



**INDIANA
ENERGY**
ASSOCIATION

Winter Reliability Forum

Small Gas Companies

November 27, 2023



Community Natural Gas Co., Inc.





Customer Bill Trends

Market has become more stable, prices have returned to 2021 levels

The NYMEX prompt has closed below \$4.00 since February. Prices have been more stable and reflective of pre-pandemic amounts.

- ▶ So how is this affecting small gas companies?
 - Price stability and reduction is contributing to expected customer price decreases this coming winter.

- ▶ What does this mean for customer gas bills for the upcoming winter?
 - Small gas companies are expecting a decrease of 15-35% over the same period as last year, varying by company, mostly due to NYMEX market pricing decreases.

NYMEX Settlement History					
Month	2019	2020	2021	2022	2023
Jan	3.642	2.158	2.467	4.024	4.709
Feb	2.950	1.877	2.760	6.265	3.109
Mar	2.855	1.821	2.854	4.568	2.451
Apr	2.713	1.634	2.586	5.336	1.991
May	2.566	1.794	2.925	7.267	2.117
Jun	2.633	1.722	2.984	8.908	2.181
Jul	2.291	1.495	3.617	6.551	2.603
Aug	2.141	1.854	4.044	8.687	2.492
Sep	2.251	2.579	4.370	9.353	2.556
Oct	2.428	2.101	5.840	6.868	2.764
Nov	2.597	2.996	6.202	5.186	3.164
Dec	2.470	2.896	5.447	6.712	
Avg	2.628	2.077	3.841	6.644	2.740



NYMEX Settlement History





Other States Impact Potential

Even if Indiana utilities take care of their facilities, is it possible that gas facilities in other states may pose problems for Indiana?

Some small gas companies have multiple interstate feeds into their systems, but some do have single interstate interconnections feeding parts of their systems. An interstate pipeline outage would be detrimental to our ability to serve.

- ▶ Generally, each company utilizes interstate contracts for service, and a supply manager to assist with scheduling and balancing.
 - These contracts do provide firm service up to reserved capacity.
 - Many of the small companies rely on pipeline storage, so we are reliant on the pipeline's ability to provide service.
 - Small gas contracts are long term, in the three-to-five year range with "right-of-first-refusal" to extend a contract as terms expire.



Other States Impact Potential

In the case of a pipeline or supply problem, what can be done to increase coordination among natural gas companies and mitigate structural and operational discontinuities?

Generally, each of the IEA small gas companies operate within their own certificated territories, and as a result, they have their own interconnections with interstate transmission pipelines and no connections to other Indiana utilities. Unfortunately, there may not be many things other companies could do to assist in times of operational discontinuities.



Storage Levels

Have there been any issues maintaining storage levels, or any supply chain issues in procuring fuel?

All small gas companies have reported they are entering the winter season with storage at targeted levels and are operationally full.

None of the companies have reported any supply chain issues in their procurement practices for natural gas supply. Pandemic-related supply chain issues continue to improve but are still ongoing depending on the need.



Any Questions?

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