



# **8a – Natural Gas Price Stability Program Quarterly Update**

Executive Committee

March 20, 2024

# Latest Domestic Policy News Impacting Gas Prices

## *Current Administration Driving Long Term Impacts*

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- ↓ Declaration of a national energy emergency
  - Looking to boost domestic oil and gas production by removing regulations
- ↑ DOE approved expansion of Golden Pass LNG project in Texas
- ↓ FERC revoked interim policy statement on assessing greenhouse gas emissions for natural gas projects.
- ↓ Repeal of methane emissions fee could reduce operation cost for producers

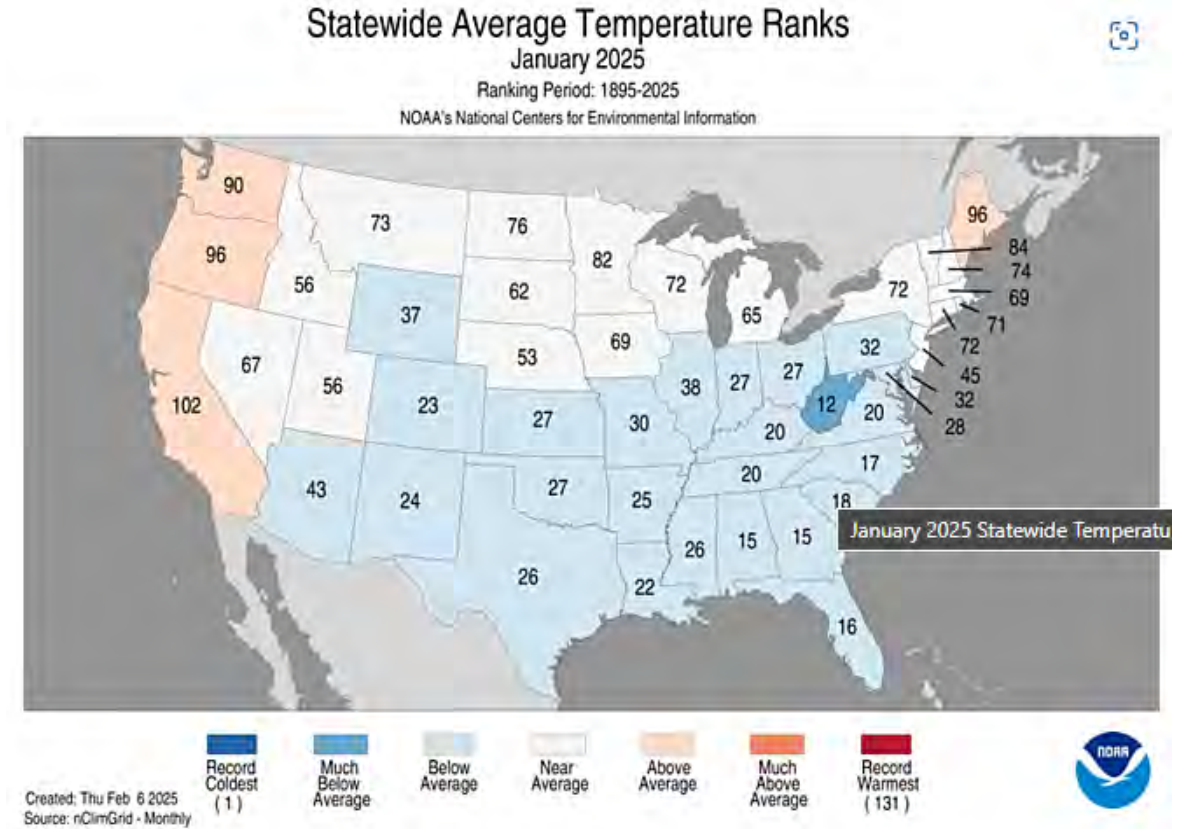
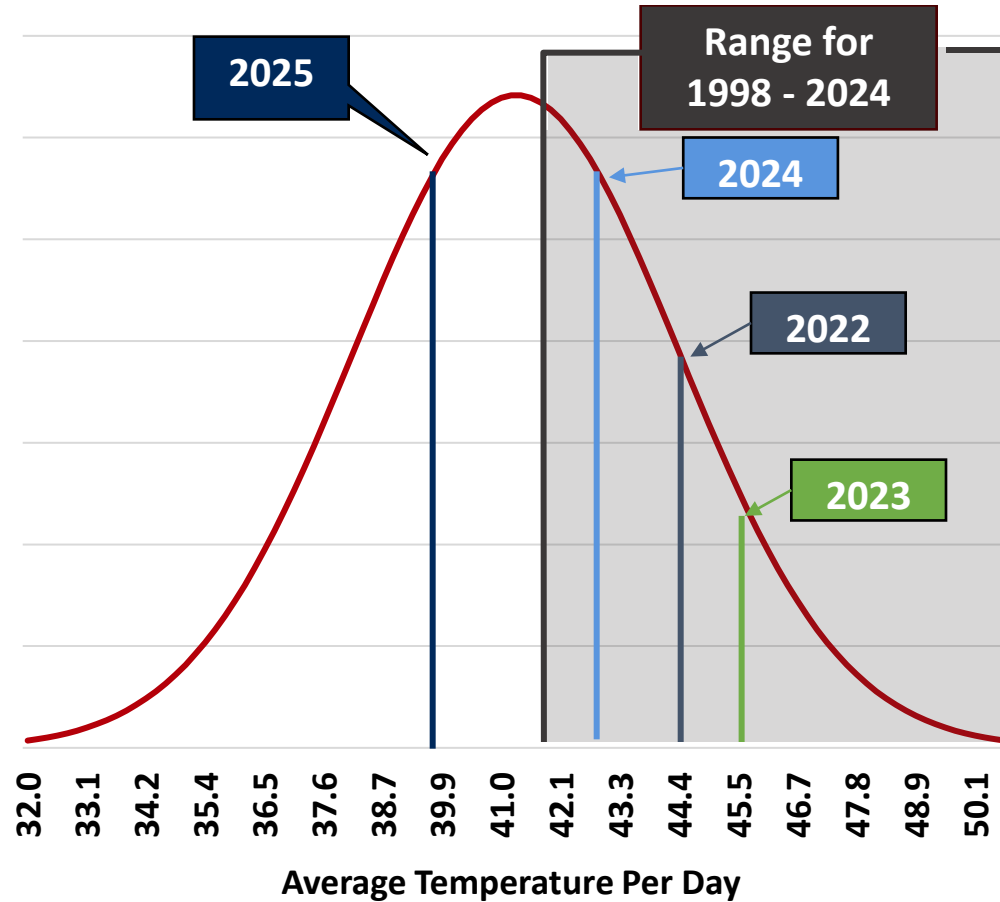
# Latest Foreign Policy News Impacting Gas Prices

