



# Proposed Natural Gas Delivery

April 20, 2023



**SOUTH GIBSON**  
SCHOOL CORPORATION



## Included in today's update...

- Why transport your gas?
  - Natural Gas 101
  - Familiar neighbors
- Natural Gas savings potential
  - Natural Gas quotations





## Natural Gas Transport Service and Why

- Since 1998, only large consumers of natural gas could transport
- In 2006, then-Governor Mitch Daniels implemented a Directive to all Indiana utilities to allow service to all school (and government) related properties no matter the minimums
- Gas is delivered through CenterPoint system; however, the actual gas moving through the pipes is from Constellation, not the utility
- All other fees from the utility still apply (distribution charges, meter charges, etc.)
  - Gas cost exactly as shown on NYMEX; no added fees, qualifiers, brokers, etc.
    - No minimum usages
    - No middleman
  - The largest Pools of gas behind CenterPoint
    - The only LOCAL gas representative
    - Results: SAVINGS of Big Dollars
- 98% of all area school systems utilize this service



## Natural Gas 101

- Pressurized gas is pulled from a well, sent to a processing plant for purification then on to many points via various pipelines
- As natural gas travels up the massive pipeline systems, Compressor Stations along the pipeline routes keep the gas moving
- Pipelines distribute to regional areas then finally to the City Gate (aka the utility)
- Gas is also stored and can be held for indefinite period
- The storage field is located in an underground location consisting of limestone
- Limestone acts like a sponge which is perfect to hold excess gas
- The gas is injected into the ground and absorbed by the limestone; it remains there until it is pumped out to a nearby pipeline
- This allows for year-round availability AND the perfect record of delivering every drop of needed gas





## Area schools currently served by Constellation.....



### HOLY SPIRIT PARISH

**Annunciation Parish**

**Good Shepherd**

**Holy Redeemer**

**Holy Rosary**

**Sacred Heart**

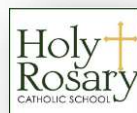
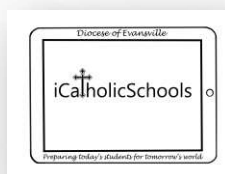
**St. Agnes**

**St. Benedict**

**St. Boniface**

**St. Joseph, Princeton**

**St. John the Baptist, Newburgh**



**Barr Reeve**

**EVSC 56 facilities**

**MSD of Mt. Vernon**

**MSD of North Posey**

**South Knox Schools**

**North Spencer Schools**

**Vincennes Community**

**Warrick County**

**Washington Community**





# A sampling of Indiana schools Constellation proudly serves...



North Knox Schools  
Vigo County School Corp  
Orchard School Foundation  
Lafayette School Corp  
Hamilton Heights School Corp  
Wayne Township Schools  
Hamilton Southeastern  
Bartholomew Consolidated Schools  
Franklin Township Schools  
Lebanon Community Schools  
Seymour Community Schools  
Greenfield Central Schools  
Danville Community Schools  
Pike Township Schools  
Greenwood Community Schools  
Randolph Central Schools  
Randolph Eastern Schools  
Randolph Southern Schools



Perry Township Schools

New Castle Community Schools

Warren Township Schools

Decatur Township Schools

Plainfield Community Consolidated Schools

Indianapolis Public Schools

Bartholomew Consolidated Schools

Clarksville Community Schools

Beech Grove City Schools

Sycamore Schools

Franklin Community Schools

Martinsville Schools

Jay County Schools

Sunman-Dearborn Community Schools

Clark-Pleasant Community Schools

Danville Community Schools

Union County/College Corner Schools

Northeast Wayne Schools



## Some area customers you may recognize, many for well over 20 years



Toyota  
Indiana Tube  
IVY Tech College  
JH Rudolph  
Jerry David Enterprises  
Lewis Bakeries – Evansville & Vincennes  
Mead Johnson – Evansville & Mt. Vernon  
Midwest Pet Foods  
Oakland City University  
Omni Plastics  
Packaging Corporation – Vincennes  
Rogers Group – Five locations  
St. Mary of Woods College  
St. Mary's Hospitals  
South Spencer Government  
Town of Grandview  
University of Southern Indiana  
University of Evansville  
Vincennes University – three campuses  
Willard Library

