

# 2025 FINANCIAL HIGHLIGHTS



**Southeast Gas**



**SOUTHEAST  
Gas Supply**



# 2025 Financial Highlights

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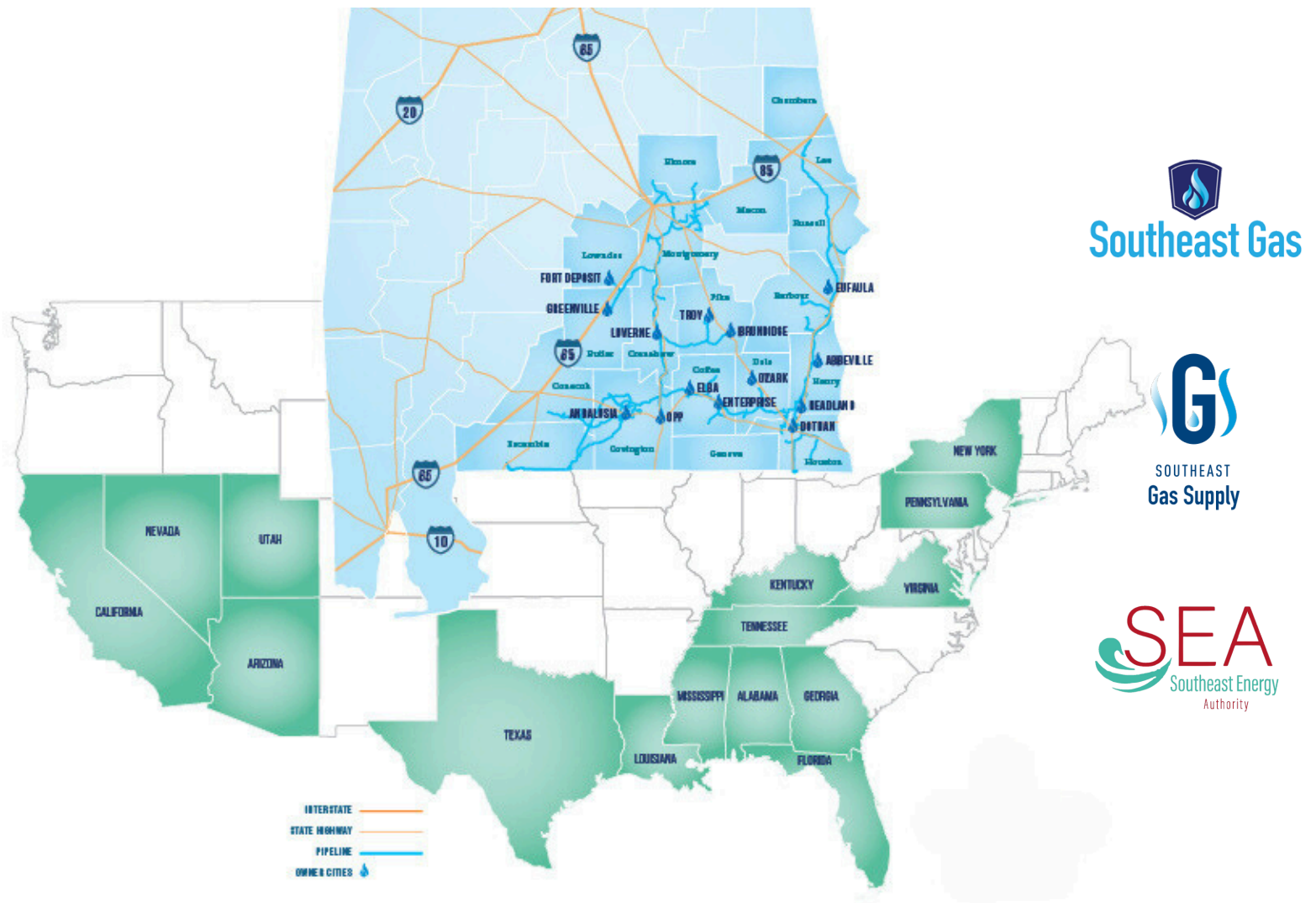
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# Three Companies. One Purpose. To Our Valued Stakeholders

The Southeast Gas family of companies, including Southeast Alabama Gas Supply District (SGS) and Southeast Energy Authority (SEA), delivered strong performances in 2025.

