



# **8c– Approval of Natural Gas Price Stability Price Targets for Quarter 4 FY 2024**

Executive Committee

June 20, 2024

# Review of Power Price Management Efforts

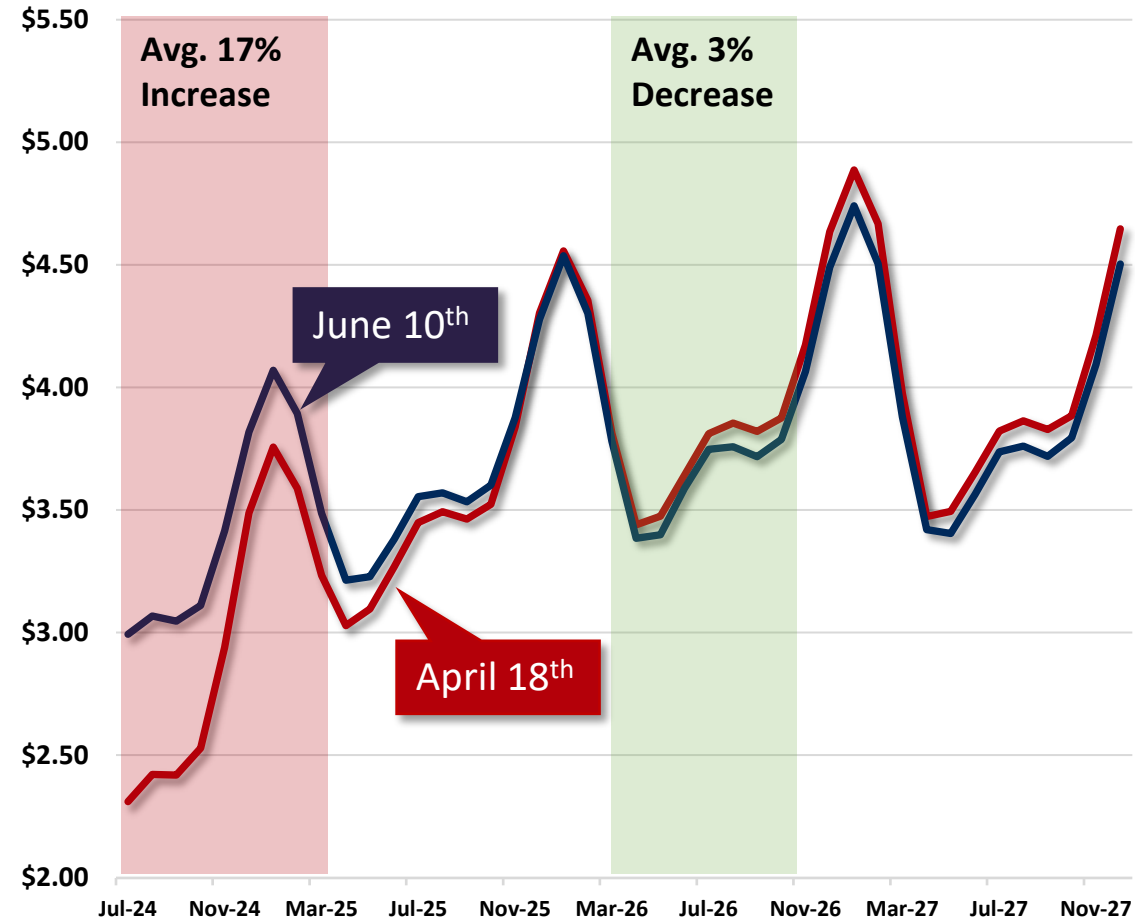
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- **Quarterly Review and Alignment:**
  - Provide comprehensive reviews of current positions and market dynamics
  - Actively review alignment with EC's strategic rate goals
  - Define monthly percentages to manage risk by period, ensuring avoidance of overexposure
  - Review actions whenever minimum thresholds were met
  - Review discretionary actions after minimum thresholds were met

