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September 16, 2011

Ms. Becki Lanter  
Energy Manager  
Southgate Independent School District  
101 Orchard Lane  
Alexandria, KY 41001

Dear Ms. Lanter,

Duke Energy's (Duke) LDC Tariff permits companies doing business in its service territory that use more than 20,000 CCF per year to switch to a Firm Transportation Service (FT-L). All of the meters for which you provided usage history have been reviewed by Fellon-McCord. The meters that appear to qualify have been compiled in the attached spreadsheet. These are potentially eligible for inclusion in the Duke RFP that Fellon-McCord will be conducting. Please closely review the spreadsheet for any errors or adjustments as this is the data that will be used to request quotes from potential suppliers.

**Summary of Analysis:**

Southgate Independent School District: Considering Duke's Delivery Rate and average Gas Cost Adjustment (from July 2010-June 2011) you have been paying an average of \$7.91/ per MCF with a monthly customer charge of \$47.50. Comparing our market estimate (inclusive of Duke's Delivery Rate) of \$6.23 /per MCF, with a monthly customer charge of \$430.00, you will see a potential loss of **-\$505.18** per year.

These estimates are based on the information we received from each school district as well as pricing we anticipate receiving from suppliers. Actual bids may differ due to timing and final volume.

At this time, switching to a Firm Transportation Service (FT-L) would not benefit your school district based on the data available.



Let me know if you have any questions. I can be reached at 502-214-9387 or [jwaldron@fellowmccord.com](mailto:jwaldron@fellowmccord.com)

Sincerely,



Jim Waldron  
Sales Executive



***Italics Indicate 2010 Usage***

**LOA - Yes**

**Usage information based on spreadsheet and invoices provided**

**Provider - Duke Energy**

## Southgate Independent Schools

[illegible]