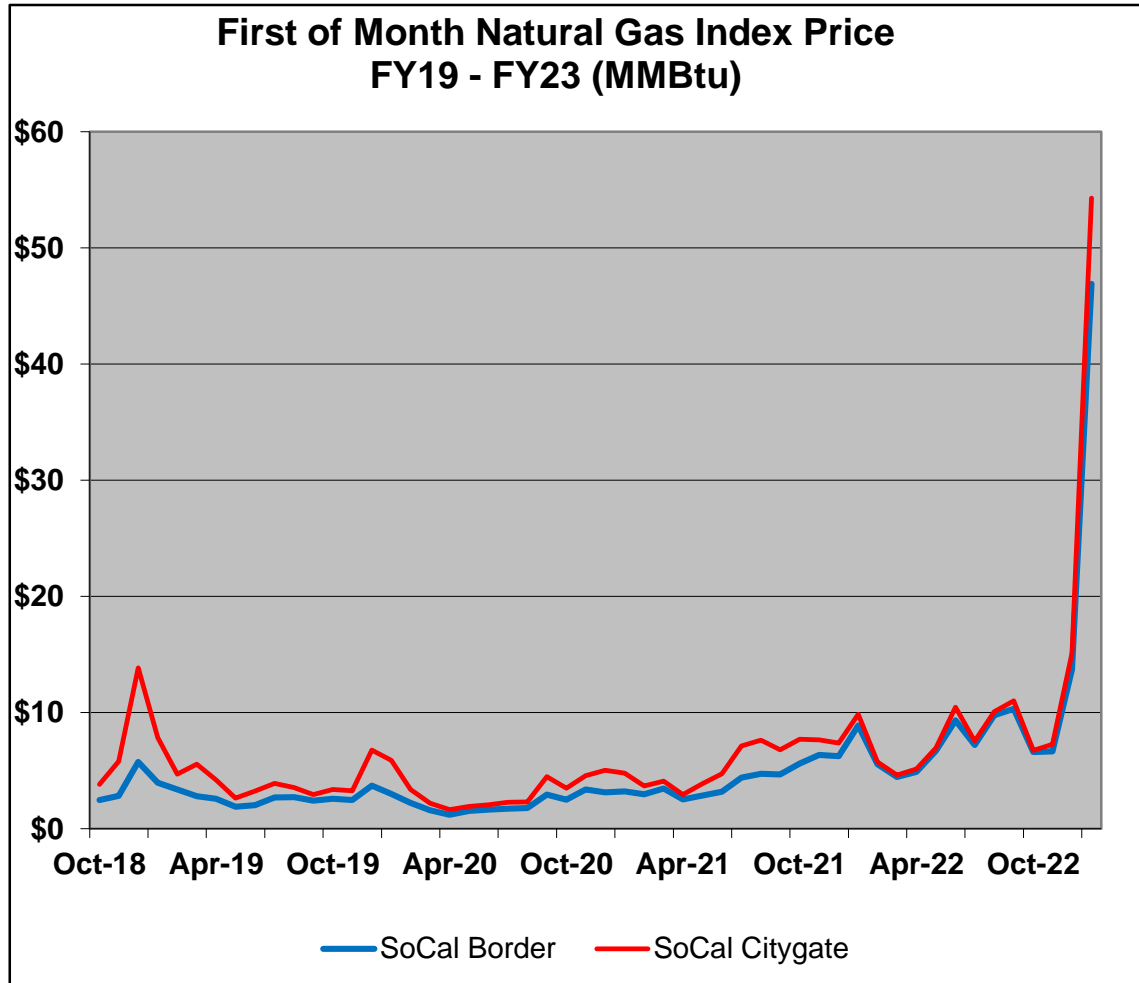


A photograph of a row of gas meters in a utility facility. The meters are mounted on a metal rack, and the focus is on the one in the foreground. The background is slightly blurred, showing more meters and some industrial equipment.

