

|                     |
|---------------------|
| <b>MEETING DATE</b> |
| 7/18/2022           |

# CITY OF LAKE CITY

## Report to Council

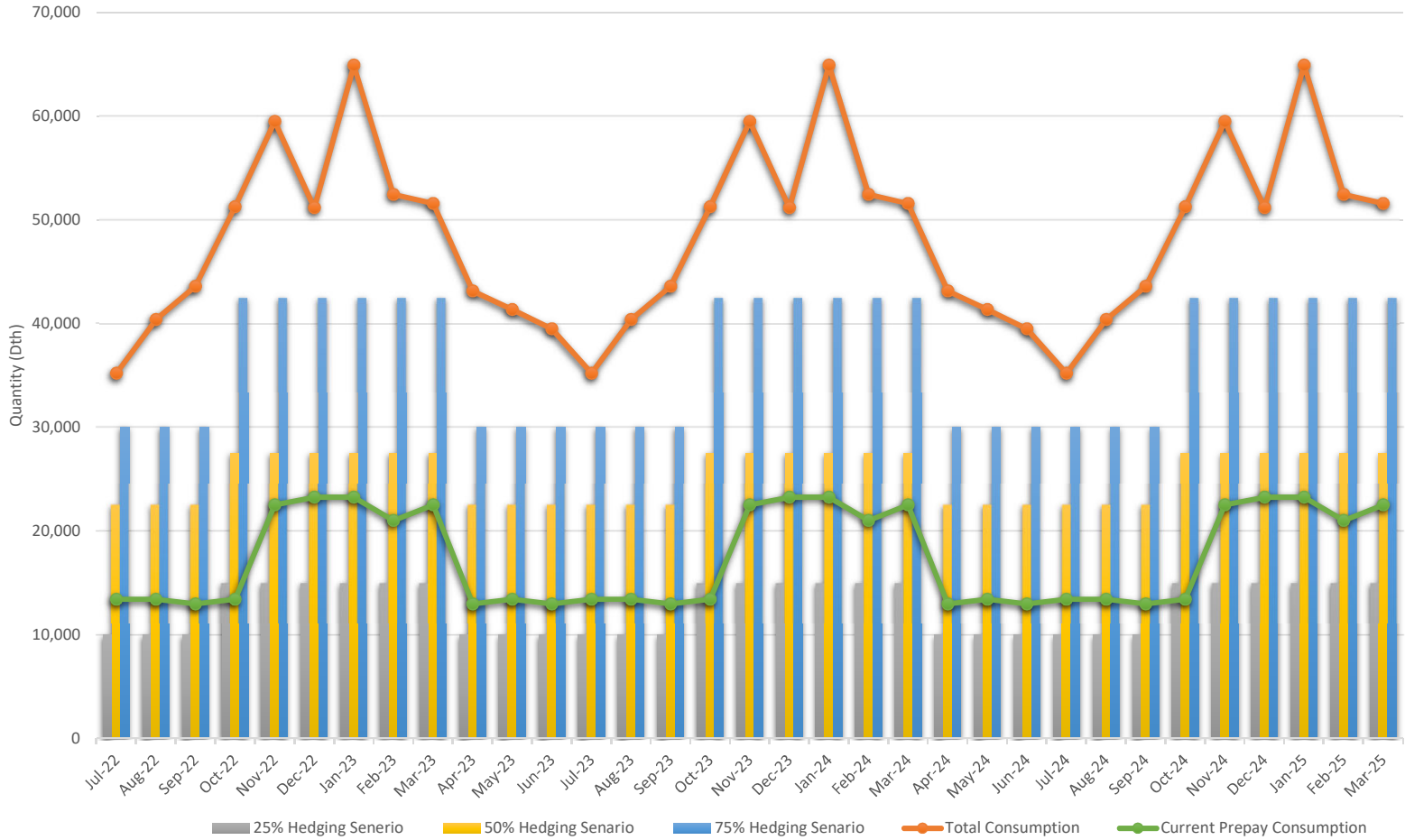
| COUNCIL AGENDA  |  |
|-----------------|--|
| <b>SECTION</b>  |  |
| <b>ITEM NO.</b> |  |

