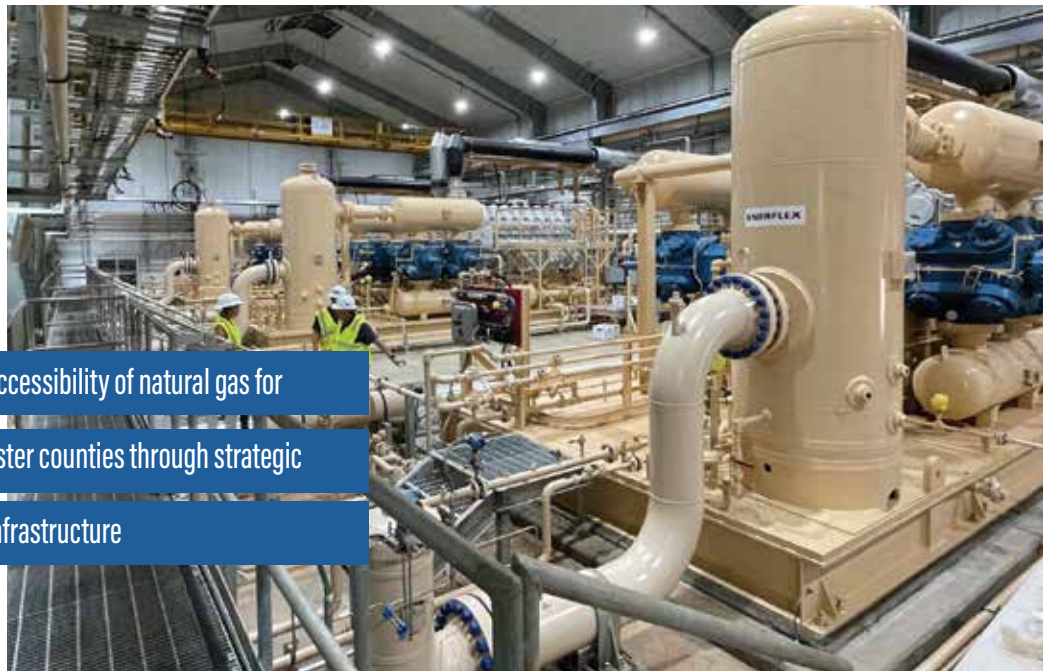


# PATRIOTS ENERGY GROUP & PATRIOTS ENERGY GROUP FINANCING AGENCY

Improving the affordability, capacity, and accessibility of natural gas for customers across York, Chester, and Lancaster counties through strategic financial partnerships and investment in infrastructure



The newly-completed Compressor Station will increase natural gas capacity across the region

Patriots Energy Group (PEG) is a joint action agency formed in 2001 to bring cost-effective and reliable energy to residential, commercial, and industrial customers of Chester County Natural Gas Authority, Lancaster County Natural Gas Authority and York County Natural Gas Authority. The Patriots Energy Group Compressor Station and pipeline are operated and maintained by the employees of York County Natural Gas Authority.

## INFRASTRUCTURE PROJECT

### PATRIOTS ENERGY GROUP COMPRESSOR STATION

In 2019, PEG engaged an outside consulting firm to complete a gas load forecast study addressing the growth in the area and the future peak daily demand for the next 15-years.

THE RESULTS OF THE STUDY ILLUSTRATED THE NEED FOR **ADDITIONAL INFRASTRUCTURE** TO PROVIDE A STEADY AND RELIABLE SUPPLY OF NATURAL GAS TO THE AREA WELL INTO THE FUTURE.

In FY 2021, PEG began planning for a compressor station to be constructed in Blacksburg, SC. Throughout FY 2022 & 2023, staff engaged in finalizing details for the station and meeting with key stakeholders about the planned project. The Patriots Energy Group Compressor Station officially broke ground in May of 2022 and physical construction began on October 2022. The Patriots Energy Group Compressor Station was substantially completed on August 31, 2023.

