Gas Authority

Empowering Communities to Thrive and Grow

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Municipal Gas Authority of Georgia
Annual Report 2022

NATURAL GAS GENIUS.

104 TownPark Drive
Kennesaw, Georgia 30144
www.gasauthority.com

Annual Report **2022**

Table of Contents

Our Mission

To provide municipalities a reliable, economical supply of natural gas and to assist them in developing and growing their gas systems to optimize the benefits of public ownership.

To Thrive and Grow

Corporate Profile

The Municipal Gas Authority of Georgia (the Gas Authority) is the largest non-profit natural gas joint-action agency in the United States, serving 82 Members in Georgia, Alabama, Pennsylvania, Tennessee, and Florida that meet the gas needs of nearly 260,000 customers. In addition, the agency provides services to 16 other agencies and public systems referred to as "Municipal Customers".

The Gas Authority serves as the manager of both Public Gas Partners, Inc. (PGP) and Main Street Natural Gas, Inc. (Main Street), which acquire and provide economical natural gas reserves, in the case of PGP, and long-term prepaid natural gas supplies, in the case of Main Street, to the Gas Authority and other public systems.

The Gas Authority was formed in 1987 by an Act of the Georgia General Assembly to assist municipal Members who own and operate natural gas distribution systems. Member and Municipal Customer systems are located on the pipeline facilities of eleven interstate pipelines. The Gas Authority provides a broad array of gas supply, marketing and other related services, which deliver significant benefits to its Members, Municipal Customers and the communities they serve.

Services include demand forecasting, gas supply and asset planning and management, regulatory representation, industrial customer assistance, budget assistance, rate design, budget forecasting, market development, communications, project financing, risk management assistance, regulatory compliance, and training.

Environmental Responsibility

Environmental stewardship is important to us, and natural gas has an important role. We recognize that safeguarding our environment is a responsibility we all share. Natural gas enhances our quality of life through affordable and reliable energy contributing to humankind's prosperity and a clean environment. We also believe energy diversity, choice and security are key to spurring innovation, improving economic well-being, and effective environmental stewardship.

The Gas Authority and its Members are committed to provide natural gas energy services that result in affordable, reliable, and secure energy and a clean, sustainable environment, and we support energy innovation that contributes to these objectives.

President and CEO - Arthur Corbin and Chairman of the Board - Chris Hobby

Reliable, affordable natural gas is essential to attract and retain many commercial and industrial operations. The Gas Authority works closely with its Members and state authorities to explore ways to ensure natural gas is available to serve the needs of new businesses or expanding operations.

Economic development is an indicator of a community's well-being. Communities that are flourishing attract commercial and industrial growth, and in turn these businesses spur other local economic benefits. The availability of reliable and affordable energy is the first of many key ingredients in attracting this growth.

Our mission is to serve people, to empower them to flourish, and to enable them to thrive and grow. We achieve this mission by providing them with safe, reliable, affordable, and green natural gas. Whether it's keeping their family home warm in the winter, or it's fueling their business, people need reliable and affordable energy to thrive and grow.

Natural gas is safe, reliable and resilient. With its abundant, diverse and domestic supply, vast network of underground pipelines and storage facilities, and safe and flexible delivery system, U.S. natural gas is one of the safest, most reliable and most resilient energy options available for consumers today. America's natural gas utilities invest over $30 billion each year in enhancing the safety of natural gas distribution and transmission systems. Most natural gas customers will never experience an outage in any given year, while electric customers average one outage per year.

Natural gas is affordable. For the same amount of energy delivered, natural gas is 3.4 times more affordable than electricity and significantly more affordable than most other residential energy sources. Households using natural gas for space and water heating, cooking and clothes drying save an average of $1,068 per year compared to homes using electricity to meet those same home energy needs. The low cost of natural gas has saved families a total of $147 billion over 10 years, while over that same time commercial and industrial customers have saved more than $500 billion by using natural gas. Every minute, more than one home or business in the U.S. is signing up for natural gas service.