**SUBJECT:** Natural Gas Hedging

**DEPT / OFFICE:** Natural Gas

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                           |                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------|
| <b>Originator:</b> Steve Brown, Director of Natural Gas                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                           |                          |
| <b>City Manager</b><br>Paul Dyal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>Department Director</b><br>Steve Brown | <b>Date</b><br>6/23/2022 |
| <b>Recommended Action:</b><br>Our recommendation is to have FGU hedge our Natural Gas prices locking them in a volatile market.                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                           |                          |
| <b>Summary Explanation &amp; Background:</b><br>We are currently following the market trends for Natural Gas pricing it has been brought to our attention that the market could see upswings as high as \$15.00 a dekatherm. This is a major increase from the normal \$3.00 a dekatherm market range. Being part of FGU we have the ability to hedge Natural Gas pricing and prevent this extreme cost from being past along to our valued customer.<br><br>Mr. Tom Geoffroy of FGU will come present a plan to show the overall cost savings for all their members. |                                           |                          |
| <b>Alternatives:</b><br>Not to participate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                           |                          |
| <b>Source of Funds:</b><br>420.80.532.030.49                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                           |                          |
| <b>Financial Impact:</b><br>Shown with the presentation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                           |                          |
| <b>Exhibits Attached:</b> Attached an excel spreadsheet showing Lake City's actual consumption history and forecast (based on the most recent actual 12 months) that we used as a basis for hedging. The tab with the graph shows the total consumption, pre-pay volumes (these are the 2 lines) and 25%; 50% and 75% hedging quantities (bars).                                                                                                                                                                                                                      |                                           |                          |

