

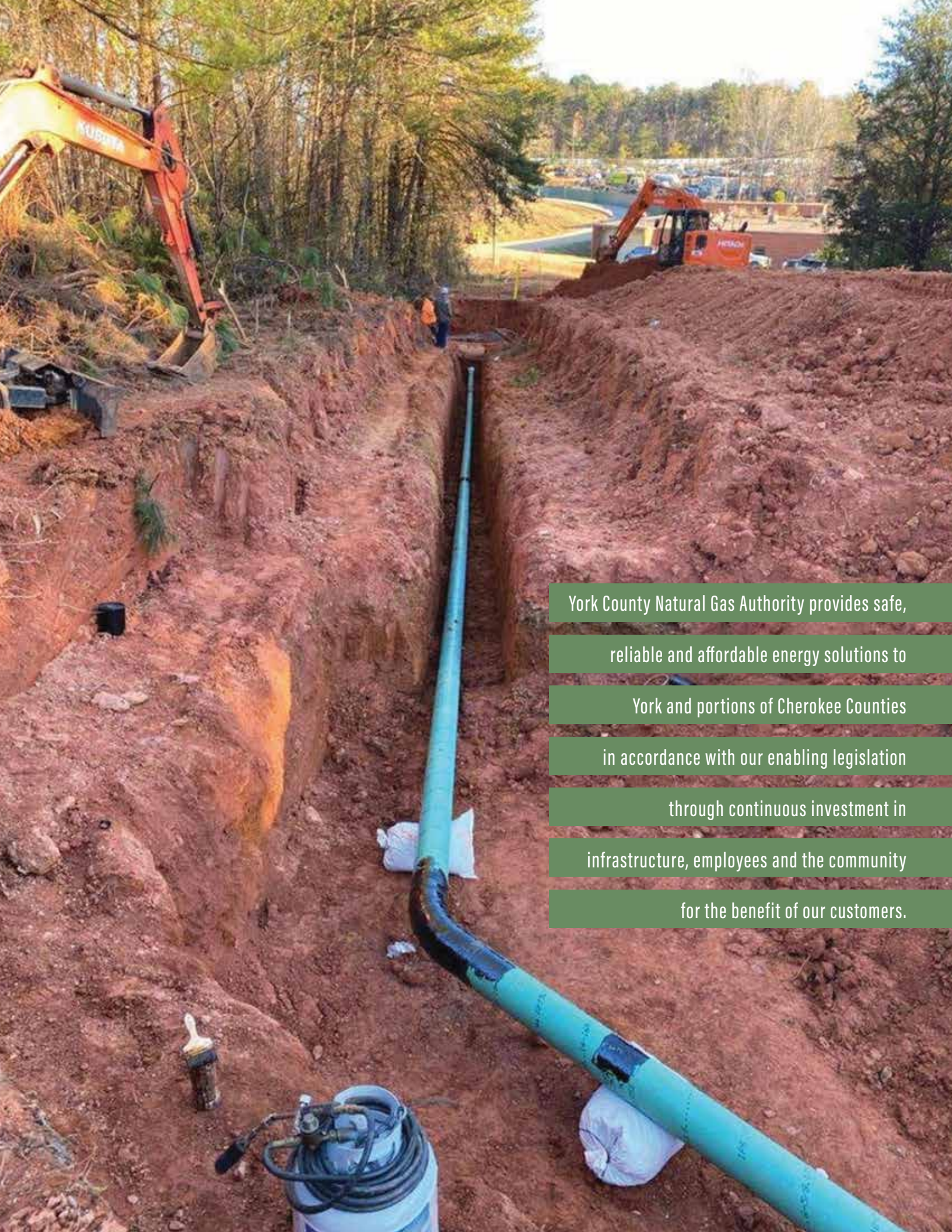
A photograph of an industrial facility, likely a natural gas processing plant. In the foreground, a large white vertical storage tank is prominent, with a large white curved pipe extending from its side. In the background, there are more white tanks, blue piping, and various industrial structures. The scene is set in a large, open industrial building with a high ceiling and metal beams.

2023

ANNUAL REPORT



**York County
Natural Gas**
AUTHORITY



York County Natural Gas Authority provides safe,
reliable and affordable energy solutions to
York and portions of Cherokee Counties
in accordance with our enabling legislation
through continuous investment in
infrastructure, employees and the community
for the benefit of our customers.

TABLE OF CONTENTS

2	Our Business
3	President & Chairman's Message
6	Financials
8	Notable Projects & Service Map
10	Appliance Sales & Service
11	Business Development
12	Marketing & Communications
13	Regulatory Compliance & Safety
14	Customer Service
14	Community Relations
15	Human Resources & Workforce
16	Patriots Energy Group & Patriots Energy Group Financing Agency



SECURING ENERGY RELIABILITY FOR FUTURE GROWTH

One of the crowning achievements of this fiscal year was the completion of the **Patriots Energy Group Compressor Station** located near Blacksburg, SC. The station, operated by York County Natural Gas Authority, will ensure reliable energy for years to come for the citizens of Cherokee, Chester, Lancaster, and York Counties.

As our area continues to see rapid growth due to increased development of residential housing, commercial businesses, and industry, natural gas consumption remains high, reaching record levels in FY 2023. Access to natural gas is a crucial factor in driving economic development projects that allow our region to grow and thrive. The operation of the new compressor station will allow for increased capacity critical to the future energy needs of the region.



Read more about Patriots Energy Group on page 16

OUR BUSINESS



The York County Natural Gas Authority campus on West Main Street in Rock Hill, SC

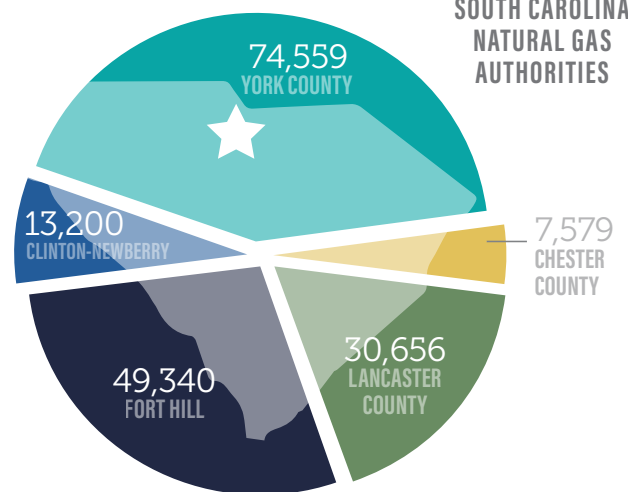
Maximizing every opportunity to be the leader in safety and customer satisfaction by empowering our employees, developing community partnerships, and utilizing technology to fuel the growth of our infrastructure and service area

THE AUTHORITY

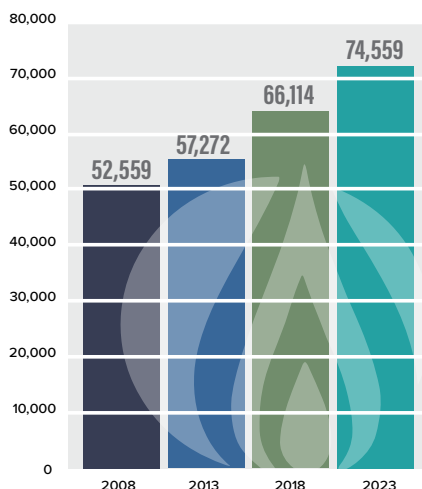
York County Natural Gas Authority (Authority) is the largest public natural gas distribution system in the state and the 11th largest in the nation based on number of customers. Established in 1954 as a political subdivision of the State of South Carolina, the Authority's service territory includes York County and northeastern Cherokee County.