More than 60 years ago many of our Member systems, like the City of Bainbridge, made the bold decision to bring natural gas to their communities. Leaders recognized the importance this energy would provide for homes, businesses, and the overall quality of life of their communities.

Natural gas is green. Methane emissions from the U. S. natural gas distribution system have declined 69% since 1990 so that only 0.1% of the natural gas delivered nationwide is emitted from local distribution systems. Through increased natural gas use in the power generation sector replacing coal and fostering the addition of wind and solar energy, carbon emissions associated with energy use are below 1990 levels. Carbon emissions from homes using natural gas for space heating, water heating, cooking and clothes drying are about 22 percent lower than those attributable to all-electric homes.

In 2022, the Gas Authority had one of its best years ever empowering the communities and people we serve to thrive and grow through exceptional natural gas service and significant contributions to our Members' natural gas utility margins. This letter highlights these activities and accomplishments during the past year, none of which would be possible without the excellent leadership of our Board, engaged and proactive Members, and our team of dedicated, innovative, hardworking and service-minded employees.

Affordable
Housing

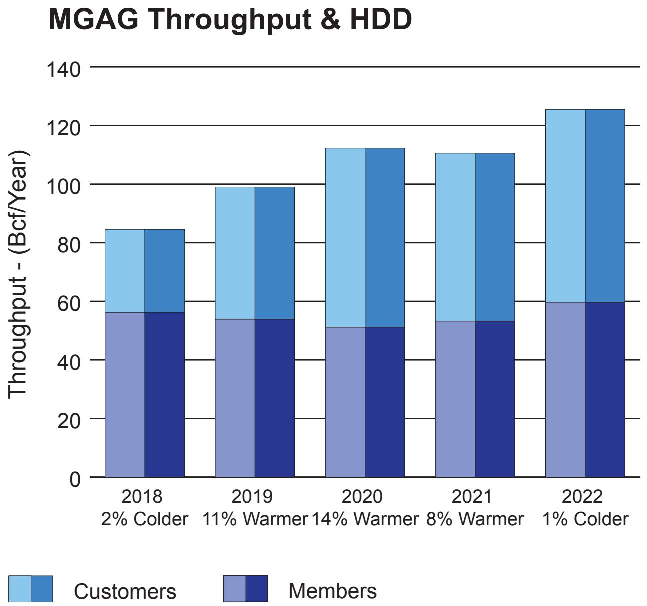
When companies look to locate or expand their operations, affordable housing is another key consideration. Today, central Georgia is enjoying a housing boom that is attracting many economic development projects to the region. New employment opportunities attract families to relocate but not without access to affordable homes, quality schools, and a robust quality of life.

Joint action is an integral part of the Gas Authority's success and continuing growth. Strong relationships with its Members, Municipal Customers, financial partners, supply partners and pipelines are the hallmark of its success.

Pursuing Growth

Although the Gas Authority just celebrated its 35th anniversary, it is still attracting new Members. In October 2022, the Town of Mulga, Alabama joined the Gas Authority becoming the 82nd Member. Mulga began as a coal mining operation of The Birmingham Coal & Iron Company in the early 1900's. Today, the town is part of the Birmingham metropolitan area, only 11 miles northwest of the city.

The Gas Authority achieved record throughput in 2022 with total delivered volumes of 125 Bcf, up 14 percent from 2021 and an increase of almost 50 percent since 2018. Deliveries to Members were up over 12 percent hitting a record 59.7 Bcf, while deliveries to Municipal Customers grew to 65.8 Bcf, up more than 15 percent from 2021.



This family-owned, Wisconsin-based snack company is expanding to central Georgia with the promise of bringing approximately 800 jobs to the region. Jack's Links is investing $450 million to develop its newest jerky manufacturing plant. The company makes an assortment of dried meat snacks, beef sticks, jerky, sausages, and drink mixes targeted to outdoor enthusiasts and people on the go.