Lake City LDC Consumption vs. Proposed Hedging Senarios



| Consumption History |            |            |            |            |            |            |            |            |            |         |         |            |            |         |            |            |            |            |           |           |           |         |         |           |         |         |         |         |         |         |         |         |         |         |         |         |
|---------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|---------|---------|------------|------------|---------|------------|------------|------------|------------|-----------|-----------|-----------|---------|---------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Member              | Apr-22     | May-22     | Jun-22     | Jul-22     | Aug-22     | Sep-22     | Oct-22     | Nov-22     | Dec-22     | Jan-23  | Feb-23  | Mar-23     | Apr-23     | May-23  | Jun-23     | Jul-23     | Aug-23     | Sep-23     | Oct-23    | Nov-23    | Dec-23    | Jan-24  | Feb-24  | Mar-24    | Apr-24  | May-24  | Jun-24  | Jul-24  | Aug-24  | Sep-24  | Oct-24  | Nov-24  | Dec-24  | Jan-25  | Feb-25  | Mar-25  |
| Blountstown         | 2,550      | 2,505      | 2130       | 2188       | 2158       | 2116       | 2323       | 3659       | 3618       | 5851    | 4347    | 3294       | 2550       | 2505    | 2130       | 2188       | 2158       | 2116       | 2323      | 3659      | 3618      | 5851    | 4347    | 3294      | 2550    | 2505    | 2130    | 2188    | 2158    | 2116    | 2323    | 3659    | 3618    | 5851    | 4347    | 3294    |
| Chipley             | 2,418      | 1,945      | 1748       | 1805       | 1728       | 1745       | 2034       | 3394       | 2999       | 5130    | 3606    | 2916       | 2418       | 1945    | 1748       | 1805       | 1728       | 1745       | 2034      | 3394      | 2999      | 5130    | 3606    | 2916      | 2418    | 1945    | 1748    | 1805    | 1728    | 1745    | 2034    | 3394    | 2999    | 5130    | 3606    | 2916    |
| Clearwater          | 209,646    | 197,794    | 176952     | 177109     | 178021     | 177990     | 197350     | 230083     | 225858     | 272605  | 233147  | 235011     | 209646     | 197794  | 176952     | 177109     | 178021     | 177990     | 197350    | 230083    | 225858    | 272605  | 233147  | 235011    | 209646  | 197794  | 176952  | 177109  | 178021  | 177990  | 197350  | 230083  | 225858  | 272605  | 233147  | 235011  |
| Crescent City       | 2,214      | 1,945      | 1722       | 1727       | 1693       | 1714       | 1911       | 2898       | 2733       | 4659    | 3277    | 2597       | 2214       | 1945    | 1722       | 1727       | 1693       | 1714       | 1911      | 2898      | 2733      | 4659    | 3277    | 2597      | 2214    | 1945    | 1722    | 1727    | 1693    | 1714    | 1911    | 2898    | 2733    | 4659    | 3277    | 2597    |
| DeFuniak Springs    | 15,940     | 10,787     | 7760       | 7532       | 9744       | 10047      | 11514      | 17216      | 11708      | 19400   | 17380   | 15413      | 15940      | 10787   | 7760       | 7532       | 9744       | 10047      | 11514     | 17216     | 11708     | 19400   | 17380   | 15413     | 15940   | 10787   | 7760    | 7532    | 9744    | 10047   | 11514   | 17216   | 11708   | 19400   | 17380   | 15413   |
| Jacksonville Beach  | 18,678     | 17,313     | 14,885     | 15,124     | 14,198     | 14,301     | 16,358     | 20,270     | 20,148     | 21,390  | 19,513  | 20,778     | 18,678     | 17,313  | 14,885     | 15,124     | 14,198     | 14,301     | 16,358    | 20,270    | 20,148    | 21,390  | 19,513  | 20,778    | 18,678  | 17,313  | 14,885  | 15,124  | 14,198  | 14,301  | 16,358  | 20,270  | 20,148  | 21,390  | 19,513  | 20,778  |
| Fort Pierce- LDC    | 44,013     | 41,400     | 39775      | 37518      | 40466      | 37012      | 42100      | 45917      | 46171      | 51824   | 45361   | 46170      | 44013      | 41400   | 39775      | 37518      | 40466      | 37012      | 42100     | 45917     | 46171     | 51824   | 45361   | 46170     | 44013   | 41400   | 39775   | 37518   | 40466   | 37012   | 42100   | 45917   | 46171   | 51824   | 45361   | 46170   |
| Jay                 | 913        | 689        | 688        | 798        | 778        | 755        | 1039       | 2545       | 2727       | 2331    | 1485    | 1117       | 913        | 689     | 688        | 798        | 778        | 755        | 1039      | 2545      | 2727      | 2331    | 1485    | 1117      | 913     | 689     | 688     | 798     | 778     | 755     | 1039    | 2545    | 2727    | 2331    | 1485    | 1117    |
| Lake City           | 43,158     | 41,358     | 39502      | 35222      | 40398      | 43608      | 51285      | 59504      | 51196      | 64947   | 52467   | 51591      | 43158      | 41358   | 39502      | 35222      | 40398      | 43608      | 51285     | 59504     | 51196     | 64947   | 52467   | 51591     | 43158   | 41358   | 39502   | 35222   | 40398   | 43608   | 51285   | 59504   | 51196   | 64947   | 52467   | 51591   |
| Leesburg            | 66,260     | 65,934     | 62605      | 66084      | 64471      | 43112      | 46637      | 64729      | 72068      | 93330   | 67339   | 73550      | 66260      | 65934   | 62605      | 66084      | 64471      | 43112      | 46637     | 64729     | 72068     | 93330   | 67339   | 73550     | 66260   | 65934   | 62605   | 66084   | 64471   | 43112   | 46637   | 64729   | 72068   | 93330   | 67339   | 73550   |
| Live Oak            | 7,148      | 6,956      | 6749       | 6452       | 5953       | 5806       | 6445       | 9018       | 8762       | 11278   | 8537    | 8193       | 7148       | 6956    | 6749       | 6452       | 5953       | 5806       | 6445      | 9018      | 8762      | 11278   | 8537    | 8193      | 7148    | 6956    | 6749    | 6452    | 5953    | 5806    | 6445    | 9018    | 8762    | 11278   | 8537    | 8193    |
| Marianna            | 13,220     | 15,026     | 12880      | 12426      | 12108      | 14992      | 16743      | 22065      | 18492      | 30331   | 17722   | 13259      | 13220      | 15026   | 12880      | 12426      | 12108      | 14992      | 16743     | 22065     | 18492     | 30331   | 17722   | 13259     | 13220   | 15026   | 12880   | 12426   | 12108   | 14992   | 16743   | 22065   | 18492   | 30331   | 17722   | 13259   |
| Palatka             | 11,385     | 10,213     | 9470       | 9225       | 9380       | 9350       | 10271      | 15374      | 14316      | 22710   | 16747   | 13719      | 11385      | 10213   | 9470       | 9225       | 9380       | 9350       | 10271     | 15374     | 14316     | 22710   | 16747   | 13719     | 11385   | 10213   | 9470    | 9225    | 9380    | 9350    | 10271   | 15374   | 14316   | 22710   | 16747   | 13719   |
| Perry               | 14,661     | 12,775     | 12742      | 11712      | 13176      | 13165      | 13816      | 16984      | 14934      | 18370   | 16530   | 15481      | 14661      | 12775   | 12742      | 11712      | 13176      | 13165      | 13816     | 16984     | 14934     | 18370   | 16530   | 15481     | 14661   | 12775   | 12742   | 11712   | 13176   | 13165   | 13816   | 16984   | 14934   | 18370   | 16530   | 15481   |
| Starke LDC          | 3,758      | 3,471      | 3224       | 3141       | 3177       | 3226       | 3420       | 4730       | 4610       | 6629    | 4882    | 4390       | 3758       | 3471    | 3224       | 3141       | 3177       | 3226       | 3420      | 4730      | 4610      | 6629    | 4882    | 4390      | 3758    | 3471    | 3224    | 3141    | 3177    | 3226    | 3420    | 4730    | 4610    | 6629    | 4882    | 4390    |
| Sunrise             | 50,505     | 50,159     | 46498      | 46786      | 45302      | 45910      | 49601      | 52547      | 54664      | 57606   | 51005   | 54452      | 50505      | 50159   | 46498      | 46786      | 45302      | 45910      | 49601     | 52547     | 54664     | 57606   | 51005   | 54452     | 50505   | 50159   | 46498   | 46786   | 45302   | 45910   | 49601   | 52547   | 54664   | 57606   | 51005   | 54452   |
| Williston           | 1,500      | 1,308      | 1271       | 1906       | 3904       | 9008       | 5182       | 4308       | 3363       | 6248    | 3883    | 2240       | 1500       | 1308    | 1271       | 1906       | 3904       | 9008       | 5182      | 4308      | 3363      | 6248    | 3883    | 2240      | 1500    | 1308    | 1271    | 1906    | 3904    | 9008    | 5182    | 4308    | 3363    | 6248    | 3883    | 2240    |
| LDC USAGE           | 14,237,077 | 14,175,765 | 14,128,044 | 14,165,472 | 14,303,958 | 14,415,670 | 14,676,452 | 14,765,651 | 14,754,581 | 694,639 | 567,228 | 12,934,347 | 12,370,176 | 481,578 | 11,380,631 | 10,940,030 | 10,503,275 | 10,056,620 | 9,622,763 | 9,144,734 | 8,569,493 | 694,639 | 567,228 | 6,749,259 | 507,967 | 481,578 | 440,601 | 436,755 | 446,655 | 433,857 | 478,029 | 575,241 | 558,367 | 694,639 | 567,228 | 564,171 |

