

dth = decatherms - 1025 cubic feet  
tgt = Texas Gas Transmission

## Benton Natural Gas Update

### Winter 2015-2016

November and December of 2015 could go on the record books as the warmest November-December on record. That has created some challenges for the Gas Department. November and December 2015 usages per TGT were respectively 39,822 dth and 57,304 dth in stark comparison to November 2014 and December 2014 when usages were 75,456 dth and 86,813 dth for a year over year difference of 67,143 dth less usage for those two months alone. That difference had prevented us from reducing storage inventories through the end of 2015. At the end of 2014 we had reduced its storage levels to 57% (68,858 dth). The storage level due to the record warm temps in Nov 15 – Dec 15 was 89% (106,737 dth). Per requirements by TGT we must reduce its storage level by the end of the withdrawal season (March 31, 2016) to prevent MCFC charges and other potential penalties. In order to do so we will sell off some of its fixed price purchases to meet those goals which will have a negative impact on Benton Gas' revenues. These selloffs while unavoidable due to weather conditions, can and will be mitigated should temperatures remain at/near normal and storage withdrawals can be achieved to meet the TGT requirements. To date in 2016 storage withdrawals have averaged approximately 1,950/dth per day. If withdrawals continue at that level throughout the remainder of January it would likely greatly reduce or potentially eliminate the requirement to selloff fixed price purchases for February and/or March 2016. New customers added to our system in the past several months have increased demand on our system overall, but those cannot offset the record warm temps. Those additional new customers have greatly assisted in reducing or eliminating selloffs now that temperatures have returned to normal. Without those additions the record temps would have had a larger impact on our ability to meet storage withdrawal requirements. We will meet any TGT requirements, but it is important to note that gas sales will be much lower this winter as a direct result of the record warm temps.

We have raised gas rates

from 7.60 to 7.90 for an mcf

We will have to look at amending the budget  
around March