

# City of Alma

March 26, 2026

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Jamie Barrett, Gas Operations Controller

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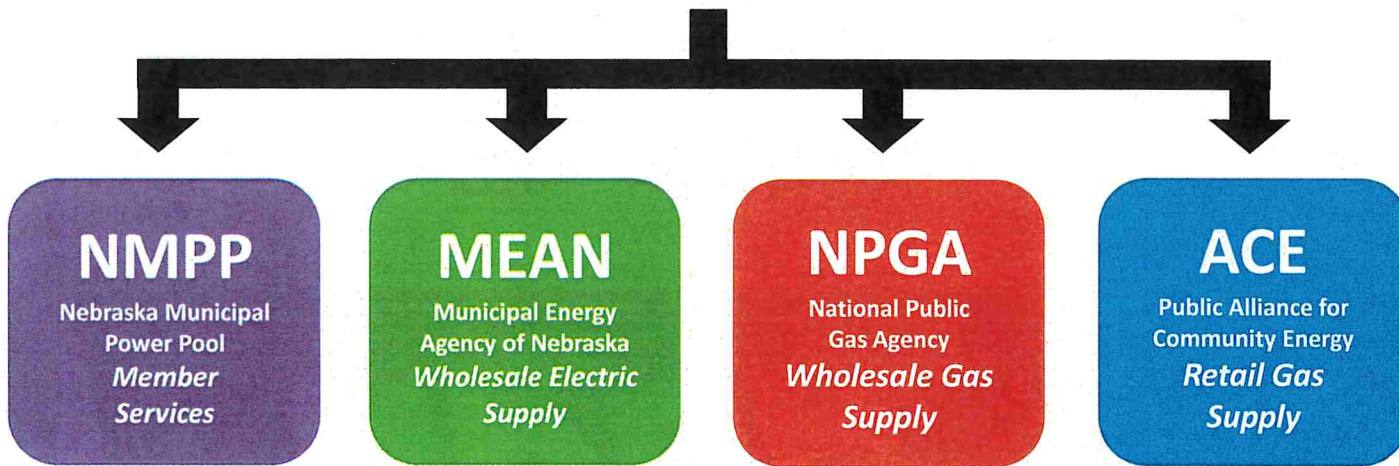


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# NMPP<sup>TM</sup> ENERGY





# Who is NPGA?

- Wholesale natural gas supplier
  - ▶ Joint Action Agency that provides gas supply to municipalities who own and operate their natural gas distribution systems
  - ▶ Formed in 1991 under the Nebraska Interlocal Cooperation Act
    - Allows local governments to cooperate with one another to achieve a specific task
  - ▶ Not-for-profit
    - Member Fees are designed to only cover actual A&G

**City of Alma  
Historical NPGA Member Fees**

Fiscal Year	Annual Member Fee	Average per MMBtu
26-27	\$4,976	\$0.10
25-26	\$4,417	\$0.09
24-25	\$7,722	\$0.15
23-24	\$12,738	\$0.25
22-23	\$14,034	\$0.26
21-22	\$15,918	\$0.30
20-21	\$13,100	\$0.25



# Who is NPGA?

- Wholesale natural gas supplier
  - ▶ Each Member signs a Gas Supply Agreement
    - Defines the service, financial, and other obligations between NPGA and the member
    - A member commits to “full requirements” natural gas supply
    - Each agreement is a 36-month rolling commitment
    - Member Fees are set by the NPGA board of directors



# Who is NPGA?

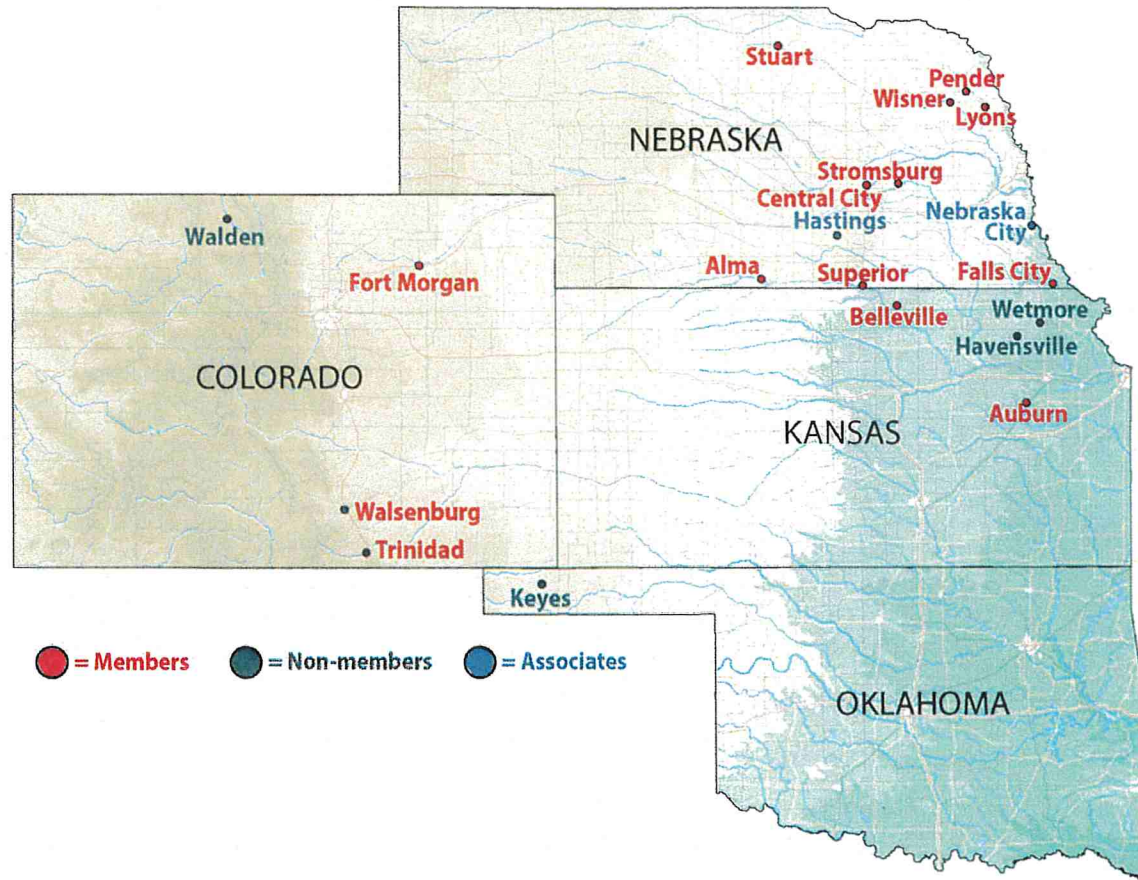
- ▶ 14 Members
  - Full requirements gas supply
  - 2 additional Associate Members
  - Located in Colorado, Kansas and Nebraska
  - Each has a Representative and Alternate on Board
- ▶ 5 Customers
  - Non-members with a gas supply agreement
  - Located in Colorado, Kansas, Oklahoma and Wyoming