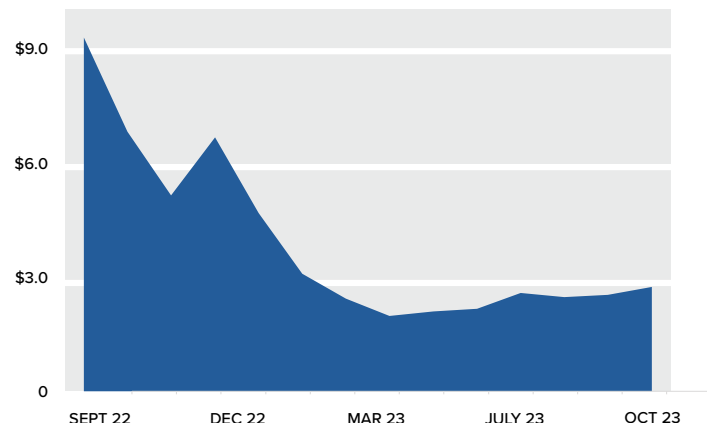
## WHOLESALE PRICES RETURN TO NORMAL

The annual average fiscal year price of gas for FY 2020 was \$2.008, which increased annually to a peak of \$6.122 in FY2022. Fortunately, the members of PEG locked in prices during the low price environment of 2020 (by hedging) and avoided large rate increases for residential and commercial customers. PEG also extended other contracts in 2020 for five years at favorable rates compared to market rates in 2023. Existing prepay transactions in place during FY 2023 also provided a discount to market price gas on a monthly basis. Another benefit to prices during this fiscal year was the ability to sell excess capacity into the marketplace, returning record revenue back to PEG members.

## FISCAL YEAR HIGHLIGHTS

COMPRESSOR STATION	CONSTRUCTION AND SUBSTANTIAL COMPLETION
HIGH WHOLESALE GAS PRICES	MITIGATED EARLY IN THE FY 2023 DUE TO STRONG HEDGE POSITION
SC NATURAL GAS CONFERENCE	HELD IN GREENVILLE, SC
GAS CONTROL OPERATIONS	TRANSFERRED TO PEG FROM SEMPRA
PREPAY GAS DEAL	SOLIDIFIED THROUGH GOLDMAN SACHS AND COMPLETED SHORTLY AFTER FY 2023 ENDED
CRITICAL DAYS	EXPERIENCED OVER THE HOLIDAYS DECEMBER 23-26, 2022
LNG PLANT	RECEIVED DUE DILIGENCE STUDY FROM CB&I
ADDITIONAL CAPACITY	OFFERED BY CAROLINAS MARKET LINK & SOUTHEASTERN ENHANCEMENT PROJECT

## PRICE OF MONTHLY NYMEX NATURAL GAS



## COST SAVINGS

### AVOIDED COSTS (AS OF AUGUST 31, 2023)

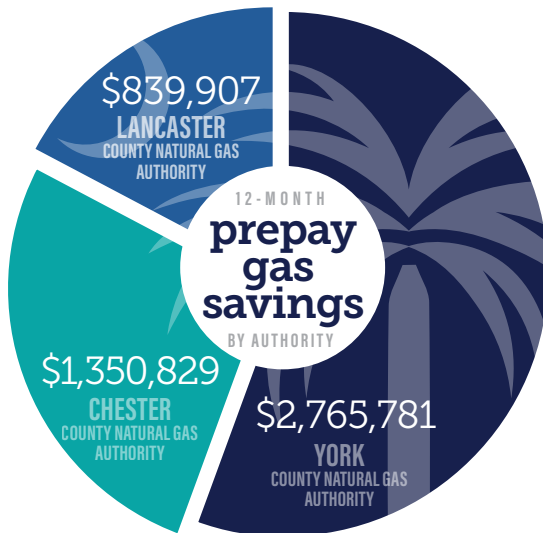
By locking in services during the low price environment of 2020, PEG avoided millions in costs for delivered and peaking services in FY 2023.