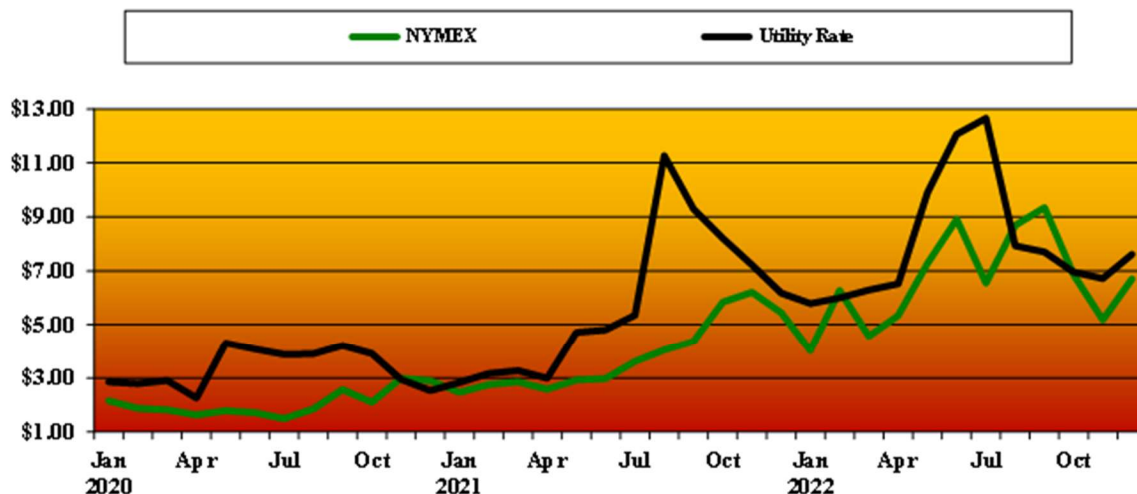




## Estimated Savings Analysis Comparison NYMEX price and Utility price



Natural Gas Cost Comparison  
Between the NYMEX and the Utility  
Approximate savings of **\$46,000**



This analysis takes the posted monthly settlement price of NYMEX gas compared to the published price of utility gas costs

The end result:  
Had SGSC been transporting gas, at worst case scenario, the savings for this 2-year period would have been **\$46,000**

|           |   |
|-----------|---|
| 30,000    | Estimated gas consumed Jan 2020 - Dec 2022      |
| \$4.1875  | NYMEX average per Dth price Jan 2020 - Dec 2022 |
| \$5.7238  | Utility average per Dth price                   |
| \$125,624 | Total NYMEX Cost                                |
| \$171,713 | What it would have been via utility             |
| \$46,089  | Estimated savings had gas been transported      |





The NYMEX trades a month in advance (ie in April, MAY is the prompt month)  
 Three business days before the end of each month, the prompt month's contract price expires  
 Below are the published expiration prices of each month

New York Mercantile Exchange (NYMEX) Historical Pricing  
 Henry Hub - Erath, LA \$/Dth

The NYMEX trades a month in advance (ie in April, MAY is the prompt month)  
 Three business days before the end of each month, the prompt month's contract price expires  
 Below are the published expiration prices of each month