The Authority is governed by a ten-member Board of Directors representing York County (3), the City of Rock Hill (3), the Town of Fort Mill (1), the City of Tega Cay (1), the City of York (1) and the Town of Clover (1). The Authority has no taxing authority and operates solely based on revenues generated from the sale of natural gas. Despite the economic challenges of system expansion, the Authority continues to provide stable consumer rates, which are among the lowest in the Carolinas.

SOUTH CAROLINA NATURAL GAS AUTHORITIES

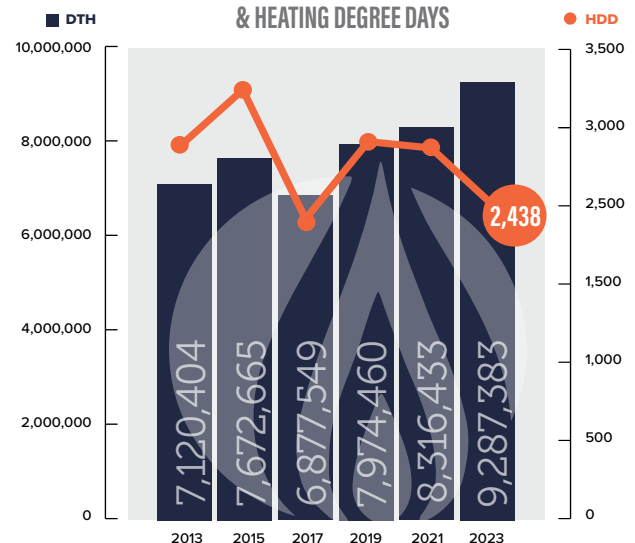


HISTORICAL GROWTH (CUSTOMER COUNT)



The Authority achieved record throughputs (in dekatherms) for **9 of the 12** months in FY 2023, underscoring our operational resilience and ability to meet the growing demands of our stakeholders

ANNUAL THROUGHPUT & HEATING DEGREE DAYS



PRESIDENT & CHAIRMAN'S MESSAGE

Presenting the Annual Report for York County Natural Gas

Authority's fiscal year 2023, a year marked by significant

achievements that underscore our commitment to

excellence, innovation, and the communities that we serve



(L-R) Authority Board Members Marc Howie and Michael Drummond, President and CEO Jimmy Sprouse, PHMSA representative Damond Smith, Authority Board Members Steve Moore, Brian Hall, Billy Hagner, and Tom Goebel

OPERATIONAL EXCELLENCE

On December 15, 2022, the Authority assumed 24/7 operations of gas control from Sempra, a strategic move that enhanced our operational efficiency and reinforced our dedication to delivering uninterrupted natural gas services to our valued customers. This move preceded a record-setting Christmas weekend, where the Authority established three of the top five all-time throughput records, including a new peak day of 79,229 dekatherms. Moreover, during the extreme cold of Christmas weekend, the Authority demonstrated exemplary service,

The Authority established
3 of the 5
all-time throughput
records over Christmas
weekend 2022

ensuring that our customers received the energy they needed during challenging weather conditions. This commitment to service excellence remains a cornerstone of our operational philosophy.

Closing the fiscal year on a high note, the Authority achieved record throughputs (in dekatherms) for nine of the twelve months, underscoring our operational

resilience and ability to meet the growing demands of our stakeholders. An all-time monthly record of 1,452,655 dekatherms was established in December 2022 and the fiscal year set an annual throughput record of 9,287,383 dekatherms.

OPERATIONAL HIGHLIGHTS FROM FY 2023

- INSTALLATION OF 1,653 NEW SERVICES
- CUSTOMER BASE INCREASE TO 74,559 ACTIVE SERVICES
- OVERALL GROWTH RATE OF 1.8%
- UTILITY LOCATE REQUESTS TOTALED JUST OVER 45,000 TICKETS

INFRASTRUCTURE MODERNIZATION & COMMUNITY IMPACT

In support of our commitment to community well-being, the Authority received a significant boost with a \$5.58 million Pipeline and Hazardous Materials Safety Administration (PHMSA) Natural

Gas Distribution Infrastructure Modernization (NGDISM) Grant. The NGDISM grant program, established by the Bipartisan Infrastructure Law of 2021, provides funding to modernize municipally and community-owned natural gas distribution pipes, helping to enhance safety and mitigate methane emissions. This grant will support crucial upgrades to the Town of Blacksburg's distribution system, further ensuring the safety and reliability of our local infrastructure.

The Authority received a
\$5,580,794
PHMSA Grant

A key index of damages per 1,000 tickets remained stable during the fiscal year at 4.31 occurrences. This is down significantly from a peak of 7.40 damages per 1,000 tickets in 2016.



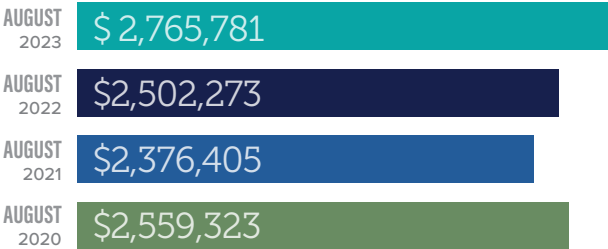
FINANCIAL STRENGTH

Demonstrating financial acumen, the Authority, as a member of Patriots Energy Group Financing Agency, successfully completed a prepaid gas deal for 2023, securing an advantageous transaction valued at \$611,430,000 with Goldman Sachs. This initiative not only fortifies our financial stability but also translates to substantial savings of \$0.697 per dekatherm for the volumes related to the deal, exemplifying our commitment to optimizing cost structures.

Total 2023 Pre-Paid
Gas Savings
\$2,765,781

The Authority is currently repricing a 2018 prepaid gas deal with the Royal Bank of Canada. The anticipated savings is \$0.63 per dekatherm for this \$889,105,000 transaction, improving from our current position of \$0.456 per dekatherm. These two transactions combined translate into an annual additional savings of approximately \$1.5 million for our customers.

ANNUAL PREPAY GAS SAVINGS



Patriots Energy Group Compressor Station

FACILITY DEVELOPMENT

The completion of the Patriots Energy Group Compressor Station in Blacksburg, SC, a joint venture with Chester County Natural Gas Authority and Lancaster County Natural Gas Authority, stands as a testament to our commitment to collaborative infrastructure development. This facility will significantly increase capacity for all three counties, as well as part of Cherokee County, ensuring a more robust and reliable natural gas supply for our entire regional community.

In a related move, the Authority participated in a significant expansion project on Transcontinental Pipeline Company (Transco) that will secure capacity rights on the interstate pipeline that serves the Patriots Energy Group Compressor Station. This project, named Carolinas Market Link, will allow for the Authority to receive natural gas supplies from the Mountain Valley Pipeline project in West Virginia.

INDUSTRY RECOGNITION & EXCEPTIONAL SERVICE

The Authority
received
5 APGA
Awards

We take pride in announcing that the Authority received five prestigious awards from the American Public Gas Association (APGA). The APGA, consisting of 730+ publicly-owned natural gas local distribution companies, represents the interests of public gas before Congress, federal agencies and other energy-related stakeholders.

The Authority's commitment to safety resulted in two accolades, including the Safety Management Excellence Award. The Authority's marketing efforts achieved two additional awards, including first place for the "Safe Digging Month" campaign. Finally, Amanda Gallagher received the Next Generation Employee Achievement Award, presented to an individual who is age thirty-five or younger and has made substantial contributions towards the goals of their utility, APGA, and the natural gas industry. These awards reflect the dedication and expertise of our team in delivering excellence across various facets of our operations.



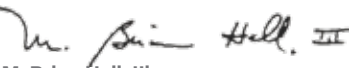
Authority employees accepting APGA awards in Scottsdale, Arizona, July 2023 (L-R) Sherrie Long, Amy Cassidy, Amanda Gallagher, and Glen Boatwright

IN CLOSING

As we reflect on these achievements, we extend our sincere gratitude to our shareholders, partners, and the entire Authority team. Your continued support is integral to our growth and success, and we eagerly anticipate the opportunities that lie ahead.