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- ↑ 25% Tariffs for Canada and Mexico estimate a 15% - 30% price increase
  - Despite Canada only accounting for <5% of total demand
- ↓ Ending of Ukraine War estimate a short term 60% -70% price decrease
- ↓ Restart Nord Stream 2 pipeline project, signaling possible shifts in U.S.-Russia energy relations
- ↑ EU delayed plan to phase out Russian energy
- ↑ European Commission has proposed maintaining the EU's gas storage filling goals until 2027, aiming for 90% capacity by November 1 each year.

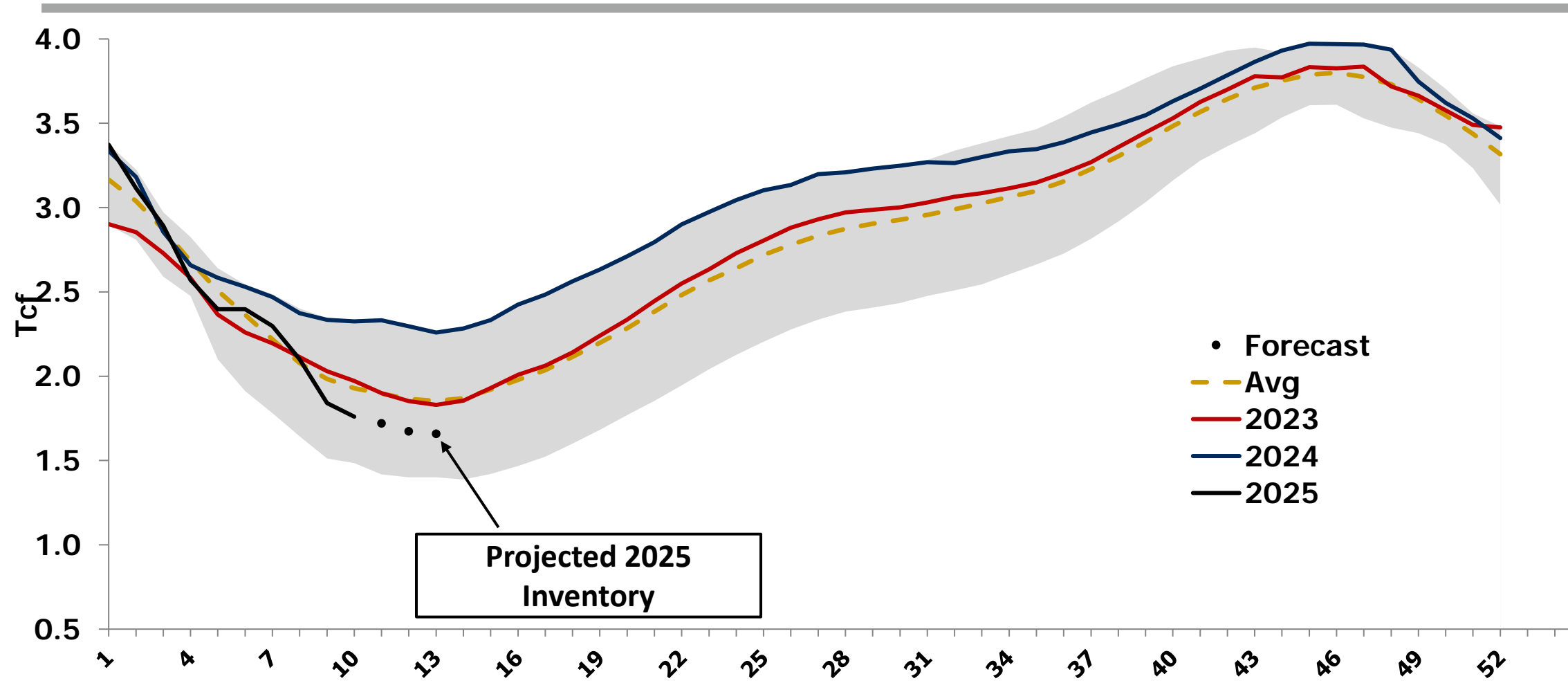
