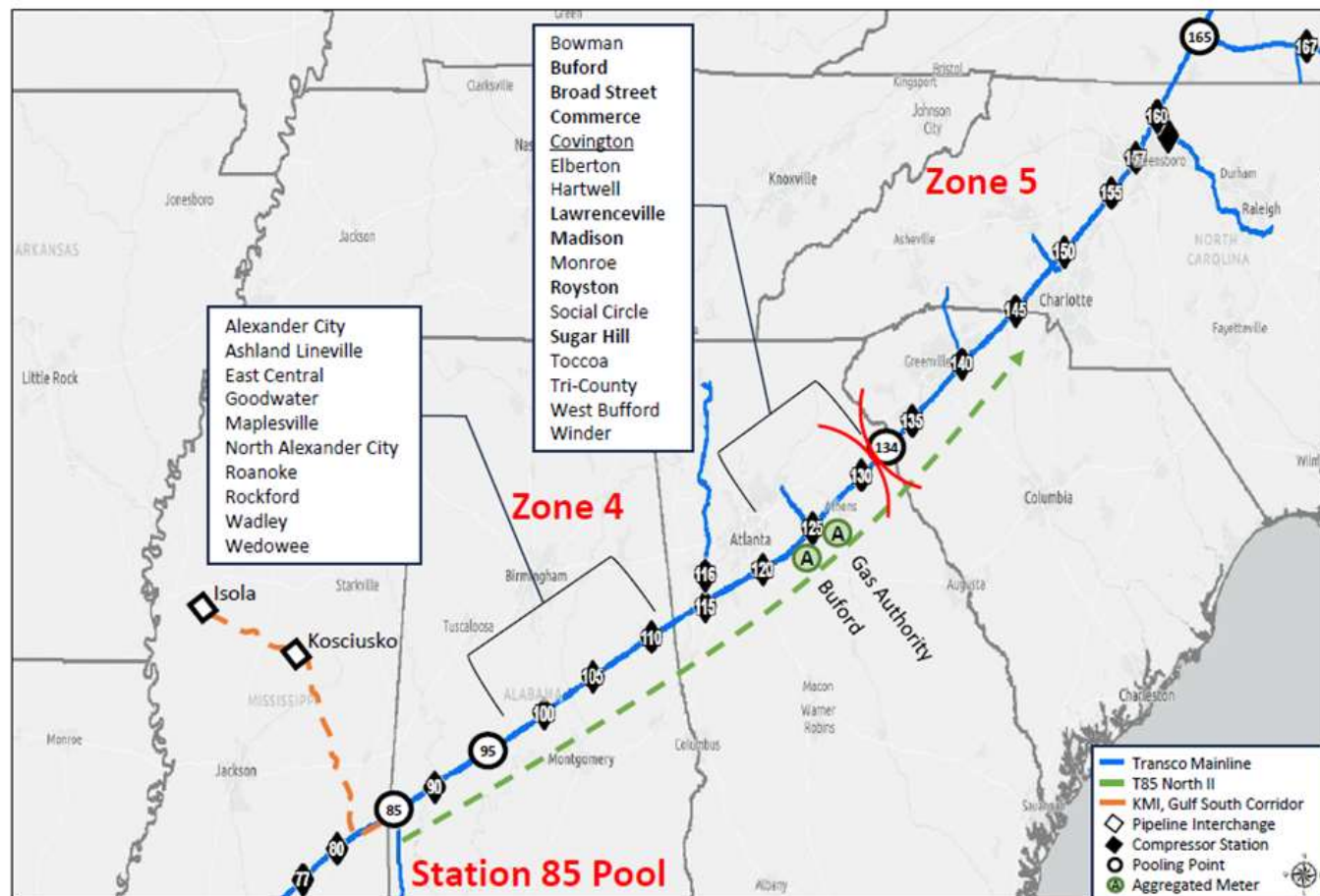


City of Lawrenceville

Transco 85 North II Expansion Project

85 North II Expansion

Confidential – For Discussion Purposes Only



Project Scope:

- Firm Transportation Capacity (Expansion)
- Up to 1,000 Mtdh/d from Station 85 Pool as far north as Station 145
- ~ 150 miles of looping & brownfield HP at 11 compressor stations

Commercial Terms:

- Primary Term: (20) years
- Indicative Negotiated Rate*:
 - Daily Reservation (\$/Dth): \$2.00*
 - Tariff Max Commodity Rate (\$/Dth):
 - Sta 85 Zn4 Pool to Zn4: \$0.02290
 - Sta 85 Zn4 Pool to Zn5: \$0.03545
 - Tariff Fuel Retention Percentage**:
 - Sta 85 Zn4 Pool to Zn4: 1.04%
 - Sta 85 Zn4 Pool to Zn5: 1.76%
 - Applicable ACA surcharges

Currently

Timeline:

- Execute PA's – 2Q25
- Open Season & Final Design/Rates – 3Q25
- Project Sanction / Board Approval – 1Q26
- Target In-Service – 1H 2031

Transco Advantage:

- Reliability – Multiple large diameter lines, Bi-Directional Flow
- Optimization – Segmenting & Path Rights
- Flexibility – Zn4 and/or Zn5 access to secondary receipts & deliveries
- Rolled-In System Fuel Rates (subject to FERC)
- Supply liquidity at Station 85

* Subject to final Open Season results, facility design, and Board Approvals. Additional rate adders for customer-specific delivery lateral extensions and/or pressure commitments.

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Lawrenceville request is for 5,000 Dth per day

Planned Firm Design Day (Winter 2024 - 2025):

- ▶ 52% Firm Transportation contracts (like the new project). These are long term commitments 15 to 30 years.
- ▶ 4% Storage
- ▶ Estimated 3% Member sharing
- ▶ 41% Transco delivered Supply (peaking) services tied to Zone 5 pricing.

Customer Growth Rate:

- ▶ 1.3% to 2.3% growth rate over past 5 years .
- ▶ Average added meters per year for past 5 years is 967 meters.
- ▶ If FT Capacity from the Transco project isn't added, increasingly other Peaking services will be depended on to cover the additional growth and Firm Design Day requirements. Member pool capacity sharing analysis is revised annually and cannot be determined for future years in advance.

Other Considerations:

- There is no guarantee that economic peaking services will persist to be available years in the future.
- Portfolio approach will continue to have Firm Design Day met with combination of FT, Storage, and Peaking.
- With projected growth, adding small amounts of incremental capacity as open seasons are announced is prudent.
- These opportunities come along many years apart and the lead time for new projects is increasing.

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Project Details and Economics:

- Project term is 20 years. Target in-service date is 2031.
- Indicative rate of \$1.55/Dth/day (as of 5/22/25 ; project was originally indicative priced at \$2.00/Dth/day)
- Estimated annual cost to Lawrenceville of \$2,828,750 for 5,000 Dth/day
- This will increase overall FT Quantity by 15%, and indicative total Demand/Storage costs by approximately 82% from today
- Impact to average Firm Customer: \$0.076/Ccf
- Estimated annual cost increase to customer: Residential \$38 ; Commercial \$186
- This new capacity is scheduled for delivery to Transco meter #7408 (Lawrenceville #3)
- To commit to the project, Gas Authority will submit a Precedent Agreement on behalf of Members following the open season bid period and final approval by Transco.