|     | 2000    | 2001    | 2002    | 2003    | 2004    | 2005     | 2006     | 2007    | 2008     | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    | 2023    | 10-Yr Average |
|-----|---------|---------|---------|---------|---------|----------|----------|---------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------------|
| Jan | \$2.344 | \$9.980 | \$2.555 | \$4.988 | \$6.150 | \$6.213  | \$11.431 | \$5.838 | \$7.172  | \$6.136 | \$5.814 | \$4.216 | \$3.084 | \$3.354 | \$4.407 | \$3.189 | \$2.372 | \$3.930 | \$2.738 | \$3.642 | \$2.158 | \$2.467 | \$4.024 | \$4.709 | \$3.364       |
| Feb | \$2.610 | \$6.293 | \$2.006 | \$5.660 | \$5.775 | \$6.288  | \$8.400  | \$6.917 | \$7.996  | \$4.476 | \$5.274 | \$4.316 | \$2.678 | \$3.226 | \$5.557 | \$2.866 | \$2.189 | \$3.391 | \$3.631 | \$2.950 | \$1.877 | \$2.760 | \$6.265 | \$3.109 | \$3.460       |
| Mar | \$2.603 | \$4.998 | \$2.388 | \$9.133 | \$5.150 | \$6.304  | \$7.112  | \$7.547 | \$8.930  | \$4.056 | \$4.816 | \$3.793 | \$2.446 | \$3.427 | \$4.855 | \$2.894 | \$1.711 | \$2.627 | \$2.639 | \$2.855 | \$1.821 | \$2.854 | \$4.568 | \$2.451 | \$2.928       |
| Apr | \$2.900 | \$5.384 | \$3.472 | \$5.146 | \$5.365 | \$7.323  | \$7.233  | \$7.558 | \$9.578  | \$3.631 | \$3.842 | \$4.240 | \$2.191 | \$3.976 | \$4.584 | \$2.590 | \$1.903 | \$3.175 | \$2.691 | \$2.713 | \$1.634 | \$2.586 | \$5.336 | \$1.991 | \$2.920       |
| May | \$3.089 | \$4.891 | \$3.319 | \$5.123 | \$5.935 | \$6.748  | \$7.198  | \$7.508 | \$11.280 | \$3.321 | \$4.271 | \$4.377 | \$2.036 | \$4.150 | \$4.795 | \$2.517 | \$1.995 | \$3.142 | \$2.821 | \$2.566 | \$1.794 | \$2.925 | \$7.267 |         | \$3.397       |
| Jun | \$4.406 | \$3.738 | \$3.420 | \$5.945 | \$6.680 | \$6.123  | \$5.925  | \$7.591 | \$11.916 | \$3.538 | \$4.155 | \$4.326 | \$2.429 | \$4.148 | \$4.619 | \$2.815 | \$1.963 | \$3.236 | \$2.875 | \$2.633 | \$1.722 | \$2.984 | \$8.908 |         | \$3.590       |
| Jul | \$4.369 | \$3.182 | \$3.278 | \$5.291 | \$6.141 | \$6.976  | \$5.887  | \$6.929 | \$13.105 | \$3.949 | \$4.717 | \$4.357 | \$2.744 | \$3.707 | \$4.400 | \$2.773 | \$2.917 | \$3.067 | \$2.996 | \$2.291 | \$1.495 | \$3.617 | \$6.551 |         | \$3.381       |
| Aug | \$3.820 | \$3.167 | \$2.976 | \$4.693 | \$6.048 | \$7.647  | \$7.042  | \$6.110 | \$9.127  | \$3.379 | \$4.774 | \$4.370 | \$3.010 | \$3.459 | \$3.808 | \$2.886 | \$2.672 | \$2.969 | \$2.822 | \$2.141 | \$1.854 | \$4.044 | \$8.687 |         | \$3.534       |
| Sep | \$4.618 | \$2.295 | \$3.288 | \$4.927 | \$5.082 | \$10.847 | \$6.816  | \$5.430 | \$8.394  | \$2.843 | \$3.651 | \$3.857 | \$2.634 | \$3.567 | \$3.957 | \$2.638 | \$2.853 | \$2.961 | \$2.895 | \$2.251 | \$2.579 | \$4.370 | \$9.353 |         | \$3.742       |
| Oct | \$5.312 | \$1.830 | \$3.686 | \$4.430 | \$5.723 | \$13.907 | \$4.201  | \$6.423 | \$7.472  | \$3.730 | \$3.837 | \$3.759 | \$3.023 | \$3.498 | \$3.984 | \$2.563 | \$2.952 | \$2.974 | \$3.021 | \$2.418 | \$2.101 | \$5.841 | \$6.868 |         | \$3.622       |
| Nov | \$4.541 | \$3.202 | \$4.126 | \$4.459 | \$7.626 | \$13.832 | \$7.153  | \$7.269 | \$6.469  | \$4.289 | \$3.292 | \$3.524 | \$3.471 | \$3.496 | \$3.728 | \$2.033 | \$2.764 | \$2.752 | \$3.185 | \$2.597 | \$2.996 | \$6.202 | \$5.186 |         | \$3.494       |
| Dec | \$6.016 | \$2.316 | \$4.140 | \$4.860 | \$7.976 | \$11.180 | \$8.318  | \$7.203 | \$6.890  | \$4.486 | \$4.267 | \$3.364 | \$3.696 | \$3.818 | \$4.282 | \$2.206 | \$3.232 | \$3.074 | \$4.715 | \$2.470 | \$2.896 | \$5.447 | \$6.712 |         | \$3.885       |
| Avg | \$3.886 | \$4.273 | \$3.221 | \$5.388 | \$6.138 | \$8.616  | \$7.226  | \$6.860 | \$9.027  | \$3.986 | \$4.393 | \$4.042 | \$2.787 | \$3.652 | \$4.415 | \$2.664 | \$2.460 | \$3.108 | \$3.086 | \$2.627 | \$2.077 | \$3.841 | \$6.644 | \$3.065 |               |