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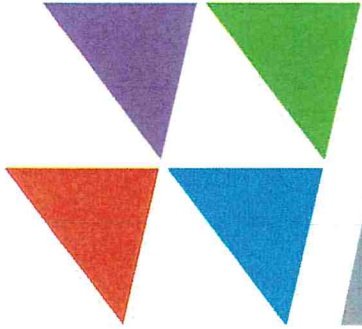
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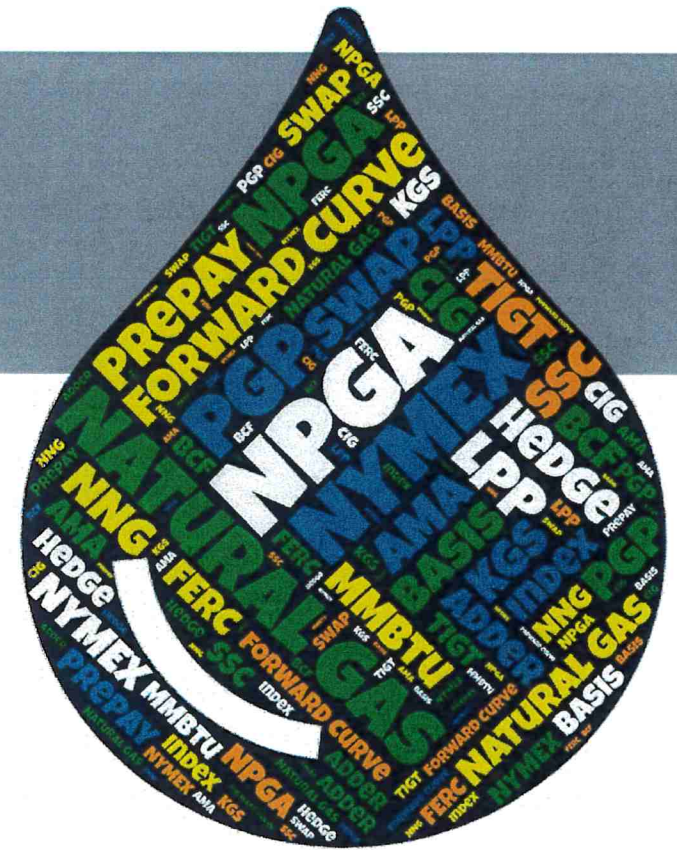


● = Members   ● = Non-members   ● = Associates





# Operations



# Components of gas cost

- Management (Member) Fee
  - ▶ Set to cover A & G only
  - ▶ Includes all efforts to control other costs
- Pass through costs
  - ▶ Transportation – delivering the gas, including storage
  - ▶ Commodity – the actual gas



# How does NPGA manage costs?

- Gas purchasing
  - ▶ Seasonal contracts
  - ▶ Monthly bidding
  - ▶ Long-term agreements such as Prepaid Gas Supply (prepays)



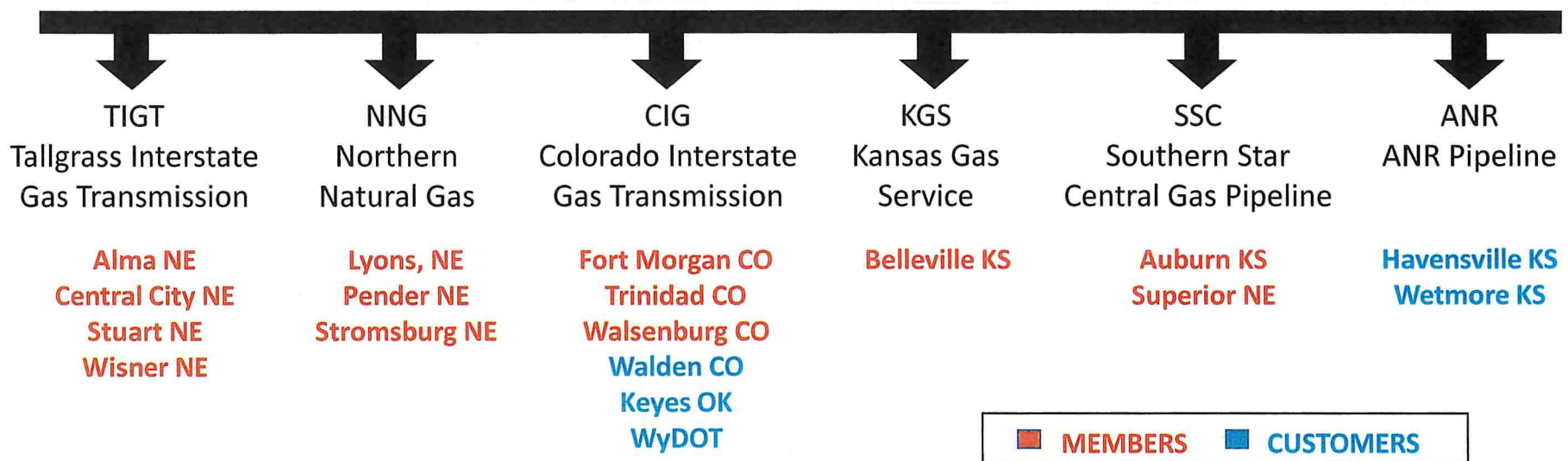
# How does NPGA manage costs?

- Operations
  - ▶ Estimating and forecasting
  - ▶ Purchasing
  - ▶ Invoicing
  - ▶ Nominations
  - ▶ Monitoring storage and cuts



