



ONE OF AMERICA'S LARGEST
INDEPENDENT
ENERGY SUPPLIERS



January 8th, 2024 Natural Gas Supply Update

*All Pricing this proposal was ran at 8:17amCT on 1/8/24 and is subject to
market movement*



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At a Glance Update:

- Production
 - Since 2017, US gas production has increased by 49% from 70 BCF/day to 104 BCF/day
- Demand / Weather
 - Normal/slightly below normal start to fall – winter expected to be warmer with El Niño conditions
 - Winter '22-'23 was the warmest winter in the Eastern US since 1950
- Coal Liquidity
 - Coal-fired electricity generation dropped from 50% of the generation stack in 2007 to 18% in 2022
- LNG Exports
 - Liquefied Natural Gas increased 650% from 2 BCF/day in Jan 2018 to 15 BCF/day in 2023
- Storage
 - Natural Gas storage is currently 5.7% above the 5-year average

Henry Hub natural gas price and NYMEX confidence intervals

dollars per million British thermal units



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, December 2023, CME Group, and Refinitiv an LSEG Business

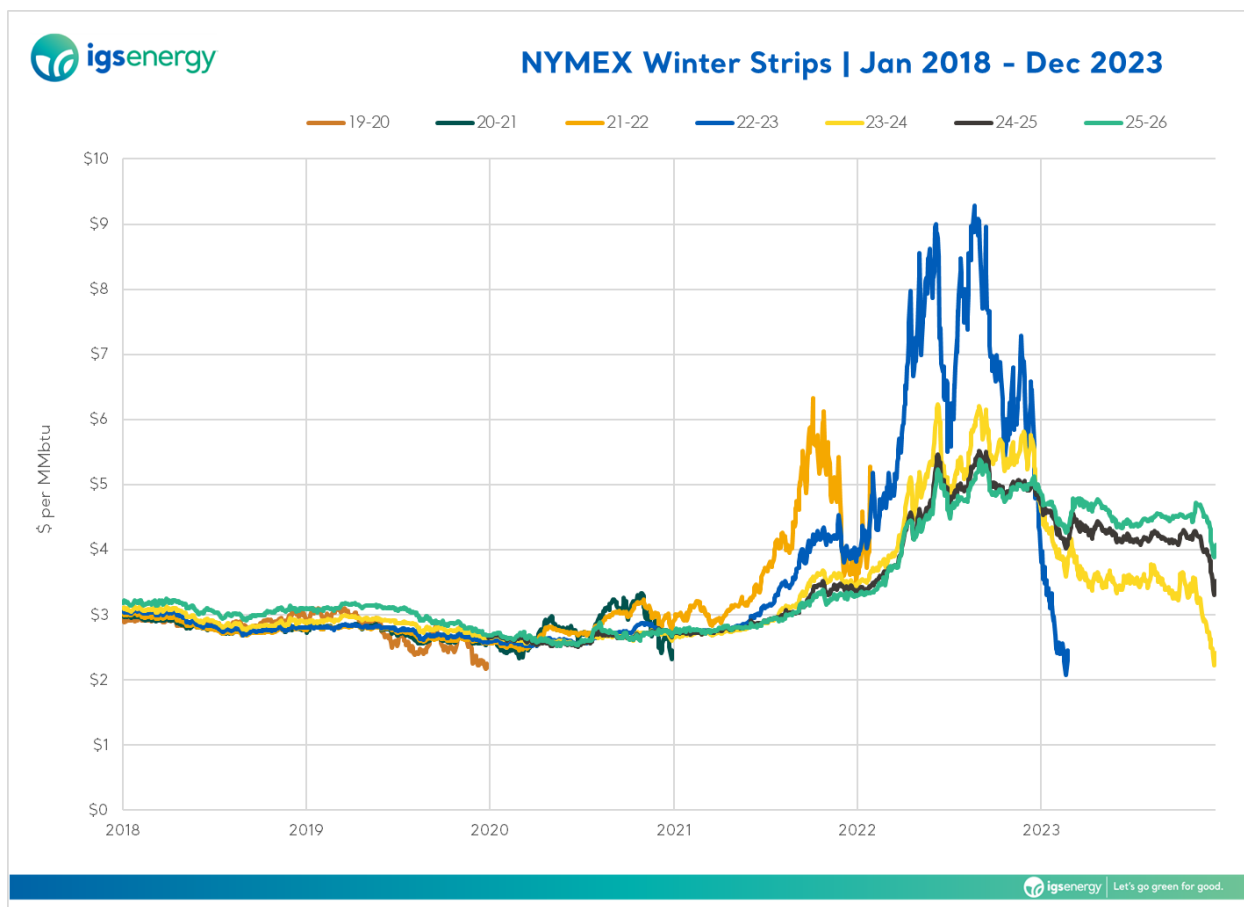
Note: Confidence interval derived from options market information for the five trading days ending December 7, 2023. Intervals not calculated for months with sparse trading in near-the-money options contracts.





