

# High Energy Prices and Cost Mitigation Efforts

City of Marianna  
June 7, 2022



# Rising Energy Costs and Inflation Affecting Customers

*Typical Family Spending ~\$4,000 More for Energy in 2022*

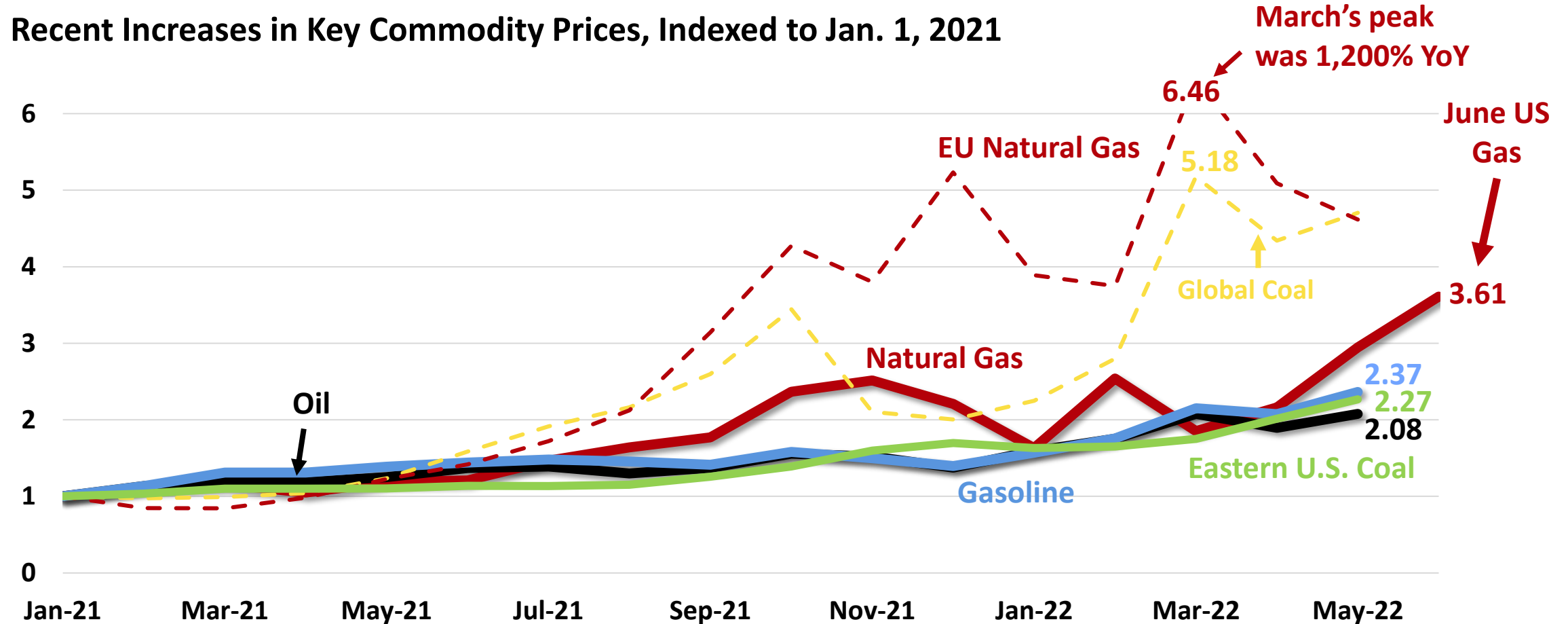
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- Global and national energy supply not keeping pace with post-COVID recovery
- National energy prices up 100% – 260% over last year, leading inflation
- Average Florida families paying ~\$3,000 – \$4,000 more for energy this year