James T. Sprouse Jr.
President & CEO
York County Natural Gas Authority



M. Brian Hall, III
Chairman
York County Natural Gas Authority Board of Directors

On behalf of the Authority's Board of
Directors and our employees, thank
you for the opportunity to serve this
wonderful community in which we live



James "Jimmy" Sprouse, Jr.
President and CEO
York County Natural Gas Authority

YORK COUNTY NATURAL GAS AUTHORITY BOARD OF DIRECTORS



M. Brian Hall, III
CHAIRMAN
Town of Clover



G. Stevens Moore, Jr.
VICE CHAIRMAN
City of Rock Hill



Michael S. Drummond
TREASURER
York County



Elizabeth S. Owen
SECRETARY
City of Rock Hill



R. Marc Howie
Town of Fort Mill



Richard Heckerd
City of Rock Hill



Thomas Goebel
City of Tega Cay



R. Grier Sandifer, Jr.
City of York



William J. Hagner
York County

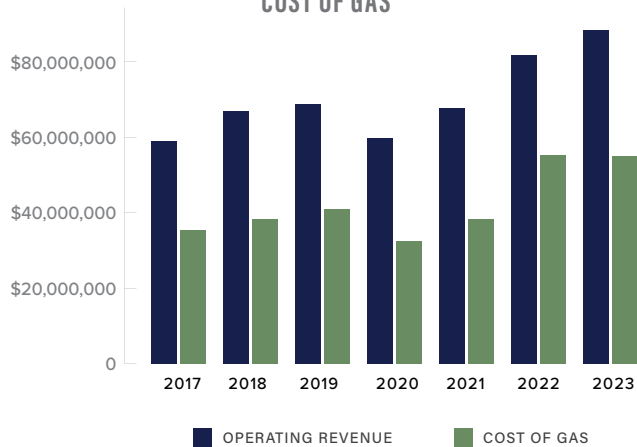
FINANCIALS

Serving as financial stewards to responsibly cover

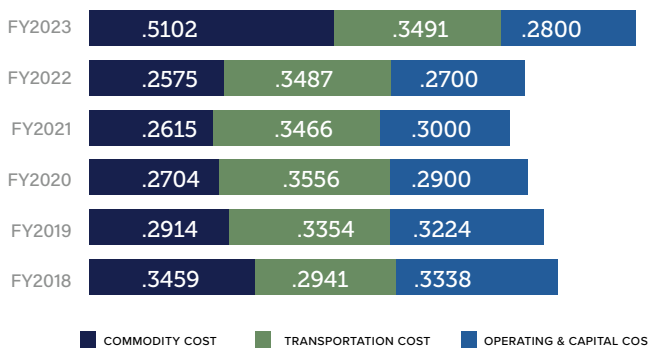
Authority expenses, safeguard reserves, and fund growth

while providing reasonable rates for customers

OPERATING REVENUE VS COST OF GAS



PREFERRED RESIDENTIAL RATE 10



GAS - PER THERM COST INCLUDES COST OF GAS, TRANSPORTATION,
OPERATING & CAPITAL COST

FY 2023
Residential Rate 10
\$1.13/therm

STATEMENT OF NET POSITION

ASSETS

AS OF AUGUST 31

	2023	2022
Utility Plant		
Gas Plant in Service	\$ 350,803,301	\$ 306,148,278
Accumulated Depreciation	(126,927,217)	(118,815,535)
	<u>223,876,084</u>	<u>187,332,743</u>

Other Property and Investments

Prepaid Pension Costs	1,598,032	2,149,711
Other	897,100	897,100
	<u>2,495,132</u>	<u>3,046,811</u>

Current Assets

Cash & Cash Equivalents	12,040,064	19,525,464
Investments - Operating & Maintenance	10,678,273	7,896,546
Investments - Renewal & Extension	8,888,154	4,118,501
Investments - Series 2017 Bond Proceeds	1,079,231	1,079,231
Investments - Series 2019 Bond Proceeds	-	3,150,045
Investments - Series 2022 Bond Proceeds	8,241,888	-
Investments - Capital Reserve Fund	2,943,939	1,055,490
Accounts Receivable (net)	4,404,327	8,043,818
Accrued Interest	2,329	1,874
Inventories	4,074,126	3,758,757
Prepaid Expenses	322,893	208,548
	<u>52,675,224</u>	<u>48,838,274</u>

Deferred Charges

Intangibles, net of amortization	8,666,740	8,909,300
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Deferred Outflows

Deferred Outflows Related to Pension	5,564,637	3,804,992
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TOTAL ASSETS & DEFERRED OUTFLOWS

\$ 293,277,817	\$ 251,932,120
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Liabilities and Net Assets

Long-Term Liabilities

Bonds Payable	\$ 13,103,330	\$ 7,493,024
Post Retirement Benefit Obligation	2,960,667	1,527,043
Deferred Compensation	1,598,032	2,149,711
	<u>17,662,029</u>	<u>11,169,778</u>

Current Liabilities

Current Portion of Long-Term Debt	2,389,670	2,389,670
Accounts Payable	3,907,337	8,497,834
Accrued Expenses	40,792,943	12,057,045
Deferred Compensation	350,000	350,000
Customer Deposits	2,165,775	2,196,937
	<u>49,605,725</u>	<u>25,491,486</u>

Deferred Inflows

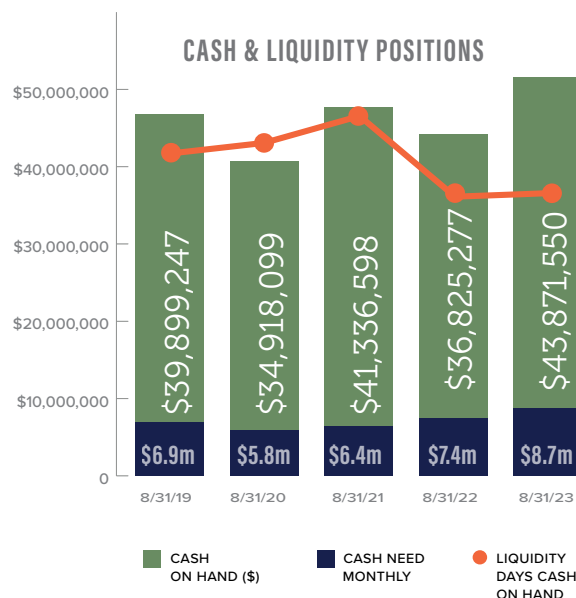
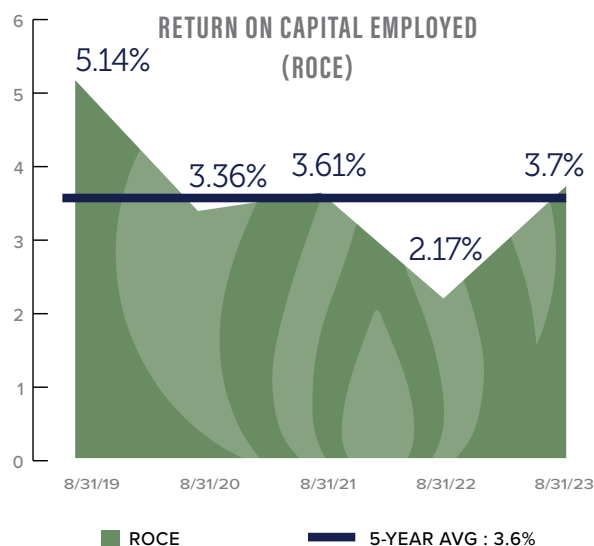
Deferred Inflows Related to Pension	<u>23,425</u>	<u>745,437</u>
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Retained Earnings