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Winter Strips:



- **The city of Rochelle signed two agreements with IGS on 6/13/21**
 - Fixed for the City facilities @ \$3.28/Dth 100% Carbon Offset
 - Variable for the electric generation plant @ NGI Chicago + \$0.48/Dth (No Carbon Offset)
- **Both agreements terms are from October 2021 through September 2024**

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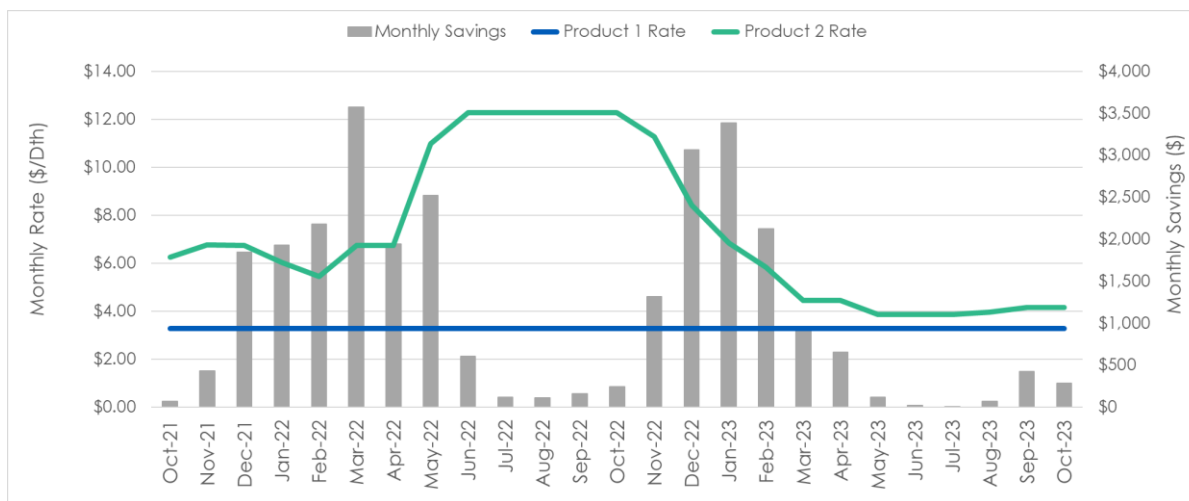
Fixed Gas (\$3.28/Dth) vs. PTC (Nicor Price to Compare):

Gas Savings Analysis for City of Rochelle Fixed (NICOR)



Customer: **City of Rochelle Fixed**
Utility: **NICOR**
Conducted On: **10/31/2023**

| Supply Product | Total Spend (\$) | Avg Rate (\$/Dth) |
|--|------------------|-------------------|
| Product 1 Fixed Rate | \$31,180 | \$3.2800 |
| Product 2 NICOR PTC | \$59,297 | \$6.2378 |
| Total Savings with Product 1 (Oct-21 thru Oct-23) | \$28,117 | |
| ^ Equates to 47% Savings ^ | | |



