



Southeast Gas



**SOUTHEAST
Gas Supply**



2024 Financial Highlights

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Leadership Team

Southeast Gas, Southeast Gas Supply, and Southeast Energy Authority leadership team includes: (front row) Greg Henderson, President & CEO; Lori Messick, Director of Finance and Administration & CFO; (back row) Brian Gilliland, Chief Commercial Officer; Vince Perez, Director of Economic Development; Shannon Jackson, Director of Corporate Services; Tyler Wingard, Director of Engineering Services; Jimmy Black, Director of Community Development; Steve Duebelt, Interim Chief Operations Officer; Terry Barnes, Director of Operations; and Russell Holland, Director of Operations.



Three Companies, One Purpose To Our Valued Stakeholders



Three companies, One purpose

In 2024, our core values of Integrity, Respect, Loyalty, Honesty, and Service guided us in achieving system excellence, enhancing the customer experience, ensuring the safety of our people and communities, and fostering a dedicated employee team committed to service.

To our valued stakeholders

Southeast Gas, along with its sister companies Southeast Alabama Gas Supply District (SGS) and Southeast Energy Authority (SEA), continued to fulfill our mission of providing energy and fostering growth through servant leadership in 2024. Southeast Gas remains dedicated to delivering affordable and safe natural gas to retail customers in Southeast Alabama, while SGS and SEA extend this commitment to a wholesale level, supporting municipal utilities nationwide through prepay natural gas and electricity transactions.

Southeast Gas, SGS, and SEA provide an indispensable value for customers and communities, not the least of which are the annual distributions to the companies' owner cities. In 2024, Southeast Gas distributed \$2,310,232 to member municipalities; SGS distributed \$434,320; and SEA distributed \$1,093,464.

Natural gas is crucial for the future of both our country and state, offering unparalleled resiliency compared to other energy sources and playing a key role in achieving energy independence. Our companies prioritize the safety and security of our communities and employees and we are committed to continuing our service and care through Southeast Gas, SGS, and SEA for many more years.

Greg Henderson

President & CEO
Southeast Gas
Southeast Gas Supply
Southeast Energy Authority

Our Services

Southeast Gas



Southeast Gas

Southeast Gas is a natural gas local distribution company owned by 14 cities in Alabama: Abbeville, Andalusia, Brundidge, Dothan, Elba, Enterprise, Eufaula, Fort Deposit, Greenville, Headland, Luverne, Opp, Ozark, and Troy.

The company was formed in 1952 and serves more than 33,000 residential, commercial, and industrial customers in 36 communities. Southeast Gas owns and operates 576 miles of transmission lines as well as 1,893 miles of distribution lines in 19 Alabama counties.



2024 Highlights

Southeast Gas and its employees operate under a simple, yet challenging vision: **SERVE**. In all aspects of the business, from providing a reliable, sustainable energy for customers to partnerships throughout the region that provide guidance and support, Southeast Gas Serves.



Growth

Customer growth exceeded one percent and 774 new service lines were added



Operations

2,026 services retired in FY2024 to help finalize compliance with Rule 13



Economic Development

\$11,835,847 in total SEEDs Grant funding secured for five sites served by Southeast Gas



Our People

Achieved 98 percent employee retention in FY2024

Southeast Gas

Condensed statements of net position

September 30	2024	2023	2022
Current assets			
Cash and cash equivalents	\$ 11,383,479	\$ 11,508,850	\$ 15,808,685
Cash – restricted	335,070	1,846,197	1,115,138
Investments	6,086,871	5,745,151	5,546,601
Accounts and other receivables	9,794,066	10,445,491	14,296,906
Gas in storage	2,730,433	5,102,045	4,722,775
Other current assets	6,669,497	6,691,330	5,089,401
Total current assets	36,999,416	41,339,064	46,579,506
Capital assets, net			
Regulatory and other assets	106,437,862	96,341,485	86,363,288
Deferred outflows of resources	6,608,797	6,893,702	3,719,765
	3,945,774	6,781,752	13,987,442
Total assets and deferred outflows of resources	\$ 153,991,849	\$ 151,356,003	\$ 150,650,001
Current liabilities			
Noncurrent liabilities	\$ 23,496,122	\$ 26,277,563	\$ 36,085,718
	38,477,240	40,241,965	33,406,926
Total liabilities	61,973,362	66,519,528	69,492,644
Deferred inflows of resources			
Net position	7,916,309	4,297,176	3,325,776
	84,102,178	80,539,299	77,831,581
Total liabilities, deferred inflows of resources and net position	\$ 153,991,849	\$ 151,356,003	\$ 150,650,001

