

Utility/Fuel Expense Related Notes

FY2023 Proposed Budget

#2 Heating Oil, Bid #B13004 – The City’s current provider is HEG, Inc./Haffners AKA Hanscom Truck Stop. The bid rate remains constant through August 31, 2022 at \$2.39 per gallon for an estimated 8,000 gallons with no price increase if estimate is over or under. Due to the current agreement expiring during the fiscal year and current fuel values, budget proposal uses \$2.50 per gallon times estimated annual usage which represents a 5% increase over current agreement pricing.

Diesel Fuel Off Road, Bid #B13003 – We are presently buying from HEG, Inc./Haffners AKA Hanscom Truck Stop @ \$0.19 per gal over Portsmouth low daily BASE pricing for Diesel Fuel which changes. The October 2021 average BASE price was \$2.40 for a grand total of \$2.59, with the highest charged price of \$2.67. The over rack price of \$0.19 will hold until annual 25,000 gals are used through September 30, 2022. Due to the current agreement expiring during the fiscal year, current fuel values, and uncertainty of fluctuating prices, budget proposal uses \$2.80 per gallon times estimated usage which represents a 5% increase over current agreement pricing.

Gasoline Unleaded & On Road Diesel – Fuel is available at the State of NH fuel pumps located near the Spaulding Turnpike, Exit 9. The State rates as of September 2021 were \$1.95 per gallon for unleaded fuel and \$2.20 per gallon for on road diesel. Fuel is also available at Irving stations. Prices at Irving fluctuate, at the end of October 2021, were \$3.02 per gallon for unleaded and \$3.28 per gallon for on road diesel. The City utilizes the State fueling depot but will use Irving for purchases when it is more advantageous to do so. Due to the uncertainty of fluctuating prices, the budget proposal uses \$2.15 for Unleaded and \$2.42 for Diesel which represents a 10% increase over the current State of NH rates.

Electricity Rate, Bid #B22020 - The city has a fixed rate for the supply of electricity at the rate of \$0.09275 per kWh effective December 1, 2021 through November 30, 2023 with NextEra Energy Services. There is also a variable charge for demand usage and the delivery fees from Eversource which is estimated to be at or close to the current electricity rate. The budget proposal uses a combined \$0.186 per kWh which approximates a 15% increase over the current estimated combined rate.

Natural Gas, Bid #B21047 – The city currently has a fixed rate of \$0.550 per Therm with Sprague Energy through September 30, 2023 for natural gas supply and with Unitil Utilities at approximately \$0.55 (this fluctuates) for transportation fees. The budget proposal uses \$1.10 per Therm times estimated usage which represents a 0% increase

Propane Bid #B12006 – The city is currently locked in at \$1.84 per gallon with DF Richard for estimated annual 20,000 gallon usage through September 30, 2022. Due to the current agreement expiring during the fiscal year and current fuel values fluctuating between \$2.00-\$2.75/gallon, the budget proposal uses \$2.50 per gallon times estimated usage represents a 26% increase over current agreement pricing.

Telecommunication Services, Bid #B21061 – The city is finalizing transition to our new service providers, RingCentral and Consolidated Communications and continues to utilize Verizon Wireless for mobile services. The proposed budget maintains existing monthly service plan fees and calling charges based upon current usage.