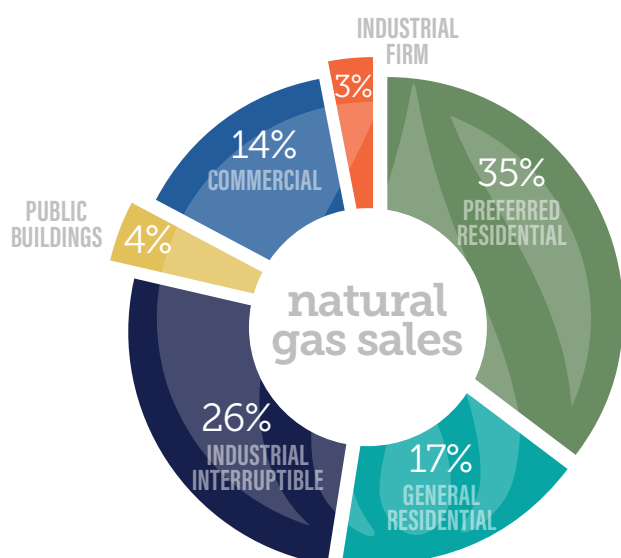
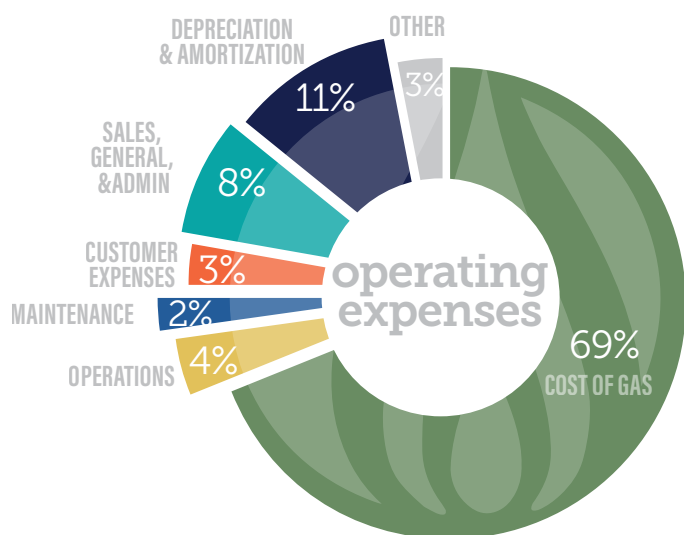
Invested in Capital Assets, Net of Related Debt	208,383,084	177,450,049
Unrestricted	17,603,554	37,075,370
	<u>225,986,638</u>	<u>214,525,419</u>

TOTAL LIABILITIES, DEFERRED INFLOWS, & NET POSITION

\$ 293,277,817	\$ 251,932,120
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STATEMENT OF REVENUE, EXPENSES, & CHANGES IN NET POSITION



	2023	2022
OPERATING REVENUE	\$ 88,524,275	\$ 81,764,745
Operating Expenses		
Cost of Gas	54,986,805	55,228,565
Operations	3,555,168	2,611,921
Maintenance	1,544,970	1,496,348
Customer Expenses	2,390,776	2,522,762
Sales, General, and Administration	6,078,089	5,139,950
Depreciation & Amortization	8,383,075	7,797,802
Other	2,567,322	2,040,969
	<u>79,506,205</u>	<u>76,838,317</u>
Operating Income		
Before Interest Expense	9,018,070	4,926,428
Interest Expense	<u>418,281</u>	<u>227,898</u>
OPERATING INCOME	8,599,789	4,698,530
Non-Operating Income (Expense)		
Interest	566,545	160,110
Appliance Program	589,600	541,880
Other	<u>1,705,285</u>	<u>580,930</u>
NET INCOME	<u>\$ 11,461,219</u>	<u>\$ 5,981,450</u>

Capital Improvements		
System Expansion	\$ 10,437,607	\$ 12,809,669
Vehicles	73,879	(18,940)
Furniture, Fixtures, and Equipment	419,708	328,954
Land and Buildings	293,701	826,090
Construction in Progress - increase/(decrease)	<u>33,430,130</u>	<u>13,865,400</u>
Intangible asset (facility custody agreement)	<u>44,655,025</u>	<u>27,811,173</u>
	-	-
NET CAPITAL IMPROVEMENTS	<u>\$ 44,655,025</u>	<u>\$ 27,811,173</u>

NOTABLE PROJECTS

Providing safe, reliable, and
affordable energy solutions to our
customers through the continuous
investment in infrastructure



FORT MILL

Carowinds Main Extension *(pictured)*
REVENUE GENERATING
Project Investment: **\$26,045**

In August 2022, Carowinds began renovations in sections of the amusement park, opening up the opportunity for us to relocate a service line to Chick-Fil-A that was out of compliance. New natural gas regulations prevent splitting a service line more than once. The existing line had been split multiple times and needed to be replaced. Approximately 900 feet of 2-inch plastic pipe was installed, eliminating the split services and creating a natural gas loop throughout the park. This loop also provides more reliability and will serve future customers in the areas surrounding the park.

YORK

Celanese Road *from Fishing Creek to Mt Gallant*
SYSTEM IMPROVEMENT & STRENGTHENING
Project Investment: **\$334,365**

This project, which spanned two fiscal years and was completed in FY 2023, involved the installation of 4.6 miles of 4-inch plastic pipe connecting the eastern side of York near Fishing Creek to the western side of Rock Hill (Newport). The completion of this project provides an additional source of natural gas, adding an extra layer of reliability to the area and opening up opportunities for future customers along Celanese Road. The tie-in to the existing 4-inch plastic pipe also eliminated a cased crossing underneath an adjacent railroad, improving safety and ensuring smoother operations without disruptions caused by the crossing.