Southeast Gas expanded its large industrial customers to include Conecuh Sausage and Lockheed Martin and increased its residential base by over one percent year over year and by eight percent over the past five years. Economic development efforts resulted in four new project announcements representing 320 new jobs and \$78 million in capital investment by the companies involved.

To invest in long-term reliability and build a bigger customer reach for Southeast Gas, we constructed a fourth intake for the Macon County and Auburn markets, installed more than 800 new service lines, and completed over 2,000 installation orders in 2025. Our system investment and safety remain a priority for Southeast Gas.

SGS and SEA are committed to service by supporting municipal utilities nationwide. SEA completed seven new prepay transactions in 2025, reporting \$5.7 billion in asset growth across its electric and gas prepay programs. This is the largest asset growth that SEA has recognized since its incorporation. We will continue to expand and support partnerships nationally.

Collectively, the family of companies made distributions to its member municipalities of over \$3.6 million and contributed \$533,000 to local communities and school systems in 2026. I am proud to witness the difference we make in our communities. Three Companies. One Purpose. To SERVE.

Greg Henderson  
President & CEO

## Core Values

INTEGRITY

RESPECT

LOYALTY

HONESTY

OTHERS



# Serving Alabama's Communities

## Southeast Gas



## Southeast Gas

### About the Company

Southeast Gas is a natural gas local distribution company owned by 14 Alabama cities: Abbeville, Andalusia, Brundidge, Dothan, Elba, Enterprise, Eufaula, Fort Deposit, Greenville, Headland, Luverne, Opp, Ozark, and Troy. Since its founding in 1952, Southeast Gas has expanded to serve more than 33,000 customers across 37 communities. With 576 miles of transmission pipeline and 1,922 miles of distribution lines spanning 19 Alabama counties, the company provides safe and reliable natural gas service throughout the region.

### 2025 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.



#### System Growth

Sustained customer growth, added 840 new and upgraded services, and secured multiple residential development contracts



#### Operational Maintenance

Completed transmission valve replacements, pipeline exposure repairs, and two major regulator station upgrades



#### Business Development

Expanded service to Conecuh Sausage & Lockheed Martin, supported industrial growth creating 320 jobs and \$78M invested



#### Sustainability Projects

Successfully completed Alabama's first renewable natural gas facility and began development on a second project



## Southeast Gas

### Condensed statements of net position

| September 30                                                             | 2025                  | 2024                  | 2023                  |
|--------------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|
| Current assets                                                           |                       |                       |                       |
| Cash and cash equivalents                                                | \$ 16,658,840         | \$ 11,383,479         | \$ 11,508,850         |
| Cash - restricted                                                        | 210,605               | 335,070               | 1,846,197             |
| Investments                                                              | 6,291,066             | 6,086,871             | 5,745,151             |
| Accounts and other receivables                                           | 12,907,027            | 9,794,066             | 10,445,491            |
| Gas in storage                                                           | 3,105,285             | 2,730,433             | 5,102,045             |
| Other current assets                                                     | 5,280,806             | 6,669,497             | 6,691,330             |
| Total current assets                                                     | 44,453,629            | 36,999,416            | 41,339,064            |
| Capital assets, net                                                      | 100,855,875           | 106,437,862           | 96,341,485            |
| Regulatory and other assets                                              | 11,898,508            | 6,608,797             | 6,893,702             |
| Deferred outflows of resources                                           | 1,901,319             | 3,945,774             | 6,781,752             |
| <b>Total assets and deferred outflows of resources</b>                   | <b>\$ 159,109,331</b> | <b>\$ 153,991,849</b> | <b>\$ 151,356,003</b> |
| Current liabilities                                                      | \$ 28,316,685         | \$ 23,496,122         | \$ 26,277,563         |
| Noncurrent liabilities                                                   | 38,601,458            | 38,477,240            | 40,241,965            |
| Total liabilities                                                        | 66,918,143            | 61,973,362            | 66,519,528            |
| Deferred inflows of resources                                            | 5,262,799             | 7,916,309             | 4,297,176             |
| Net position                                                             | 86,928,389            | 84,102,178            | 80,539,299            |
| <b>Total liabilities, deferred inflows of resources and net position</b> | <b>\$ 159,109,331</b> | <b>\$ 153,991,849</b> | <b>\$ 151,356,003</b> |

