

**WOODFORD COUNTY BOARD OF EDUCATION  
AGENDA ITEM**

**ITEM #:** XI **DATE:** December 14, 2018

**TOPIC/TITLE:** Award Bid for Natural Gas

**PRESENTER:** Amy M Smith *Amy*

**ORIGIN:**

- TOPIC PRESENTED FOR INFORMATION ONLY (No board action required.)
- ACTION REQUESTED AT THIS MEETING
- ITEM IS ON THE CONSENT AGENDA FOR APPROVAL
- ACTION REQUESTED AT FUTURE MEETING: (DATE)
- BOARD REVIEW REQUIRED BY

- STATE OR FEDERAL LAW OR REGULATION
- BOARD OF EDUCATION POLICY
- OTHER:

**PREVIOUS REVIEW, DISCUSSION OR ACTION:**

- NO PREVIOUS BOARD REVIEW, DISCUSSION OR ACTION
- PREVIOUS REVIEW OR ACTION

- DATE:
- ACTION:

**BACKGROUND INFORMATION:**

Acceptance of bids requires board approval.

**SUMMARY OF MAJOR ELEMENTS:**

We are seeking approval to award our natural gas services to Constellation for a 36 month term, April 2019 until March 2022. See attached for bid tabulation.

**IMPACT ON RESOURCES:** All costs included in General Fund budget.

**TIMETABLE FOR FURTHER REVIEW OR ACTION:** N/A

**SUPERINTENDENT'S RECOMMENDATION:**  Recommended  Not Recommended

*D. John Smith*

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**TRANE**

# Natural Gas RFP Summary

## Woodford County Board of Education

UTILITY # of Accounts  
Columbia Gas of Kentucky 5

Presentation Date 12/12/2018  
Expected Term Start Apr-19 Switch Deadline 2/28/19

Current Supplier	Current Term	Recommended Offer (Dth)	Current Contract Price \$/Mcf	Estimated Annual Volume (Mcf)	Estimated Annual Cost Increase (Reduction) vs. Recommended Offer	Notes
Constellation	Apr 2016 - Mar 2019	\$4.890	\$4.890	6,232	0.0%	Projected utility tariff gas cost for same term is \$5.073/Mcf
Supplier		Fixed		Variable	Incremental / Cashouts	Notes
Constellation	12 Mth	5.220			100%	
	24 Mth	4.990			100%	Pricing is Mcf at the Burnertip, utility consolidated billing, credit approved.
	36 Mth	4.890			100%	
Crius Energy	12 Mth	6.249			100%	
	24 Mth	5.987			100%	Pricing is Mcf at the Burnertip, utility consolidated billing, credit pending.
	36 Mth	5.846			100%	
Volunteer Energy	12 Mth	No Offer			100%	
	24 Mth	No Offer			100%	Volunteer does participate in the CKY market, but their pricing is uncompetitive due to market conditions. They do not have an offer at this time.
	36 Mth	No Offer			100%	

### Recommendation

Columbia Gas of Kentucky remains a challenging market for pricing, but Constellation (incumbent supplier) can match the current contract price for the 36 month term. In an upward moving market, continuing with Constellation makes sense, as all other offers are above the current contract price of \$4.89/Mcf. For comparison, the projected weighted average utility tariff rate for April 2019 thru March 2022 (same 36 month period) is \$5.073/Mcf. This rate compared to the current contract price of \$4.89/Mcf returns an estimated annual energy cost increase of \$1,140 or just under 4%. We recommend staying with Constellation and their 36 month term offer of \$4.89/Mcf.