# CenterPoint Energy Indiana – South Current & Historical Natural Gas Costs

Natural gas costs are passed on to customers on a dollar-for-dollar basis. CEI South cannot profit from, nor mark up the price of, natural gas. These costs are passed on to customers through the quarterly Gas Cost Adjustment (GCA) approved by the Indiana Utility Regulatory Commission and are listed on the bill as "Gas Cost Charge."

CEI South purchases gas on behalf of its customers using a portfolio approach of long-term, intermediate-term and short-term purchases, as well as utilization of its various storage fields throughout Indiana. This portfolio approach to gas purchasing is intended to mitigate the spikes that often come with the market price; it does not always guarantee the lowest price, however, given the market price can fluctuate daily with changes in supply and demand. The blended price that emerges from the portfolio approach also includes costs to transport the gas to the CEI South pipeline system in Indiana, as well as storage costs and taxes. Please note: Because billing cycles vary, the gas costs on your bill will often be the product of GCAs for two different months. i.e. If your meter is read on June 14 and reflects 30 days of service, you will be paying 14 days of the June GCA rate and 16 days of the May GCA rate.

The GCA is a periodic rate adjustment that allows natural gas utilities to account for changes in the price of natural gas they purchase on the competitive wholesale market. Natural gas utilities have been using the GCA process since the early 1980s.

| <u>Date</u> | <u>Price per therm</u> |
|-------------|------------------------|
| <b>2023</b> |                        |
| April       | \$0.4306               |
| March       | \$0.5209               |
| February    | \$0.5611               |
| January     | \$0.7018               |

|             |          |
|-------------|----------|
| <b>2022</b> |          |
| December    | \$0.7618 |
| November    | \$0.6716 |
| October     | \$0.6959 |
| September   | \$0.7704 |
| August      | \$0.7934 |
| July        | \$1.2661 |
| June        | \$1.2061 |
| May         | \$0.9895 |
| April       | \$0.6520 |
| March       | \$0.6287 |
| February    | \$0.5996 |
| January     | \$0.5793 |

|             |          |
|-------------|----------|
| <b>2021</b> |          |
| December    | \$0.6180 |
| November    | \$0.7215 |
| October     | \$0.8211 |
| September   | \$0.9301 |
| August      | \$1.1274 |
| July        | \$0.5352 |
| June        | \$0.4808 |
| May         | \$0.4716 |
| April       | \$0.2992 |
| March       | \$0.3275 |
| February    | \$0.3171 |
| January     | \$0.2838 |

|             |          |
|-------------|----------|
| <b>2020</b> |          |
| December    | \$0.2529 |
| November    | \$0.2953 |
| October     | \$0.3912 |
| September   | \$0.4211 |
| August      | \$0.3899 |
| July        | \$0.3881 |
| June        | \$0.4078 |
| May         | \$0.4305 |
| April       | \$0.2257 |
| March       | \$0.2904 |
| February    | \$0.2790 |
| January     | \$0.2860 |