|                           |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |
|---------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Clearwater Flow thru TECO | 9,190   | 9,240   | 8,004   | 8,692   | 8,460   | 9,596   | 10,232  | 12,645  | 14,184  | 18,280  | 10,138  | 17,008  | 13,620  | 9,190   | 9,240   | 8,004   | 8,692   | 8,460   | 9,596   | 10,232  | 12,645  | 14,184  | 18,280  | 10,138  | 17,008  | 13,620  | 9,190   | 9,240   | 8,004   | 8,692   | 8,460   | 9,596   | 10,232  | 12,645  | 14,184  | 18,280  |
| Clearwater Total Flow     | 218,836 | 207,034 | 184,956 | 185,801 | 186,481 | 187,586 | 207,582 | 242,728 | 240,042 | 290,885 | 243,285 | 252,019 | 223,266 | 206,984 | 186,192 | 185,113 | 186,713 | 186,450 | 206,946 | 240,315 | 238,503 | 286,789 | 251,427 | 245,149 | 226,654 | 211,414 | 186,142 | 186,349 | 186,025 | 186,682 | 205,810 | 239,679 | 236,090 | 285,250 | 247,331 | 253,291 |

| Member                             | Apr-22 | May-22 | Jun-22 | Jul-22 | Aug-22 | Sep-22 | Oct-22 | Nov-22 | Dec-22 | Jan-23 | Feb-23 | Mar-23 | Apr-23 | May-23 | Jun-23 | Jul-23 | Aug-23 | Sep-23 | Oct-23 | Nov-23 | Dec-23 | Jan-24 | Feb-24 | Mar-24 | Apr-24 | May-24 | Jun-24 | Jul-24 | Aug-24 | Sep-24 | Oct-24 | Nov-24 | Dec-24 | Jan-25 | Feb-25 | Mar-25 |  |  |
|------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--|--|
| 25% Monthly Senerio                |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |        |  |  |
| Blountstown                        | 44.71% | 47.03% | 533    | 547    | 540    | 529    | 581    | 915    | 905    | 1463   | 1087   | 824    | 638    | 626    | 533    | 547    | 540    | 529    | 581    | 915    | 905    | 1463   | 1087   | 824    | 638    | 626    | 533    | 547    | 540    | 529    | 581    | 915    | 905    | 1463   | 1087   | 824    |  |  |
| Chipley                            | 42.18% | 54.19% | 437    | 451    | 432    | 436    | 509    | 849    | 750    | 1283   | 902    | 729    | 605    | 486    | 437    | 451    | 432    | 436    | 509    | 849    | 750    | 1283   | 902    | 729    | 605    | 486    | 437    | 451    | 432    | 436    | 509    | 849    | 750    | 1283   | 902    | 729    |  |  |
| Clearwater                         | 37.77% | 41.25% | 46239  | 46450  | 46620  | 46896  | 51896  | 60682  | 60010  | 72721  | 60821  | 63005  | 55816  | 51746  | 46548  | 46278  | 46678  | 46612  | 51736  | 60079  | 59626  | 71697  | 62857  | 61287  | 56663  | 52853  | 46535  | 46587  | 46506  | 46671  | 51452  | 59920  | 59023  | 71312  | 61833  | 63323  |  |  |
| Crescent City                      | 40.65% | 47.81% | 431    | 432    | 423    | 429    | 478    | 725    | 683    | 1165   | 819    | 649    | 554    | 486    | 431    | 432    | 423    | 429    | 478    | 725    | 683    | 1165   | 819    | 649    | 554    | 486    | 431    | 432    | 423    | 429    | 478    | 725    | 683    | 1165   | 819    | 649    |  |  |
| DeFuniak Springs                   | 8.28%  | 12.64% | 1940   | 1883   | 2436   | 2512   | 2879   | 4304   | 2927   | 4850   | 4345   | 3853   | 3985   | 2697   | 1940   | 1883   | 2436   | 2512   | 2879   | 4304   | 2927   | 4850   | 4345   | 3853   | 3985   | 2697   | 1940   | 1883   | 2436   | 2512   | 2879   | 4304   | 2927   | 4850   | 4345   | 3853   |  |  |
| Fort Pierce- LDC                   | 37.22% | 40.88% | 9944   | 9380   | 10117  | 9253   | 10525  | 11479  | 11543  | 12956  | 11340  | 11543  | 11003  | 10350  | 9944   | 9380   | 10117  | 9253   | 10525  | 11479  | 11543  | 12956  | 11340  | 11543  | 11003  | 10350  | 9944   | 9380   | 10117  | 9253   | 10525  | 11479  | 11543  | 12956  | 11340  | 11543  |  |  |
| Jay                                | 52.57% | 71.99% | 172    | 200    | 195    | 189    | 260    | 636    | 682    | 583    | 371    | 279    | 228    | 172    | 172    | 200    | 195    | 189    | 260    | 636    | 682    | 583    | 371    | 279    | 228    | 172    | 172    | 200    | 195    | 189    | 260    | 636    | 682    | 583    | 371    | 279    |  |  |
| Lake City                          | 30.03% | 32.38% | 9876   | 8806   | 10100  | 10902  | 12821  | 14876  | 12799  | 16237  | 13117  | 12898  | 10790  | 10340  | 9876   | 8806   | 10100  | 10902  | 12821  | 14876  | 12799  | 16237  | 13117  | 12898  | 10790  | 10340  | 9876   | 8806   | 10100  | 10902  | 12821  | 14876  | 12799  | 16237  | 13117  | 12898  |  |  |
