



Lunch & Learn

How to take control of your energy budgets
for natural gas and power procurement

Michael Jahangani & Rich Acciavatti | September 16, 2022



Agenda for Today's Lunch & Learn

- Introductions
- Who is Sprague Energy?
- Energy Deregulation & How it works
- You have choices when it comes to your energy procurement of electricity & natural gas
- What forces are pushing energy prices higher
- Why taking control of your energy costs is important
- Our Value Proposition to NJCBA Members
 - Sprague's exclusive partnership program with NJCBA's members is designed to help you better control your energy costs



Introductions

Michael Jahangani

- Director, Natural Gas and Power Sales
 - 13 years of industry experience; 11+ years with Sprague
 - Leads a team of account managers dedicated to Sprague's Nat. Gas and Power customers in the Northeast Region
 - Works with various businesses in the Northeast to help them make well-informed decisions for their energy procurement
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Rich Acciavatti

- Energy Procurement Advisor/Account Manager for Nat. Gas & Power
- 33 Years of industry experience; 22+ years with Sprague in NJ and Upstate New York
- Graduate of Stockton University's Cannabis Studies Program
- Most recent focus is helping companies in the cannabis space better control their energy budgets



Sprague Overview

Sprague was founded in 1870 and has grown to become one of the largest suppliers of energy and materials handling services to commercial and industrial customers in the Northeast United States and Quebec.



Refined Products

- 14.3 billion barrels of storage
- 1.5 billion gallons sales
- \$150 million adjusted gross margin



Natural Gas

- 15,000 customers in 13 states
- 55 MMBtus
- \$65.8 million adjusted gross margin