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

| Years ended September 30                     | 2025                | 2024                | 2023                |
|----------------------------------------------|---------------------|---------------------|---------------------|
| Operating revenues                           | \$ 101,969,754      | \$ 83,216,056       | \$ 89,503,710       |
| Operating expenses                           | (94,168,827)        | (74,291,822)        | (81,857,208)        |
| Operating income                             | 7,800,927           | 8,924,234           | 7,646,502           |
| Nonoperating expense                         | (3,214,588)         | (3,051,123)         | (2,809,770)         |
| Change in net position prior to distribution | 4,586,339           | 5,873,111           | 4,836,732           |
| Distributions to member municipalities       | (1,760,128)         | (2,310,232)         | (2,129,014)         |
| <b>Change in net position</b>                | <b>\$ 2,826,211</b> | <b>\$ 3,562,879</b> | <b>\$ 2,707,718</b> |
| Net position - beginning of year             | 84,102,178          | 80,539,299          | 77,831,581          |
| Net position - end of year                   | \$ 86,928,389       | \$ 84,102,178       | \$ 80,539,299       |

# Natural Gas Prepay Transactions

## 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.

## \$407,240

### 2025 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.

## 34

### 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                                                             | 2025                    | 2024                    | 2023                    |
|--------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| Current assets                                                           |                         |                         |                         |
| Cash and cash equivalents                                                | 966,839                 | 864,894                 | \$ 924,905              |
| Accounts and other receivables                                           | 6,348,712               | 6,362,385               | 5,850,973               |
| Prepaid gas supply – current                                             | 57,267,287              | 57,310,741              | 56,034,481              |
| Fair value of derivatives – current                                      | 11,192,306              | 24,588,910              | 23,857,859              |
| Total current assets                                                     | 75,775,144              | 89,126,930              | 86,668,218              |
| Noncurrent assets                                                        |                         |                         |                         |
| Cash and cash equivalents – restricted                                   | 21,468,581              | 29,135,363              | 17,424,140              |
| Investments – restricted                                                 | 34,194,169              | 50,794,279              | 27,639,935              |
| Prepaid gas supply – noncurrent                                          | 1,460,755,578           | 1,518,022,865           | 1,420,160,827           |
| Costs recoverable from future billings                                   | 141,394,440             | 104,882,607             | 205,650,865             |
| Total noncurrent assets                                                  | 1,657,812,768           | 1,702,835,114           | 1,670,875,767           |
| Deferred outflows of resources fair value of derivatives                 | 272,052,011             | 91,528,312              | 360,303,092             |
| <b>Total assets and deferred outflows of resources</b>                   | <b>\$ 2,005,639,923</b> | <b>\$ 1,883,490,356</b> | <b>\$ 2,117,847,077</b> |
| Current liabilities                                                      | 51,549,110              | 75,801,213              | \$ 66,085,078           |
| Noncurrent liabilities                                                   | 1,895,839,014           | 1,746,986,087           | 2,049,251,926           |
| Total liabilities                                                        | 1,947,388,124           | 1,822,787,300           | 2,115,337,004           |
| Deferred inflows of resources                                            | 58,251,799              | 60,703,056              | 2,510,073               |
| Net position                                                             | -                       | -                       | -                       |
| <b>Total liabilities, deferred inflows of resources and net position</b> | <b>\$ 2,005,639,923</b> | <b>\$ 1,883,490,356</b> | <b>\$ 2,117,847,077</b> |