Growth in service to Members was due to a combination of higher residential and commercial customer demand from colder weather and increased service to new and existing industrial customers. The largest industrial additions included service to a Georgia-Pacific facility near Blakely, Georgia, adding over 4,000 MMBtu per day, and Profile Products in Monticello, Georgia, adding up to 700 MMBtu per day.

The growth in service to Municipal Customers was fueled by the start of deliveries under five new Main Street Natural Gas prepayments enabling increased service by the Gas Authority to Florida Gas Utility, Jacksonville Electric Authority, Nebraska Public Gas Agency, Orlando Utilities and Philadelphia Gas Works as well as new service to City Utilities of Springfield, Missouri, MEAG Power, and Tallahassee, Florida.

In 2022, several large industrials began construction of new or expanded facilities within the Members' service areas. The largest announcement was a new Hyundai plant locating in Bryan County, Georgia to be served with up to 12,000 MMBtu per day by the City of Claxton. Other industrial and large commercial expansions and new facilities under construction last year are estimated to collectively add up to 7,800 MMBtu per day and include Alabama Graphite in Alexander City, Alabama, Jack Links in Perry, Georgia, Northside Hospital Patient Tower and Publix's Fresh Kitchen in Lawrenceville, Georgia, Pilgrim's Pride in Douglas, Georgia, and Steves & Sons in Commerce, Georgia.

To further enhance the Members' ability to attract new industries to their communities, the Gas Authority entered into an Economic Development Alliance with Electric Cities of Georgia (ECG). This new win-win partnership enabled ECG to substantially increase their resources dedicated to statewide

A stable, affordable home is the foundation for a quality family life; one that builds healthy habits, focuses on goals and its children's education. Subsequently this impacts overall educational achievement, economic output, and opportunities for residents to give back to their communities.

Qualified
Workforce

Employers demand a skilled workforce to ensure productivity. Universities, technical colleges, and trade school/apprenticeship programs are vital to the workforce pipeline that supports local and regional economic development.

Ogeechee Technical College (OTC) in Statesboro, Georgia, has placed thousands of graduates into productive and satisfying employment; and has assisted dozens of businesses and industries in retraining their workers. OTC provides student-focused academic and occupational programs and support services for in-demand career fields at the associate degree, diploma, and certificate levels.

Experts say that workforce development and economic development programs should work collaboratively to ensure employable, in-demand skills are at the forefront of education. Georgia boasts its Quick Start program — the number one workforce development program in the country providing a versatile and agile workforce for the state's employers.

economic development while giving our Members greater exposure and access to an experienced and capable economic development team. The Gas Authority also helped several Members to effectively meet their growing needs by acquiring additional firm peak day pipeline capacity rights totaling over 23,000 MMBtu.

Members added over 2,900 residential customers in 2022. The Main Street On-Bill Financing Program continues to help Members retain and add residential customers with 33 Members participating in this $7.5 million revolving loan fund.

Natural Gas Connection (NGC) continues to grow with Sylvester, Georgia joining the service and showroom grand openings in Bainbridge, Georgia and East Central Alabama Gas District's beautiful new offices in Ashland, Alabama. NGC also started construction on a showroom in Moultrie, Georgia.