|             |          |
|-------------|----------|
| <b>2019</b> |          |
| December    | \$0.3031 |
| November    | \$0.3043 |
| October     | \$0.4498 |
| September   | \$0.4375 |
| August      | \$0.4590 |
| July        | \$0.4743 |
| June        | \$0.4900 |
| May         | \$0.4829 |
| April       | \$0.3516 |
| March       | \$0.3505 |
| February    | \$0.3600 |
| January     | \$0.3669 |

|             |          |
|-------------|----------|
| <b>2018</b> |          |
| December    | \$0.3793 |
| November    | \$0.3556 |
| October     | \$0.4987 |
| September   | \$0.4901 |
| August      | \$0.4956 |
| July        | \$0.5574 |
| June        | \$0.5474 |
| May         | \$0.5587 |
| April       | \$0.3970 |
| March       | \$0.4049 |
| February    | \$0.4224 |
| January     | \$0.3864 |

|             |          |
|-------------|----------|
| <b>2017</b> |          |
| December    | \$0.4017 |
| November    | \$0.4041 |
| October     | \$0.4952 |
| September   | \$0.4921 |
| August      | \$0.5037 |
| July        | \$0.5301 |
| June        | \$0.5436 |
| May         | \$0.5257 |
| April       | \$0.3924 |
| March       | \$0.3635 |
| February    | \$0.4039 |
| January     | \$0.3988 |

**Published monthly  
utility rates**





## Natural Gas Pricing

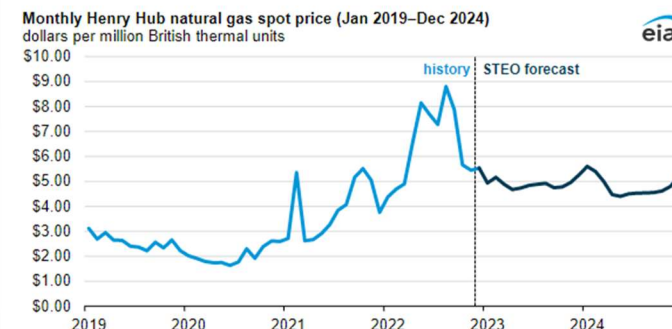


We purchase your gas needs directly off the New York Mercantile Exchange (NYMEX) which trades gas just like corn, soybeans, pig bellies, etc.

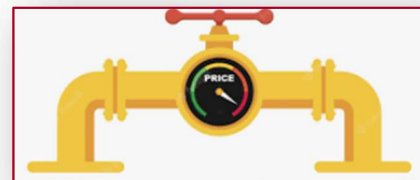


- There are two seasons to Natural Gas
- The Summer season runs April through October
- The Winter season runs November through March
- The seven Summer months are typically less expensive than the five winter months given the time of year, volatility in the market, supply and demand, etc.

### EIA forecasts lower wholesale U.S. natural gas prices in 2023 and 2024



Natural gas prices fluctuate depending on the time of year, overall supply, are reactive to factors to include crude oil prices, unrest in parts of the world, weather conditions (hurricanes causing drilling to be shut in), production stops, temperature, etc.



When providing quotations, we utilize terms ending in October so as to catch the most months of less expensive Summer gas which is averaged with the shorter, more expensive months of Winter.

However, we are happy to quote any term best suiting your needs whether it be per fiscal year, calendar year, etc.



## Natural Gas Quotations

When providing quotations, we utilize terms ending in October so as to catch the most months of less expensive Summer gas which is averaged with the shorter, more expensive months of Winter.

However, we are happy to quote any term best suiting your needs whether it be per fiscal year, calendar year, etc.

**At the time of this report, here is where prices where for the following terms:**

|                      |                                     |
|----------------------|-------------------------------------|
| June 2023 - Oct 2024 | <b>\$3.5047</b> per Dth (dekatherm) |
| June 2023 – Oct 2025 | <b>\$3.9507</b> per Dth             |







## In Conclusion

- Natural Gas Transportation saves money
- South Gibson School Corporation would greatly benefit from this service
- Ongoing opportunities to enjoy success in saving significant dollars – no fees, no broker, gas straight from the supplier
- Constellation Energy would be proud to serve your natural gas requirements

Thank you  
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