# How does NPGA manage costs?

- Transportation – NPGA operates on six pipelines



# How does NPGA manage costs?

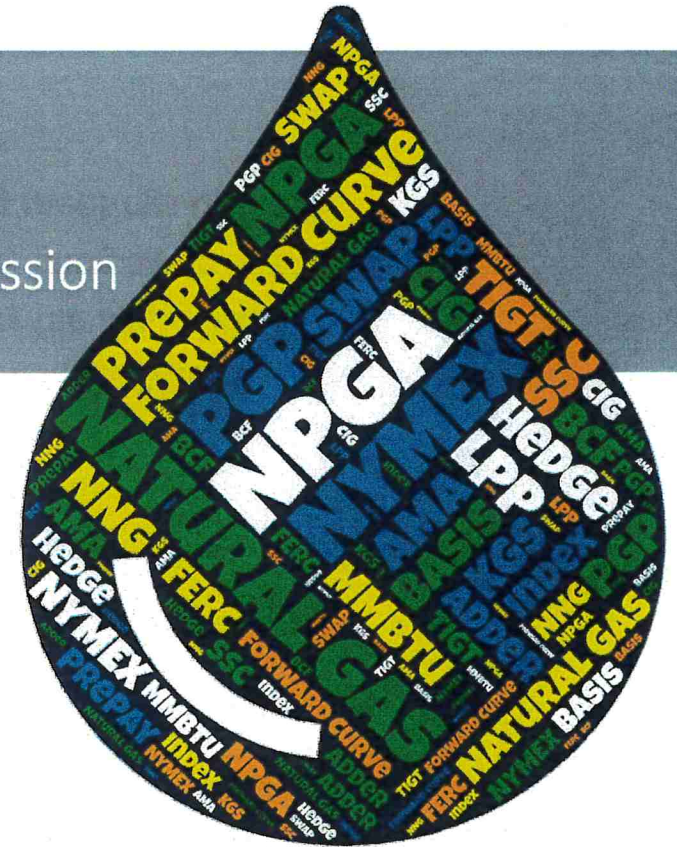
- Advocacy and communication with pipelines
  - ▶ Rates are regulated by the Federal Energy Regulatory Commission (FERC)
  - ▶ Increases are sought via a “Rate Case” where costs must be justified
  - ▶ Lengthy process, often resulting in negotiated settlements
  - ▶ NPGA typically participates with larger “shippers groups”
  - ▶ TIGT requested 98% increase; settled with 63%; filing again 6/1/2029
  - ▶ NNG requested 85% increase; settled with 29.54%; may file again 2027
  - ▶ SSC requested 85% increase; settled with 43% increase; filing again 5/1/2026
  - ▶ CIG requested zero increase; shippers group convening meetings 03/2026





# TIGT

Tallgrass Interstate Gas Transmission



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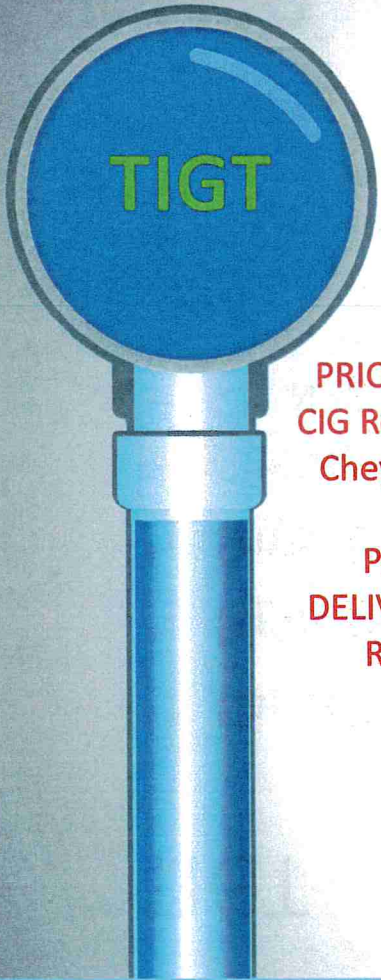
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# TIGT – Tallgrass Interstate Gas Transmission

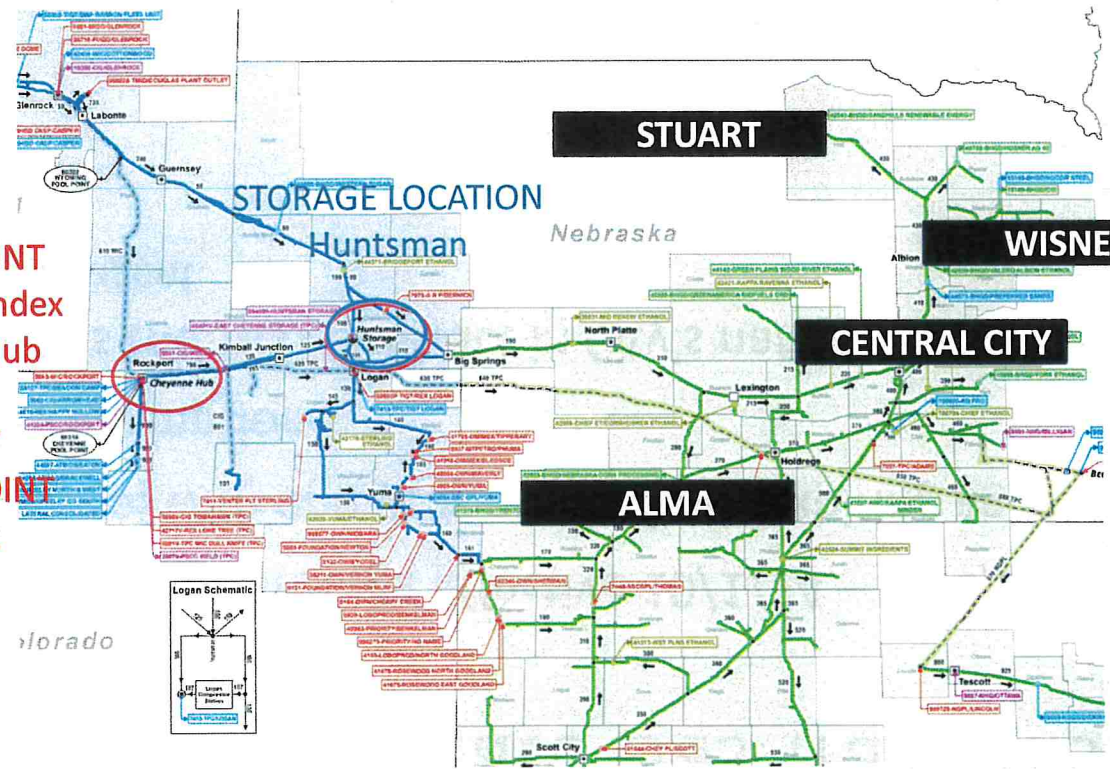
- Capacity and No Notice Storage Effective 10/1/24 – 9/30/27
- Right of first refusal with one year notice from expiring agreement
- Small customer exemption
- City of Alma holds the TIGT contract in City's name
  - ▶ NPGA serves as agent