FY 23 First Quarter Financial Review - Gas

February 2, 2023

Natural Gas Index Pricing



First of Month SoCal Border Prices

	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>
High	\$5.75	\$3.72	\$4.73	\$10.32	\$46.92
Low	\$1.90	\$1.21	\$2.51	\$4.46	\$6.62
Average	\$2.96	\$2.20	\$3.42	\$7.12	\$18.48

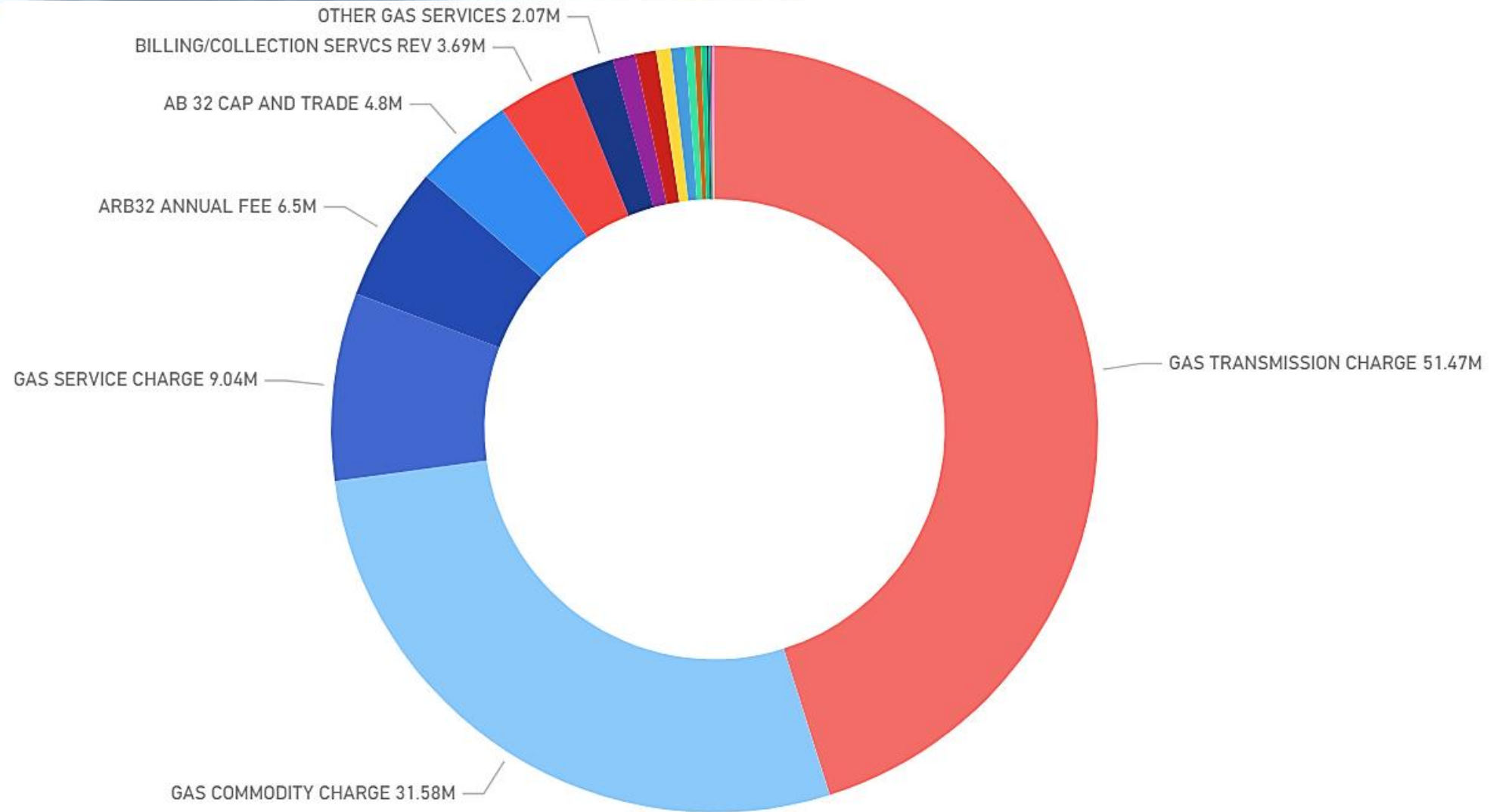
Daily Pricing Statistical Data (SoCal Border)