| Leesburg                           | 23.18% | 24.07% | 15651  | 16521  | 16118  | 10778  | 11659  | 16182  | 18017  | 23333  | 16835  | 18388  | 16565  | 16484  | 15651  | 16521  | 16118  | 10778  | 11659  | 16182  | 18017  | 23333  | 16835  | 18388  | 16565  | 16484  | 15651  | 16521  | 16118  | 10778  | 11659  | 16182  | 18017  | 23333  | 16835  | 18388  |  |  |
| Live Oak                           | 15.95% | 16.94% | 1687   | 1613   | 1488   | 1452   | 1611   | 2255   | 2191   | 2820   | 2134   | 2048   | 1787   | 1739   | 1687   | 1613   | 1488   | 1452   | 1611   | 2255   | 2191   | 2820   | 2134   | 2048   | 1787   | 1739   | 1687   | 1613   | 1488   | 1452   | 1611   | 2255   | 2191   | 2820   | 2134   | 2048   |  |  |
| Marianna                           | 49.02% | 44.56% | 3220   | 3107   | 3027   | 3748   | 4186   | 5516   | 4623   | 7583   | 4431   | 3315   | 3305   | 3757   | 3220   | 3107   | 3027   | 3748   | 4186   | 5516   | 4623   | 7583   | 4431   | 3315   | 3305   | 3757   | 3220   | 3107   | 3027   | 3748   | 4186   | 5516   | 4623   | 7583   | 4431   | 3315   |  |  |
| Palatka                            | 37.68% | 43.41% | 2368   | 2306   | 2345   | 2338   | 2568   | 3844   | 3579   | 5678   | 4187   | 3430   | 2846   | 2553   | 2368   | 2306   | 2345   | 2338   | 2568   | 3844   | 3579   | 5678   | 4187   | 3430   | 2846   | 2553   | 2368   | 2306   | 2345   | 2338   | 2568   | 3844   | 3579   | 5678   | 4187   | 3430   |  |  |
| Perry                              | 16.78% | 19.90% | 3186   | 2928   | 3294   | 3291   | 3454   | 4246   | 3734   | 4593   | 4133   | 3870   | 3665   | 3194   | 3186   | 2928   | 3294   | 3291   | 3454   | 4246   | 3734   | 4593   | 4133   | 3870   | 3665   | 3194   | 3186   | 2928   | 3294   | 3291   | 3454   | 4246   | 3734   | 4593   | 4133   | 3870   |  |  |
| Starke LDC                         | 30.34% | 33.94% | 806    | 785    | 794    | 807    | 855    | 1183   | 1153   | 1657   | 1221   | 1098   | 940    | 868    | 806    | 785    | 794    | 807    | 855    | 1183   | 1153   | 1657   | 1221   | 1098   | 940    | 868    | 806    | 785    | 794    | 807    | 855    | 1183   | 1153   | 1657   | 1221   | 1098   |  |  |
| Sunrise                            | 41.05% | 42.71% | 11625  | 11697  | 11326  | 11478  | 12400  | 13137  | 13666  | 14402  | 12751  | 13613  | 12626  | 12540  | 11625  | 11697  | 11326  | 11478  | 12400  | 13137  | 13666  | 14402  | 12751  | 13613  | 12626  | 12540  | 11625  | 11697  | 11326  | 11478  | 12400  | 13137  | 13666  | 14402  | 12751  | 13613  |  |  |
| Jacksonville Beach                 |        |        | 3721   | 3781   | 3550   | 3575   | 4090   | 5068   | 5037   | 5348   | 4878   | 5195   | 4670   | 4328   | 3721   | 3781   | 3550   | 3575   | 4090   | 5068   | 5037   | 5348   | 4878   | 5195   | 4670   | 4328   | 3721   | 3781   | 3550   | 3575   | 4090   | 5068   | 5037   | 5348   | 4878   | 5195   |  |  |
| Williston                          | 54.00% | 63.99% | 318    | 477    | 976    | 2252   | 1296   | 1077   | 841    | 1562   | 971    | 560    | 375    | 327    | 318    | 477    | 976    | 2252   | 1296   | 1077   | 841    | 1562   | 971    | 560    | 375    | 327    | 318    | 477    | 976    | 2252   | 1296   | 1077   | 841    | 1562   | 971    | 560    |  |  |
| Total                              |        |        | 112151 | 111362 | 113779 | 110863 | 122065 | 146971 | 143138 | 178230 | 144341 | 145295 | 130397 | 122692 | 112460 | 111190 | 113837 | 110579 | 121906 | 146368 | 142753 | 177206 | 146377 | 143577 | 131244 | 123799 | 112448 | 111499 | 113665 | 110637 | 121622 | 146209 | 142150 | 176821 | 145353 | 145613 |  |  |
| Number of Lots (Total Consumption) |        |        | 45     | 45     | 46     | 44     | 49     | 59     | 57     | 71     | 58     | 58     | 52     | 49     | 45     | 44     | 46     | 44     | 49     | 59     | 57     | 71     | 59     | 57     | 52     | 50     | 45     | 45     | 44     | 49     | 58     | 57     | 71     | 58     | 55     |        |  |  |

