE:** February 10, 2023

**SUBJECT:** Fixed Price Agreement for Natural Gas

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**Request**

The purpose of this memorandum is to request authorization to establish a fixed price for natural gas billed through Columbia Gas of Kentucky's Customer CHOICE program.

**Why are you requesting?**

The existing agreement will expire on 6/30/2023. Insight Sourcing Group, LFUCG's natural gas consultant, recommends securing a price as soon as possible, as market indices suggest rising prices in the next six months.

Insight Sourcing Group is soliciting competitive bids from eligible suppliers of the Customer CHOICE program and will provide a bid recommendation and respective contract documents on February 16, 2023. With Council authorization, an agreement would be finalized on February 17, 2023, based on the available market price.

Since 2011, LFUCG has used this process to secure a long-term, fixed price rate for natural gas under Columbia's Customer CHOICE program. The rate applies to LFUCG's residential and small commercial accounts. This approach is recommended because it (1) provides cost certainty during the contract term and (2) improves budget forecasting.

**What is the cost in this budget year and future budget years?**

N/A for FY 2023.

**Are the funds budgeted?**

Yes. Funds are budgeted for natural gas under the utility accounts (XXXX-XXXXXX-XXXX-72102)

**File Number:** 0198-23

**Director / Commissioner:** Carey / Albright