	<u>FY 19</u>	<u>FY 20</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>
High	\$14.27	\$8.99	\$114.38	\$13.72	\$48.88
Low	\$0.92	\$1.18	\$1.54	\$3.60	\$3.75
Average	\$3.24	\$2.18	\$4.82	\$6.67	\$15.27

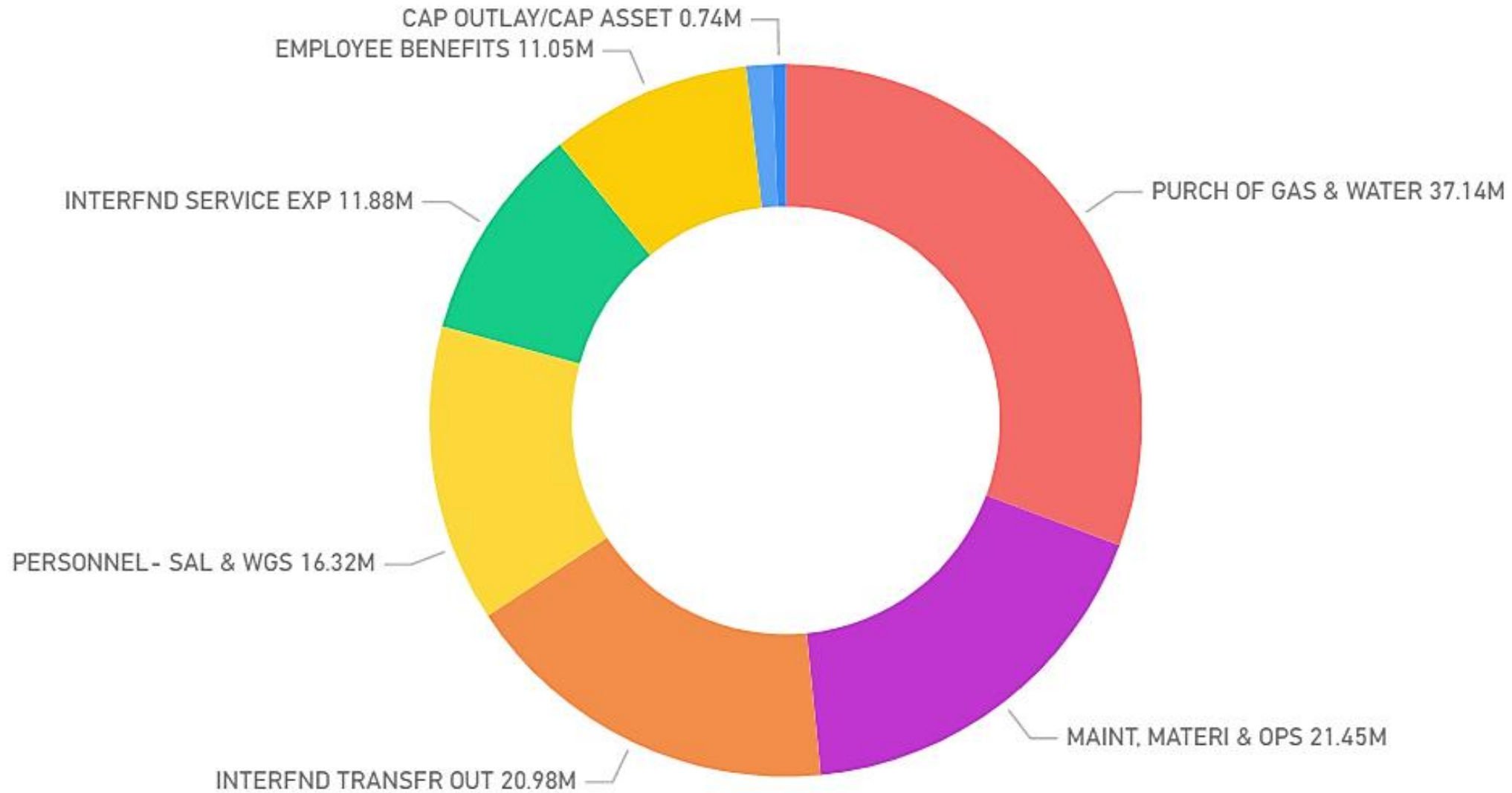
Weekly Average Ending Jan. 31, 2023: \$11.53

