

Expansion of Natural Gas Supply

Presented to : Finance Committee

September 2, 2014

Expansion of Natural Gas Supply

- CNG Bus Fleet Delivery Schedule
 - 60 Mar – May 2015
 - 30 Nov – Dec 2015
 - 22 June 2016

Expansion of Natural Gas Supply

- Additional Natural Gas Requirements

- April – Dec 2015 64,000 mmBtu

- Jan - Dec 2016 162,000 mmBtu

- Jan - July 2017 107,000 mmBtu

- Total 330,000 mmBtu

Expansion of Natural Gas Supply

- Natural Gas Supply Cost Components
 - Basis
 - NYMEX
- Change will establish Basis and provide ability to lock in currently low NYMEX prices
- Change for \$1.4M replaces \$8.125M in Diesel Fuel resulting in savings of \$6.7M

Expansion of Natural Gas Supply

- Facility Natural Gas
 - Contract With Direct Energy (HESS) for facilities ends 07/31/2017
 - Annual usage 150,000 mmBtu
 - NYMEX pricing locked through 07/31/2017

Expansion of Natural Gas Supply

- Current basis for Facilities
 - \$0.37 through July 15
- With change for CNG Natural Gas, Direct Energy proposed a price reduction for Facility Usage – Basis to be \$0.00
- Savings through 07/31/2017 - \$154,000

Expansion of Natural Gas Supply

- Natural Gas for CNG Fleet
 - Initial proposed basis \$0.00
 - Monthly usage estimates to be finalized
 - Expansion will allow the GCRTA to lock in currently low NYMEX prices
 - Estimated Expansion \$1.4 Million

Expansion of Natural Gas Supply

- CNG Buses will displace
 - 2.5 Million Gallons of Diesel Fuel
 - Current Diesel Fuel \$3.25/gal – Current NG \$1.05 per Diesel gallon equivalent
 - Cost of \$8.125M for Diesel at current prices
 - Net Cost Savings after NG Expansion- \$6.7M