# U.S. Energy Prices Up 100% – 260% in Last Year

## *Global Energy Prices Up 120% – 400% Year Over Year*

Recent Increases in Key Commodity Prices, Indexed to Jan. 1, 2021

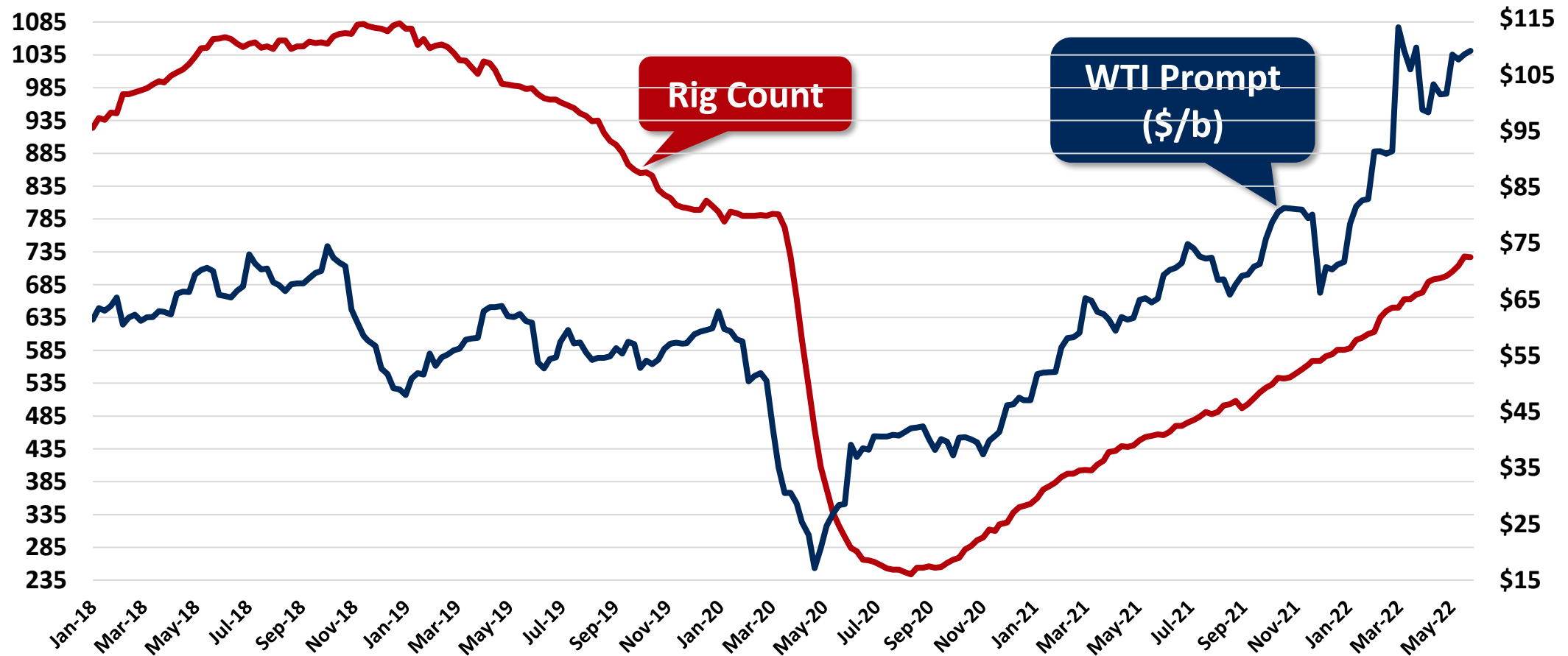


SOURCE: NYMEX Future Contract Settle Prices (NG-Henry Hub, Oil-WTI, Gasoline-RBOB). Global Coal prices from market.businessinsider.com. Eastern U.S. Coal spot price Nasdaq.com, EU Nat. Gas Import Price from ycharts.com. March data derived from the WSJ, CME Group data.

# Rig Count Slightly Increases, Oil Prices Remain High

*WTI Prices above \$100 for Past 3 Months (as of May 27)*

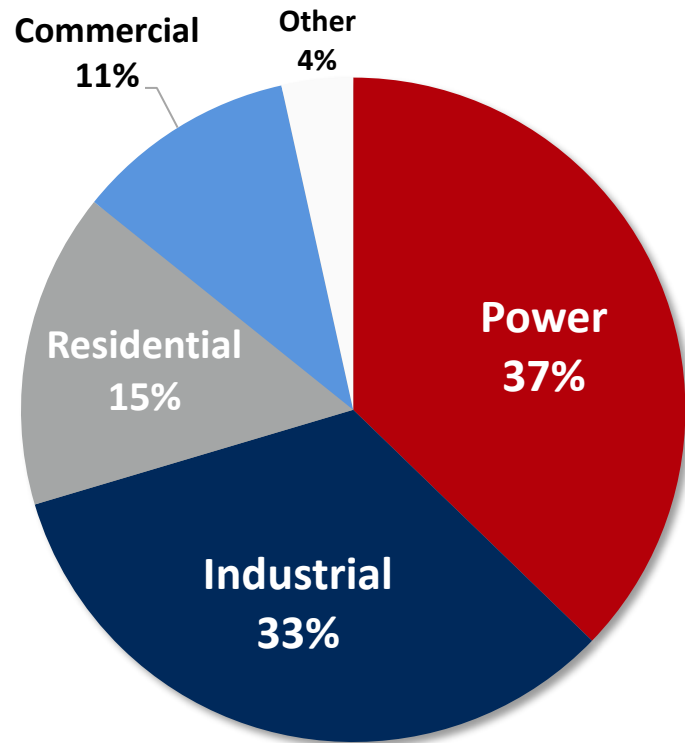
## U.S. Drilling Rig Count vs WTI Prompt