Previous Week Average (01/18 - 01/24): \$17.27

FY 23 Gas Fund Revenue Budget

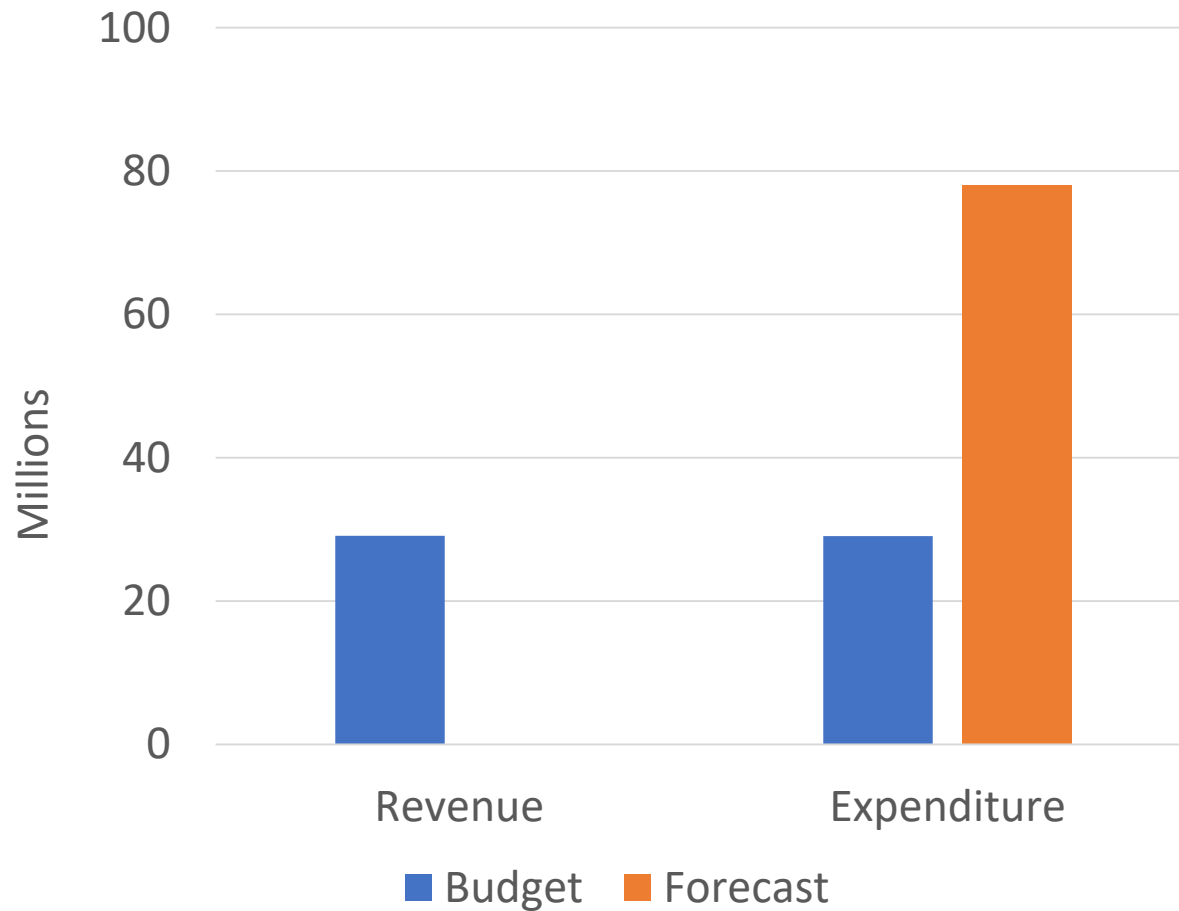


FY 23 Gas Fund Expenditure Budget



FY 23 Commodity

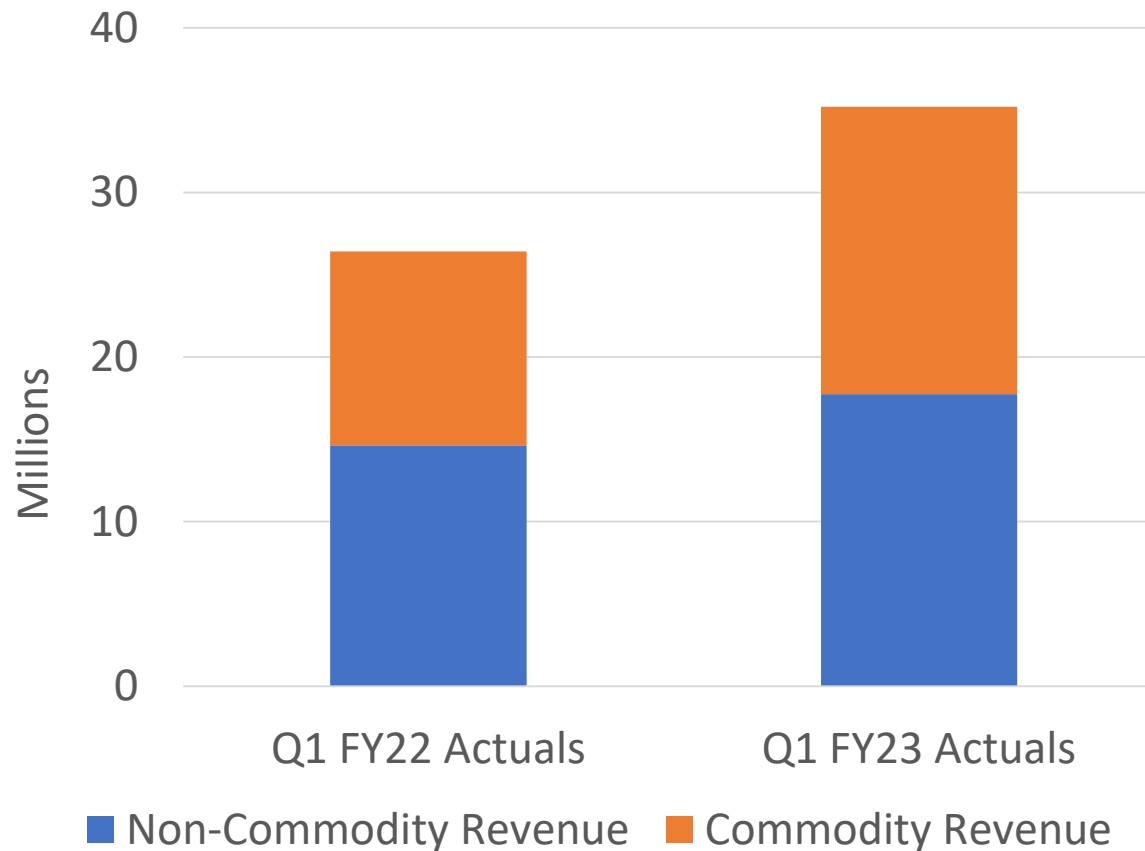
Budget vs. Forecast



Commodity Purchases forecasted over 2.5x higher than budget

Total Revenues

FY 22 vs. FY 23 Q1 Comparison



Gas Commodity Charge



48% increase from Q1 FY22

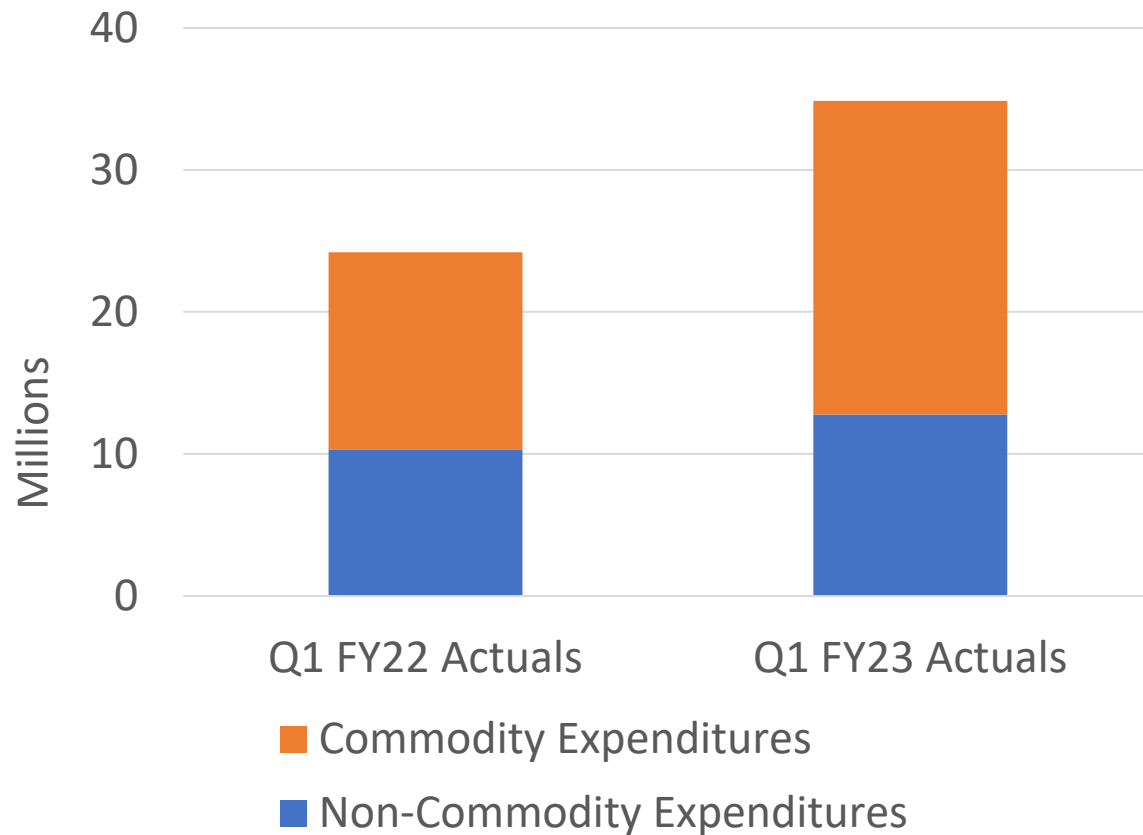
Gas Transmission Charge



4% increase from Q1 FY22

Total Expenditures

FY 22 vs. FY 23 Q1 Comparison



Purchase of Natural Gas from Local Producers



267% increase from Q1 FY22

Gas Storage & Transmission Charge



3% decrease from Q1 FY22

Gas Fund Reserves Calculation

- FY22 calculations to establish reserve proposal
- FM Agreed Upon Goal: \$23m

Gas Fund Group	FY19	FY20	FY21	3-Year Average
90 Days Cash:	\$23,687,907	\$18,921,478	\$20,940,556	\$21,183,314
5% of Volumetric Rates:	\$2,421,656	\$1,532,042	\$1,784,315	\$1,912,671
Infrastructure Contingency:	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000
Minimum Reserves	\$23,687,907	\$18,921,478	\$20,940,556	\$21,183,314
Maximum Reserves	\$36,109,563	\$30,453,520	\$32,724,871	\$33,095,984

Gas Fund Reserves Considerations

- **90 days cash on hand to cover short-term expenditures**
- **Rate Stabilization**
 - Natural Gas price hedging
 - 5% rate fluctuations from planned budget due to unforeseen weather conditions
 - Smoothing of gas prices
- **Long-term planning for pipeline abandonment**
 - e.g. Huntington Beach pipeline
- **Emergency reserves for catastrophic events**

Gas Fund Reserves





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