# Lake City Financial Hedging Scenarios

As of 6/12/2022

| Month  | Total Monthly<br>Consumption | NYMEX<br>Henry Hub | Hedge<br>75%   | 75%<br>Rounded | Price |            |
|--------|------------------------------|--------------------|----------------|----------------|-------|------------|
| Jul-22 | 35222                        | \$ 8.9630          | 26417          | 30,000         | \$    | 268,890    |
| Aug-22 | 40398                        | \$ 8.9780          | 30299          | 30,000         | \$    | 269,340    |
| Sep-22 | 43608                        | \$ 8.9580          | 32706          | 30,000         | \$    | 268,740    |
| Oct-22 | 51285                        | \$ 8.9550          | 38464          | 42,500         | \$    | 380,588    |
| Nov-22 | 59504                        | \$ 9.0140          | 44628          | 42,500         | \$    | 383,095    |
| Dec-22 | 51196                        | \$ 9.1060          | 38397          | 42,500         | \$    | 387,005    |
| Jan-23 | 64947                        | \$ 9.1950          | 48710          | 42,500         | \$    | 390,788    |
| Feb-23 | 52467                        | \$ 8.9220          | 39350          | 42,500         | \$    | 379,185    |
| Mar-23 | 51591                        | \$ 8.0670          | 38693          | 42,500         | \$    | 342,848    |
| Apr-23 | 43158                        | \$ 6.1080          | 32369          | 30,000         | \$    | 183,240    |
| May-23 | 41358                        | \$ 5.8950          | 31019          | 30,000         | \$    | 176,850    |
| Jun-23 | 39502                        | \$ 5.9420          | 29627          | 30,000         | \$    | 178,260    |
| Jul-23 | 35222                        | \$ 5.9850          | 26417          | 30,000         | \$    | 179,550    |
| Aug-23 | 40398                        | \$ 5.9710          | 30299          | 30,000         | \$    | 179,130    |
| Sep-23 | 43608                        | \$ 5.9380          | 32706          | 30,000         | \$    | 178,140    |
| Oct-23 | 51285                        | \$ 5.9930          | 38464          | 42,500         | \$    | 254,703    |
| Nov-23 | 59504                        | \$ 6.1120          | 44628          | 42,500         | \$    | 259,760    |
| Dec-23 | 51196                        | \$ 6.3240          | 38397          | 42,500         | \$    | 268,770    |
| Jan-24 | 64947                        | \$ 6.4510          | 48710          | 42,500         | \$    | 274,168    |
| Feb-24 | 52467                        | \$ 6.2460          | 39350          | 42,500         | \$    | 265,455    |
| Mar-24 | 51591                        | \$ 5.7810          | 38693          | 42,500         | \$    | 245,693    |
| Apr-24 | 43158                        | \$ 4.9710          | 32369          | 30,000         | \$    | 149,130    |
| May-24 | 41358                        | \$ 4.8910          | 31019          | 30,000         | \$    | 146,730    |
| Jun-24 | 39502                        | \$ 4.9380          | 29627          | 30,000         | \$    | 148,140    |
| Jul-24 | 35222                        | \$ 4.9890          | 26417          | 30,000         | \$    | 149,670    |
| Aug-24 | 40398                        | \$ 4.9930          | 30299          | 30,000         | \$    | 149,790    |
| Sep-24 | 43608                        | \$ 4.9720          | 32706          | 30,000         | \$    | 149,160    |
| Oct-24 | 51285                        | \$ 5.0370          | 38464          | 42,500         | \$    | 214,073    |
| Nov-24 | 59504                        | \$ 5.1840          | 44628          | 42,500         | \$    | 220,320    |
| Dec-24 | 51196                        | \$ 5.5280          | 38397          | 42,500         | \$    | 234,940    |
| Jan-25 | 64947                        | \$ 5.6780          | 48710          | 42,500         | \$    | 241,315    |
| Feb-25 | 52467                        | \$ 5.5570          | 39350          | 42,500         | \$    | 236,173    |
| Mar-25 | 51591                        | \$ 5.2450          | 38693          | 42,500         | \$    | 222,913    |
|        | 1,598,690                    |                    | Hedge Volume:  | 1,215,000      | \$    | 7,976,548  |
|        |                              |                    | Market Volume: | 383,690        | \$    | 3,453,210  |
|        |                              |                    |                | 1,598,690      | \$    | 11,429,758 |
|        |                              |                    |                |                | \$    | 6.57       |
|        |                              |                    |                |                | \$    | 9.00       |
|        |                              |                    |                |                | \$    | 7.15       |