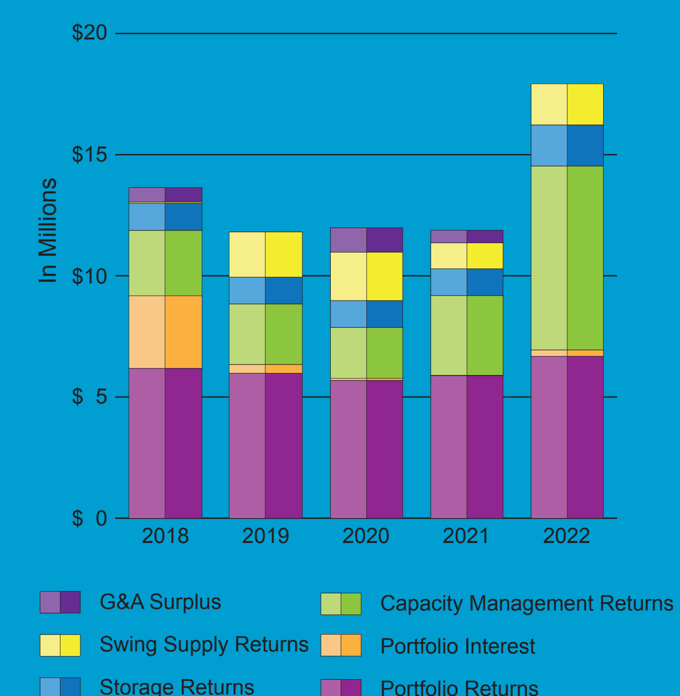
Contributing to Member Margins

The Gas Authority had an excellent year generating supply portfolio and operational returns for Members, which totaled $18 million for 2022, up $6 million from 2021 attributed primarily to record pipeline capacity management returns. Annual returns from the long-term supply portfolio accounted for 39 percent of Member returns, totaling $7 million, an increase of $1.3 million from the amount distributed last year.

Economic development benefits often expand beyond the source employer's location. For example, the Hyundai automotive plant coming to Bryan County, Georgia, is providing opportunities for ancillary manufacturing of dashboard and door assembly components in nearby Bulloch and Evans counties.

In 2022, the operational returns accounted for 61 percent of Member returns and include pipeline capacity management returns, net margins on storage inventory, swing supply savings and general and administrative (G&A) budget surplus. Members received a record $7.6 million in pipeline capacity management returns, up $4.3 million from 2021, an increase of 130 percent. These significant returns resulted from increased market value for capacity across all pipelines serving the Southeast in response to higher demand and greater price volatility. Storage returns totaled $1.7 million, up $600,000 from 2021. Even with the increased price and load volatility, the Gas Authority managed to save $3.2 million in the swing supply costs, with $1.7 million returned to Members and $1.5 million retained to help mitigate the cost of meeting Members' daily and seasonal load swings in 2023. Finally, for 2022, the Gas Authority achieved a G&A budget surplus of $1.7 million, which will be retained to further strengthen our balance sheet by increasing the Working Capital Reserve.

Annual Member Returns
Contribution to Member Margins



Quality Schools

Families seeking employment opportunities want to ensure their family's needs are being addressed by the local community of their prospective employer. Quality education is a major consideration when relocating. Morgan County High School is a leader in education, offering a unique college and career academy that introduces its pupils to a variety of vocational programs, including agricultural mechanics, culinary arts, and engineering.

Despite many operational challenges in 2022, the Gas Authority generated significant supply portfolio and operational returns for Members – balancing high demand for natural gas, restricted supplies, and increased price volatility.

In 2022, the Gas Authority's affiliate Main Street Natural Gas Inc. completed three long-term supply prepayments, creating total value for Members of over $32 million in Portfolio Returns and G&A service fees during the initial pricing periods of 5 to 7 years. The first Main Street transaction closed in February with Citadel Energy Marketing. Main Street issued $626 million in bonds to meet a portion of Member requirements and to provide new supply service to City Utilities of Springfield, Missouri, MEAG Power, and Tallahassee, Florida, with deliveries beginning in July and savings of 58 cents per MMBtu through the initial 5-year period of this 30-year transaction.

The second Main Street prepayment was completed in March with Citigroup. Main Street issued $538 million in bonds to meet a portion of Member requirements and to provide additional supply service to City Utilities of Springfield, Missouri, MEAG Power, and Tallahassee, Florida, with deliveries beginning in August and savings of 30 cents per MMBtu through the initial 6-year period of this 30-year transaction.

The third Main Street prepayment was completed in July with Citigroup. Main Street issued $710 million in bonds to meet a portion of Member requirements and to provide additional gas supply service to Florida Gas Utility and Jacksonville Electric Authority, with deliveries beginning in November and savings of 57 cents per MMBtu through the initial 6.8-year period of this 30-year transaction.