MAIN PIPELINE PROJECTS
INSTALLED FY 2023

4.92 miles steel
27.16 miles plastic

CLOVER/ LAKE WYLIE

**Charlotte Highway –
6" steel conversion to HP**
SYSTEM IMPROVEMENT & STRENGTHENING
Project Investment: **\$715,316**

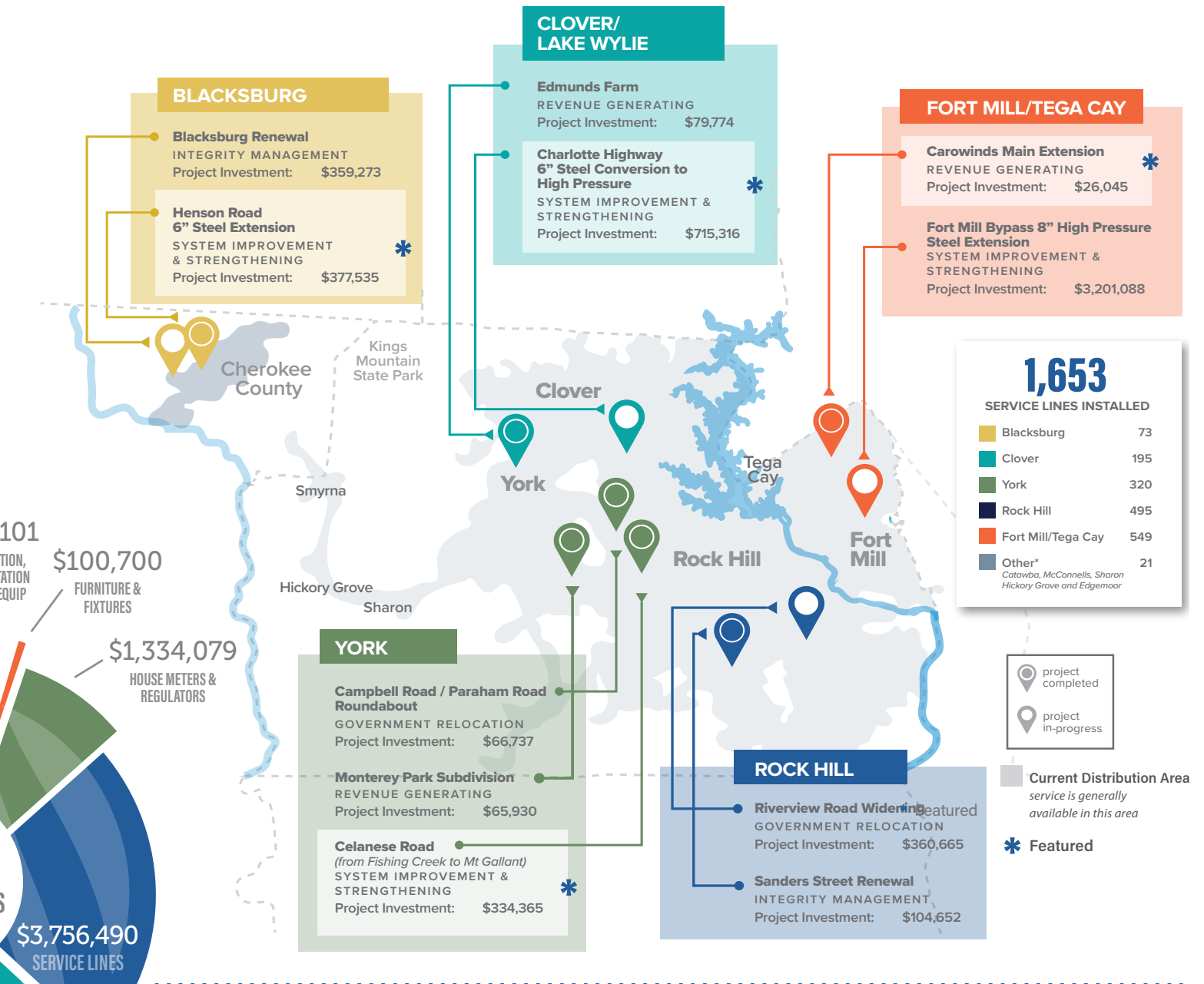
In an effort to provide a stronger source of natural gas to support the continued growth in the Clover/Lake Wylie area, the project team worked to convert an existing 6-inch steel pipeline from a distribution pressure to high pressure. This project involves the new installation of over 4 miles of 2-inch and 4-inch plastic pipe, removing any service and main tie-ins to the existing 6-inch steel, and then tying those same services and mains into the newly installed infrastructure. Once the services have been eliminated, the existing 6-inch steel pipeline will be purged of natural gas and pressure tested to ensure safety. This is an ongoing project with an expected completion date in FY 2024.

BLACKSBURG

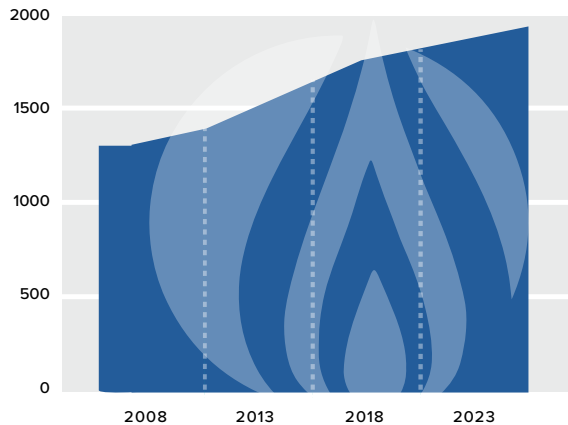
Henson Road – 6" Steel Extension
SYSTEM IMPROVEMENT & STRENGTHENING
Project Investment: **\$377,535**

Cherokee County Economic Development in Blacksburg has plans to establish a potential industrial park at the end of Henson Road. To accommodate the anticipated growth and development in the area, the project team decided to install an additional 6-inch steel pipeline that connects to the existing main on North Mountain Street. This infrastructure expansion extends approximately 6,600 feet to the boundaries of the potential industrial park, supporting the future needs of business and industry in the area and ensuring a reliable supply of resources for their operations.



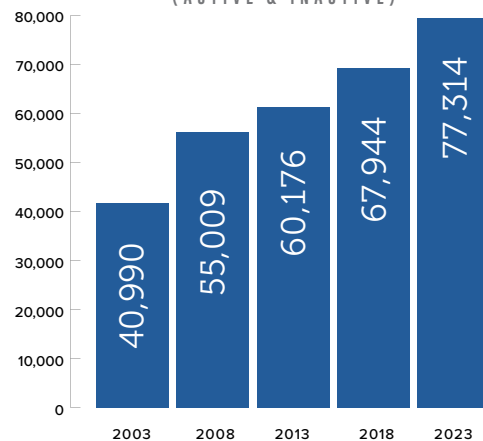


TOTAL MILES OF MAIN
1,909



TOTAL NUMBER OF
SERVICE LINES

(ACTIVE & INACTIVE)





APPLIANCE SALES & SERVICE

Connecting customers with the benefits of owning natural gas appliances and ensuring appliances are properly and safely installed, maintained, and serviced

Appliance Installation Team installs outdoor gas lanterns at customer's home in Fort Mill

97%

APPLIANCE INSTALL SURVEY
SATISFACTION RATING

Sales associates hosted over **1,100** Showroom visitors, followed up with **365** post-sale customers and handled over **9,150** phone calls from customers.

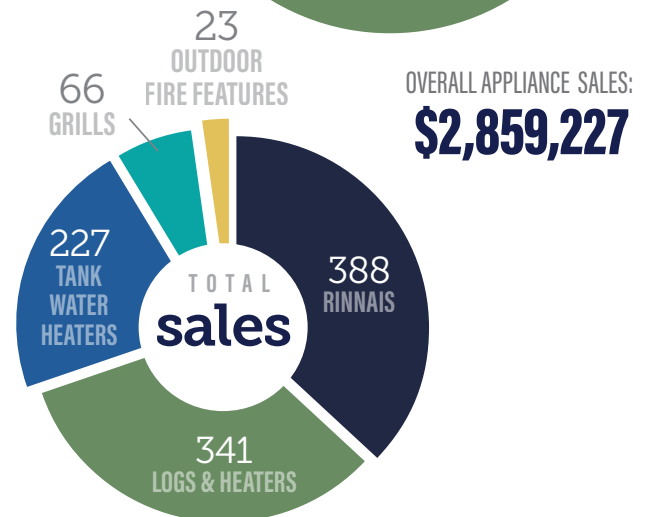


APPLIANCE SALES & SERVICE

TOP 2 APPLIANCES SOLD



1054 quote orders
1082 install orders
1522 service orders



NOTABLE COMMERCIAL PROJECT

WINTHROP - MARGARET NANCE DORM

In March of 2023, we completed our second large water heater project with the Facilities Management department at Winthrop University. The project required replacing the aged and leaking boiler system in the Margaret Nance dorm with a reliable and efficient water heater tank/tankless combination. The three new Rinnai Demand Duo units tied together provide almost 400 gallons of water to keep up with high peak demand. The units serve just over 50 bathrooms within the dorm and several office bathrooms in nearby buildings, providing energy-saving performance and abundant hot water.

BUSINESS DEVELOPMENT

Contributing to the economic growth of our community by connecting commercial and residential development projects with a safe, affordable, and reliable source of energy



A 10-foot natural gas fire features serves as the outdoor centerpiece of the newly renovated Power House

During FY 2023, teams processed **54** new commercial service lines, **12** commercial and **12** residential main extension projects, **11** residential developer agreements — servicing **788** new homes, and handled **711** residential customer requests.

