

ABAG Publicly Owned Energy Resources (ABAG POWER)

Executive Committee

June 17, 2020

Agenda Item 5.a.2

Report on Natural Gas Program

Subject: Monthly Summary of Operations

Background: During the current fiscal year, natural gas prices have seen modest volatility, with prices trending downward compared to prior years. From July 2019 through April 2020, daily prices per dekatherm at PG&E's Citygate have ranged from \$1.95 to \$3.94, averaging \$2.85, low by historic standards.

PG&E's small commercial procurement rate (G-NR1) – the rate under which most ABAG POWER accounts would be categorized – averaged \$3.15 over the same time period.

The program continues to purchase gas exclusively in daily and monthly markets within California, Oregon, and Alberta, Canada.

Preliminary (unaudited) financial statements through April 2020 indicate a cumulative savings figure of -3.3% when compared to PG&E's G-NR1 rate.

Issues: None.

Recommended Action: None.

Attachment: Monthly Summary of Operations, FY 2019-20

Reviewed:

DocuSigned by:
Brad Paul
6/11/2020
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Brad Paul

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2				Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Total											
4	Gas Purchases ⁽¹⁾																										
5		Purchase 1 - Oregon	Qty	19,368	18,684	18,585	19,082	15,000	15,496	15,500	14,494	18,577	18,000			172,786											
6			Price	\$2.00	\$2.04	\$1.90	\$2.08	\$2.36	\$3.55	\$3.24	\$1.99	\$1.61	\$1.36														
7																											
8		Purchase 2 - California	Qty	2,900	0	8,505	16,800	18,250	19,500	28,800	36,750	16,200	14,300			162,005											
9			Price	\$2.58	\$0.00	\$3.05	\$3.19	\$3.38	\$3.40	\$3.03	\$2.67	\$2.59	\$2.32														
10																											
11		Purchase 3 - Canada	Qty	26,655	26,314	25,228	25,340	20,020	22,165	22,165	20,735	25,337	25,500			239,459											
12			Price	\$0.54	\$0.90	\$0.95	\$1.33	\$1.89	\$2.12	\$1.88	\$1.70	\$1.36	\$1.28			87368											
13																											
16		Total Quantity Purchased		48,923	44,998	52,318	61,222	53,270	57,161	66,465	71,979	60,114	57,800	0	0	574,250											
17		Total Gas Purchase Cost	\$	60,620	\$	61,924	\$	85,043	\$	127,019	\$	134,849	\$	168,324	\$	179,170	\$	162,071	\$	106,546	\$	90,395	\$	-	\$	-	\$1,175,961
18		Total Transportation Cost	\$	31,796	\$	31,222	\$	31,329	\$	35,034	\$	26,891	\$	30,777	\$	40,435	\$	40,416	\$	36,158	\$	49,885					\$353,942
19		Backbone Shrinkage (Dths)		(1,421)	(1,561)	(1,389)	(1,424)	(1,211)	(1,270)	(1,398)	(1,348)	(1,467)	(1,504)			(13,992)											
20		WACOG ⁽²⁾	\$	1.95	\$	2.14	\$	2.28	\$	2.71	\$	3.11	\$	3.56	\$	3.38	\$	2.87	\$	2.43	\$	2.49					\$2.73
21																											
22	Storage/Inventory																										
23		Total Injections/Withdrawals (Dth)		10,033	11,029	3,101	9,769	3,770	(20,350)	(15,500)	(5,660)	(9,476)	2,125			(11,159)											
24		Total Inventory Quantity (Dths)		30,029	41,058	44,159	53,928	57,698	37,348	21,848	16,188	6,712	8,837														
25		Total Inventory Value	\$	49,700	\$	73,911	\$	81,417	\$	106,040	\$	119,843	\$	77,574	\$	45,380	\$	33,623	\$	13,941	\$	19,284					
26		Net Inventory Change in Value	\$	9,101	\$	24,211	\$	7,506	\$	24,623	\$	13,803	\$	(42,268)	\$	(32,195)	\$	(11,756)	\$	(19,682)	\$	5,342			\$		(21,316)
27		Avg. Inventory Rate (\$/Dth)	\$	1.66	\$	1.80	\$	1.84	\$	1.97	\$	2.08	\$	2.08	\$	2.08	\$	2.08	\$	2.08	\$	2.18					
28		PG&E Monthly Storage Cost (\$)	\$	11,994	\$	11,994	\$	11,994	\$	19,255	\$	19,255	\$	19,255	\$	21,468	\$	21,468	\$	21,468	\$	2,790			\$		160,940
29		ISP Monthly Storage Cost (\$)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	6,404			\$		6,404
30																											
31	Gas Program Monthly Expenses																										
32		Cost of Energy Used ⁽³⁾	\$	95,309	\$	80,929	\$	120,860	\$	156,685	\$	167,191	\$	260,623	\$	273,268	\$	235,711	\$	183,854	\$	144,131			\$		1,718,562
33		Staff Cost		15,416	16,566	20,076	19,198	85,687	26,355	22,435	23,852	23,828	28,825			282,237											
34		Professional Fees & Related ⁽⁴⁾		9,722	33,659	3,554	11,674	4,593	4,006	10,935	20,399	2,924	3,500			104,966											
35		Subtotal		120,447	131,154	144,490	187,557	257,471	290,985	306,637	279,962	210,606	176,457	-	-	\$	2,105,765										
36		Rate (\$/Dth)		\$3.36	\$3.56	\$3.44	\$3.49	\$4.29	\$3.70	\$3.73	\$4.32	\$3.37	\$3.68			\$3.73											
37																											
38		PG&E Pass-through Costs ⁽⁵⁾		139,675	180,831	231,820	188,757	369,289	314,558	929,675	704,640	478,400	404,508			3,942,153											
39		Total ABAG POWER Cost	\$	260,122	\$	311,985	\$	376,310	\$	376,314	\$	626,760	\$	605,543	\$	1,236,312	\$	984,602	\$	689,006	\$	580,965			\$		6,047,918
40																											
41	Actual (metered) Gas Usage																										
42		Core ⁽⁶⁾		29,611	26,630	30,515	41,862	53,426	69,829	74,712	57,693	55,488	40,710			480,476											
43		Non Core		6,213	10,182	11,503	11,903	6,580	8,794	7,507	7,188	6,985	7,284			84,138											
44		Total Program Usage		35,824	36,812	42,018	53,765	60,006	78,623	82,219	64,881	62,473	47,994	0	0	564,614											
45																											
46		ABAG POWER Total Core Rate		\$ 8.08	\$ 10.35	\$ 11.04	\$ 8.00	\$ 11.20	\$ 8.21	\$ 16.17	\$ 16.53	\$ 11.99	\$ 13.61														
47																											
48																											
49	PG&E Rate ⁽⁷⁾																										
50		Procurement Charge ⁽⁸⁾		2.69	2.85	2.41	2.55	3.13	3.82	4.37	4.27	3.27	2.17	2.09	2.25												
51		Transportation/Other Charge ⁽⁹⁾		4.72	6.79	7.60	4.51	6.91	4.50	12.44	12.21	8.62	9.94														
52		Total PG&E Rate	\$	7.40	\$ 9.64	\$ 10.00	\$ 7.06	\$ 10.04	\$ 8.32	\$ 16.81	\$ 16.48	\$ 11.90	\$ 12.11	\$ 2.09	\$ 2.25												
53																											
54	Monthly Index Postings																										
55		NGI Bidweek for PG&E Citygate		\$2.74	\$2.78	\$2.73	\$2.07	\$3.18	\$4.03	\$3.54	\$2.73	\$2.68	\$2.34	\$2.53													
56		Gas Daily Avg. for PG&E Citygate		\$2.54	\$2.60	\$3.03	\$3.15	\$3.36	\$3.38	\$2.96	\$2.64	\$2.55	\$2.32														
57		NGI Bidweek for Malin		\$2.00	\$2.04	\$1.89	\$2.06	\$2.35	\$3.53	\$3.22	\$1.97	\$1.61	\$1.35	\$1.66													
58		AB-NIT Month Ahead (7A US)		\$0.53	\$0.90	\$0.94	\$1.33	\$1.87	\$2.10	\$1.87	\$1.68	\$1.32	\$1.24	\$1.34													
59																											