| Monthly Commodity Spend - Comparison | | | | | | |
|--------------------------------------|--------------|-------------------------|-----------|---------------------------|----------------------|--|
| Month | Volume (Dth) | Product 1 | Product 2 | Savings Rate (\$ per Dth) | Monthly Savings (\$) | |
| | | Fixed Rate (\$3.28/Dth) | NICOR PTC | | | |
| Oct-23 | 323 | \$3.2800 | \$4.1570 | \$0.8770 | \$283 | |
| Sep-23 | 485 | \$3.2800 | \$4.1570 | \$0.8770 | \$425 | |
| Aug-23 | 105 | \$3.2800 | \$3.9590 | \$0.6790 | \$71 | |
| Jul-23 | 16 | \$3.2800 | \$3.8610 | \$0.5810 | \$9 | |
| Jun-23 | 33 | \$3.2800 | \$3.8610 | \$0.5810 | \$19 | |
| May-23 | 205 | \$3.2800 | \$3.8610 | \$0.5810 | \$119 | |
| Apr-23 | 555 | \$3.2800 | \$4.4540 | \$1.1740 | \$652 | |
| Mar-23 | 787 | \$3.2800 | \$4.4540 | \$1.1740 | \$924 | |
| Feb-23 | 830 | \$3.2800 | \$5.8400 | \$2.5600 | \$2,125 | |
| Jan-23 | 953 | \$3.2800 | \$6.8300 | \$3.5500 | \$3,383 | |
| Dec-22 | 597 | \$3.2800 | \$8.4130 | \$5.1330 | \$3,064 | |
| Nov-22 | 164 | \$3.2800 | \$11.2840 | \$8.0040 | \$1,313 | |
| Oct-22 | 27 | \$3.2800 | \$12.2740 | \$8.9940 | \$243 | |
| Sep-22 | 18 | \$3.2800 | \$12.2740 | \$8.9940 | \$162 | |
| Aug-22 | 12 | \$3.2800 | \$12.2740 | \$8.9940 | \$108 | |
| Jul-22 | 13 | \$3.2800 | \$12.2740 | \$8.9940 | \$117 | |
| Jun-22 | 67 | \$3.2800 | \$12.2740 | \$8.9940 | \$603 | |
| May-22 | 327 | \$3.2800 | \$10.9870 | \$7.7070 | \$2,520 | |
| Apr-22 | 563 | \$3.2800 | \$6.7310 | \$3.4510 | \$1,943 | |
| Mar-22 | 1,035 | \$3.2800 | \$6.7310 | \$3.4510 | \$3,572 | |
| Feb-22 | 1,007 | \$3.2800 | \$5.4440 | \$2.1640 | \$2,179 | |
| Jan-22 | 700 | \$3.2800 | \$6.0380 | \$2.7580 | \$1,931 | |
| Dec-21 | 535 | \$3.2800 | \$6.7310 | \$3.4510 | \$1,846 | |
| Nov-21 | 125 | \$3.2800 | \$6.7573 | \$3.4773 | \$435 | |
| Oct-21 | 24 | \$3.2800 | \$6.2600 | \$2.9800 | \$72 | |

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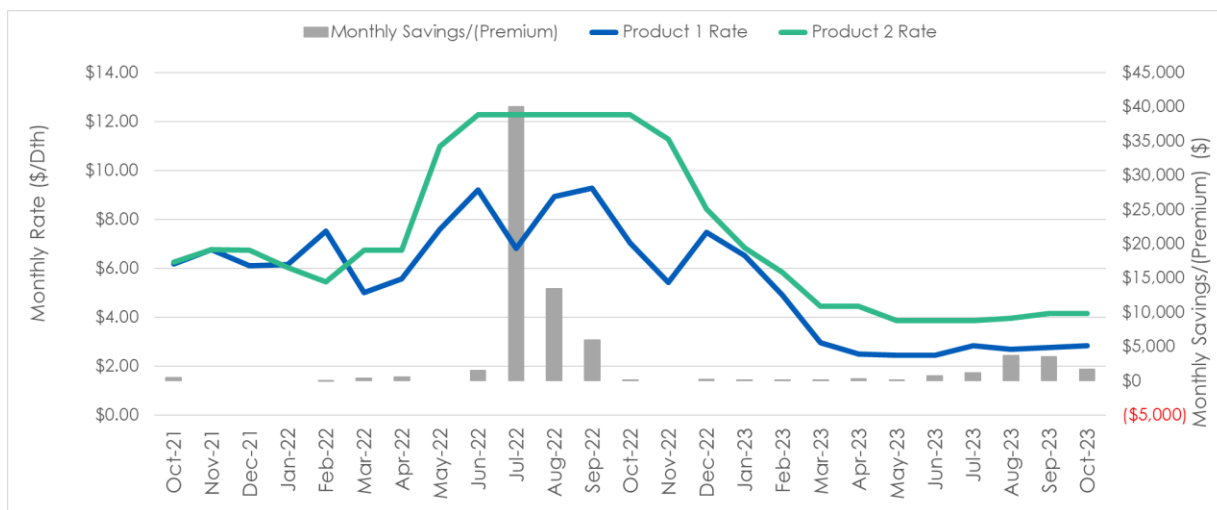
Index Gas (NGI Chicago + \$0.48/Dth) vs. PTC (Nicor Price to Compare):