# January Weather Recap

## January 2025 Ranked as 22<sup>nd</sup> coldest in last 75 years



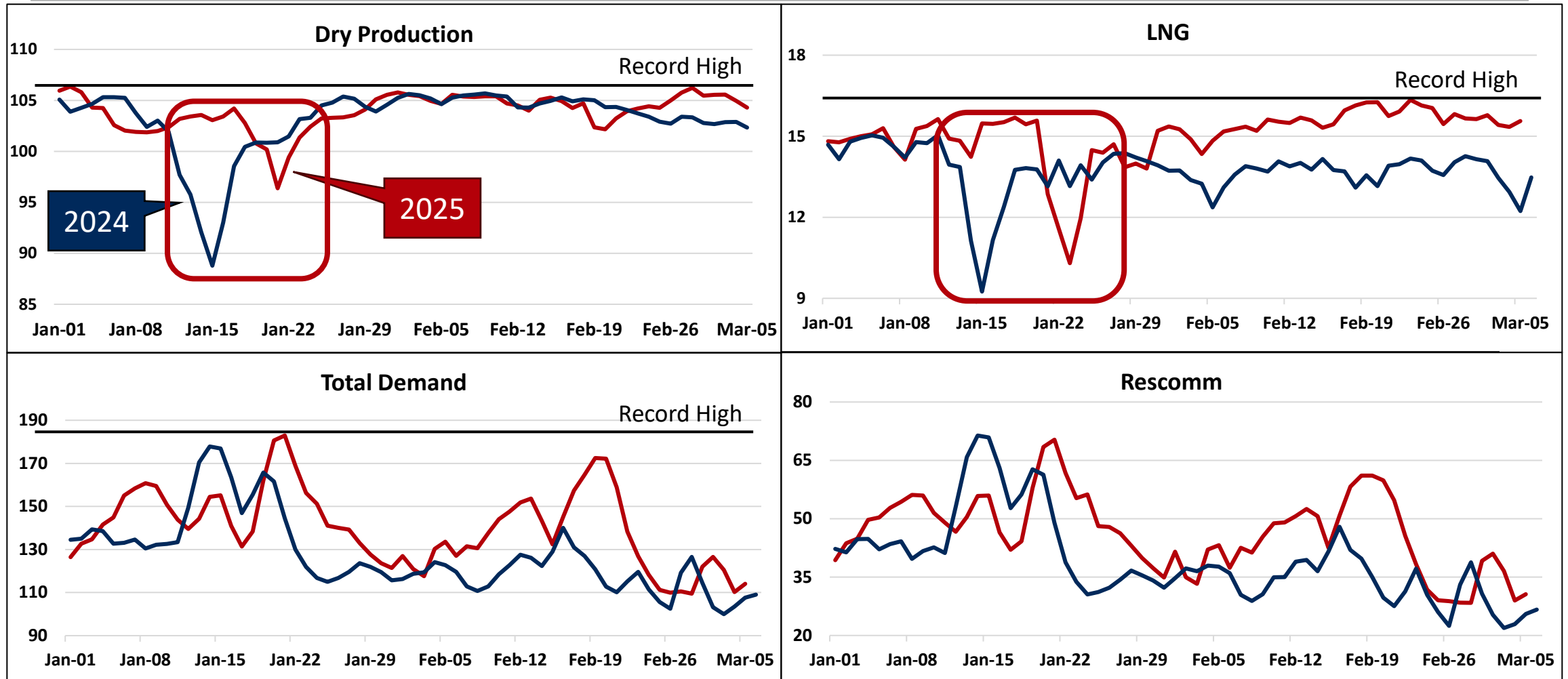
# Gas Storage 574 Bcf Below Last Year

*Storage Levels Nearing Bottom for Winter 2025*



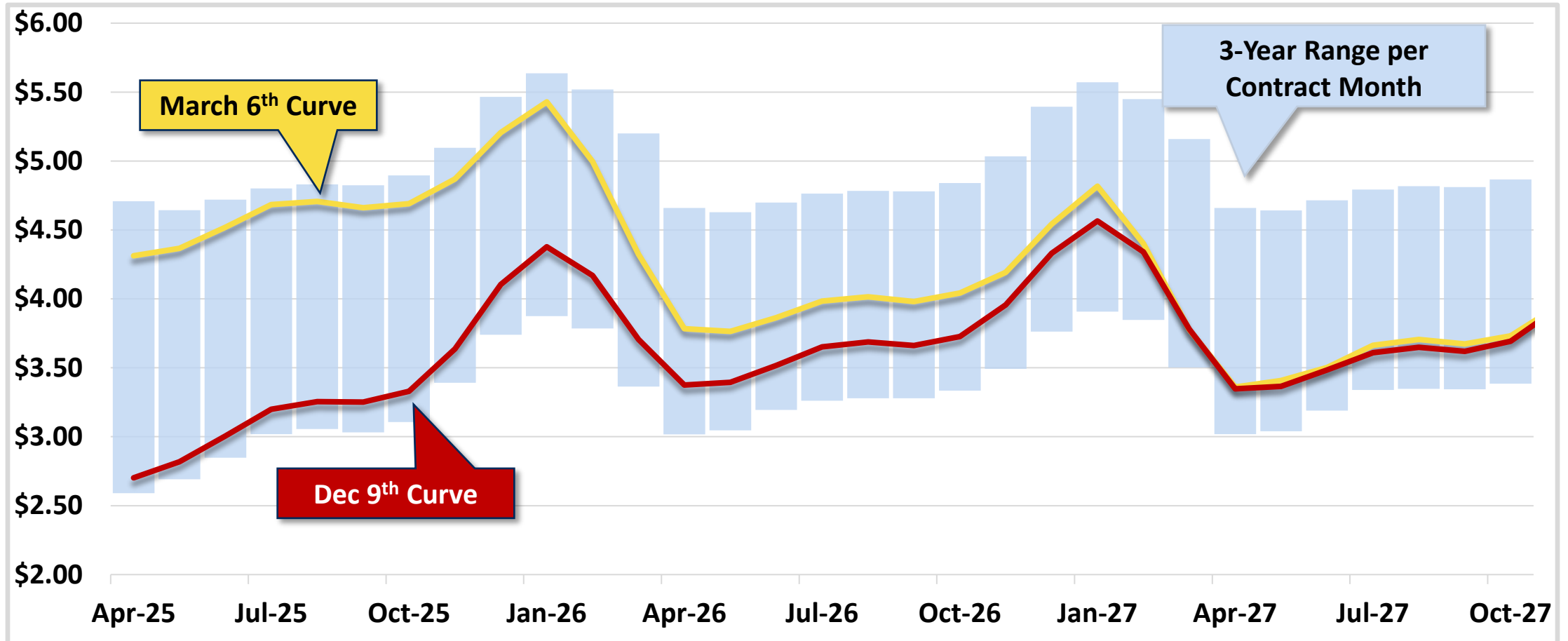
# Cold Weather Demand Up 12 BCF More Than Supply