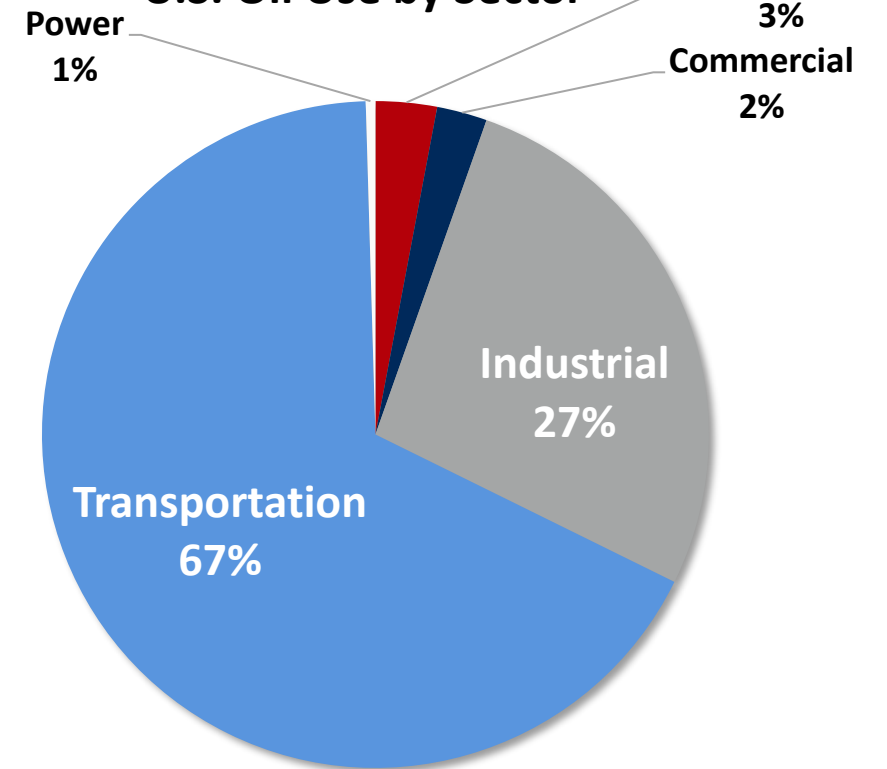
# Most Natural Gas Use Immune to Price Increases