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			Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Total	
60	Small Commercial (G-NR1) Rate Comparison															
61	Monthly Rate Difference (\$/Dth)		0.67	0.71	1.03	0.94	1.16	(0.12)	(0.64)	0.05	0.10	1.50				
62	Monthly Savings		\$ (19,982)	\$ (18,972)	\$ (31,502)	\$ (39,253)	\$ (61,914)	\$ 8,219	\$ 47,957	\$ (2,862)	\$ (5,352)	\$ (61,266)				
63	Cumulative 'Savings'		\$ (19,982)	\$ (38,954)	\$ (70,456)	\$ (109,710)	\$ (171,624)	\$ (163,405)	\$ (115,448)	\$ (118,310)	\$ (123,662)	\$ (184,928)				
66	Cumulative 'Savings'		-9.1%	-8.2%	-9.0%	-10.2%	-10.6%	-7.4%	-3.3%	-2.7%	-2.4%	-3.3%				
67																
68	Additional Rate Comparisons															
69	Large Commercial (G-NR2) Cumulative Savings		-13.4%	-11.9%	-12.5%	-14.2%	-15.6%	-12.2%	-7.1%	-6.1%	-5.9%	-6.9%				
74	Residential (G1/GM) Cumulative Savings		-6.8%	-3.0%	-3.4%	-2.9%	-5.1%	1.0%	1.8%	0.2%	0.2%	-0.9%				
79	Natural Gas Vehicle (G-NGV1/2) Cumulative Savings		-13.7%	-5.9%	-5.4%	-5.2%	-7.4%	-0.9%	0.6%	-0.6%	-0.7%	-1.5%				
84																
85																
86	Notes:															
87	1 All gas quantities in Dth and rates in \$/Dth. (Does not include imbalance purchases traded to storage.)															
88	2 Weighted Average Cost of Gas (WACOG) at PG&E Citygate															
89	3 Includes costs to transport gas to PG&E Citygate from alternate delivery points, as well as physical storage costs.															
90	4 Includes scheduling fees, billing fees, administrative costs and misc. expenses; less interest income.															
91	5 PG&E charges billed to ABAG POWER via EDI process and passed through to customers. These costs do not necessarily tie directly to the actual gas usage shown above due to timing difference in reporting.															
92	6 From billing data															
93	7 Based on PG&E's G-NR1 rate schedule.															
94	8 Includes: Procurement Charge, Capacity Charge, Brokerage Fee, Shrinkage, and Storage.															
95	9 PG&E Transportation Charge; Customer Charge, and surcharge for Public Purpose Programs. Does not include Franchise Fees and City Taxes.															
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