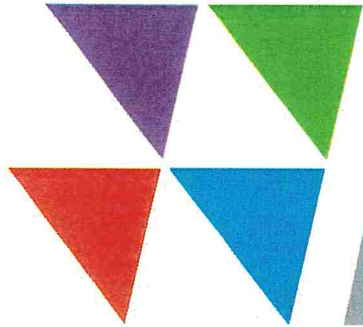




PRICING POINT  
CIG Rockies Index  
Cheyenne Hub

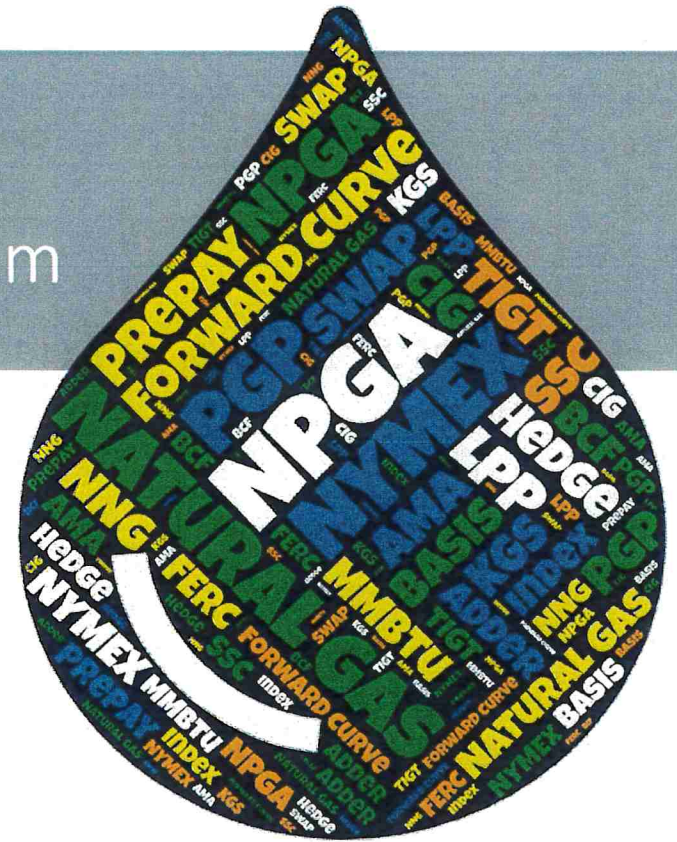
PRIMARY  
DELIVERY POINT  
Rockport





# LPP

## Level Purchasing Program



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# LPP – Level Purchasing Program

- Begun in 2001 to temper volatility in the natural gas market
- Various processes and percentage over time
- Current hedging policy is 50% of estimated volumes
  - ▶ 25% 1 year in advance
  - ▶ 25% 2 years in advance
- Utilizes financial hedges placed with counterparty to levelize costs



# Cost of Gas Sold History

	Fiscal Year Ended									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Swaps Cost(Credit)/ LPP Volumes Sold	\$ 0.58	\$ 0.73	\$ (0.81)	\$ (0.66)	\$ 0.02	\$ 0.04	\$ 0.01	\$ 0.03	\$ 0.02	\$ 0.38
Purchased Gas Cost/ Volumes Sold	\$ 3.04	\$ 2.97	\$ 5.60	\$ 3.96	\$ 3.22	\$ 1.94	\$ 2.79	\$ 2.75	\$ 2.74	\$ 2.51
Total Cost of Gas Sold/ Volumes Sold	\$ 3.58	\$ 3.66	\$ 4.84	\$ 3.34	\$ 3.25	\$ 1.97	\$ 2.80	\$ 2.77	\$ 2.76	\$ 2.82





# Prepays – Prepaid Gas Supply Agreements

- Complex transactions utilizing the difference between taxable and tax-exempt bonds in the marketplace
- Transactions need “qualified” tax-exempt natural gas load
- Today’s prepays typically feature 30-year gas supply agreements, segmented into 5-10-year pricing periods
- Result is discounted gas supply with revenue used to offset A&G and reduce costs for all members



# NPGA Prepay Related Supply Agreements

Start Date	Prepaid Supplier	Supply Agmt	Upstream Supplier	MMBtu Day	Current Discount	Future Minimum	Annual Revenue	Current Period Ends	Agmt Ends
04.01.19	PEAK	PEAK	BP	1,000	(\$0.43)	(\$0.20)	\$156,950	06.30.32	11.30.48
02.01.20	Citigroup	MGAG	Choice	500	(\$0.29)	(\$0.24)	\$52,925	08.31.26	01.31.50
04.01.22	Citigroup	MGAG	Choice	500	(\$0.33)	(\$0.23)	\$60,225	10.31.28	03.30.52
04.01.24	Citigroup	MGAG	Choice	500	(\$0.50)	(\$0.23)	\$91,250	10.31.30	10.31.54
06.01.24	RBC	MGAG	Choice	401	(\$0.53)	(\$0.23)	\$77,573	07.31.31	03.31.54

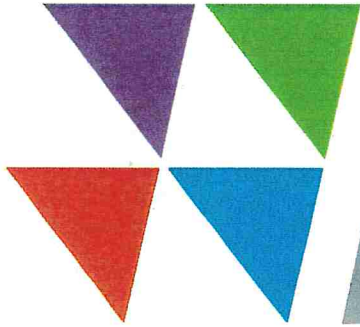
***NPGA Member Fees are reduced by \$438,923 annually***  
*Discounts are subject to repricing*



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# Public Gas Partners

## Pool 3



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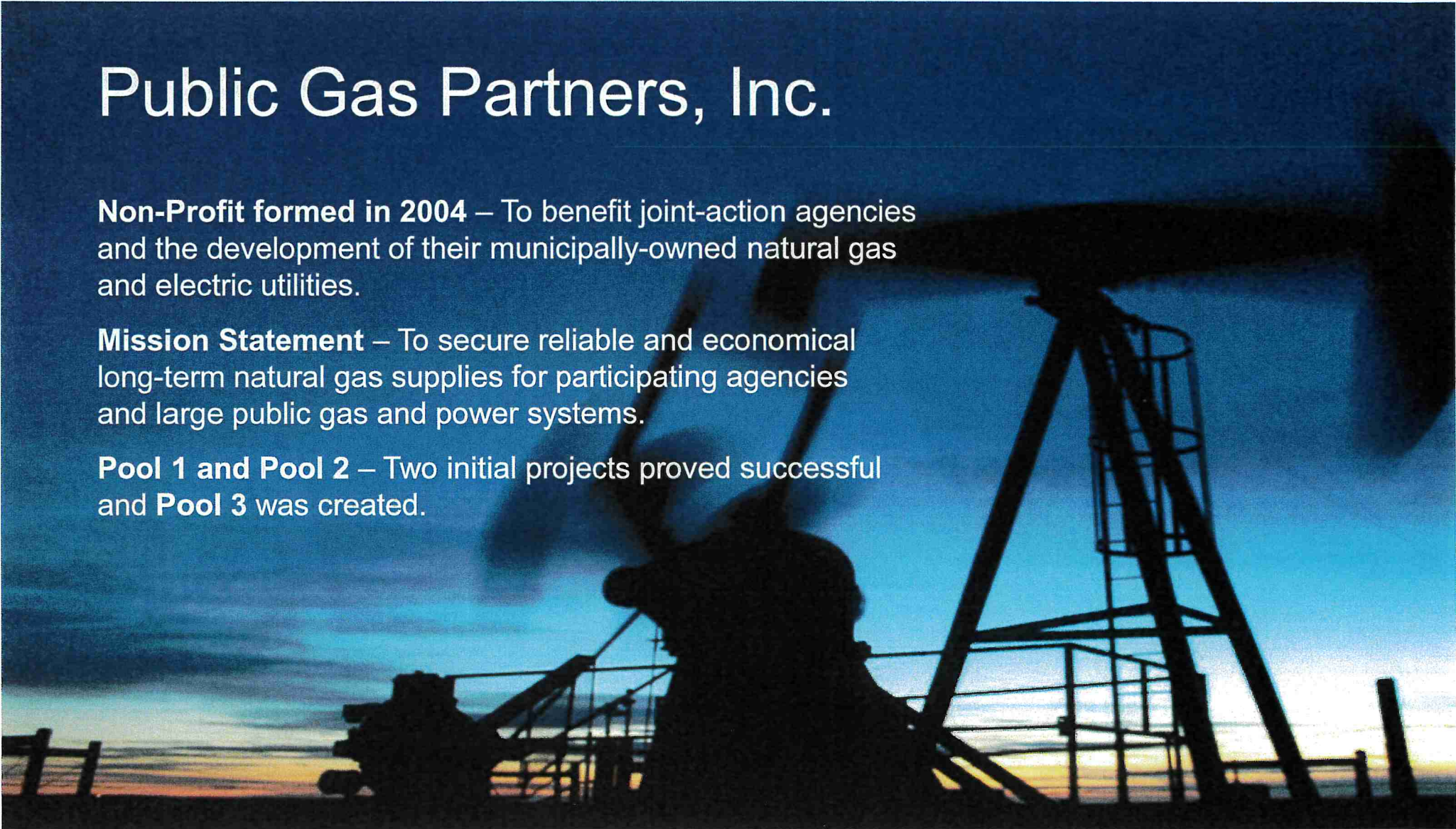