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

| Years ended September 30                 | 2025          | 2024          | 2023          |
|------------------------------------------|---------------|---------------|---------------|
| Revenues                                 | \$ 92,947,774 | \$ 91,732,311 | \$ 86,667,628 |
| Cost of revenue                          | (58,402,658)  | (59,112,171)  | (56,003,152)  |
| Gross profit                             | 34,545,116    | 32,620,140    | 30,664,476    |
| Administrative fees received             | 407,240       | 434,320       | 413,944       |
| Operating income                         | 34,952,356    | 33,054,460    | 31,078,420    |
| Net nonoperating income expense          | (73,508,207)  | 65,638,047    | (59,029,801)  |
| Change in net position prior to deferral | (38,555,851)  | 98,692,507    | (27,951,381)  |
| Costs deferred for future billings       | 38,963,091    | (98,258,187)  | 28,365,325    |
| Distribution to member municipalities    | (407,240)     | (434,320)     | (413,944)     |
| <b>Change in net position</b>            | <b>\$ -</b>   | <b>\$ -</b>   | <b>\$ -</b>   |
| Net position – beginning of year         | -             | -             | -             |
| Net position – end of year               | \$ -          | \$ -          | \$ -          |

# Natural Gas & Electric 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

In Fiscal year 2025, the company completed seven new prepay transactions worth \$5,413,215,000, and in November 2025, the company entered two additional prepay transactions, one for Salt River Agricultural Improvement and Power District of Tempe, Arizona for \$2.7b (the largest prepay gas project in the U.S). SEA has completed and maintains 15 projects with ongoing gas and electricity deliveries for up to 30 years. The volumes for these transactions totaled 39,133,349 MMBTU in natural gas and 1,058,433 MWH in electricity for fiscal year 2025.

## \$1,500,354

### 2025 Net Distributable Income

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

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### Impacted public gas and electric systems

Participants in the 15 SEA projects represent 12 states and 26 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                                                             | 2025                    | 2024                    | 2023                    |
|--------------------------------------------------------------------------|-------------------------|-------------------------|-------------------------|
| Current assets                                                           |                         |                         |                         |
| Cash and cash equivalents                                                | \$ 1,543,126            | \$ 1,317,886            | \$ 923,066              |
| Accounts and other receivables                                           | 33,821,471              | 17,024,788              | 14,572,624              |
| Prepaid gas supply - current                                             | 279,518,610             | 119,369,057             | 116,738,988             |
| Other current assets                                                     | 59,360,379              | 61,589,584              | 53,324,265              |
| Total current assets                                                     | 374,243,586             | 199,301,315             | 185,588,943             |
| Noncurrent assets                                                        |                         |                         |                         |
| Cash and cash equivalents - restricted                                   | 19,758,678              | 17,673,535              | 16,252,124              |
| Investments - restricted                                                 | 254,635,605             | 85,556,138              | 93,590,168              |
| Prepaid gas supply - noncurrent                                          | 8,525,405,436           | 3,330,967,817           | 3,448,292,590           |
| Other noncurrent assets                                                  | 501,236,663             | 491,221,907             | 157,929,561             |
| Total Noncurrent Assets                                                  | 9,301,036,382           | 3,925,419,397           | 3,716,064,443           |
| Deferred outflows of resources                                           | 166,451,324             | 1,868,632               | 31,419,489              |
| <b>Total assets and deferred outflows of resources</b>                   | <b>\$ 9,841,731,292</b> | <b>\$ 4,126,589,344</b> | <b>\$ 3,933,042,875</b> |
| Current liabilities                                                      | \$ 177,038,872          | \$ 79,283,901           | \$ 70,002,077           |
| Noncurrent liabilities                                                   | 9,664,587,651           | 3,741,443,100           | 3,858,776,880           |
| Total liabilities                                                        | 9,841,626,523           | 3,820,727,001           | 3,928,778,957           |
| Deferred inflows of resources                                            | -                       | 305,833,201             | 4,263,918               |
| Net position                                                             | 104,769                 | 29,142                  | -                       |
| <b>Total liabilities, deferred inflows of resources and net position</b> | <b>\$ 9,841,731,292</b> | <b>\$ 4,126,589,344</b> | <b>\$ 3,933,042,875</b> |

