



FAYETTE COUNTY PUBLIC SCHOOLS

**Executive Summary
Fayette County Public Schools Board Meeting
Agenda Item**

MEETING: Planning

DATE: 7/10/2023

TOPIC: Natural Gas Contract

PREPARED BY: Logan Poteat

Recommended Action on: 7/24/2023

Action Item for Vote (REGULAR MEETING)

Superintendent Prior Approval: No

Recommendation/Motion: A motion is in order to: enter into a contract with IGS Energy for natural gas purchasing from August 1st, 2023 through July 31st, 2024, per the staff recommendation.

Background/Rationale: Unlike other utilities, natural gas is deregulated in Kentucky, therefore we can choose between different gas suppliers based on price. By choosing to have a contract with a natural gas supplier, we can secure a rate that will not change for the length of the contract, providing lower costs and predictability. If we choose not to have a contract with a natural gas supplier, the rate can change from month-to-month based on market demand. If FCPS did not have a contract for natural gas in fiscal year 2023, the district would have spent approximately \$175,000.00 more on natural gas based on the monthly rate changes. We performed an RFP and two suppliers responded with proposed rates based on the forecasted natural gas consumption of the district. Staff recommends we enter into a contract with IGS Energy for a 12-month term at a rate not to exceed \$5.15 per mcf of natural gas, beginning on August 1, 2023 through July 31, 2024.

Policy: KRS 45A.365

Fiscal Impact: Annual utility cost of approximately \$524,000.00

Data Considerations: [Click here to enter text.](#)

Strategic Priority: Organizational Health & Effectiveness

Attachments(s): Fayette County CKY Gas Summary 2023