# Public Gas Partners, Inc.

**Non-Profit formed in 2004** – To benefit joint-action agencies and the development of their municipally-owned natural gas and electric utilities.

**Mission Statement** – To secure reliable and economical long-term natural gas supplies for participating agencies and large public gas and power systems.

**Pool 1 and Pool 2** – Two initial projects proved successful and **Pool 3** was created.



# Public Gas Partners Pool 3

- Some NPGA members expressed interest in joining the project in order to receive reliable and economical gas supply

Historical NYMEX Settle Prices

Month	2008	2018	2019	2020	2021	2022	2023	2024	2025
Jan	\$7.17	\$2.74	\$3.64	\$2.16	\$2.47	\$4.02	\$4.71	\$2.62	\$3.51
Feb	\$8.00	\$3.63	\$2.95	\$1.88	\$2.76	\$6.27	\$3.11	\$2.49	\$3.54
Mar	\$8.93	\$2.64	\$2.86	\$1.82	\$2.85	\$4.57	\$2.45	\$1.62	\$3.91
Apr	\$9.58	\$2.69	\$2.71	\$1.63	\$2.59	\$5.34	\$1.99	\$1.58	\$3.95
May	\$11.28	\$2.82	\$2.57	\$1.79	\$2.93	\$7.27	\$2.12	\$1.61	\$3.17
June	\$11.92	\$2.88	\$2.63	\$1.72	\$2.98	\$8.91	\$2.18	\$2.49	\$3.20
July	\$13.11	\$3.00	\$2.29	\$1.50	\$3.62	\$6.55	\$2.60	\$2.63	\$3.26
Aug	\$9.22	\$2.82	\$2.14	\$1.85	\$4.04	\$8.69	\$2.49	\$1.91	\$3.08
Sept	\$8.39	\$2.90	\$2.25	\$2.58	\$4.37	\$9.35	\$2.56	\$1.93	\$2.87
Oct	\$7.47	\$3.02	\$2.43	\$2.10	\$5.84	\$6.87	\$2.76	\$2.59	\$2.84
Nov	\$6.47	\$3.19	\$2.60	\$3.00	\$6.20	\$5.19	\$3.16	\$2.35	\$3.38
Dec	\$6.89	\$4.72	\$2.47	\$2.90	\$5.45	\$6.71	\$2.71	\$3.43	\$4.42
Avg	\$9.03	\$3.09	\$2.63	\$2.08	\$3.84	\$6.64	\$2.74	\$2.27	\$3.43



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# Public Gas Partners Pool 3

- In 2009-2010, eight NPGA member councils approved and signed agreements to join PGP3 and indicated the total volume participation they desired

Central City, NE	Superior, NE
Belleville, KS	Alma, NE
Wisner, NE	Lyons, NE
Pender, NE	Stuart, NE

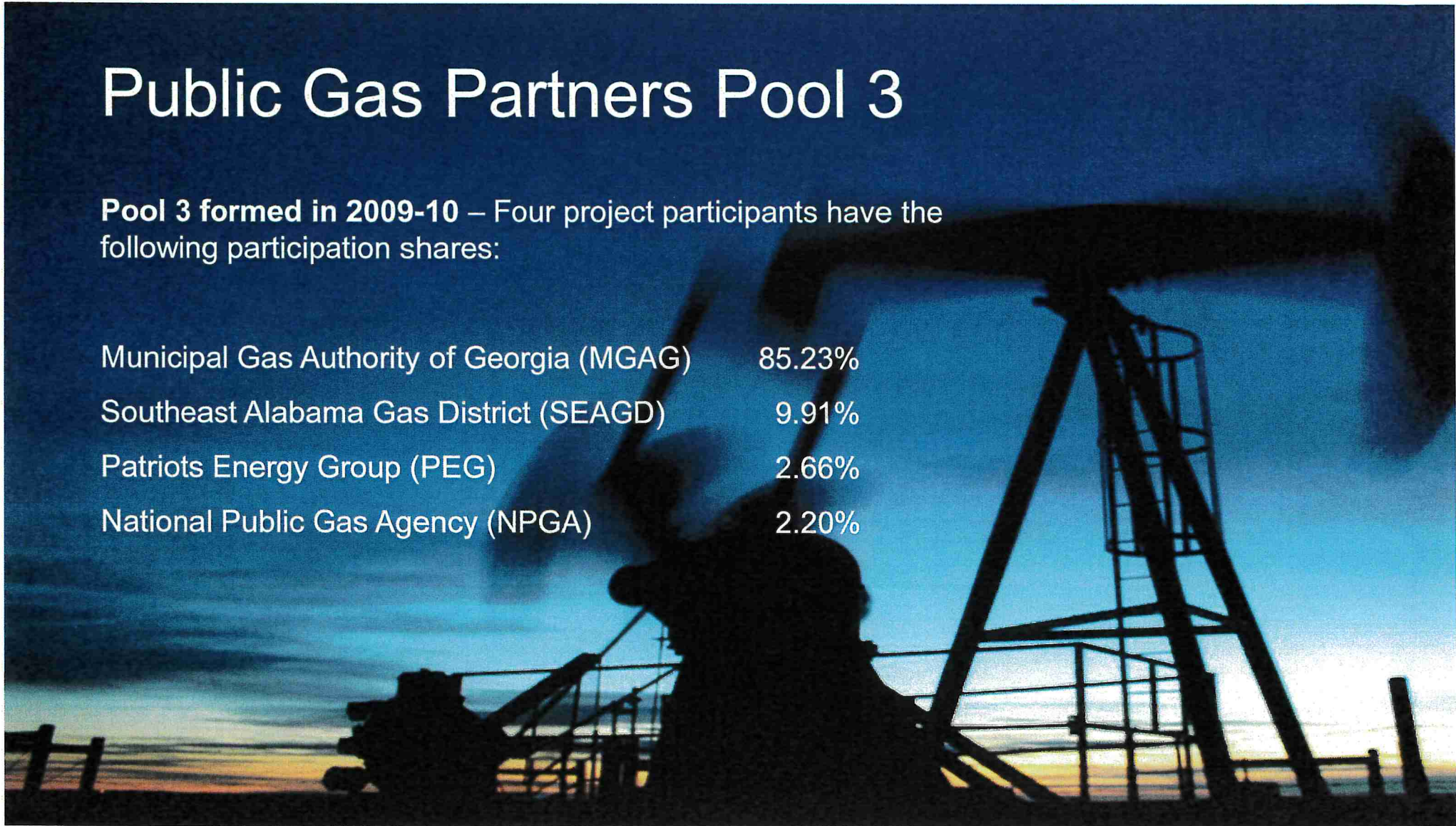
- Based on those total volumes, NPGA acts as representative for the eight member participants, at a total of 2.2% of the PGP3 project



