



MEMORANDUM

TO: Mayor Jim Gray
Urban County Council
Sally Hamilton, CAO

FROM: *Geoff Reed (for Commissioner Reed)*
Geoff Reed, Commissioner General Services

CC: Bill O'Mara, Commissioner Finance

DATE: 26 April 2017

SUBJECT: Natural Gas Bid Recommendation

Request: Urban County Council approval to sign a fixed-price offer for natural gas supplied under Columbia Gas of Kentucky's SVGTS tariff, not to exceed \$5.25 per Mcf (thousand cubic feet) through June 2020.

Why are you requesting? 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.

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

The cost for this FY is: NA

The cost for future FY is: NA

Are the funds budgeted?

The funds are budgeted or a budget amendment is in process: Yes (Revenue)

Account number: XXXX-XXXXXX-XXXX-72102

File Number: 0501-17

Director/Commissioner: Jamshid Baradaran, Director Facilities & Fleet
File