# Lake City Financial Hedging Scenarios

As of 6/12/202

| Month  | Total Monthly<br>Consumption | NYMEX<br>Henry Hub | Hedge<br>50%   | 50%<br>Rounded | Price |                    |
|--------|------------------------------|--------------------|----------------|----------------|-------|--------------------|
| Jul-22 | 35222                        | \$ 8.9630          | 17,611         | 22,500         | \$    | 201,668            |
| Aug-22 | 40398                        | \$ 8.9780          | 20,199         | 22,500         | \$    | 202,005            |
| Sep-22 | 43608                        | \$ 8.9580          | 21,804         | 22,500         | \$    | 201,555            |
| Oct-22 | 51285                        | \$ 8.9550          | 25,643         | 27,500         | \$    | 246,263            |
| Nov-22 | 59504                        | \$ 9.0140          | 29,752         | 27,500         | \$    | 247,885            |
| Dec-22 | 51196                        | \$ 9.1060          | 25,598         | 27,500         | \$    | 250,415            |
| Jan-23 | 64947                        | \$ 9.1950          | 32,474         | 27,500         | \$    | 252,863            |
| Feb-23 | 52467                        | \$ 8.9220          | 26,234         | 27,500         | \$    | 245,355            |
| Mar-23 | 51591                        | \$ 8.0670          | 25,796         | 27,500         | \$    | 221,843            |
| Apr-23 | 43158                        | \$ 6.1080          | 21,579         | 22,500         | \$    | 137,430            |
| May-23 | 41358                        | \$ 5.8950          | 20,679         | 22,500         | \$    | 132,638            |
| Jun-23 | 39502                        | \$ 5.9420          | 19,751         | 22,500         | \$    | 133,695            |
| Jul-23 | 35222                        | \$ 5.9850          | 17,611         | 22,500         | \$    | 134,663            |
| Aug-23 | 40398                        | \$ 5.9710          | 20,199         | 22,500         | \$    | 134,348            |
| Sep-23 | 43608                        | \$ 5.9380          | 21,804         | 22,500         | \$    | 133,605            |
| Oct-23 | 51285                        | \$ 5.9930          | 25,643         | 27,500         | \$    | 164,808            |
| Nov-23 | 59504                        | \$ 6.1120          | 29,752         | 27,500         | \$    | 168,080            |
| Dec-23 | 51196                        | \$ 6.3240          | 25,598         | 27,500         | \$    | 173,910            |
| Jan-24 | 64947                        | \$ 6.4510          | 32,474         | 27,500         | \$    | 177,403            |
| Feb-24 | 52467                        | \$ 6.2460          | 26,234         | 27,500         | \$    | 171,765            |
| Mar-24 | 51591                        | \$ 5.7810          | 25,796         | 27,500         | \$    | 158,978            |
| Apr-24 | 43158                        | \$ 4.9710          | 21,579         | 22,500         | \$    | 111,848            |
| May-24 | 41358                        | \$ 4.8910          | 20,679         | 22,500         | \$    | 110,048            |
| Jun-24 | 39502                        | \$ 4.9380          | 19,751         | 22,500         | \$    | 111,105            |
| Jul-24 | 35222                        | \$ 4.9890          | 17,611         | 22,500         | \$    | 112,253            |
| Aug-24 | 40398                        | \$ 4.9930          | 20,199         | 22,500         | \$    | 112,343            |
| Sep-24 | 43608                        | \$ 4.9720          | 21,804         | 22,500         | \$    | 111,870            |
| Oct-24 | 51285                        | \$ 5.0370          | 25,643         | 27,500         | \$    | 138,518            |
| Nov-24 | 59504                        | \$ 5.1840          | 29,752         | 27,500         | \$    | 142,560            |
| Dec-24 | 51196                        | \$ 5.5280          | 25,598         | 27,500         | \$    | 152,020            |
| Jan-25 | 64947                        | \$ 5.6780          | 32,474         | 27,500         | \$    | 156,145            |
| Feb-25 | 52467                        | \$ 5.5570          | 26,234         | 27,500         | \$    | 152,818            |
| Mar-25 | 51591                        | \$ 5.2450          | 25,796         | 27,500         | \$    | 144,238            |
|        | 1,598,690                    |                    | Hedge Volume:  | 832,500        | \$    | 5,446,933 \$ 6.54  |
|        |                              |                    | Market Volume: | 766,190        | \$    | 6,895,710 \$ 9.00  |
|        |                              |                    |                | 1,598,690      | \$    | 12,342,643 \$ 7.72 |