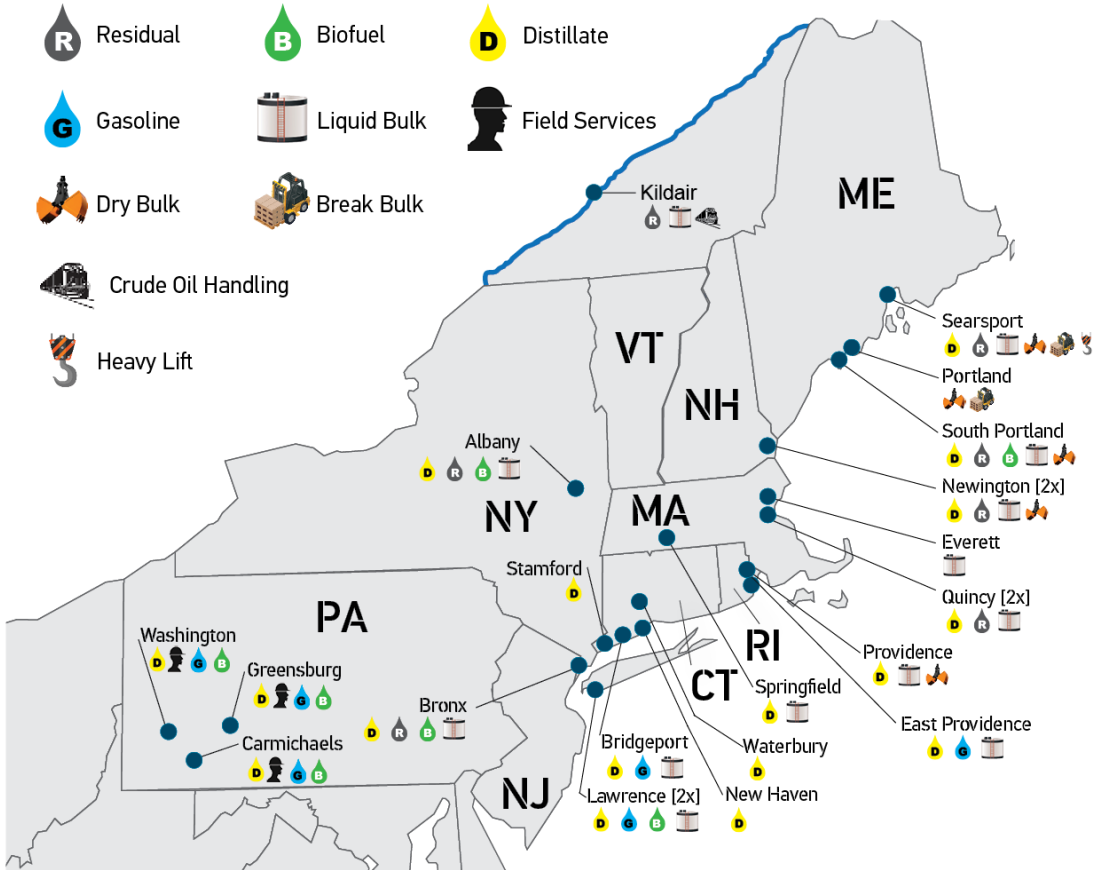


Materials Handling

- 2 million short tons handled
- 452.6 million gallons handled
- \$50.3 million adjusted gross margin



Refined Products Terminal Network

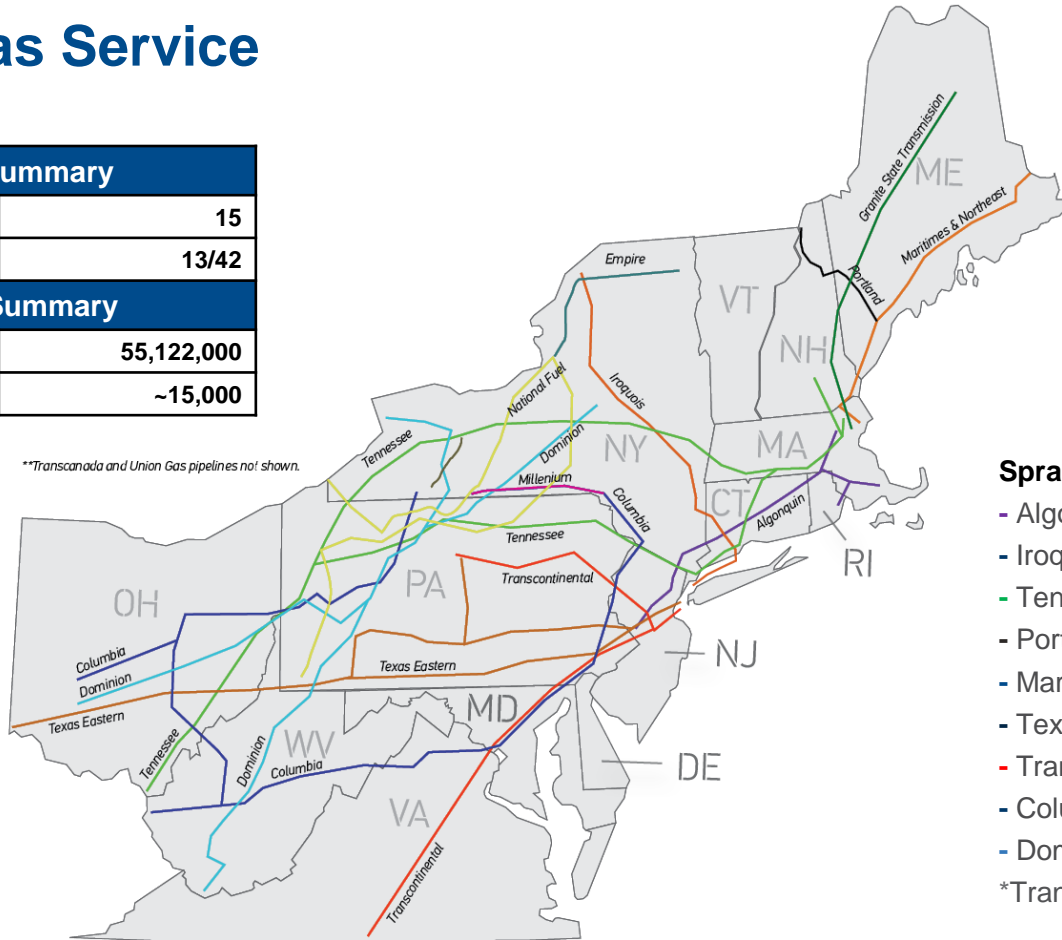


*In addition to these owned and/or controlled terminals, Sprague also has access to an **extensive** network of third-party terminals across the Northeast.*



