Explanation for Natural Gas Purchase

The University of Houston seeks approval to delegate authority to the Chancellor to purchase natural gas for the University of Houston campus.

The University of Houston spent about $2 million per year on natural gas in the first two years under the existing three year contract, which ends August 31, 2012. Based on the current low price of natural gas, the University expects to save an additional 30% on the next contract beginning September 1, 2012.

The University's primary use of natural gas is fuel to feed low-pressure boilers in the University's Power Plant. The natural gas fired boilers provide steam heat to many campus buildings including classroom buildings, research laboratories, student housing, student health center and animal care facilities. All University facilities that serve student housing, student health center and animal care facilities with steam heating require an uninterruptible natural gas supply.