## Lake City Financial Hedging Scenarios

As of 6/12/202

|        | Total Monthly | NYMEX     | Hedge          | 25%       |               |         |
|--------|---------------|-----------|----------------|-----------|---------------|---------|
| Month  | Consumption   | Henry Hub | 25%            | Rounded   | Price         |         |
| Jul-22 | 35222         | \$ 8.9630 | 8,806          | 10,000    | \$ 89,630     |         |
| Aug-22 | 40398         | \$ 8.9780 | 10,100         | 10,000    | \$ 89,780     |         |
| Sep-22 | 43608         | \$ 8.9580 | 10,902         | 10,000    | \$ 89,580     |         |
| Oct-22 | 51285         | \$ 8.9550 | 12,821         | 15,000    | \$ 134,325    |         |
| Nov-22 | 59504         | \$ 9.0140 | 14,876         | 15,000    | \$ 135,210    |         |
| Dec-22 | 51196         | \$ 9.1060 | 12,799         | 15,000    | \$ 136,590    |         |
| Jan-23 | 64947         | \$ 9.1950 | 16,237         | 15,000    | \$ 137,925    |         |
| Feb-23 | 52467         | \$ 8.9220 | 13,117         | 15,000    | \$ 133,830    |         |
| Mar-23 | 51591         | \$ 8.0670 | 12,898         | 15,000    | \$ 121,005    |         |
| Apr-23 | 43158         | \$ 6.1080 | 10,790         | 10,000    | \$ 61,080     |         |
| May-23 | 41358         | \$ 5.8950 | 10,340         | 10,000    | \$ 58,950     |         |
| Jun-23 | 39502         | \$ 5.9420 | 9,876          | 10,000    | \$ 59,420     |         |
| Jul-23 | 35222         | \$ 5.9850 | 8,806          | 10,000    | \$ 59,850     |         |
| Aug-23 | 40398         | \$ 5.9710 | 10,100         | 10,000    | \$ 59,710     |         |
| Sep-23 | 43608         | \$ 5.9380 | 10,902         | 10,000    | \$ 59,380     |         |
| Oct-23 | 51285         | \$ 5.9930 | 12,821         | 15,000    | \$ 89,895     |         |
| Nov-23 | 59504         | \$ 6.1120 | 14,876         | 15,000    | \$ 91,680     |         |
| Dec-23 | 51196         | \$ 6.3240 | 12,799         | 15,000    | \$ 94,860     |         |
| Jan-24 | 64947         | \$ 6.4510 | 16,237         | 15,000    | \$ 96,765     |         |
| Feb-24 | 52467         | \$ 6.2460 | 13,117         | 15,000    | \$ 93,690     |         |
| Mar-24 | 51591         | \$ 5.7810 | 12,898         | 15,000    | \$ 86,715     |         |
| Apr-24 | 43158         | \$ 4.9710 | 10,790         | 10,000    | \$ 49,710     |         |
| May-24 | 41358         | \$ 4.8910 | 10,340         | 10,000    | \$ 48,910     |         |
| Jun-24 | 39502         | \$ 4.9380 | 9,876          | 10,000    | \$ 49,380     |         |
| Jul-24 | 35222         | \$ 4.9890 | 8,806          | 10,000    | \$ 49,890     |         |
| Aug-24 | 40398         | \$ 4.9930 | 10,100         | 10,000    | \$ 49,930     |         |
| Sep-24 | 43608         | \$ 4.9720 | 10,902         | 10,000    | \$ 49,720     |         |
| Oct-24 | 51285         | \$ 5.0370 | 12,821         | 15,000    | \$ 75,555     |         |
| Nov-24 | 59504         | \$ 5.1840 | 14,876         | 15,000    | \$ 77,760     |         |
| Dec-24 | 51196         | \$ 5.5280 | 12,799         | 15,000    | \$ 82,920     |         |
| Jan-25 | 64947         | \$ 5.6780 | 16,237         | 15,000    | \$ 85,170     |         |
| Feb-25 | 52467         | \$ 5.5570 | 13,117         | 15,000    | \$ 83,355     |         |
| Mar-25 | 51591         | \$ 5.2450 | 25,796         | 15,000    | \$ 78,675     |         |
|        | 1,598,690     |           | Hedge Volume:  | 420,000   | \$ 2,760,845  | \$ 6.57 |
|        |               |           | Market Volume: | 1,178,690 | \$ 10,608,210 | \$ 9.00 |
|        |               |           |                | 1,598,690 | \$ 13,369,055 | \$ 8.36 |