*Production Up .8 BCF, Total Demand, LNG & ResCom. Up 13, 1.4 & 6.9 Respectively*



# Cold and Volatility Push Curve to Multi-Year Highs

*Summer 2025 up 19% Since Jan. & 33% Since Oct.*



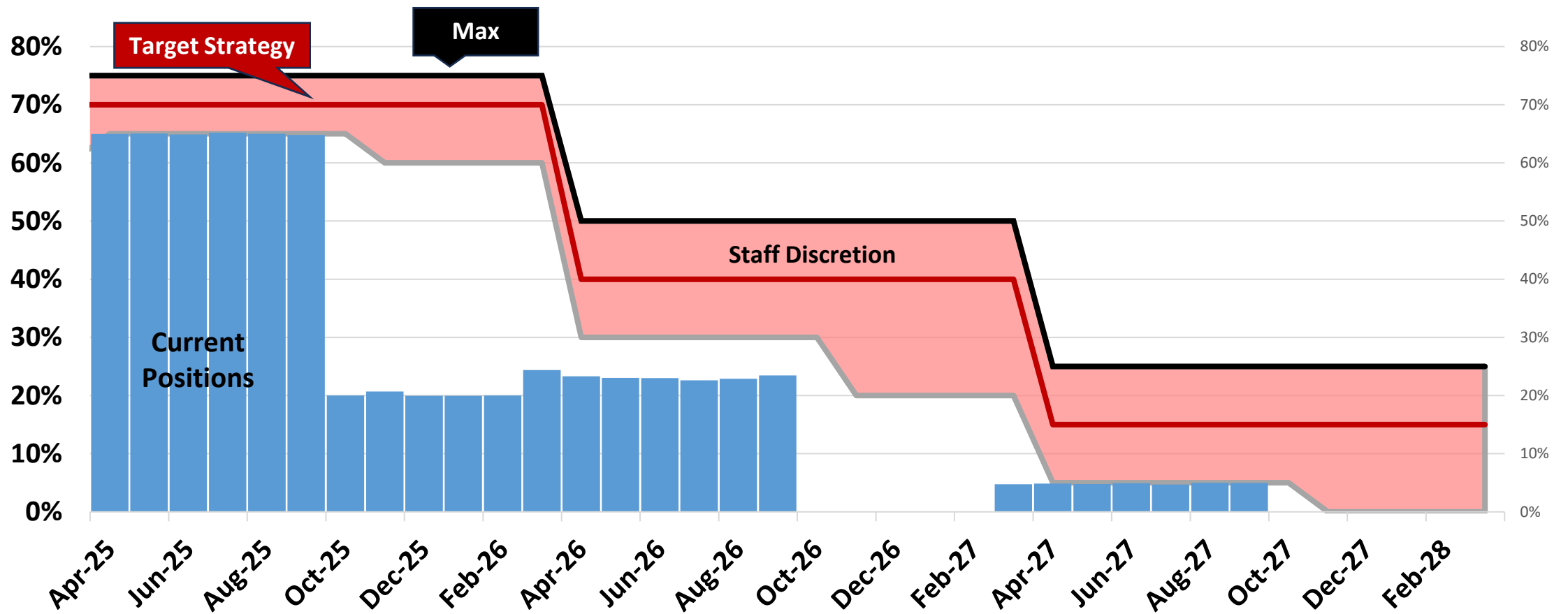


# Program Updates



# Stability Programs Current Positions

## *Looking for Winter '25 - '26 and