PEAKING SERVICES	\$ 4,479,500
90 & 151 DAY DELIVERED SERVICES	\$ 7,487,510
<b>TOTAL COST AVOIDED</b>	<b>\$ 11,967,010</b>

### OTHER COST SAVINGS

There are many factors that affect natural gas prices, but the primary factors that drive prices include economic conditions, natural gas storage levels, weather, supply and demand balance, as well as the market's perception of these factors. PEG and its members mitigate exposure to the volatility of prices through hedging, long-term prepayment agreements, and capacity release.

CAROLINA GAS TRANSMISSION (CGT) CAPACITY RELEASE	\$ 228,135
TRANSCO CAPACITY RELEASE	\$ 8,874,005
HEDGING	\$ 3,453,579
<b>TOTAL SAVINGS</b>	<b>\$12,888,719</b>



### BREAKING THROUGHPUT RECORDS (DTS)

	MONTHLY	12-MONTH
SEPTEMBER 2022	796,890	
OCTOBER 2022	1,156,259	
DECEMBER 2022	2,278,576	<b>15,484,734</b>
APRIL 2023	1,054,390	
MAY 2023	941,122	
JUNE 2023	874,265	
JULY 2023	802,866	
AUGUST 2023	873,208	

## FINANCING, SUPPLY MANAGEMENT, & SAVINGS

**OCT 2022**

PUBLIC GAS PARTNERS (PGP) POOL #4 REFUNDS (\$209,819)

**NOV 2022**

SIGNIFICANT CAPACITY RELEASE REVENUE

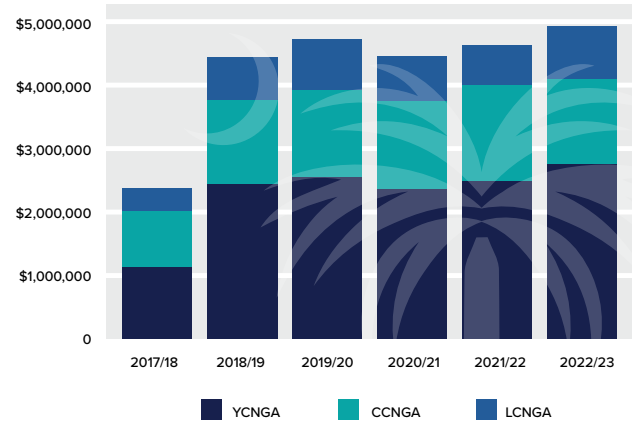
**AUG 2023**

CAROLINA MARKET LINK PROJECT APPROVAL

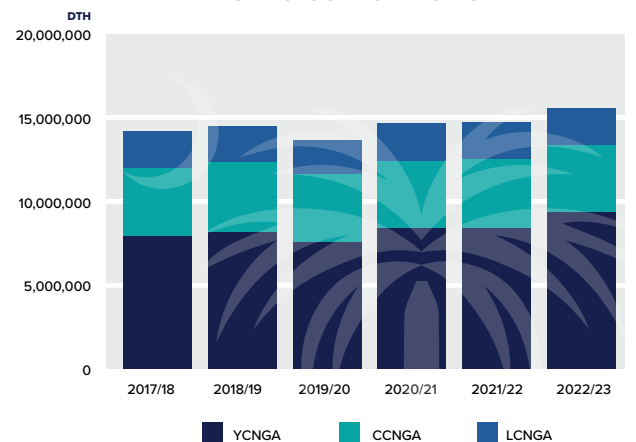
**AUG 2023**

PEGFA ADMINISTRATIVE FEES RETURNED (\$325,470)

### PREPAY GAS SAVINGS - OVER 6 YEARS



### TOTAL GAS SALES BY AUTHORITY



### TOTAL PEG THROUGHPUT

