

THATCHER COMPANY OF NEVADA, INC.

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September 6, 2018

Dan Marran
City of Sparks
Contracts and Risk Manager
431 Prater Way
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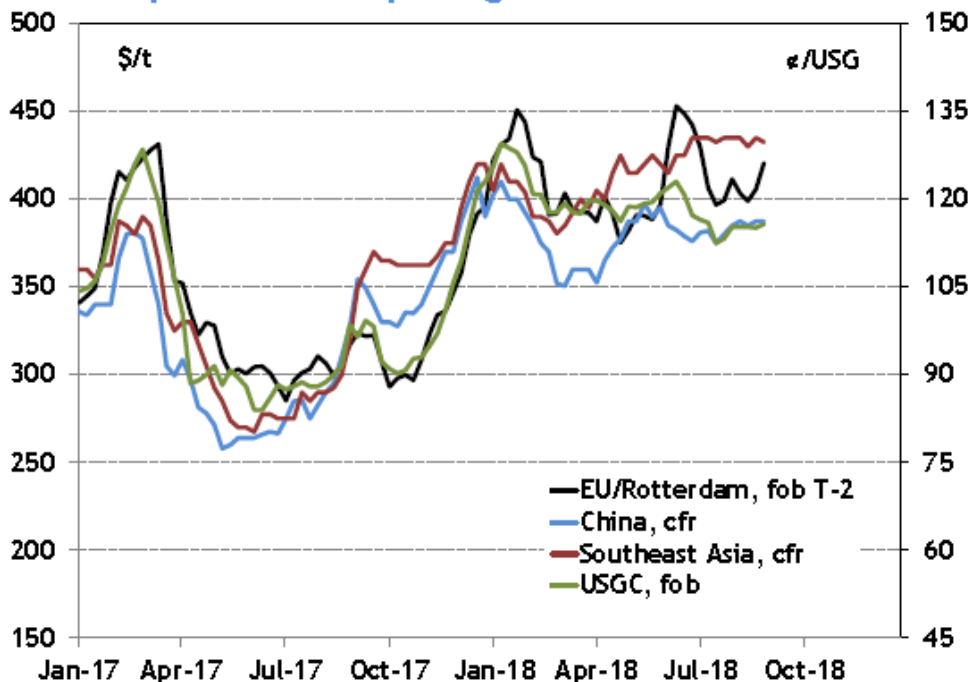
SUBJECT: 2019 Methanol Pricing

Dan,

Thatcher Company of Nevada, Inc. can support the bulk methanol pricing for the 2018-2019 contract using our NIPA pricing at the low-end of the FOB Truck/Rail plus \$0.6382/G.

Methanol is a global commodity and methanol pricing has been fairly stable for most of 2018. As methanol is moved by truck and rail, the recent price increases are driven by diesel fuel. In the last year, diesel prices have increase over 15% and impact the cost of rail and truck delivery.

Global spot methanol pricing



Rail rates are provided quarterly and we are averaging about a 2% rate increase each quarter. This diesel fuel cost increase is 100% responsible for the price increase for the 2018-2019 contract year.

We appreciate the opportunity to support the City of Sparks and look forward to continuing this

dialogue.

Please contact me if there are further questions.

Mike

A handwritten signature in black ink, appearing to read 'M. T. Mitchell', with a long horizontal flourish extending to the right.

Michael T. Mitchell
Thatcher Company