

Henderson County Schools' Energy Management Cairo Heating & Cooking Fuel Revisions

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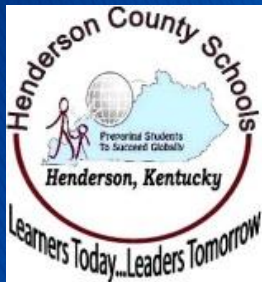
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Emergent Building Fuel Information

Discussions held earlier this year between HCS & City of Henderson- Municipal Gas Department identified the favorability of revising the heating & cooking fuel for Cairo campus. Favorability is based on the following:

- Recent revisions in domestic natural gas extraction techniques have significantly increased industry projections for natural gas availability into the future. (75 year nominal source availability is consensus of industry analysts.)*
- MGD is actively adding customers to its natural gas piping system & has accepted solicitation by HCS for review of natural gas availability at Cairo Elementary.*
- MGD is actively negotiating for ROW for natural gas piping to service Cairo Elementary & other customers in the Cairo area.*
- Simple Payback calculations have been assembled and reviewed by both HCS & MGD. Both groups conclude that opportunity for significant cost savings exists and that revision to natural gas is appropriate at this time.*
- Presently, availability of natural gas at Cairo Elementary before the next heating season is projected by MGD.*

Economics Analysis --Summary

Simple Payback Period

Cost of Improvements [\$, NTE]	Savings per Year Nominal [\$/year]	Simple Payback Period [years]
\$ 55,000	\$ 20,000/yr	2.75 years

Life Cycle Savings

Life of Associated Infrastructure [Years, Consensus]	Savings per Year Nominal [\$/year]	Savings over Life Cycle [\$]
12.75	\$ 20,000/yr	\$ 200,000

Questions/Comments?

End of Presentation