# Public Gas Partners Pool 3

**Pool 3 formed in 2009-10** – Four project participants have the following participation shares:

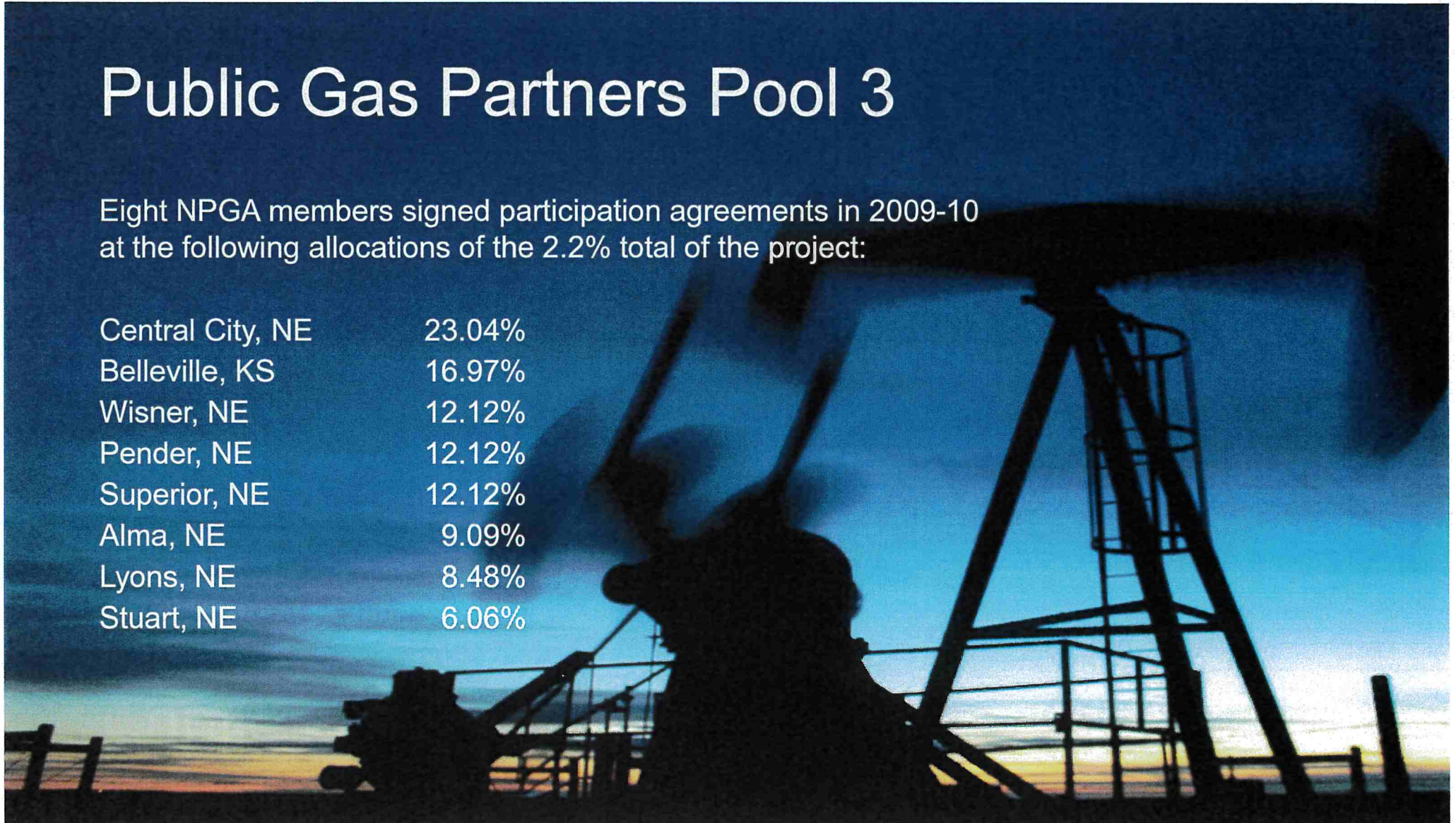
Municipal Gas Authority of Georgia (MGAG)	85.23%
Southeast Alabama Gas District (SEAGD)	9.91%
Patriots Energy Group (PEG)	2.66%
National Public Gas Agency (NPGA)	2.20%



# Public Gas Partners Pool 3

Eight NPGA members signed participation agreements in 2009-10 at the following allocations of the 2.2% total of the project:

Central City, NE	23.04%
Belleville, KS	16.97%
Wisner, NE	12.12%
Pender, NE	12.12%
Superior, NE	12.12%
Alma, NE	9.09%
Lyons, NE	8.48%
Stuart, NE	6.06%