Summer '26*



# Rate Projections Targets Approved in Dec. 2024

## *Projected Rate Changes Due to New Budget Model – Nov.2024*

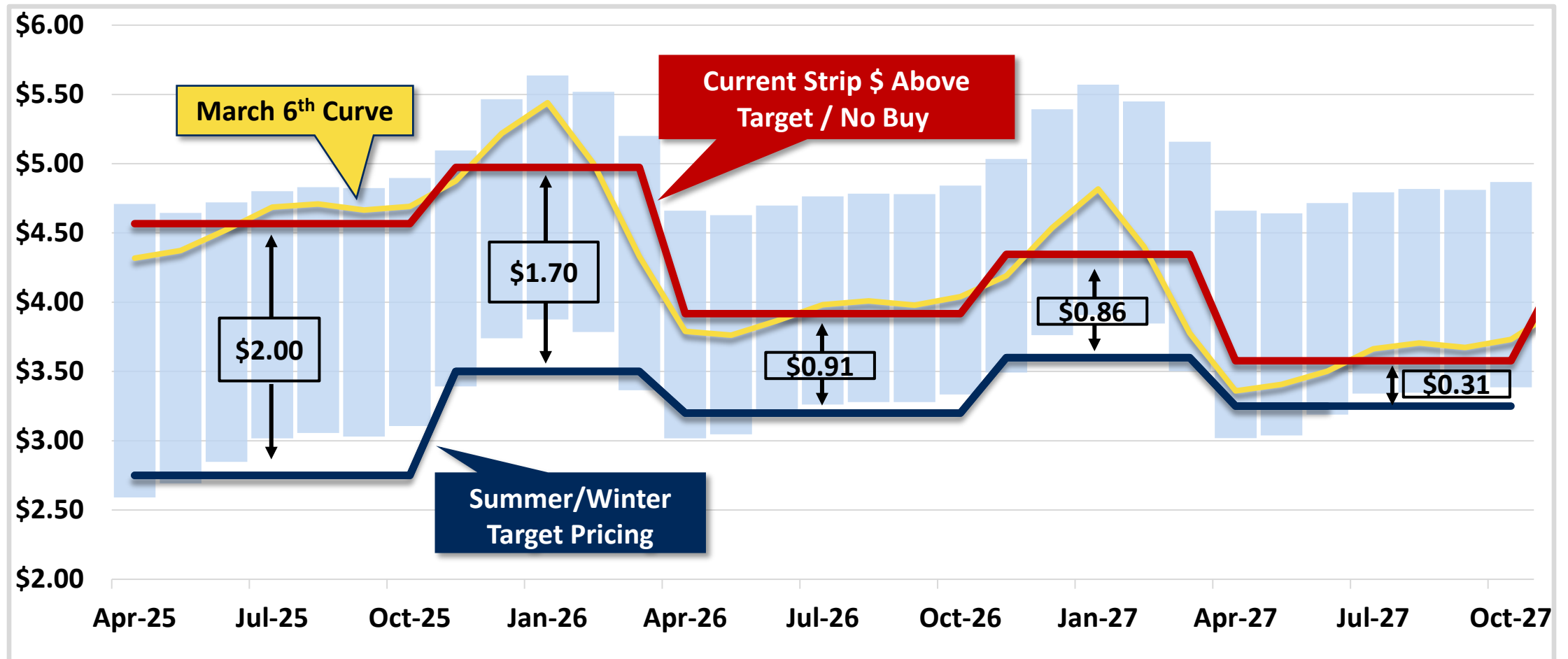
Winter Date Ranges	Target Gas Price (\$/MMBtu)	Target Rate (\$/MWh)
Nov 24 - Mar 25	\$2.65	\$84.69
Nov 25 - Mar 26	\$3.50	\$91.75
Nov 26 - Mar 27	3.60	\$89.22