Gas Savings Analysis for City of Rochelle Fixed (NICOR)



Customer: **City of Rochelle Fixed**
Utility: **NICOR**
Conducted On: **10/31/2023**

| Supply Product | Total Spend (\$) | Avg Rate (\$/Dth) |
|--|------------------|-------------------|
| Product 1 Variable Rate (NGI Chicago + \$0.48/Dth) | \$176,610 | \$5.9565 |
| Product 2 NICOR PTC | \$250,341 | \$8.4432 |
| Total Savings with Product 1 (Oct-21 thru Oct-23) | \$73,731 | |
| ^ Equates to 29% Savings ^ | | |



| Monthly Commodity Spend - Comparison | | | | | | |
|--------------------------------------|--------------|--|-----------|-------------------------------------|--------------------------------|--|
| Month | Volume (Dth) | Product 1 | Product 2 | Savings/(Premium) Rate (\$ per Dth) | Monthly Savings/(Premium) (\$) | |
| | | Variable Rate (NGI Chicago + \$0.48/Dth) | NICOR PTC | | | |
| Oct-23 | 1,264 | \$2.8400 | \$4.1570 | \$1.3170 | \$1,665 | |
| Sep-23 | 2,559 | \$2.7750 | \$4.1570 | \$1.3820 | \$3,537 | |
| Aug-23 | 2,933 | \$2.7000 | \$3.9590 | \$1.2590 | \$3,693 | |
| Jul-23 | 1,149 | \$2.8400 | \$3.8610 | \$1.0210 | \$1,173 | |
| Jun-23 | 510 | \$2.4600 | \$3.8610 | \$1.4010 | \$715 | |
| May-23 | 59 | \$2.4500 | \$3.8610 | \$1.4110 | \$83 | |
| Apr-23 | 154 | \$2.4900 | \$4.4540 | \$1.9640 | \$302 | |
| Mar-23 | 27 | \$2.9700 | \$4.4540 | \$1.4840 | \$40 | |
| Feb-23 | 4 | \$4.9200 | \$5.8400 | \$0.9200 | \$4 | |
| Jan-23 | 11 | \$6.5200 | \$6.8300 | \$0.3100 | \$3 | |
| Dec-22 | 210 | \$7.4800 | \$8.4130 | \$0.9330 | \$196 | |
| Nov-22 | 0 | \$5.4250 | \$11.2840 | \$5.8590 | \$0 | |
| Oct-22 | 3 | \$7.0200 | \$12.2740 | \$5.2540 | \$16 | |
| Sep-22 | 1,985 | \$9.2700 | \$12.2740 | \$3.0040 | \$5,963 | |
| Aug-22 | 4,019 | \$8.9300 | \$12.2740 | \$3.3440 | \$13,440 | |
| Jul-22 | 7,343 | \$6.8200 | \$12.2740 | \$5.4540 | \$40,049 | |
| Jun-22 | 486 | \$9.2000 | \$12.2740 | \$3.0740 | \$1,494 | |
| May-22 | 0 | \$7.5850 | \$10.9870 | \$3.4020 | \$0 | |
| Apr-22 | 452 | \$5.5750 | \$6.7310 | \$1.1560 | \$523 | |
| Mar-22 | 209 | \$5.0150 | \$6.7310 | \$1.7160 | \$359 | |
| Feb-22 | 11 | \$7.5100 | \$5.4440 | (\$2.0660) | (\$23) | |
| Jan-22 | 0 | \$6.1550 | \$6.0380 | (\$0.1170) | \$0 | |
| Dec-21 | 0 | \$6.0950 | \$6.7310 | \$0.6360 | \$0 | |
| Nov-21 | 0 | \$6.7700 | \$6.7573 | (\$0.0127) | \$0 | |
| Oct-21 | 6,262 | \$6.1800 | \$6.2600 | \$0.0800 | \$501 | |