# Public Gas Partners Pool 3

Deliveries began in 2013 at Index minus \$0.20/MMbtu

NPGA MEMBER PARTICIPANTS	SHARE OF NPGA TOTAL	2013	2014	2015	2016	2017	2018	TOTAL DISCOUNTS RECEIVED
Central City, NE	23.04%	\$(5,471.45)	\$(10,435.36)	\$(9,148.44)	\$(9,474.28)	\$(11,363.07)	\$(7,804.06)	\$(53,696.66)
Belleville, KS	16.97%	(4,031.59)	(7,689.28)	(6,741.04)	(6,981.05)	(8,372.75)	(5,747.98)	(39,563.69)
Wisner, NE	12.12%	(2,879.71)	(5,492.35)	(4,815.03)	(4,986.47)	(5,980.55)	(4,105.25)	(28,259.36)
Pender, NE	12.12%	(2,879.71)	(5,492.35)	(4,815.03)	(4,986.47)	(5,980.55)	(4,105.25)	(28,259.36)
Superior, NE	12.12%	(2,879.71)	(5,492.35)	(4,815.03)	(4,986.47)	(5,980.55)	(4,105.25)	(28,259.36)
Alma, NE	9.09%	(2,159.78)	(4,119.28)	(3,611.24)	(3,739.85)	(4,485.44)	(3,078.93)	(21,194.52)
Lyons, NE	8.48%	(2,015.80)	(3,844.63)	(3,370.48)	(3,490.56)	(4,186.42)	(2,872.28)	(19,780.17)
Stuart, NE	6.06%	(1,439.85)	(2,746.20)	(2,407.51)	(2,493.25)	(2,990.27)	(2,052.59)	(14,129.67)
<b>TOTAL</b>	<b>100%</b>	<b>\$(23,757.60)</b>	<b>\$(45,311.80)</b>	<b>\$(39,723.80)</b>	<b>\$(41,138.40)</b>	<b>\$(49,339.60)</b>	<b>\$(33,871.59)</b>	<b>\$(233,142.79)</b>

No deliveries/discount suspended 2019-2023; gains were used to pay down debt

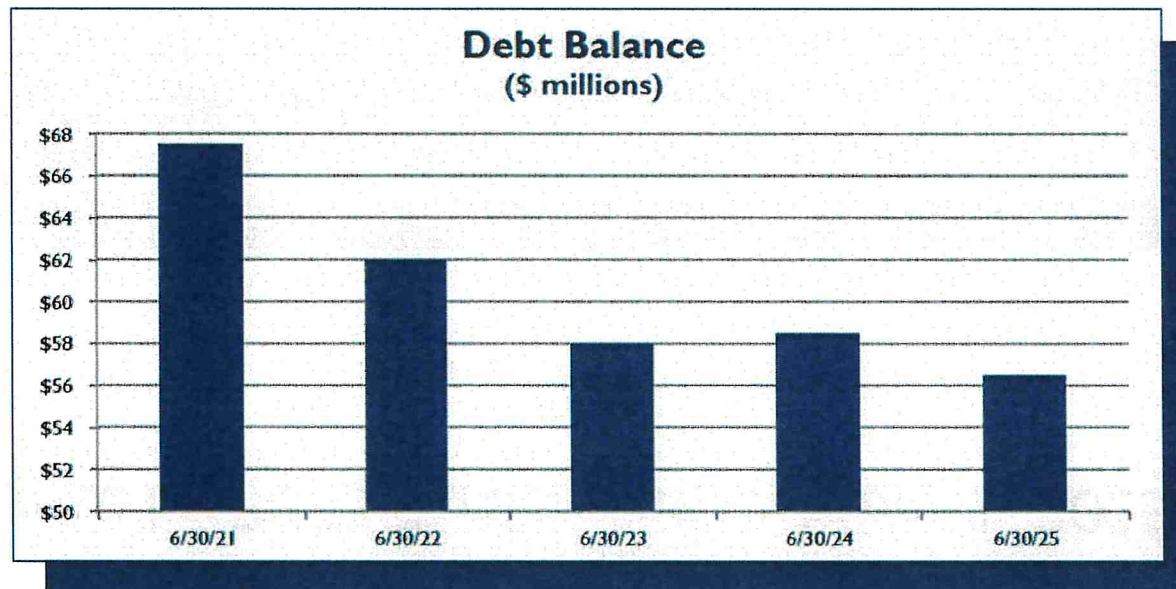
# Public Gas Partners Pool 3

- Update on state of affairs October 28
  - ▶ Revenues are partially fixed via hedging
    - Significantly hedged through 2027; partially hedged 2028-2030
    - Sales price projection increased 3%; minimal impact on revenues
  - ▶ Lease Operating Expense (LOE) has increased
    - Power cost is significant driver, both rates and usage
    - Estimate for 2025 is 6.1% LOE increase; estimated 2% annually going forward
  - ▶ Production has declined
    - Of 139 Project Lazarus wells, 27 have been determined not viable
    - Projected decline rate has shifted from 5% to 5.6% annually
  - ▶ LOE/mcf increases significantly as production declines
    - From 2022-2025, average LOE increase was 4.4%, but LOE/mcf increase was 10.9%



# Public Gas Partners Pool 3

- Debt is being paid down as aggressively as cash flows allow
  - ▶ Payment of debt in 2025 is primarily via assessments
- Projected End-of-Life is now 2032; payment of debt balance is looming



# Public Gas Partners Pool 3

- Debt Balance by PGP3 Participant, October 1, 2025 (\$MM)

Share	85.23%	9.91%	2.66%	2.20%	
Participant	MGAG	SEAGD	PEG	NPGA	TOTAL
Debt	\$47.022	\$5.466	\$1.469	\$1.212	\$55.170



# Public Gas Partners Pool 3

- Share of NPGA Participants' Debt Balance, October 1, 2025

PARTICIPANTS	SHARE	Debt Balance Oct-25	2026-2031 Proposed Assessments
Central City, NE	23.04%	\$ 279,245	\$ 311,731.20
Belleville, KS	16.97%	205,676	229,604.10
Wisner, NE	12.12%	146,894	163,983.60
Pender, NE	12.12%	146,894	163,983.60
Superior, NE	12.12%	146,894	163,983.60
Alma, NE	9.09%	110,171	122,987.70
Lyons, NE	8.48%	102,778	114,734.40
Stuart, NE	6.06%	73,447	81,991.80
<b>TOTAL</b>	<b>100%</b>	<b>\$ 1,212,000</b>	<b>\$ 1,353,000 *</b>

\*Assessments pay principal and a portion of interest



# Public Gas Partners Pool 3

- In October, PGP Staff recommended 2026 assessments of \$12MM
  - ▶ Interest expense is the one cost that can be significantly affected
- Current model showed additional assessments needed to pay off debt

ASSESSMENTS					
Year	MGAG	SEAGD	PEG	NPGA	TOTAL
2025	\$2,131,000	\$248,000	\$67,000	\$55,000	\$2,500,000
2026	\$10,228,000	\$1,189,000	\$320,000	\$264,000	\$12,000,000
2027	\$10,228,000	\$1,189,000	\$320,000	\$264,000	\$12,000,000
2028	\$10,228,000	\$1,189,000	\$320,000	\$264,000	\$12,000,000
2029	\$10,228,000	\$1,189,000	\$320,000	\$264,000	\$12,000,000
2030	\$10,228,000	\$1,189,000	\$320,000	\$264,000	\$12,000,000
2031	\$1,278,000	\$149,000	\$40,000	\$33,000	\$1,500,000
<b>Total</b>	<b>\$54,548,000</b>	<b>\$6,341,000</b>	<b>\$1,705,000</b>	<b>\$1,406,000</b>	<b>\$64,000,000</b>