Summer Date Ranges	Target Gas Price (\$/MMBtu)	Target Rate (\$/MWh)
Apr 25 – Oct 25	\$2.75	\$69.78
April 26 - Oct 26	\$3.20	\$77.12
April 27 - Oct 27	3.25	\$83.93

Fiscal Year	Target Rate (\$/MWh)
2025	\$77.23
2026	\$84.44
2027	\$86.75

# Targets Well Below Current Market

*New Positions Expected After Winter and Market Uncertainty*



# New Rate Projections Target for Next Three Winters

## *New Projected Rates Based on Forward Curve – March 2025*

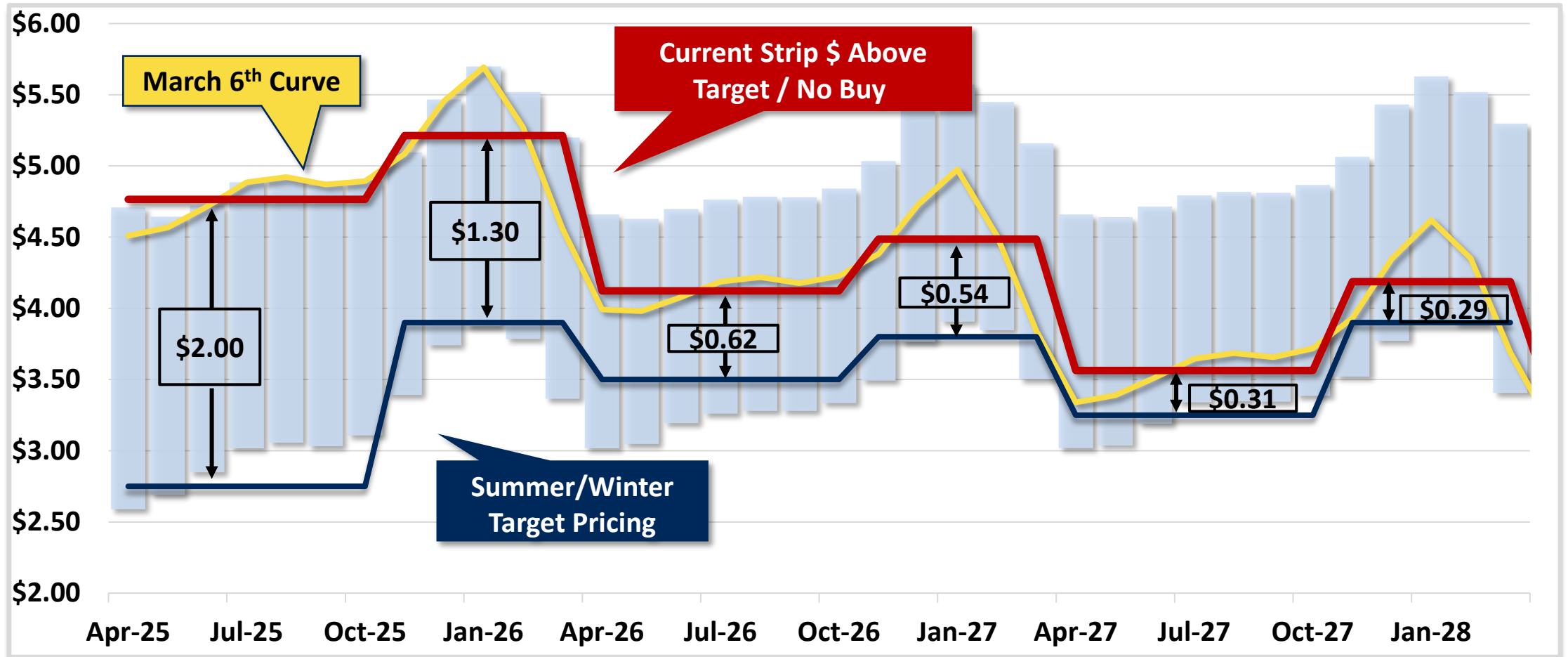
Winter Date Ranges	Target Gas Price (\$/MMBtu)	Target Rate (\$/MWh)
Nov 24 - Mar 25	\$2.65	\$84.69
Nov 25 - Mar 26	\$3.90 (+0.40)	\$89.04 (-\$2.71)
Nov 26 - Mar 27	3.90 (+0.40)	\$89.47 (+.25)
Nov 27 - Mar 28	3.90	\$90.27