Condensed statements of revenues, expenses, and changes in net position

Years ended September 30	2024	2023	2022
Operating revenues	\$ 83,216,056	\$ 89,503,710	\$ 115,637,335
Operating expenses	(74,291,822)	(81,857,208)	(107,265,084)
Operating income	8,924,234	7,646,502	8,372,251
Nonoperating expense			
	(3,051,123)	(2,809,770)	(2,767,788)
Change in net position prior to distribution	5,873,111	4,836,732	5,604,463
Distributions to member municipalities			
	(2,310,232)	(2,129,014)	(2,248,076)
Change in net position	\$ 3,562,879	\$ 2,707,718	\$ 3,356,387
Net position – beginning of year			
	80,539,299	77,831,581	74,475,194
Net position – end of year			
	\$ 84,102,178	\$ 80,539,299	\$ 77,831,581

Natural Gas Prepay Transactions

Southeast Gas Supply



SOUTHEAST
Gas Supply

About the Company

SGS is a public corporation formed in 2010 for the purpose of acquiring secure, reliable and adequate long-term natural gas supplies for sale to Southeast Gas and other public gas systems in an effort to provide cost savings, economies of scale, and reliability of supply.

Active SGS Prepay Projects

SGS completed two prepay projects in 2018 using the put bond structure. Both projects had an initial discount period of just over five years. As a result, both projects were repriced in 2024 for a total volume of approximately 644,000,000 MMBtu of natural gas. Project 1 continued with 16 participants and extended the term back to a total of thirty years. Project 2 continued with 21 participants for the remainder of the approximate twenty five years of the original term. The two projects repriced at a value of approximately \$1,576,000,000.

\$434,320

2024 Net Distributable Income

SGS provides an annual distribution to its owner cities. Owner cities for SGS are the following Alabama cities: Abbeville, Andalusia, Brundidge, Dothan, Elba, Enterprise, Eufaula, Fort Deposit, Greenville, Headland, Luverne, Opp, Ozark, and Troy.

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Impacted districts and systems

Participants in the two SGS projects represent five states and 34 districts and systems. Four of the participating systems engaged in both prepay projects.

Southeast Gas Supply

Condensed statements of net position

September 30	2024	2023	2022
Current assets			
Cash and cash equivalents	864,894	\$ 924,905	\$ 973,897
Accounts and other receivables	6,362,385	5,850,973	13,469,591
Prepaid gas supply - current	57,310,741	56,034,481	55,003,757
Other current assets	24,588,910	23,857,859	56,108
Total current assets	89,126,930	86,668,218	69,503,353
Noncurrent assets			
Cash and cash equivalents - restricted	29,135,363	17,424,140	28,135,268
Investments - restricted	50,794,279	27,639,935	15,449,834
Prepaid gas supply - noncurrent	1,518,022,865	1,420,160,827	1,476,195,308
Other noncurrent assets	104,882,607	205,650,865	177,135,299
	1,702,835,114	1,670,875,767	1,696,915,709
Deferred outflows of resources	91,528,312	360,303,092	769,089,914
Total assets and deferred outflows of resources	\$ 1,883,490,356	\$ 2,117,847,077	\$ 2,535,508,976
Current liabilities			
	75,801,213	\$ 66,085,078	\$ 104,008,490
Noncurrent liabilities			
	1,746,986,087	2,049,251,926	2,429,140,655
Total liabilities	1,822,787,300	2,115,337,004	2,533,149,145
Deferred inflows of resources	60,703,056	2,510,073	2,359,831
Net position	-	-	-
Total liabilities, deferred inflows of resources and net position	\$ 1,883,490,356	\$ 2,117,847,077	\$ 2,535,508,976

Condensed statements of revenues, expenses, and changes in net position

Years ended September 30	2024	2023	2022
Revenues	\$ 91,732,311	\$ 86,667,628	\$ 83,145,893
Cost of revenue	(59,112,171)	(56,003,152)	(54,123,963)
Gross profit	32,620,140	30,664,476	29,021,930
Administrative fees received	434,320	413,944	541,590
Operating income	33,054,460	31,078,420	29,563,520
Nonoperating income (expense), net	65,638,047	(59,029,801)	(60,338,663)
Change in net position prior to deferral	98,692,507	(27,951,381)	(30,775,143)
Costs deferred for future billings	(98,258,187)	28,365,325	31,316,733
Distribution to member municipalities	(434,320)	(413,944)	(541,590)
Change in net position	\$ -	\$ -	\$ -
Net position - beginning of year	-	-	-
Net position - end of year	\$ -	\$ -	\$ -

Natural Gas Prepay Transactions Southeast Energy Authority



About the Company

SEA is a public corporation and a capital improvement cooperative district of Alabama. The company was incorporated in 2019 as a joint action gas and electric supply company for the purpose of acquiring secure, reliable, competitively-priced and adequate long-term supplies of gas and electricity for its members and other entities. SEA completed its first prepay transaction in 2021.

