

# Service Associate Q&A

## Seminole Energy's Steve Grams discusses energy cost savings options



**Steve Grams** is a regional account executive with Seminole Energy Services.

*Editor's note: Each issue, we pose questions to a WASB Service Associate to share the good work that these businesses do with Wisconsin public schools.*



**Q.** What does Seminole Energy provide to school districts?

**A.** Seminole Energy Services provides a cost-effective alternative to school districts' local natural gas utility company. Our natural gas monthly supply rates have been consistently below local utility company rates. As a budgeting tool, we offer school districts the opportunity to lock in their gas rates for up to three years. Seminole Energy Services provides reliable delivery. Since our inception in 1998, we have never failed to deliver nominated quantities to our customers. We serve school districts across 25 states.

**Q.** Could you give an example of how Seminole Energy has helped a school district?

**A.** This winter proved to be the perfect storm for volatile energy markets. Low supply and high demand triggered sharp price increases. In designing a risk management strategy with one of my district customers, we locked in 50 percent of their historical gas needs for this school year. The other 50 percent floated with the market. While the floating rates were competitive, the locked rate significantly beat the natural gas market during the mid-winter price spikes. The district saved a significant amount of money while enabling them to budget for their energy expenditures.

**Q.** What is an important issue in your field that school leaders should be aware of?

**A.** There are alternatives to your local utility company's system supply service. Understanding how the gas transportation system works can save money and provide budgeting tools for your district.

**Q.** What are some strategies schools can use to keep energy costs down?

**A.** Beyond energy efficiency measures: make sure you review your utility bills for accuracy. Items affecting your bill can include: incorrect rate class; meter calibrations; 'lost or unaccounted for gas.' Consider locking in a portion of your gas needs.

**Q.** What were some of the causes in the increase in natural gas prices this past winter?

**A.** The gas market fundamentals are supply and demand driven. In simplest terms, prices increased higher this winter mainly due to inventory reductions and increased heating load demand. The country's gas inventories dropped to a 10-year low. Some reasons for this included well freeze-ups reducing volumes into the infrastructure, a Canadian pipeline explosion on a pipe that serves the upper Midwest, and colder than normal temperatures increasing demand.

With currently known gas reserves in North America, refilling the storage facilities to near normal levels should

occur, however, this winter displayed the vulnerability of supply and demand and how easily it can effect a school district's energy budget. Developing a risk management strategy will help to protect your district's expenditures when the next volatile event occurs..

**Q.** Are there any new strategies or products that can help schools save money on energy costs?

**A.** If you are currently working with a marketer, periodically entertaining competitive offers ensures you are receiving the best price and service to suit your needs and budget.

**Q.** Anything else Wisconsin school leaders should be aware of?

**A.** Due to a colder than normal winter, price volatility has returned to the natural gas market. Many energy budgets were negatively affected this school year. Seminole Energy Services can assist your district in developing a risk management strategy, energy budget and we will monitor your daily gas usage for any inconsistencies. We are here to help. ■

*The WASB Service Associates Program includes more than 20 businesses and organizations that have been recognized by the WASB Board of Directors as reputable businesses and partners of public education in Wisconsin. For more information, visit [wasb.org](http://wasb.org) and select "Service Associates."*

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