Summer Date Ranges	Target Gas Price (\$/MMBtu)	Target Rate (\$/MWh)
Apr 25 – Oct 25	\$2.75	\$69.78
April 26 - Oct 26	\$3.45 (+0.25)	\$76.30 (-\$0.82)
April 27 - Oct 27	3.25	\$78.39 (-\$5.54)
April 28 - Oct 28	3.25	*\$78.90

Fiscal Year	Target Rate (\$/MWh)
2025	\$77.23
2026	\$81.62 (-2.82)
2027	\$83.06 (-\$3.69)
2028	*83.63

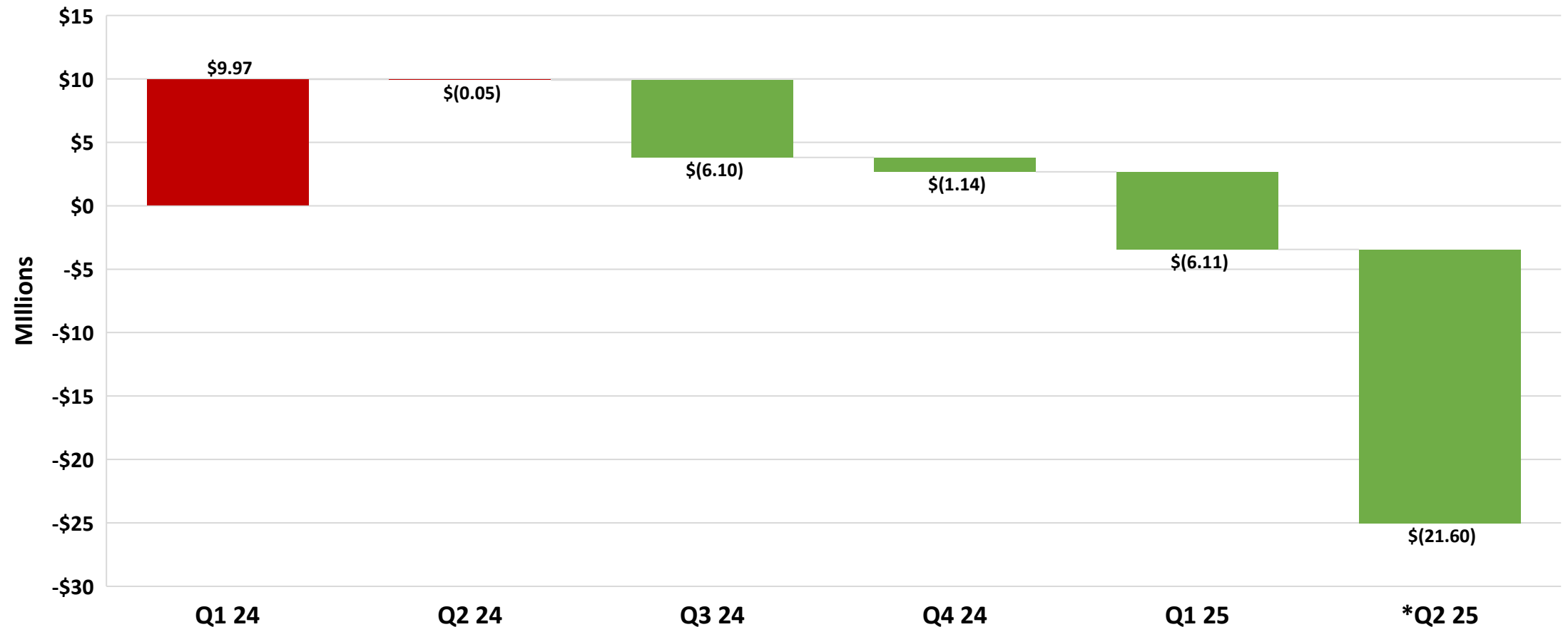
# New Targets Give More Options for Positions

*New Positions Expected After Winter and Market Uncertainty*



# Margin Required

*Price Increases Has Reduced Margin by \$27.7M this Fiscal Year*



\*As of March 7<sup>th</sup> Close  
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