Active SEA Prepay Projects

As of September 2024, SEA has completed and maintains six projects with ongoing gas and electricity deliveries for up to 30 years. The volumes for these transactions totaled 33,545,898 MMBTU in natural gas and 371,282 MWH in electricity for FY 2024.

\$1,093,464

2024 Net Distributable Income

SEA provides an annual distribution to its owner cities. Owner cities for SEA are SGS member cities and the City of Troy.

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Impacted public gas and electric systems

Participants in the six SEA projects represent seven states and 20 public gas and electric systems. Six of the participating systems engaged in more than one prepay project.

Southeast Energy Authority

Condensed statements of net position

September 30	2024	2023	2022
Current assets			
Cash and cash equivalents	\$ 1,317,886	\$ 923,066	\$ 437,985
Accounts and other receivables	17,024,788	14,572,624	10,000,211
Prepaid gas supply - current	119,369,057	116,738,988	59,021,851
Other current assets	61,589,584	53,324,265	-
Total current assets	<u>199,301,315</u>	<u>185,558,943</u>	<u>69,460,047</u>
Noncurrent assets			
Cash and cash equivalents - restricted	17,673,535	16,252,124	12,040,095
Investments - restricted	85,556,138	93,590,168	46,353,746
Prepaid gas supply - noncurrent	3,330,967,817	3,448,292,590	1,828,015,609
Other noncurrent assets	491,221,907	157,929,561	87,763,064
	<u>3,925,419,397</u>	<u>3,716,064,443</u>	<u>1,974,172,514</u>
Deferred outflows of resources	1,868,632	31,419,489	495,022,974
Total assets and deferred outflows of resources	<u>\$ 4,126,589,344</u>	<u>\$ 3,933,042,875</u>	<u>\$ 2,538,655,535</u>
Current liabilities			
	\$ 79,283,901	\$ 70,002,077	\$ 62,020,456
Noncurrent liabilities			
	3,741,443,100	3,858,776,880	2,446,643,986
Total liabilities	<u>3,820,727,001</u>	<u>3,928,778,957</u>	<u>2,508,664,442</u>
Deferred inflows of resources	305,833,201	4,263,918	29,991,093
Net position	29,142	-	-
Total liabilities, deferred inflows of resources and net position	<u>\$ 4,126,589,344</u>	<u>\$ 3,933,042,875</u>	<u>\$ 2,538,655,535</u>

Condensed statements of revenues, expenses, and changes in net position

Years ended September 30	2024	2023	2022
Revenues	\$ 175,711,817	\$ 118,672,127	\$ 48,500,426
Cost of revenue	<u>(116,716,195)</u>	<u>(83,930,144)</u>	<u>(38,060,902)</u>
Gross profit	58,995,622	34,741,983	10,439,524
Administrative fees received	1,122,614	801,040	421,115
Operating income	<u>60,118,236</u>	<u>35,543,023</u>	<u>10,860,639</u>
Nonoperating expense, net	<u>(152,308,277)</u>	<u>(130,635,655)</u>	<u>(48,153,665)</u>
Change in net position prior to deferral	(92,190,041)	(95,092,632)	(37,293,026)
Costs deferred for future billings	93,312,647	95,893,672	37,714,141
Distribution to member municipalities	<u>(1,093,464)</u>	<u>(801,040)</u>	<u>(421,115)</u>
Change in net position	<u>\$ 29,142</u>	<u>\$ -</u>	<u>\$ -</u>
Net position - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Net position - end of year	<u>\$ 29,142</u>	<u>\$ -</u>	<u>\$ -</u>