Natural Gas Service

Supply Summary	
Pipelines:	15
States/utilities:	13/42
Volume Summary	
MMBtus (2021)	55,122,000
Customer accounts:	~15,000



Sprague transportation rights:

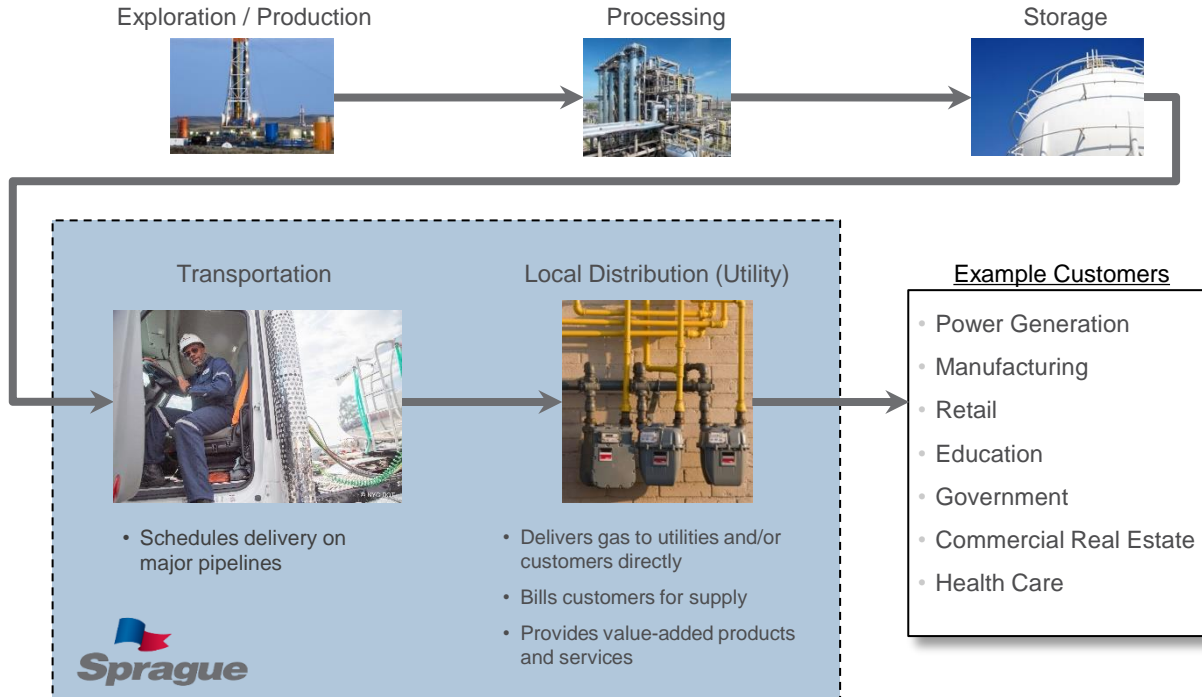
- Algonquin Gas Transmission
- Iroquois Gas Transmission
- Tennessee Gas Pipeline
- Portland Natural Gas Transmission
- Maritimes & Northeast Pipeline
- Texas Eastern Transmission
- Transcontinental Gas Pipeline
- Columbia Gas Transmission
- Dominion Transmission, Inc

*TransCanada and Union Gas not shown



Natural Gas Business & How it works:

Sprague sells natural gas and related delivery services to industrial, commercial, institutional and government customers.



Sprague

You have choices when it comes to your energy needs!!!

You can continue to buy your energy from your local utility provider (ex. JCP&L, PSE&G, Etc.)

- They supply all 3 components (energy, transportation of that energy and local delivery) that make up your bill
- Depending on the utility, pricing changes monthly, quarterly, semi-annually or annually and is typically based on current market conditions

Or.....