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Fixed – Natural Gas Pricing (Facilities 0% Carbon Offset):

| Term in Months | Start | End | BT DTH Volume | IGS Fixed Offer | MAX OFFER (High Side Risk Assessment for Meeting on the 22 nd) |
|----------------|--------|--------|---------------|-----------------|--|
| 14 | Oct-24 | Nov-25 | 5,818 | \$4.30 | \$4.80 |
| 26 | Oct-24 | Nov-26 | 10,878 | \$4.59 | \$4.99 |
| 38 | Oct-24 | Nov-27 | 15,937 | \$4.74 | \$5.14 |
| 50 | Oct-24 | Nov-28 | 20,997 | \$4.82 | \$5.22 |

Recommendation: 38 Month Term (Fixed & Index)

Reasoning: The warm Winter of 22/23' helped the build US natural gas reserves to a healthy level, which brought pricing back to "normal" from the highs in 22'. Risk is high in future years due to large increases in exports as well as production uncertainty. The small premium to lock in longer term is worth having budget certainty during likely volatile markets in the next few years.

Annualized Cost Comparison

| Term in Months | Estimated Annual Spend | Previous Annual Spend | Annualized Cost Change | Cost Change % |
|----------------|------------------------|-----------------------|------------------------|---------------|
| 14 | \$21,756.41 | \$16,595.59 | +\$5,160.82 | +31% |
| 26 | \$23,223.71 | \$16,595.59 | +\$6,628.12 | +40% |
| 38 | \$23,982.65 | \$16,595.59 | +\$7,387.06 | +45% |
| 50 | \$24,387.42 | \$16,595.59 | +\$7,791.83 | +47% |

Index - Natural Gas Pricing (Generation Plant - 0% Carbon Offset):

| Term in Months | Start | End | BT DTH Volume | IGS Variable Offer |
|----------------|--------|--------|-------------------|---------------------|
| 38 | Oct-24 | Nov-27 | 17,856 Annualized | NGI Chicago+ \$0.44 |

IGS Natural Gas Pricing is Backed by The Following:

- All-inclusive fixed price
 - Zero pooling/administrative fees
 - Bill based on actual consumption - **not nominations**
- 100% Swing Tolerance
- 100% coverage (up to MDQ) on all critical days
- IGS cannot assign agreements to other parties
- Month-to-month renewal after completion of initial term
- I am your personal account manager/point of contact



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Overall Differentiations & Qualifications

- IGS has been in business for 35 years (all under the same name) and has very strong financials.
- IGS has won several awards for being a great workplace. I bring this up for two reasons. 1. Our history has shown that I expect to be here not just for this term, but for your next several terms. I will be held accountable for my performance as your account rep and for how the company performs handling your power supply. 2. When employees are happy, they do everything they can to represent the company in the best possible way. I will be your main point of contact and will be able to resolve any issues, but if you do speak to anybody in IGS' billing or customer service department they will go out of their way to make sure your experience with IGS is a positive one.

IGS Energy differentiates itself through the development of long-term relationships with customers, market intelligence, expertise, personal attention, and transparency. Our philosophy is to arm each of our customers with the information needed to make the best decision possible based on individual wants and needs. This includes making them aware of all variables, risks, and rewards available in their market. Our size and experience allow us to offer competitive pricing, customized programs, and benefits most important to customers on an individual basis. We take the time to point out the details of all programs available from us and our competitors to weigh equally the pros and cons of each option.