


ABAG Publicly Owned Energy Resources (ABAG POWER)**Executive Committee****December 8, 2020****Agenda Item 5.d.****Report on Natural Gas Program****Subject:** Fiscal Year (FY) 2020-21 Budget-to-Actual

Background: ABAG POWER's adopted operating budget provides a core natural gas rate of \$0.36 per therm. During the first quarter of FY 2020-21, the program's core rate was \$0.51 per therm. The rate reflects a combination of volatile and higher-than-anticipated gas prices, coupled with suppressed usage attributable to continued warm weather and COVID-19-related reductions in facility usage.

| <i>Dollars per therm (\$/therm)</i> | | |
|-------------------------------------|---------------------------------|------------------------------|
| | FY 2020-21 Q1 Actual | FY 2020-21 Budget |
| Core Gas Commodity | \$0.51 | \$0.36 |
| Noncore Gas Commodity | \$0.49 | \$0.35 |
| PG&E Pass-through Costs | \$0.55 | \$0.78 |
| Program Expenses | \$0.11 | \$0.08 |
| | | |
| Core Total Rate | \$1.17 | \$1.22 |
| Noncore Total Rate | \$0.60 | \$0.43 |

As the year progresses, actual core and noncore total rates are expected to decline. It is anticipated that seasonal usage (generally from November to March) will result in a decrease in the rate for fixed program expenses. However, PG&E's fixed and variable pass-through costs will also rise as usage increases during the winter season.

Issues: None**Recommended Action:** None**Attachment:** FY 2020-21 Budget-to-Actual**Reviewed:**

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 Brad Paul

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| | YTD Actual As of 09/30/20 | Budget Utilization (%) | Adopted Budget FY 2020-21 |
|--|--------------------------------------|-----------------------------------|--------------------------------------|
| Revenue | | | |
| Sale of Energy | 1,889,610 | 25% | 7,558,440 |
| Interest Income | 0 | 0% | 35,000 |
| Other Revenue | 4,664 | 52% | 9,000 |
| Total Revenue | <u>1,894,274</u> | <u>25%</u> | <u>7,602,440</u> |
| Expense | | | |
| Cost of Energy | | | |
| PG&E Pass-through Costs | 424,867 | 9% | 4,500,755 |
| Gas Commodity & Shrinkage Costs | 196,153 | 11% | 1,844,335 |
| Intra/Interstate Pipeline Transportation | 141,136 | 26% | 542,670 |
| Gas Storage | 27,583 | 22% | 127,618 |
| Total Cost of Energy | <u>790,739</u> | <u>11%</u> | <u>7,015,378</u> |
| Staff Cost | | | |
| Salary & Benefits | 45,271 | 17% | 266,243 |
| Overhead | 25,881 | 17% | 150,854 |
| Total Staff Cost | <u>71,152</u> | <u>17%</u> | <u>417,097</u> |
| Consultant Services | | | |
| Gas Scheduling Services | 4,950 | 16% | 30,400 |
| Database Hosting Services | 17,662 | 88% | 20,000 |
| Brokerage Services | 2,707 | 23% | 12,000 |
| External Legal Support | 0 | 0% | 10,000 |
| Electronic Data Interchange Services | 1,453 | 19% | 7,750 |
| Total Consultant Services | <u>26,772</u> | <u>33%</u> | <u>80,150</u> |
| Other Expenses | | | |
| Audit | 12,892 | 18% | 70,000 |
| Interest Expense/Bank Charges | 2,344 | 25% | 9,500 |
| Catering | 0 | 0% | 2,000 |
| Market Pricing Subscriptions | 0 | 0% | 1,660 |
| Travel | 0 | 0% | 1,000 |
| Industry Memberships & Conferences | 0 | 0% | 1,450 |
| Insurance | 0 | 0% | 700 |
| Miscellaneous | 0 | 0% | 300 |
| Total Other Expense | <u>15,236</u> | <u>18%</u> | <u>86,610</u> |
| Total Expense | <u>902,900</u> | <u>12%</u> | <u>7,599,235</u> |
| Surplus / Deficit | <u>991,374</u> | <u>-</u> | <u>3,205</u> |
| Core Annual Usage (Dth): | 77,761 | | 577,537 |
| Noncore Annual Usage (Dth): | 25,155 | | 86,143 |
| Core Gas Commodity (\$/therm): | 0.51 | | 0.36 |
| Noncore Gas Commodity (\$/therm): | 0.49 | | 0.35 |
| PG&E Pass-through Costs (\$/therm): | 0.55 | | 0.78 |
| Program Expenses (\$/therm): | 0.11 | | 0.08 |
| Core Total Rate (\$/therm): | 1.17 | | 1.22 |
| Noncore Total Rate (\$/therm): | 0.60 | | 0.43 |