

ATTACHMENT NO. IX-H: Proposal to Participate in the Illinois Energy Consortium (IEC) for providing Natural Gas Services

Potential motion: Move to approve membership and Participation in the Illinois Energy Consortium (IEC) Natural Gas Program

Recommended action: Approve the motion

The District's agreement with ProLiance for natural gas ends May 2011. Historical commodity costs were reviewed based upon consumption and rates from the present provider (ProLiance), IEC (Illinois Energy Consortium) and Nicor. Based upon the District's consumption and pricing with the current vendor, IEC outperformed ProLiance in 2009/10 by 8.7-13.8% depending upon the program. In the current fiscal year, IEC has been out-performing ProLiance at a greater rate of 19.9-27.5%.

IEC is a joint program sponsored by the Illinois Association of School Boards (IASB), Illinois Association of School Administrators (IASA), and Illinois Association of School Business Officials (IASBO). The IEC board has nine directors with three directors from each of these associations. Currently there are over 300 members with over 42 million therms of annual usage.

IEC has three different types of programs with Natural Gas. A – Managed Program “Hands Off”, B – Customized Portfolio “Hands On” – District makes decisions, and C – “Spot Pool” - Needs float with the IEC Spot pool price. It is estimated that annual savings of approximately \$11,000 could be seen with membership and participation in the Spot Pool Program.

The membership commitment would be for a three year period. Renewals are a 120 day notice with a roll-over for one year at a time.

Based upon estimated savings with current consumption, it is recommended that the Board approve membership and participation in the Illinois Energy Consortium Natural Gas Program.