

Capital Improvement Plan

City of Corpus Christi, Texas

2024 *thru* 2026

Project # 22123
Project Name Underground Natural Gas Storage

Type Improvement/Additions
Useful Life 25 years
Category Gas
Department Gas Department
Contact Director of Gas Operations
Priority Asset Condition\longevity
Council District Outside City Limits
Status Active



Description

This project consists of the design and construction of a underground natural gas storage facility that will aid the City's Gas department in securing reliable and affordable gas for their customers. The primary use for the facility is store gas when the rates are low and withdrawal when the rates are high, reducing the risk of volatile gas price hikes. The Storage facility will be designed with a minimum of 40,000 MMBtu per day withdrawal rate to serve customers during peak usage. Additional Storage and withdrawal capacities will be marketed to nearby industries and midstream Gas companies to increase revenues to support the project. This facility may also be expanded to support green energy projects like renewable natural gas and carbon capture.

Justification

The ability to store gas for future use hedges against unforeseen price fluctuations and supply for the end user. The facility will also provide additional revenue from marketing excess storage/withdrawal capacity.

Expenditures	Prior Years	2024	2025	2026	Total
Construction/Rehab		4,000,000	18,000,000	18,000,000	40,000,000
Land Acquisition		1,000,000			1,000,000
Design	50,000	1,500,000	3,000,000		4,550,000
Eng, Admin Reimbursements	5,000	110,000	400,000	380,000	895,000
Total	55,000	6,610,000	21,400,000	18,380,000	46,445,000

Funding Sources	Prior Years	2024	2025	2026	Total
Revenue Bonds	55,000	6,610,000	21,400,000	18,380,000	46,445,000
Total	55,000	6,610,000	21,400,000	18,380,000	46,445,000

Budget Impact/Other

An assessment will be done upon completion of project to determine maintenance costs.