

**From:** [LAS - AMO Business Services](#)  
**To:** [Dave Milliner](#)  
**Subject:** LAS Natural Gas Program Price Announcement Nov 2021- Oct 2022 Term  
**Date:** October 25, 2021 10:00:59 AM

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October 25, 2021

## **LAS Natural Gas Program Price Change Notice**

*Dear Program Participant,*

**The LAS price for the November 2021 - October 2022 period will be 11.7 cents/m<sup>3</sup>.**

This rate represents a 15% (\$0.016/m<sup>3</sup>) commodity increase; a result of market volatility due to the pandemic, lower natural gas storage reserves, flat natural gas production levels across the globe, and uncertainty surrounding winter natural gas demand. To offset the increase commodity costs, transportation rates are seeing levels decreasing year over year which are expected to offset some of the commodity increase. Including the slight decrease in transportation rates, a net cost increase of approximately \$0.012/m<sup>3</sup> is anticipated for program members.

To learn more, LAS will be hosting a [webinar](#) on November 18, 2021, to discuss the LAS Natural Gas strategy and program outlook. Further details will be provided to program contacts.

### ***Looking ahead:***

LAS has secured 55% of required natural gas volumes for the November 2022 - October 2023 program year, and we anticipate a program rate of 11.0 cents/m<sup>3</sup> for this period. The rate will not be finalized until September 2022, but this information can assist with preliminary budgeting.

LAS' strategy for natural gas continues to be established with a view towards annual cost predictability. To ensure this, the LAS Program operates within a four-year purchasing window. LAS has competitive targets in place for future years and has already purchased 41% of member requirements for the November 2023 program year, as well as 32% of member requirements for the

November 2024 program year.


LAS always leaves a portion of the total annual program volume to settle at spot market rates, which allows members to benefit from largely competitive spot market prices. New enrollment requests for the 2021/2022 term will be assessed for natural gas volume, and whether the usage can be accommodated within current program volume.

Program Facts:

- 170+ participating organizations
- Daily program volume of 288,000m<sup>3</sup>
- \$3.5 million in member rebates over past 3 program years

*If your organization would like to enroll any additional accounts in the program, please forward a recent bill copy by email to [flazzaro@amo.on.ca](mailto:flazzaro@amo.on.ca).*

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