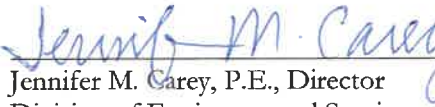




TO: Mayor Linda Gorton
Urban County Council

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

DATE: August 26, 2024

SUBJECT: Fixed Price Agreement for Natural Gas

Request

The purpose of this memorandum is to request authorization to utilize Columbia Gas of Kentucky's Customer CHOICE program to establish a fixed price for natural gas at the Fayette County Detention Center.

Why are you requesting?

Due to a sustained decrease in natural gas consumption at the Detention Center, its account with Columbia Gas of Kentucky is required to use a different rate schedule beginning with the November billing cycle. To be consistent with LFUCG's other small commercial accounts, it is recommended that the account utilize the Customer CHOICE program which requires an agreement with a natural gas supplier.

Accenture, LFUCG's natural gas consultant, will solicit competitive bids from eligible suppliers of the Customer CHOICE program and provide a bid recommendation for consideration at the Council meeting on August 29, 2024.

Because the bid is time sensitive, the resolution language uses a not-to-exceed price to allow for minor market fluctuations in the days after the bid period closes. Upon Council's approval, the supplier of natural gas and the price would be secured through June 2025, in alignment with the terms in effect for LFUCG's other accounts.

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

N/A for FY 2025.

Are the funds budgeted?

Yes, funds are budgeted for natural gas under 1101-505401-5411-72102.

File Number: 0868-24

Director / Commissioner: Carey / Albright