# Market Factors Driving Changes Since April

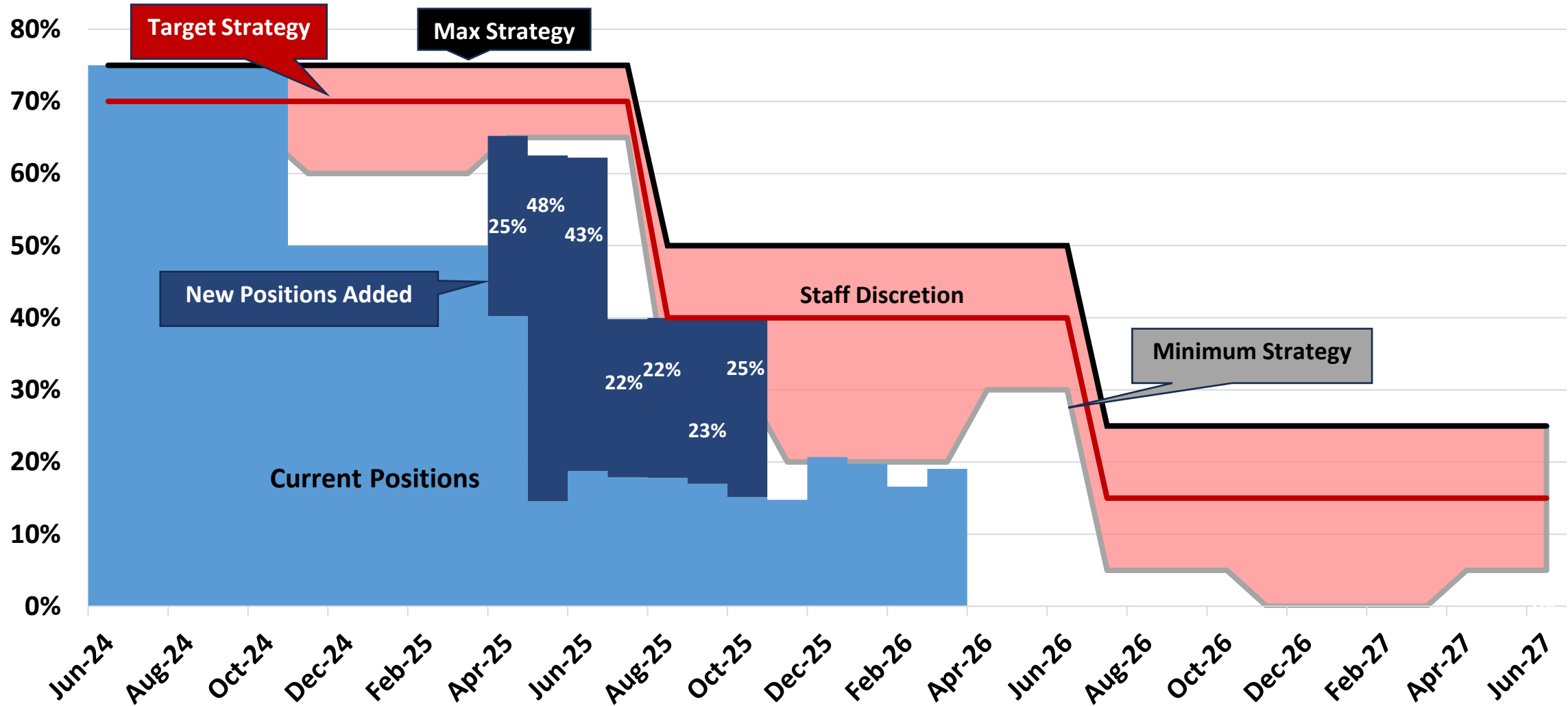
## *Forward Curve Flattening Due to Several Factors*

- Supply Down 2 BCF/day
- LNG up 2 Bcf/day
  - EU price spike due to unplanned outages
  - Russia's declining imports
- Over 115 million U.S. households facing extreme heat
- Despite 5-year high storage levels, injection is down as compared to last year



# Current Position as of June 1st

*Positions were left under target to allow weighted averaging of fall positions*



# Monthly Breakdown of New Positions

*All contracts added below EC approved \$3.33 threshold*

MONTH	MMBTU	PRICE	PERCENT ADDED	TOTAL SAVINGS
Apr-2025	600,000	\$ 3.293	25%	\$ 22,450
May-2025	1,450,000	\$ 3.281	48%	\$ 69,350
Jun-2025	1,575,000	\$ 3.280	43%	\$ 75,600
Jul-2025	700,000	\$ 3.281	22%	\$ 31,850
Aug-2025	747,500	\$ 3.292	22%	\$ 24,700
Sep-2025	712,500	\$ 3.292	23%	\$ 23,005
Oct-2025	717,500	\$ 3.276	25%	\$ 35,295
<b>Total</b>	<b>6,502,500</b>	<b>\$ 3.285</b>		<b>\$ 282,250</b>

