

RESOLUTION NO.: 127 -2014
INTRODUCED BY: Mayor Roche

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE AN AGREEMENT WITH INTERSTATE GAS SUPPLY, INC. FOR THE PURCHASE OF NATURAL GAS FOR CITY FACILITIES.

WHEREAS, Interstate Gas Supply, Inc. ("IGS") has made a proposal to supply natural gas to the City for the period of January 1, 2015 through December 31, 2016 with subsequent one-year increments thereafter unless cancelled by either party; and

WHEREAS, the Mayor and Director of Finance recommend that the City enter into a contract with IGS for purchase of natural gas for City facilities pursuant to said proposal;

NOW, THEREFORE, Be It Resolved by the Council of the City of Richmond Heights, State of Ohio, that:

Section 1: The Mayor is authorized to execute a contract with Interstate Gas Supply, Inc. for the purchase of natural gas for City facilities in a form as set forth in Exhibit A, attached hereto and incorporated into this Resolution as if fully rewritten herein, effective January 1, 2015.

Section 2: The Director of Finance is directed to appropriate from a proper account the funds necessary for the contract authorized in Section 1 of this Resolution.

Section 3: It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including Section 121.22 of the Ohio Revised Code.

Section 4: This Resolution shall take effect and be in force from and after the earliest period allowed by law.

PASSED: _____

David H. Roche, Mayor

APPROVED: _____

ATTEST: _____

Betsy Traben
Clerk of Council

Eloise Henry
President of Council

**Exhibit A to Natural Gas Purchase Confirmation V4.2 CH-IND
Account Numbers and Facility Addresses**

Seller: Interstate Gas Supply, Inc. d.b.a. IGS Energy

Buyer: City of Richmond Heights

Following are the Account Numbers and Addresses included under the above-mentioned contract between Seller and Buyer:

AGREED.

Seller:

Buyer:

Name: Jonathan Liba

Title: Senior Sales Manager

Name: Mitchell Michalec

Title:

Mitch Michalec

From: Andrea Longbrake <alongbrake@igsenergy.com>
Sent: Friday, December 19, 2014 3:53 PM
To: Mitch Michalec
Subject: Natural Gas Agreement
Attachments: City of Richmond Heights Agreement.pdf; NYMEX Graphs.pdf

Hi Mitch,

Thank you for taking the time to talk to me today. Per our conversation you are currently on a fixed rate of \$4.87 per MCF through 12/31/2014. The market is extremely low right now and I can currently offer the following pricing:

Term in Months	Start	End	BT MCF Volume	Fixed Price Offer
12	Jan-15	Dec-15	4,517	\$3.650
24	Jan-15	Dec-16	9,034	\$3.860
36	Jan-15	Dec-17	13,551	\$4.240

Price quotes are subject to change, higher or lower, due to market volatility. I've attached a 2 year agreement at \$3.86 per MCF. As we discussed this could change by Tuesday when I send updated rates. Also, I've attached a graph that illustrates the Nymex market volatility over the last 10 years. Please let me know if you have any questions or need anything else.

By the way I forgot to ask you if you are also an Ohio State fan. I'm going to cheer them on in New Orleans for the playoff game!

Thank you,

Andrea Longbrake

Commercial Account Manager

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