

Executive Summary: Natural Gas Renewal

The purpose of this recommendation is to establish guidelines for the natural gas renewal that grants the Superintendent or designee the authority to approve the FY contract ensuring competitive pricing while maintaining fiscal responsibility. The new contract will begin July 1st.

Authorization

The Superintendent or designee is authorized to enter into a contract for natural gas services under the following conditions:

- For fixed-rate contracts, the approved rate shall not exceed \$0.5 per therm.
- For index-based contracts, the approved NGI adder shall not exceed \$0.06 per therm.
- Given that some suppliers have offered negative NGI adders, the district should seek to leverage competitive pricing when considering index-based pricing models.

Rationale

- Efficiency: Providing the Superintendent or designee with contract approval authority allows the district to respond swiftly to market fluctuations and secure the most competitive rates.
- Cost Control: These thresholds ensure that the district does not enter into agreements that exceed acceptable energy cost benchmarks.
- Flexibility: The ability to pursue fixed-rate or index-based options ensures that the district can adapt to market conditions and select the most cost-effective solution at any given time.

Recommendation

It is recommended that the Meridian Board of Education consider the approval of these guidelines, granting the Superintendent or designee the authority to enter into a natural gas under the stated conditions.