Board of Directors



Mayor Mark Blankenship
Ozark
Chair



Mayor Jack Tibbs
Eufaula
Vice Chair



Jason Bryan
Opp
Secretary/Treasurer



Mayor William Cooper
Enterprise
Immediate Past Chair



Mayor Ed Beasley
Luverne



Mayor Jacquelyn Boone
Fort Deposit



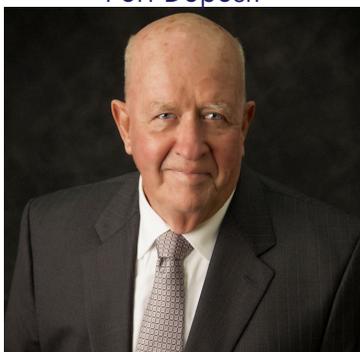
Mayor Dexter McLendon
Greenville



Ray Marler
Headland



Mayor Jimmy Money
Abbeville



Councilman Kenneth Mount
Andalusia



Mayor Jason Reeves
Troy



Councilwoman Margaret
Ross, Brundidge



Mayor Mark Saliba
Dothan



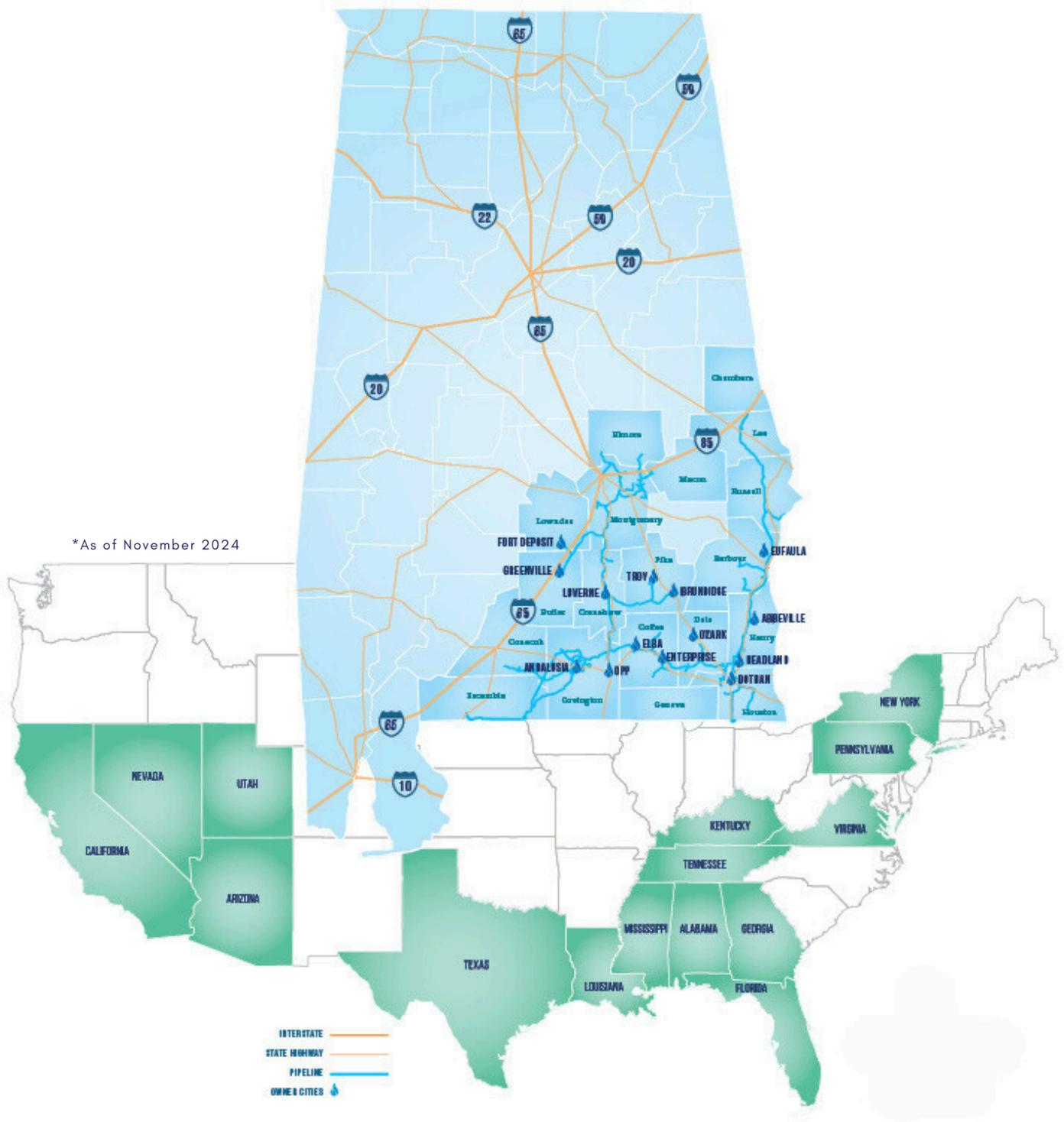
Councilman Gappa Wise
Elba



Councilman Greg Meeks
Troy*

*Serves only on SEA Board

Service Area and States Impacted*





Southeast Gas



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Gas Supply



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