# Current EC Approved Rate Targets

## Seasonal Pricing Targeting Rates

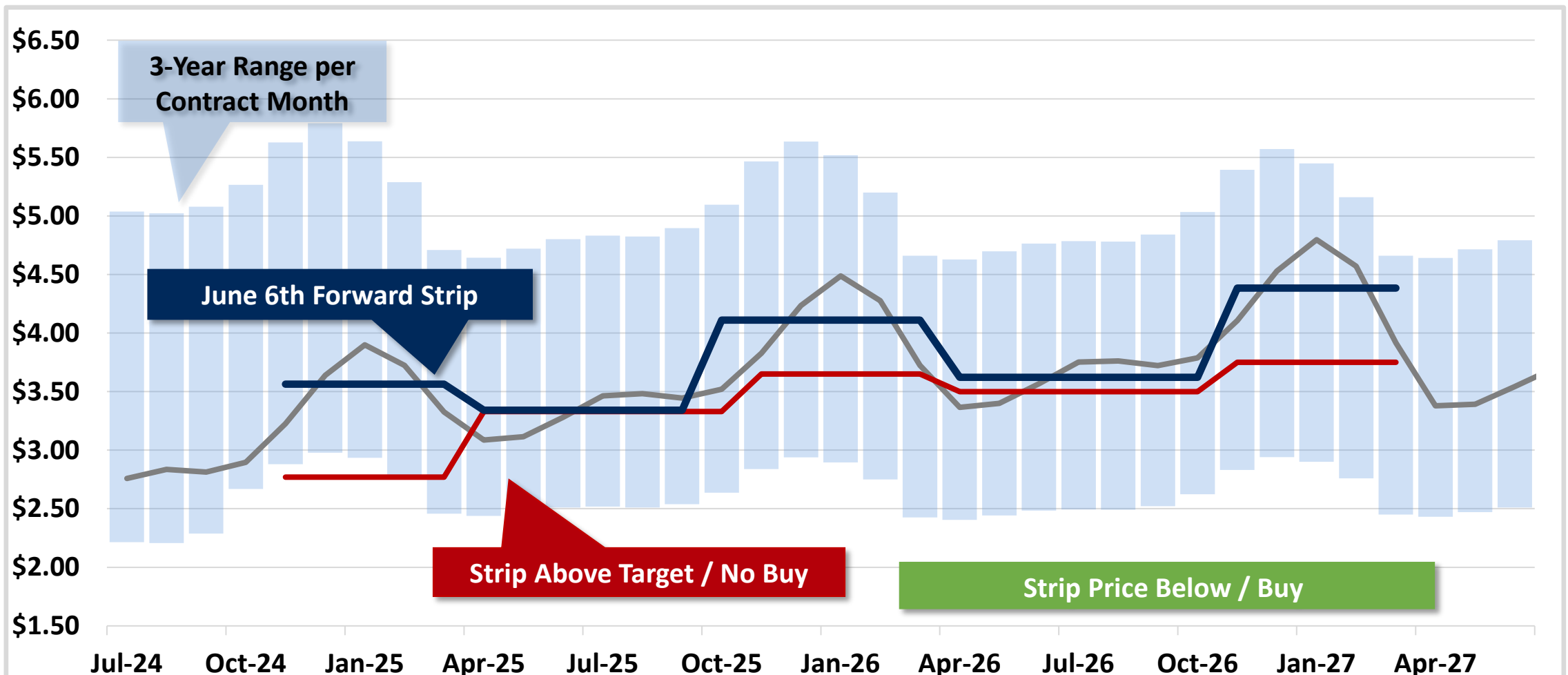
Summer Date Ranges	Target Gas Price (\$/MMBtu)	Target Rate (\$/MWh)
Apr 24 – Oct 24	N/A (75% Fixed)	
April 25 - Oct 25	\$3.33	\$73.30
April 26 - Oct 26	\$3.50	\$76.40

Winter Date Ranges	Target Gas Price (\$/MMBtu)	Target Rate (\$/MWh)
Nov 24 - Mar 25	\$2.77	\$82.37
Nov 25 - Mar 26	\$3.65	\$88.70
Nov 26 - Mar 27	\$3.75	\$89.60

Fiscal Year	Target Rate (\$/MWh)
2024	\$80.00
2025	\$81.00
2026	\$83.00

# Setting Achievable Targets for Long-Term Rate Stability

*No Current "Buy Signal" at this time*



# Revised Rate Projections Targets

## *Upward Movement Changing Pricing Targeting Rates*

Summer Date Ranges	Target Gas Price (\$/MMBtu)	Target Rate (\$/MWh)
Apr 24 – Oct 24	N/A (75% Fixed)	
April 25 - Oct 25	\$3.33	\$73.30
April 26 - Oct 26	↑ \$3.60 (+0.10)	↑ \$76.90 (+\$0.50)