## *Transport Uses of Oil Will Decline with High Prices*

U.S. Natural Gas Use by Sector\*

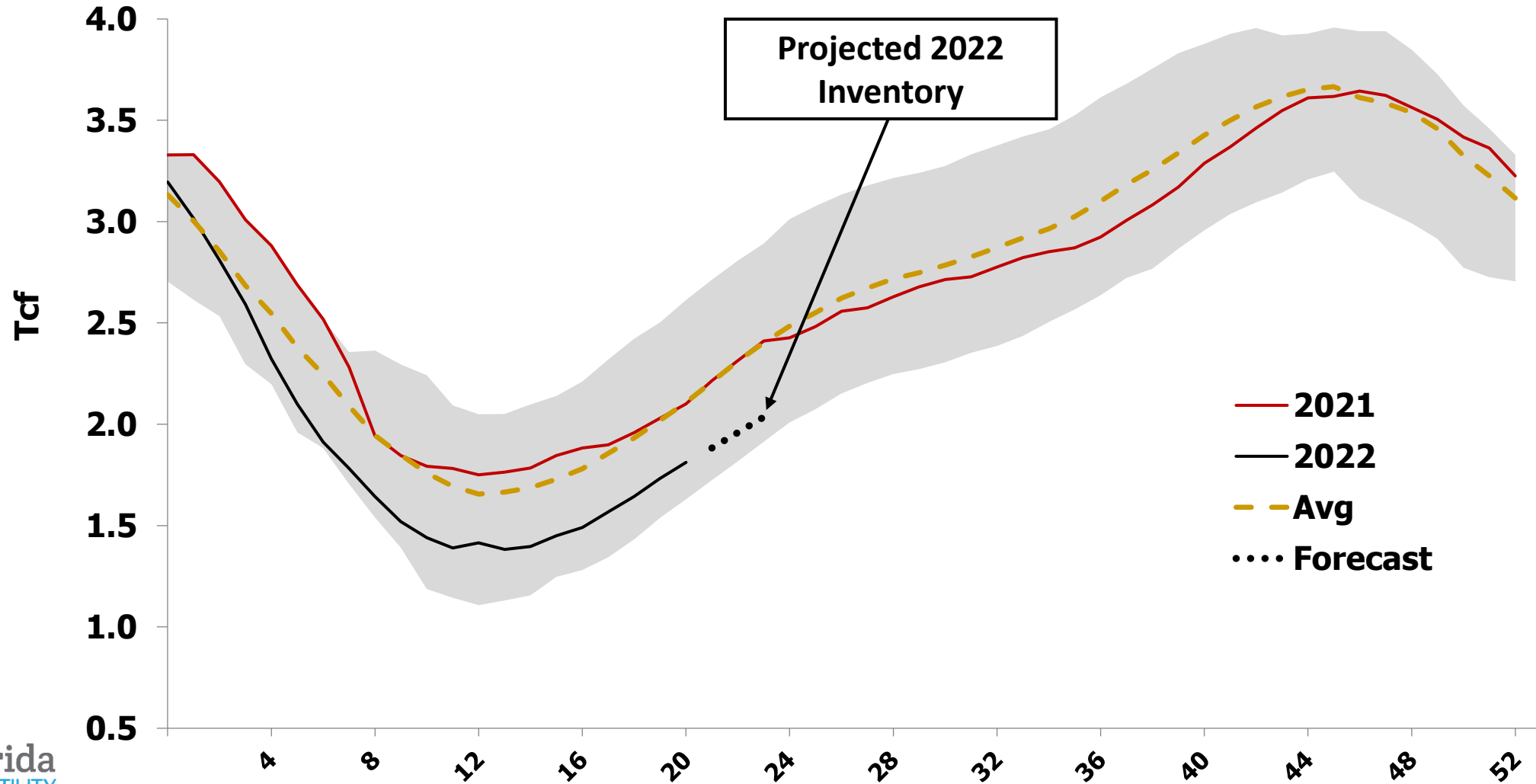


U.S. Oil Use by Sector\*



# Gas Storage Inventory as of Week Ending May 27

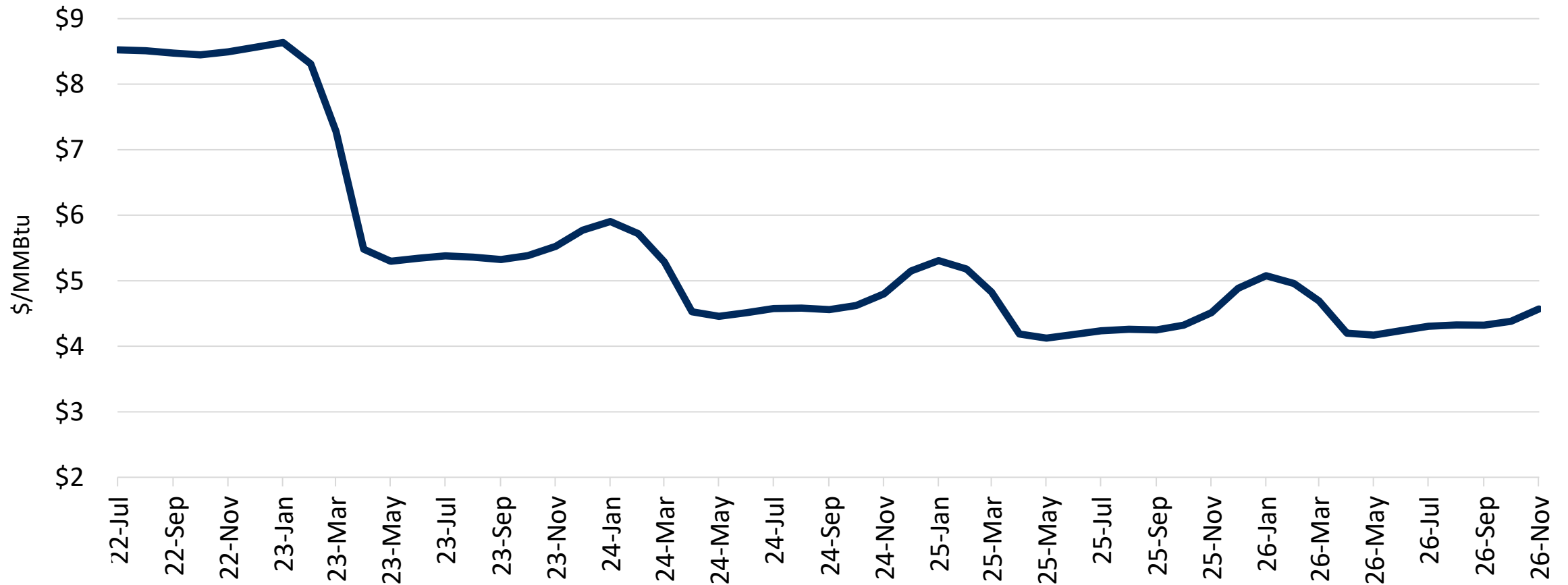
*2022 Season Forecasted to Remain in Lower Level of 5-Year Avg.*