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

| Years ended September 30                 | 2025             | 2024             | 2023           |
|------------------------------------------|------------------|------------------|----------------|
| Revenues                                 | \$ 246,789,412   | \$ 175,711,817   | \$ 118,672,127 |
| Cost of revenue                          | (163,524,789)    | (116,716,195)    | (83,930,144)   |
| Gross profit                             | 83,264,623       | 58,995,622       | 34,741,983     |
| Administrative fees received             | 1,575,981        | 1,122,614        | 801,040        |
| Operating income                         | 84,840,604       | 60,118,236       | 35,543,023     |
| Nonoperating expense, net                | (337,522,996)    | (152,308,277)    | (130,635,655)  |
| Change in net position prior to deferral | (252,682,392)    | (92,190,041)     | (95,092,632)   |
| Costs deferred for future billings       | 254,258,373      | 93,312,647       | 95,893,672     |
| Distribution to member municipalities    | (1,500,354)      | (1,093,464)      | (801,040)      |
| <b>Change in net position</b>            | <b>\$ 75,627</b> | <b>\$ 29,142</b> | <b>\$ -</b>    |
| Net position - beginning of year         | 29,142           | -                | -              |
| Net position - end of year               | \$ 104,769       | \$ 29,142        | \$ -           |

# Board of Directors



Mayor Jack Tibbs  
Eufaula  
Chair



Judge Ray Marler  
Headland  
Vice Chair



Mayor Jason Reeves  
Troy  
Secretary/Treasurer



Mayor William Cooper  
Enterprise



Mayor Ed Beasley  
Luverne



Mayor Madelene Means  
Fort Deposit



Mayor Jae'ques Brown  
Greenville



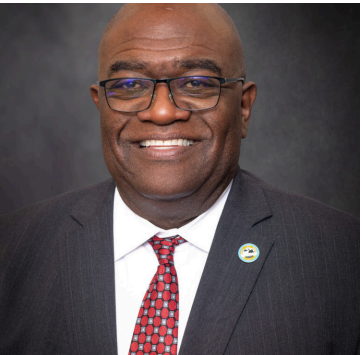
Councilman Tim Flowers  
Opp



Mayor Jimmy Money  
Abbeville



Councilman Kenneth Mount  
Andalusia



Mayor Charles Ward  
Ozark



Councilwoman Dixie  
Shehane, Brundidge



Mayor Mark Saliba  
Dothan



Councilman Gappa Wise  
Elba



Councilman Greg Meeks  
Troy\*  
\*Serves only on SEA Board



# Leadership Team



Greg Henderson  
President & CEO



Lori Messick  
Director of Finance and  
Administration & CFO



Brian Gilliland  
Chief Commercial Officer



Steve Duebelt  
Chief Operating Officer



Terry Barnes  
Director of Operations,  
Central Division



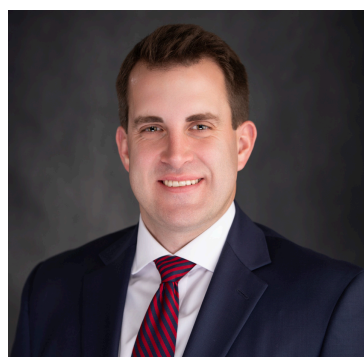
Russell Holland  
Director of Operations,  
Western Division



Chris Phillips  
Director of Operations,  
Eastern Division



Tyler Wingard  
Director of Engineering  
Services



Vince Perez  
Director of Economic  
Development



Jimmy Black  
Director of Community  
Development



Shannon Jackson  
Chief Administrative  
Officer



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