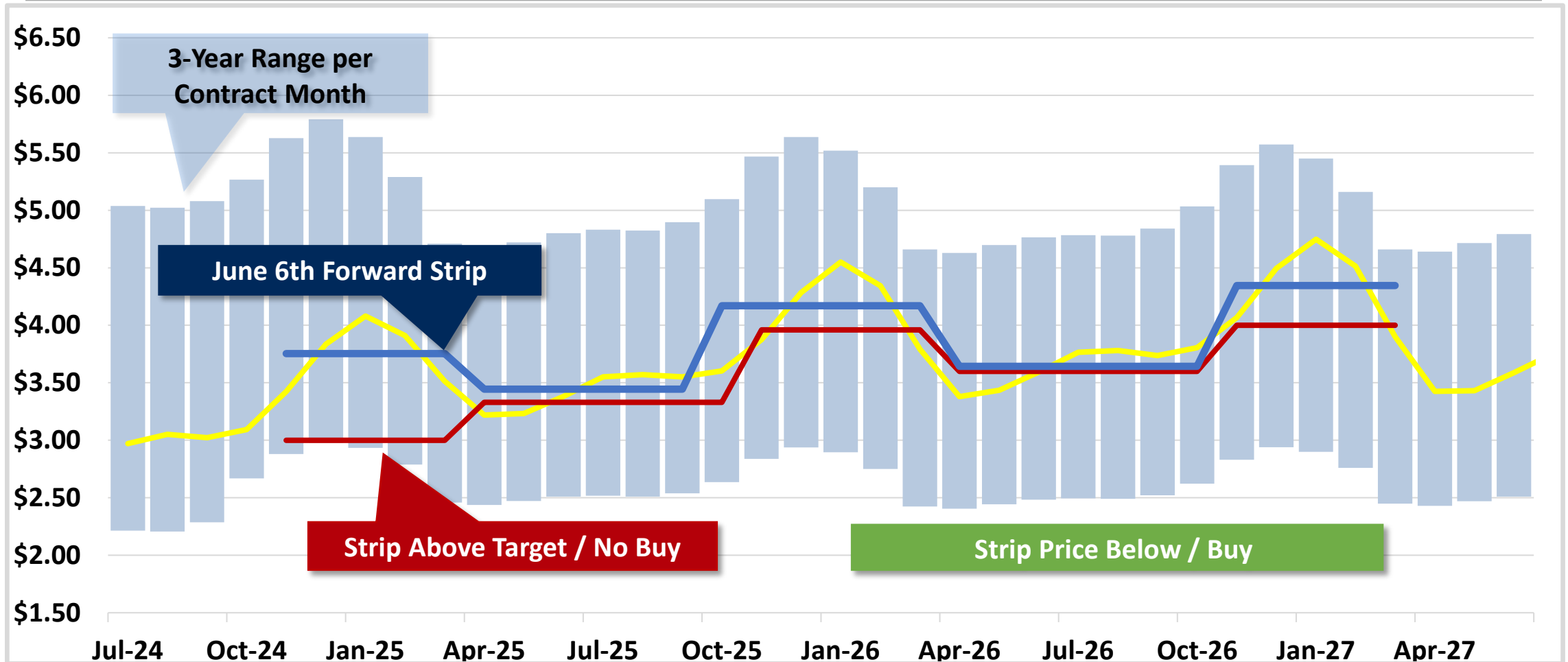
Winter Date Ranges	Target Gas Price (\$/MMBtu)	Target Rate (\$/MWh)
Nov 24 - Mar 25	↑ \$3.00 (+\$0.23)	↑ \$82.37 (\$1.14)
Nov 25 - Mar 26	↑ \$3.96 (+\$0.31)	↑ \$90.20 (+\$1.50)
Nov 26 - Mar 27	↑ \$4.00 (+\$0.25)	↑ \$91.80 (+\$2.20)

Fiscal Year	Target Rate (\$/MWh)
2024	↑ \$80.51 (\$0.51)
2025	↑ \$81.75 (+\$0.75)
2026	↑ \$84.35 (+\$1.35)



# Setting Achievable Targets for Long-Term Rate Stability

*Weighted Average Creates Buying Opportunities for Summer Strips*



# Summer 2026 Targeted For Next Opportunity

## *Will Fill Gaps Once Full Summer Strip Becomes Available*