NOTABLE COMMERCIAL PROJECT

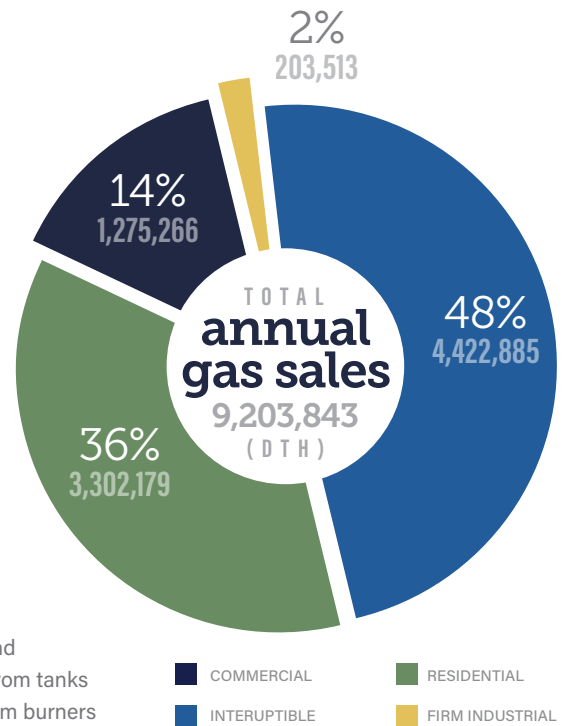
THE POWER HOUSE

The Power House, located near downtown Rock Hill, is part of the City's ambitious renovation project in the Knowledge Park area. The Power House served the Rock Hill Printing and Finishing Company (The Bleachery) from 1929 to 1999 when the textile site closed its doors. (pictured: Power House before renovation)



For two years, the building went through an exhaustive demolition and remodel by the Sherbert Group. Recently completed, it is a mixed-use retail and residential property housing the Middle James Brewing Co., a barbershop, thirty-five upscale apartments, a food court, and outdoor amphitheater.

Business Development representatives worked closely with the developer to relocate the underground services to the rear of the building (out of site), and helped designed two outdoor fireplaces crafted from tanks found at the building site. Teams worked with an Authority vendor, The Outdoor Plus, to design custom burners for the 10-foot tanks. The converted tanks now provide a warm and welcome space for guests outside the brewery and the food court.



NOTABLE RESIDENTIAL PROJECTS

ELIZABETH SUBDIVISION (Pictured left)

Natural gas was installed in April 2023 for the initial three phases of the Elizabeth Subdivision, a **1,300** single-family and townhome community in Fort Mill developed by Lennar Carolinas, Inc. The first three phases included 228 single-family homes and 80 townhomes. The next two phases, totaling 193 single-family homes and 58 townhomes, is set to begin construction in early 2024.

STONERIDGE HILLS SUBDIVISION

Natural gas was installed in July 2023 for Phase 1 of the Stoneridge Hills subdivision, a **322** single-family community in Rock Hill developed by LGI Homes, Inc. The initial phase included 160 single-family homes. Phase 2, which includes the final 162 single-family homes, is scheduled for installation in 2024.

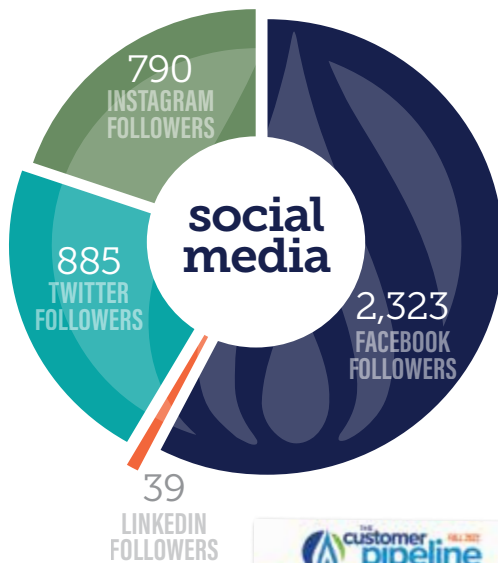


MARKETING & COMMUNICATIONS

Sharing the work of the Authority and the natural gas industry with customers and key stakeholders to promote safety, education, and trust



Filming a television commercial promoting the use of outdoor natural gas appliances



WEBSITE & EMAIL

WEBSITE
102,002 PAGE VIEWS
38,601 UNIQUE VISITORS



EMAIL
995,502 TOTAL MESSAGES SENT
4% CLICK-THRU RATE
 (AVG ACROSS ALL INDUSTRIES: 1.33%)
48% EMAIL OPEN RATE
 (AVG ACROSS ALL INDUSTRIES: 34.46%)

COMMUNICATIONS

Communications that promote both the Authority and the natural gas industry play a crucial role in addressing concerns and educating customers about the benefits of using natural gas. In FY 2023 the gas industry weathered fluctuations in natural gas rates and accusations regarding the safety of gas stoves. Through our bi-annual newsletter, website posts, and monthly emails we are able to effectively communicate and educate customers on the efficiencies and reliability of natural gas. By providing accurate information and addressing any misconceptions, these communication channels empower customers to make informed decisions when it comes to choosing natural gas as their energy source.



bi-annual newsletters mailed to approximately **50,000** customers



1ST PLACE AWARD MARKETING & COMMUNICATIONS SAFE DIGGING



The National Safe Digging Month campaign included an online contest featuring a cast of superhero dogs used to promote the use of the state one-call center, SC811

2ND PLACE AWARD MARKETING & COMMUNICATIONS REAL ESTATE COMMERCIAL



This video promoted the efficiencies and affordability of a natural gas home, targeting new homebuyers, millennials, and real estate professionals.



Amy Cassidy

REGULATORY COMPLIANCE & SAFETY

Working tirelessly to meet and exceed state and federal guidelines to ensure the safety of the community and the integrity of our system



Coordinating with local first responders to ensure safe practices

TRAINING HIGHLIGHTS

INTERNAL TRAINING

- 48 SAFETY AND OPERATIONS & MAINTENANCE TRAINING SESSIONS
- OVER 300 OPERATOR QUALIFICATION SESSIONS AND EVALUATIONS
- ADVANCED EMERGENCY RESPONSE TABLETOP EXERCISE
- COMBUSTIBLE GAS INDICATOR (CGI) TRAINING AND MAINTENANCE CRISIS COMMUNICATIONS
- RADIO COMMUNICATIONS AND COORDINATION WITH YORK COUNTY 911

EXTERNAL TRAINING

- DEVELOPED 5 TABLETOP EXERCISES FOR THE SOUTH CAROLINA PIPELINE EMERGENCY RESPONSE INITIATIVE (SCPERI) PROGRAM WHICH PROVIDES TRAINING FOR FIRST RESPONDERS IN THE STATE.
- PROVIDED TRAINING TO: YORK COUNTY HAZMAT TEAM, FORT MILL FIRE DEPARTMENT. HELD PIPELINE SAFETY SEMINARS FOR AREA RESPONDERS

DAMAGE PREVENTION

Utility damage prevention is crucial in ensuring the safety and reliability of pipelines. Excavation is the primary cause of pipeline damage, making it essential for the Authority to prioritize damage prevention efforts and promote awareness of the state's one-call center, SC811. Training sessions were held with other utilities including the City of Rock Hill Operations and Comporium field technicians.

EXCAVATION STATS DAMAGES ON MAINS & SERVICES

YEAR	MAIN	SERVICE	TOTAL	TICKETS
2023	24	160	184	45,446
2022	38	192	231	50,549
2021	42	164	206	49,978
2020	25	170	195	46,872
2019	35	161	260	46,385

(*) AS OF 11/30/23



SAFETY MANAGEMENT EXCELLENCE AWARD REGULATORY COMPLIANCE & SAFETY

The Authority was recognized for its comprehensive emergency management and response program, highlighting their commitment to consistently operate at the highest safety levels.

SAFETY CONTEST AWARD (70,001+ MAN-HOURS) REGULATORY COMPLIANCE & SAFETY

Recognizing the Authority for its dedication to keeping their employees safe every day on every job. The winner is determined by the number of man-hours worked compared to the number of recordable injuries.