# Public Gas Partners Pool 3

- No decision on assessments was made at the October 28, 2025, PGP3 meeting as participants wanted to inform their respective participants
- A meeting of NPGA's participants was held on November 12, 2025, to garner feedback on assessments and slides were subsequently sent to the eight participants
- At the November 18, 2025, PGP3 meeting, Operating Committee members questioned why a potential sale was not built into the model
- \$10MM in Assessments was approved for 2026



# Public Gas Partners Pool 3



## 2025 | Proposed | Final Assessments for 2026

Total \$2.5MM; NPGA \$55K

Current 2025 Assessments		
PARTICIPANTS	SHARE	TOTAL 2025
Central City, NE	23.04%	\$12,656.88
Belleville, KS	16.97%	\$9,322.32
Wisner, NE	12.12%	\$6,658.08
Pender, NE	12.12%	\$6,658.08
Superior, NE	12.12%	\$6,658.08
Alma, NE	9.09%	\$4,993.56
Lyons, NE	8.48%	\$4,658.40
Stuart, NE	6.06%	\$3,329.04
<b>TOTAL</b>	<b>100%</b>	<b>\$54,934.44</b>

Total \$12MM; NPGA \$264K

Proposed 2026 Assessments		
PARTICIPANTS	SHARE	TOTAL 2026
Central City, NE	23.04%	\$60,825.60
Belleville, KS	16.97%	\$44,800.80
Wisner, NE	12.12%	\$31,996.80
Pender, NE	12.12%	\$31,996.80
Superior, NE	12.12%	\$31,996.80
Alma, NE	9.09%	\$23,997.60
Lyons, NE	8.48%	\$22,387.20
Stuart, NE	6.06%	\$15,998.40
<b>TOTAL</b>	<b>100%</b>	<b>\$264,000.00</b>

Total \$10MM; NPGA \$220K

Final 2026 Assessments		
PARTICIPANTS	SHARE	TOTAL 2026
Central City, NE	23.04%	\$50,688.00
Belleville, KS	16.97%	\$37,334.00
Wisner, NE	12.12%	\$26,664.00
Pender, NE	12.12%	\$26,664.00
Superior, NE	12.12%	\$26,664.00
Alma, NE	9.09%	\$19,998.00
Lyons, NE	8.48%	\$18,656.00
Stuart, NE	6.06%	\$13,332.00
<b>TOTAL</b>	<b>100%</b>	<b>\$220,000.00</b>

# Public Gas Partners Pool 3

## 2025 | Proposed | Final Assessments for 2026

Participants	Share	25-26 Budgeted Volumes	Current 2025 Cost Per MMBtu	Proposed 2026 Cost Per MMBtu	Final 2026 Cost Per MMBtu
Central City, NE	23.04%	143,966	\$0.09	\$0.42	\$0.35
Belleville, KS	16.97%	107,335	\$0.09	\$0.42	\$0.35
Wisner, NE	12.12%	45,343	\$0.15	\$0.71	\$0.59
Pender, NE	12.12%	86,708	\$0.08	\$0.37	\$0.31
Superior, NE	12.12%	99,940	\$0.07	\$0.32	\$0.27
Alma, NE	9.09%	51,849	\$0.10	\$0.46	\$0.39
Lyons, NE	8.48%	48,307	\$0.10	\$0.46	\$0.39
Stuart, NE	6.06%	23,535	\$0.14	\$0.68	\$0.57
Total	100%	606,983	\$0.09	\$0.43	\$0.36

# PGP3 – Public Gas Partners Pool 3

- 2026 annual/monthly costs to NPGA participants

	Share	Annual	Monthly
Central City, NE	23.04%	\$50,688	\$4,224
Belleville, KS	16.97%	\$37,334	\$3,111
Wisner, NE	12.12%	\$26,664	\$2,222
Pender, NE	12.12%	\$26,664	\$2,222

	Share	Annual	Monthly
Superior, NE	12.12%	\$26,664	\$2,222
Alma, NE	9.09%	\$19,998	\$1,666
Lyons, NE	8.48%	\$18,656	\$1,554
Stuart, NE	6.06%	\$13,332	\$1,111



# Public Gas Partners Pool 3

- February 23, 2026, meeting provided additional modeling and a potential plan for a sale of the assets
- PGP3 staff are working with a potential buyer and will reconvene if/when they have an offer
- Even with a sale, debt reduction would likely not alter future assessments significantly due to loss of production sales, interest on debt, and plugging and abandonment costs



# Public Gas Partners (PGP) Pool No. 3 Contract structure

- PGP owns and holds Gas Supply Pool No. 3 gas supplies
- NPGA participates in Pool No. 3 via agreement with PGP
  - ▶ PGP/NPGA Natural Gas Production Sharing Agreement for Gas Supply Pool No. 3
  - ▶ Terminates on later of the following:
    - Expiration/termination of NPGA's participation in the PGP Pool 3 Agreement, and
    - Fulfillment of any and all payment obligations of NPGA under the PGP Pool 3 Agreement (i.e., PGP Pool 3 indebtedness payoff or PGP Pool 3 dissolution/completion of obligations)
- Alma participates in Pool No. 3 via agreement with NPGA
  - ▶ Alma/NPGA Agreement Regarding Gas Supply Pool No. 3
  - ▶ Continues through term of NPGA's obligation to PGP for Pool No. 3
  - ▶ Survives termination of any other gas contract with NPGA





# Alma/NPGA Relationship

## Contract structure

- **Amended and Restated Interlocal Agreement**
  - ▶ May be terminated at any time by 3 years advance written notice
- **Gas Supply Agreement for Total Requirements Supply**
  - ▶ May be terminated at any time by 3 years advance written notice
- **Agreement Regarding Gas Supply Pool No. 3**
  - ▶ Continues through term of NPGA's obligation to PGP for Pool 3
- **Agency Agreement** (regarding Alma's Tallgrass contract)
  - ▶ Typically renews every 3 years; current agreement ends 12/31/26



# NPGA's value proposition

- Low member fee is only cost to Alma; gas and transport are pass-through
- Gas is bid, estimated, purchased and scheduled
- Storage and capacity are monitored and managed
- Multi-year hedging helps mitigate spikes in the volatile natural gas market
- NPGA represents and advocates for Alma on the pipeline
- Regular meetings keep Alma informed on the market and industry
- Networking with public gas system peers