You can look to a third-party energy supplier, like Sprague

- A third-party energy supplier provides 2 of the components (the energy and the transportation of that energy to the local utility)
- The local utility still charges you for the delivery of the energy utilizing their delivery systems
- In many instances, the third-party supplier can provide electricity and natural gas at a discount over what you would pay your local utility.
- The local utility makes no profit on the actual energy - it's a pass-through charge, meaning whatever it costs them they pass on to you the customer
- The utility still provides the delivery of the energy to your meter and is responsible for the maintenance of the delivery system (this is where they are allowed to earn their profit). They also continue to respond to any emergencies (leaks, down wires, etc.)



Key Drivers to Energy Price Increases

Several factors are contributing to the current increase in energy prices

- Natural gas prices have risen dramatically in the last year
- Why? A strong increase in world demand for U.S. natural gas, particularly in Europe and Asia
- This aspect was only exacerbated by the Russian invasion of Ukraine
- Surge in domestic demand in the post-pandemic environment
- Inflation and supply-chain issues raising costs generally

40% of Europe's natural gas is provided by Russia

NYISO: (May 2022) Impact of National & Global Conditions on Electricity Prices in New York
[ea6c1616-02a5-5bdd-9964-bfd6e98a2dc5 \(nyiso.com\)](https://www.nyiso.com/info/ea6c1616-02a5-5bdd-9964-bfd6e98a2dc5)

Inflation has increased to 9.1% as of June 2022

U.S. Bureau of Labor Statistics: (July 2022)
Economic News Release - Consumer Price Index
Consumer Price Index Summary - 2022 M06
Results ([bls.gov](https://www.bls.gov))



Our Value Proposition to NJCBA Members



- We provide a **free, no obligation cost analysis** of your current utility pricing vs. what may be available on the open market
 - For Natural Gas, Sprague is a direct supplier of natural gas and due to our exclusive energy partnership with NJCBA, we can offer preferred pricing to members
 - For Electricity (we broker electricity), we offer customers the opportunity to be able to “shop” their electricity usage among multiple (+10) suppliers to evaluate all their options (Fixed price, variable, market based or customized)
- Leveraging our relationships with these vetted wholesale electric energy suppliers, we obtain the **best offers for our clients** to review, as the suppliers know they are competing for your business
- We will walk you through the offers and act as **your energy advisor** to answer all your questions
- **You make the final decision** if you are interested in moving forward and entering into an agreement to purchase your energy from a third-party supplier (no pressure!!!)



How to get started with Sprague

In 5 easy steps!

1. Contact us directly (our contact information is on the last slide) and identify yourself as being a member of NJCBA
2. We will ask you to:
 - Provide copies of your latest utility bills for natural gas and electricity
 - Sign a Letter of Authorization (LOA) that releases your usage history to us in order to develop pricing for you to consider. The LOA is required by your local utility and again it only releases your usage history to us (Note: this does not enter you into an agreement)
3. Once we receive your usage history, it typically takes 2-3 business days to develop and provide you with competitive pricing alternatives that we will review with you
4. If you are satisfied, then an agreement is drawn up for your review and approval/signature
5. We notify your utility of your intention to buy your energy from a third-party supplier and will enroll your account with the utility



Summary of Sprague Energy & NJCBA Partnership

- **Local** presence in Eatontown, NJ
- Regional offices in the Bronx NY, Bridgeport CT, Westborough MA
- Corporate office in Portsmouth, NH
- **Direct Marketer** of deregulated Nat. Gas in the Northeast since the mid-1990's
- Electricity - we **broker** electricity, offering customers the opportunity to be able to “shop” their load amongst multiple (+10) suppliers to develop multiple options (Fixed price, variable, market based or customized) for consideration
- One Stop Shop for your energy needs:
 - Natural Gas
 - Electricity (including “Green” power)
 - Carbon Offsets
- ***Preferred Nat. Gas Pricing for NJCBA Members***
- ***Sprague Energy is the exclusive energy advisor/supplier to the NJCBA***

<https://www.spragueenergy.com/trade-associations/njcba>





Our Energy Makes the Difference[®]

NJCBA Exclusive Energy Program

<https://www.spragueenergy.com/trade-associations/njcba>

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