

NRG Natural Gas Basis Extension for July 2027 – June 2028

NRG submitted new basis extension quotes as detailed below. These latest quotes are much more in line with my wholesale market-based basis calculations, and my recommendation is to accept a 1-year basis extension so that the overall term extends to June 30, 2028, which matches the East Ohio Gas end term with IGS Energy. The quote for COH is good, while the quotes from VEDO, WOG, Duke are average. But the 100% swing product being offered is tough to pass up. I would also recommend that we request that NRG update our contract quantities (CQs) for this extension period before sending out new TCs to our districts, as this was not done during our last NG RFP. This is important to do even though we have 100% swing, because these CGs are used to determine our hedge quotes when weighted average our load factor.

You will note that these basis quotes are substantially worse than our current contract basis deal (COH -.184, VEDO 0.00, West Ohio +.25, Duke +.717). The main pipeline system in Ohio, Columbia Gas Transmission (TCO), recently raised their tariff rates substantially and the gas marketing community needed some time to figure out what the secondary market for transportation would shake out to be. The other big pipeline that serves Vectren, named Rockies Express, is diverting most of its westward-moving supply out of the Marcellus to the pipelines heading to Chicago.

As I communicated earlier, volatile winter pricing usually results in gas marketers either going out of business or parent companies choosing to exit the market via sale of the marketing subsidiary. To this end, one of the up-and-coming gas marketers in Ohio, named Symmetry Energy, just agreed to be purchased by NextEra Energy. Symmetry was fast becoming the third most active gas marketer in Ohio, and I am hoping this merger with NextEra motivates the combined company to aspire to become the next NRG or Constellation in Ohio. If this develops, this would particularly assist our districts behind Vectren, West Ohio, and Duke obtain a more competitive basis quote.

The May 26 NG NYMEX contract settled at \$2.559, weakening even as oil prices skyrocketed due to the Iran conflict. The weighted average NYMEX price for our 2026-27 contract quantities is now \$3.792 for the NRG-supplied districts. We are 80% hedged for this term. The weighted average NYMEX price for our 2027-28 contract quantities is now \$3.940 for the NRG-supplied districts. We are 0% hedged for this term.

LDC	Term	NYMEX+ (\$/Dth)	PREVIOUS REFRESHES	
			3/9/2026	2/23/2026
COH	12	\$ (0.029)	\$ 0.021	\$ 0.040
	24	\$ (0.005)	\$ 0.088	\$ 0.098
	36	\$ 0.026	\$ 0.170	\$ 0.172
VEDO	12	\$ 0.095	\$ 0.108	\$ 0.136
	24	\$ 0.111	\$ 0.159	\$ 0.178
	36	\$ 0.132	\$ 0.238	\$ 0.257
WOH	12	\$ 0.692	\$ 0.732	\$ 0.772
	24	\$ 0.778	\$ 0.818	\$ 0.849
	36	\$ 0.815	\$ 0.865	\$ 0.887
DEOK	12	\$ 0.669	\$ 0.651	\$ 0.730
	24	\$ 0.754	\$ 0.722	\$ 0.793
	36	\$ 0.822	\$ 0.793	\$ 0.869