# Futures Pricing Drops Substantially After Winter 2023

*Summer 2023 Averages \$5.35 vs. \$8.49 for Summer 2022*

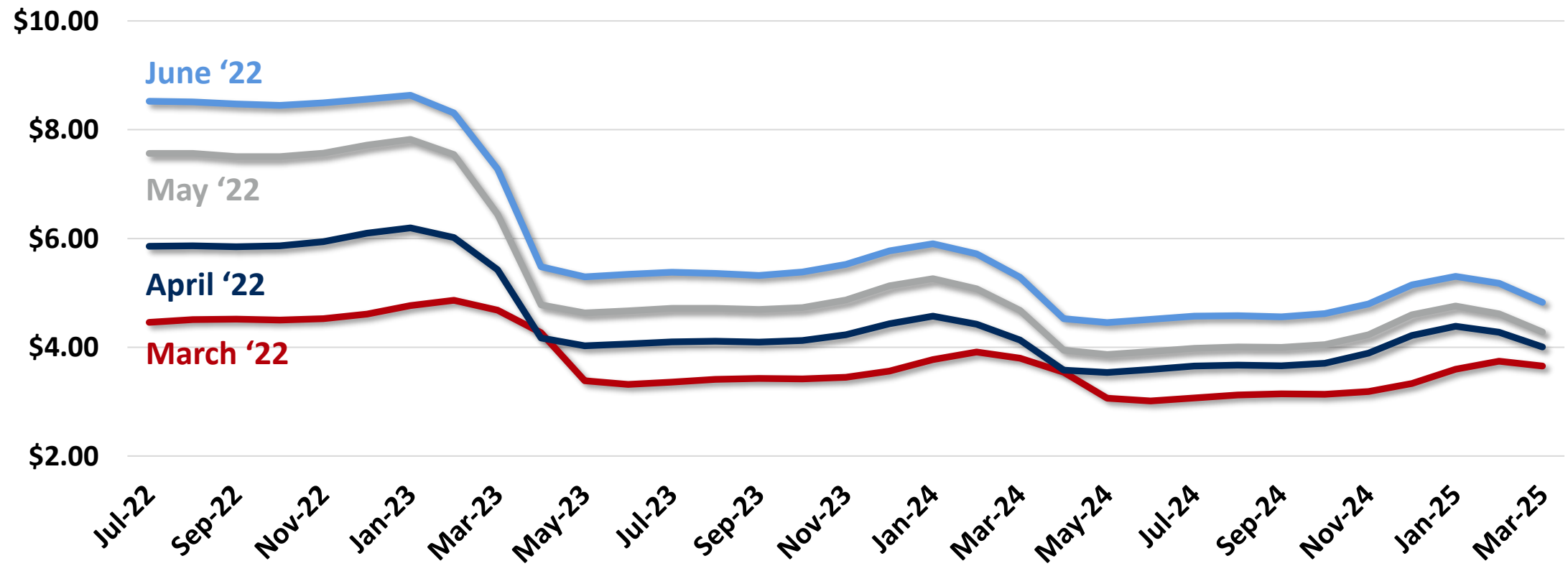
**NYMEX Futures Pricing as of Close June 3, 2022**



# Prices Up ~\$3.99/MMBtu for Summer Since March 2022

*April 2023 – March 2024 Up ~\$1.96/MMBtu Since March*

Historical Henry Hub NYMEX Contracts (\$/MMBtu)





## Marianna LDC Consumption vs. Proposed Hedging Senarios