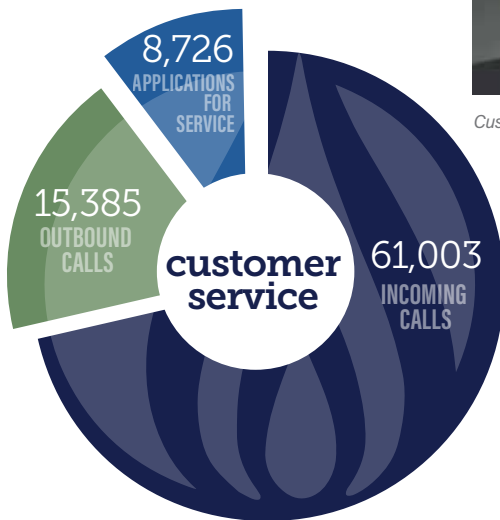
Glen Boatwright

CUSTOMER SERVICE

Providing our customers with reliable and courteous service and information to connect them with the resources needed for safe, reliable, and affordable natural gas energy



Customers can pay their bills and connect with customer service at our drive-thru service line



staff of **18**
averaged
4,243
calls per employee
in FY 2023

EXPANDING OUR SUPPORT

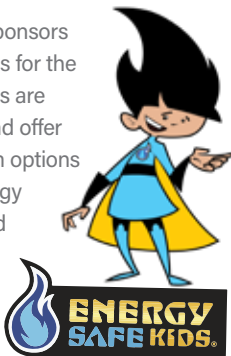
After Dispatch was integrated into Customer Service in 2022, a backup dispatcher was hired in 2023 for improved operational support. The Customer Service team now includes three remittance processors rotating between the cash room and customer service, with weekly rotations of cashiers from the team. These changes signify a strategic approach to enhance efficiency and provide comprehensive customer support.

COMMUNITY SPONSORSHIPS

The Authority strives to develop relationships and partnerships that support the communities we serve. These purposeful partnerships impact and improve the quality of life for all, while ensuring our communities have the resources and support they need to thrive

NEF EDUCATIONAL SPONSORSHIP

Each year the Authority sponsors energy education materials for the classroom. These materials are provided free of charge and offer both online and classroom options for engagement. The Energy Safe Kids program created by the National Energy Foundation (NEF) educates students on the uses of natural gas and encourages important safety practices to detect or prevent a leak.



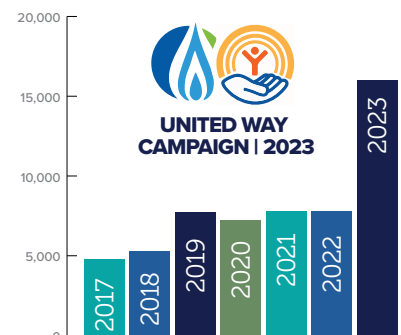
YMCA SPONSORSHIP

Over 1,200 fourth-grade students in the Rock Hill School District participated in the YMCA Kicking with Confidence Swim Program, sponsored in part by the Authority. Students are provided with a report card that contains swimming safety tips, natural gas safety facts and other branded items.



UNITED WAY GIVING

In 2023, Authority employees more than doubled their contribution to United Way of York County, supporting their goal of helping 3,000 families in York County achieve financial stability by 2030.



The Authority sponsored **26** events & programs across York County & Blacksburg in FY 2023

HUMAN RESOURCES & WORKFORCE

Creating a work environment that values employees and empowers them to bring the highest quality experience to customers, Authority stakeholders, and one another



Members of the management team participate in ongoing leadership training

760 candidates
94 interviews

25
new hires

INVESTING IN OUR GREATEST ASSETS

Human Resources (HR) is essential for managing workforce operations, including recruitment, talent acquisition, and employee development. It plays a key role in ensuring compliance with industry regulations and labor laws while also administering benefits and fostering a positive workplace culture. Ultimately, the HR department contributes to the company's success by shaping and sustaining a skilled and motivated workforce in the dynamic energy sector.

IMPROVED BENEFIT GUIDANCE

Creating a comprehensive step-by-step Health Reimbursement Account guide resulted in **record participation by employees**.



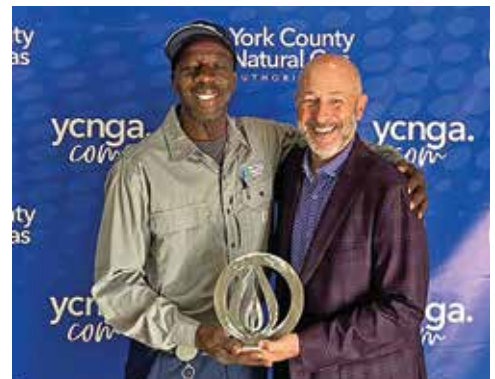
EDNA continues to service as a valuable resource hub for employees

ENGAGEMENT

Employee engagement activities foster a positive, productive workplace culture, enhance safety, and builds strong team relationships. Investing in employee engagement contributes to a motivated and innovative workforce, ultimately driving organizational success.

ENGAGEMENT HIGHLIGHTS

- MONTHLY BIRTHDAY BREAKFASTS
- EMPLOYEE COOKOUTS & FOOD TRUCK CELEBRATIONS
- RED CROSS BLOOD DRIVE
- SAFETY MONTH
- RED CROSS CPR/AED/FIRST AID TRAINING
- HOLIDAY MEALS & APPRECIATION EVENTS
- INDUSTRY TRIVIA GAMES WITH PRIZES
- REGULAR EMPLOYEE-ONLY NEWSLETTERS WITH UPDATES ABOUT THE COMPANY



Jimmy Sprouse presents a 25-year anniversary award to Von Gordon

APGA

AWARD WINNER



APGA NEXT GENERATION AWARD
YOUNG PROFESSIONALS UNDER 35

Amanda Gallagher, Director of Engineering, was recognized by the APGA for making substantial contributions towards the goals of the natural gas industry. The newly created Next Generation Award honors a young professional age 35 or under for their significant achievements and accomplishments.

PATRIOTS ENERGY GROUP & PATRIOTS ENERGY GROUP FINANCING AGENCY

Improving the affordability, capacity, and accessibility of natural gas for customers across York, Chester, and Lancaster counties through strategic financial partnerships and investment in infrastructure



The newly-completed Compressor Station will increase natural gas capacity across the region

Patriots Energy Group (PEG) is a joint action agency formed in 2001 to bring cost-effective and reliable energy to residential, commercial, and industrial customers of Chester County Natural Gas Authority, Lancaster County Natural Gas Authority and York County Natural Gas Authority. The Patriots Energy Group Compressor Station and pipeline are operated and maintained by the employees of York County Natural Gas Authority.

INFRASTRUCTURE PROJECT

PATRIOTS ENERGY GROUP COMPRESSOR STATION

In 2019, PEG engaged an outside consulting firm to complete a gas load forecast study addressing the growth in the area and the future peak daily demand for the next 15-years.

THE RESULTS OF THE STUDY ILLUSTRATED THE NEED FOR **ADDITIONAL INFRASTRUCTURE** TO PROVIDE A STEADY AND RELIABLE SUPPLY OF NATURAL GAS TO THE AREA WELL INTO THE FUTURE.

In FY 2021, PEG began planning for a compressor station to be constructed in Blacksburg, SC. Throughout FY 2022 & 2023, staff engaged in finalizing details for the station and meeting with key stakeholders about the planned project. The Patriots Energy Group Compressor Station officially broke ground in May of 2022 and physical construction began on October 2022. The Patriots Energy Group Compressor Station was substantially completed on August 31, 2023.

