

MEMORANDUM

ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



DATE: June 13, 2019

TO: ABAG POWER Executive Committee

FROM: Ryan Jacoby
ABAG POWER Program Manager, Metropolitan Transportation Commission

RE: Attachment 6A – Monthly Summary of Operations, FY 2018-19

Summary

During the current fiscal year, natural gas prices have seen significant volatility. Daily prices per dekatherm at PG&E's Citygate¹ have ranged from \$2.75 to \$17.78, averaging \$4.14, about 20% higher than the five-year average. PG&E's small commercial procurement rate during this same time averaged \$3.25.

The program continues to purchase gas exclusively in short-term (daily and monthly) markets within California, Oregon, and Alberta, Canada.

Usage and cost trends currently project a year-end balance of approximately \$15,000 to be returned to members through the annual true-up.

Preliminary financial statements through April, 2019, indicate a cumulative savings figure of -9.7% when compared against PG&E's small commercial rate.

Canadian Natural Gas Supply

Beginning in February, 2019, the program has purchased roughly 40% of its gas from Alberta, Canada, resulting in cumulative savings of about \$4,000. In May, staff accepted Canadian pipeline capacity through October, 2019, and will shift from daily to monthly pricing.

Attachment

Monthly Summary of Operations, FY 2018-19

¹ Gas Daily "Daily" Market Index at Pacific Gas & Electric Company (PG&E) Citygate, July 2018-April 2019

Page 1 of 2

Page 2 of 2