

ABAG Publicly Owned Energy Resources (ABAG POWER)**Executive Committee****June 17, 2021****Agenda Item 7.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. As of April 30, 2021, the program's fiscal year-to-date core gas rate was \$0.43 per therm. The rate reflects a combination of higher than anticipated gas prices, coupled with decreased usage in the summer months due to warm weather and COVID-19-related reductions in facility usage.

<i>Dollars per therm (\$/therm)</i>		
	FY 2020-21 YTD Actual	FY 2020-21 Budget
Core Gas Rate	\$0.43	\$0.36
Noncore Gas Rate	\$0.42	\$0.35
PG&E Pass-through Costs	\$0.79	\$0.75
Program Expenses	\$0.06	\$0.11
Core Total Rate	\$1.28	\$1.22
Noncore Total Rate	\$0.48	\$0.43

As the fiscal year has progressed, core and noncore total rates were expected to decline as seasonal usage (generally from November to March) returns, but market prices have remained elevated, causing a sustained increase.

PG&E pass-through costs also increased substantially beginning in April 2021 but will decline sharply as seasonal load departs due to summer temperatures.

Discussion Items: None.**Recommended Action:** None.**Attachment(s):** Fiscal Year 2020-21 Budget-to-Actual**Reviewed:**

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 Brad Paul

6/9/2021

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	YTD Actual As of 04/30/21	Projected FY 2020-21	Adopted Budget FY 2020-21	Projected Utilization
Revenue				
Sale of Energy	6,326,780	7,558,440	7,558,440	100%
Interest Income	8,420	11,000	35,000	31%
Other Revenue	11,526	13,000	9,000	144%
Total Revenue	<u>6,346,726</u>	<u>7,582,440</u>	<u>7,602,440</u>	<u>100%</u>
Expense				
Cost of Energy				
PG&E Pass-through Costs	4,026,734	4,826,734	4,350,755	109%
Gas Commodity & Shrinkage Costs	1,717,840	1,917,840	1,844,335	104%
Intra/Interstate Pipeline Transportation	460,585	560,585	542,670	103%
Gas Storage	95,625	120,775	127,618	95%
Total Cost of Energy	<u>6,300,785</u>	<u>7,425,935</u>	<u>6,865,378</u>	<u>107%</u>
Staff Cost				
Salary & Benefits	135,346	167,346	266,243	63%
Overhead	67,805	85,805	150,854	57%
Total Staff Cost	<u>203,151</u>	<u>253,151</u>	<u>417,097</u>	<u>61%</u>
Consultant Services				
Program Design Services	33,821	82,000	150,000	55%
Gas Scheduling Services	22,350	40,150	30,400	132%
Database Hosting Services	17,662	17,662	20,000	88%
Financial Reporting	900	900	0	-
Brokerage Services	7,929	9,529	12,000	79%
External Legal Support	0	0	10,000	0%
Electronic Data Interchange Services	5,670	6,870	7,750	89%
Total Consultant Services	<u>79,432</u>	<u>157,111</u>	<u>230,150</u>	<u>68%</u>
Other Expenses				
Audit	52,044	52,044	70,000	74%
Interest Expense/Bank Charges	9,118	10,940	9,500	115%
Catering	0	0	2,000	0%
Market Pricing Subscriptions	1,660	1,660	1,660	100%
Travel	0	0	1,000	0%
Industry Memberships & Conferences	375	375	1,450	26%
Insurance	700	700	700	100%
Postage	682	800	0	-
Miscellaneous	50	50	300	17%
Total Other Expense	<u>63,947</u>	<u>66,569</u>	<u>86,610</u>	<u>77%</u>
Total Expense	<u>6,647,315</u>	<u>7,902,766</u>	<u>7,599,235</u>	<u>103%</u>
Surplus / Deficit	<u>-300,589</u>	<u>-320,326</u>	<u>3,205</u>	
Core Annual Usage (Dth):	509,178	571,709	577,537	99%
Noncore Annual Usage (Dth):	67,140	81,140	86,143	94%
Core Gas Rate (\$/therm):	0.43		0.36	
Noncore Gas Rate (\$/therm):	0.42		0.35	
PG&E Pass-through Costs (\$/therm):	0.79		0.75	
Program Expenses (\$/therm):	0.06		0.11	
Core Total Rate (\$/therm):	1.28		1.22	
Noncore Total Rate (\$/therm):	0.48		0.43	