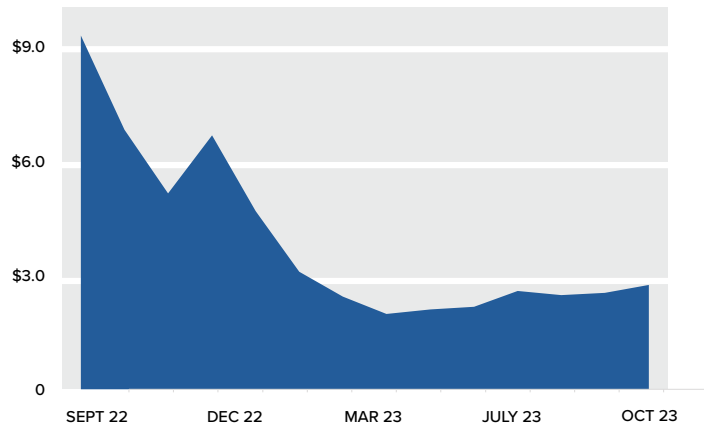
WHOLESALE PRICES RETURN TO NORMAL

The annual average fiscal year price of gas for FY 2020 was \$2.008, which increased annually to a peak of \$6.122 in FY2022. Fortunately, the members of PEG locked in prices during the low price environment of 2020 (by hedging) and avoided large rate increases for residential and commercial customers. PEG also extended other contracts in 2020 for five years at favorable rates compared to market rates in 2023. Existing prepay transactions in place during FY 2023 also provided a discount to market price gas on a monthly basis. Another benefit to prices during this fiscal year was the ability to sell excess capacity into the marketplace, returning record revenue back to PEG members.

FISCAL YEAR HIGHLIGHTS

COMPRESSOR STATION	CONSTRUCTION AND SUBSTANTIAL COMPLETION
HIGH WHOLESALE GAS PRICES	MITIGATED EARLY IN THE FY 2023 DUE TO STRONG HEDGE POSITION
SC NATURAL GAS CONFERENCE	HELD IN GREENVILLE, SC
GAS CONTROL OPERATIONS	TRANSFERRED TO PEG FROM SEMPRA
PREPAY GAS DEAL	SOLIDIFIED THROUGH GOLDMAN SACHS AND COMPLETED SHORTLY AFTER FY 2023 ENDED
CRITICAL DAYS	EXPERIENCED OVER THE HOLIDAYS DECEMBER 23-26, 2022
LNG PLANT	RECEIVED DUE DILIGENCE STUDY FROM CB&I
ADDITIONAL CAPACITY	OFFERED BY CAROLINAS MARKET LINK & SOUTHEASTERN ENHANCEMENT PROJECT

PRICE OF MONTHLY NYMEX NATURAL GAS



COST SAVINGS

AVOIDED COSTS (AS OF AUGUST 31, 2023)

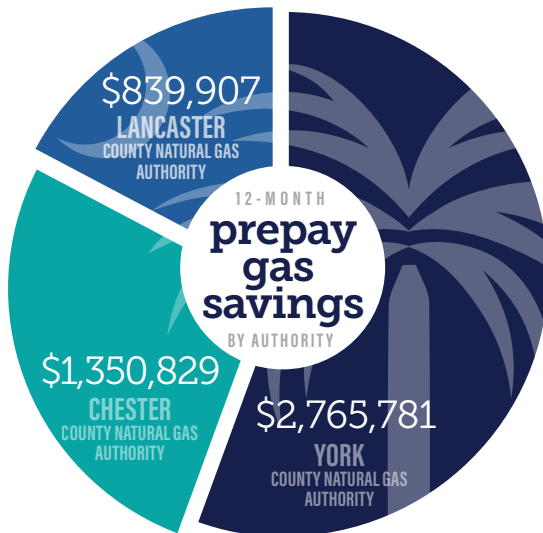
By locking in services during the low price environment of 2020, PEG avoided millions in costs for delivered and peaking services in FY 2023.

PEAKING SERVICES	\$ 4,479,500
90 & 151 DAY DELIVERED SERVICES	\$ 7,487,510
TOTAL COST AVOIDED	\$ 11,967,010

OTHER COST SAVINGS

There are many factors that affect natural gas prices, but the primary factors that drive prices include economic conditions, natural gas storage levels, weather, supply and demand balance, as well as the market's perception of these factors. PEG and its members mitigate exposure to the volatility of prices through hedging, long-term prepayment agreements, and capacity release.

CAROLINA GAS TRANSMISSION (CGT) CAPACITY RELEASE	\$ 228,135
TRANSCO CAPACITY RELEASE	\$ 8,874,005
HEDGING	\$ 3,453,579
TOTAL SAVINGS	\$12,888,719



BREAKING THROUGHPUT RECORDS (DTS)

	MONTHLY	12-MONTH
SEPTEMBER 2022	796,890	
OCTOBER 2022	1,156,259	
DECEMBER 2022	2,278,576	15,484,734
APRIL 2023	1,054,390	
MAY 2023	941,122	
JUNE 2023	874,265	
JULY 2023	802,866	
AUGUST 2023	873,208	

FINANCING, SUPPLY MANAGEMENT, & SAVINGS

OCT 2022

PUBLIC GAS PARTNERS (PGP) POOL #4 REFUNDS (\$209,819)

NOV 2022

SIGNIFICANT CAPACITY RELEASE REVENUE

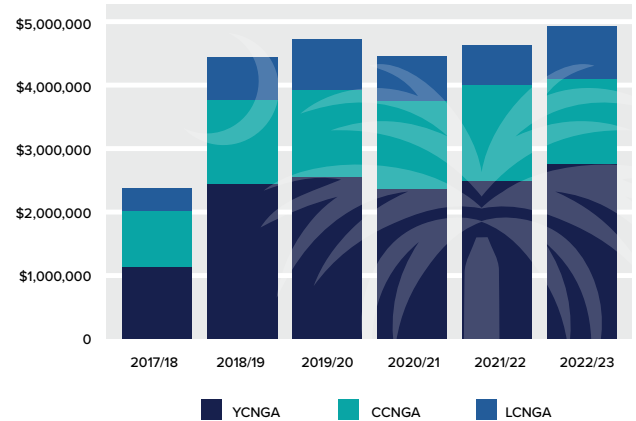
AUG 2023

CAROLINA MARKET LINK PROJECT APPROVAL

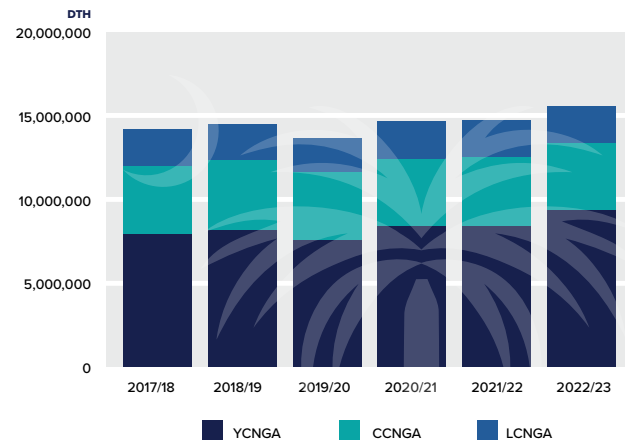
AUG 2023

PEGFA ADMINISTRATIVE FEES RETURNED (\$325,470)

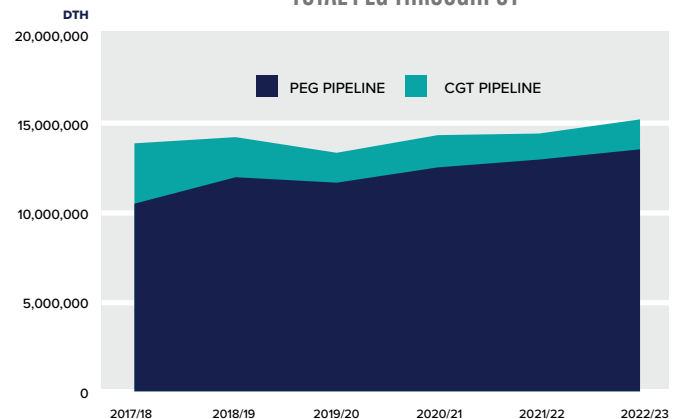
PREPAY GAS SAVINGS - OVER 6 YEARS



TOTAL GAS SALES BY AUTHORITY



TOTAL PEG THROUGHPUT





979 WEST MAIN STREET | ROCK HILL, SC | (803) 323-5304

ycnga.com