In 2022, the Gas Authority continued to take steps to keep its borrowing costs low by maintaining its strong credit ratings with all three rating agencies and increasing its lines of credit to $150 million through March 2026.

Students at Morgan County High School can sample a variety of career fields through its College and Career Academy offerings, better positioning some graduates for workforce placement opportunities or substantial credits towards an advanced degree or apprenticeship program.

Rivian will employ more than 7500 workers at its new Morgan and Walton County plant in Georgia. The California-based company manufactures eco-friendly electric vehicles and batteries.

Maintaining Operational & Service Excellence

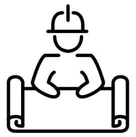
In 2022, the Gas Authority continued its investment in its employees, through training and development, and in technology with several system development and upgrade projects completed. We also conducted meetings across the entire organization focused on leveraging our technology tools to enable better informed decisions and more efficient processes. New in 2022 was the evaluation of Power BI as a reporting tool to better equip our teams, which led to the addition of a new position to support the company in this area. A powerful new intrusion detection

Quality education is important to BOTH employers and employees. Employees want to know their children's educational needs are being addressed with the goal of future employability, personal development, and professional satisfaction, while employers want employees with a solid educational foundation, critical thinking skills, and sound work ethic.

Access to Transportation

Transportation has always been an important component of societal development; and today's global economy demands the efficient mobility of people and freight for the highest levels of productivity.

Georgia and the Southeast boast a vast network of railroads and interstates that offer attractive access to resources for manufacturing and the distribution of finished goods.



When transportation systems are reliable and efficient, they provide multiple economic and social opportunities and benefits – providing better accessibility to markets, employment, additional community and economic investments, and improved local quality of life.

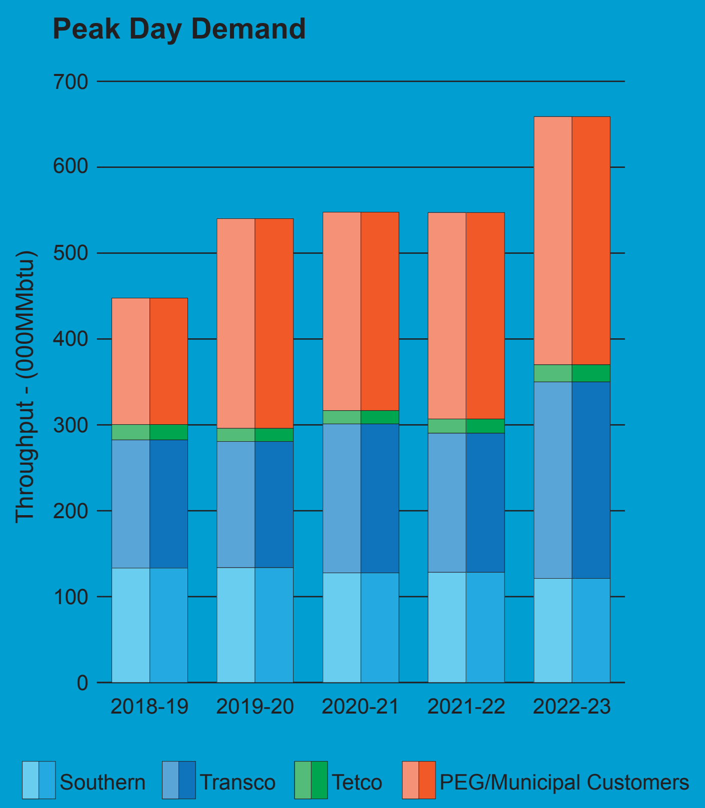
Irving Consumer Products located near Macon, Georgia, is expanding just a few short years after setting up shop in the state. The leading manufacturer of premium quality tissue products – including national brands and private label – has outpaced its current production capacity and is doubling its footprint in central Georgia.

and prevention tool utilizing artificial intelligence to more effectively identify and respond to threats was added to our suite of cybersecurity measures to make our operating environment even more secure and reliable.

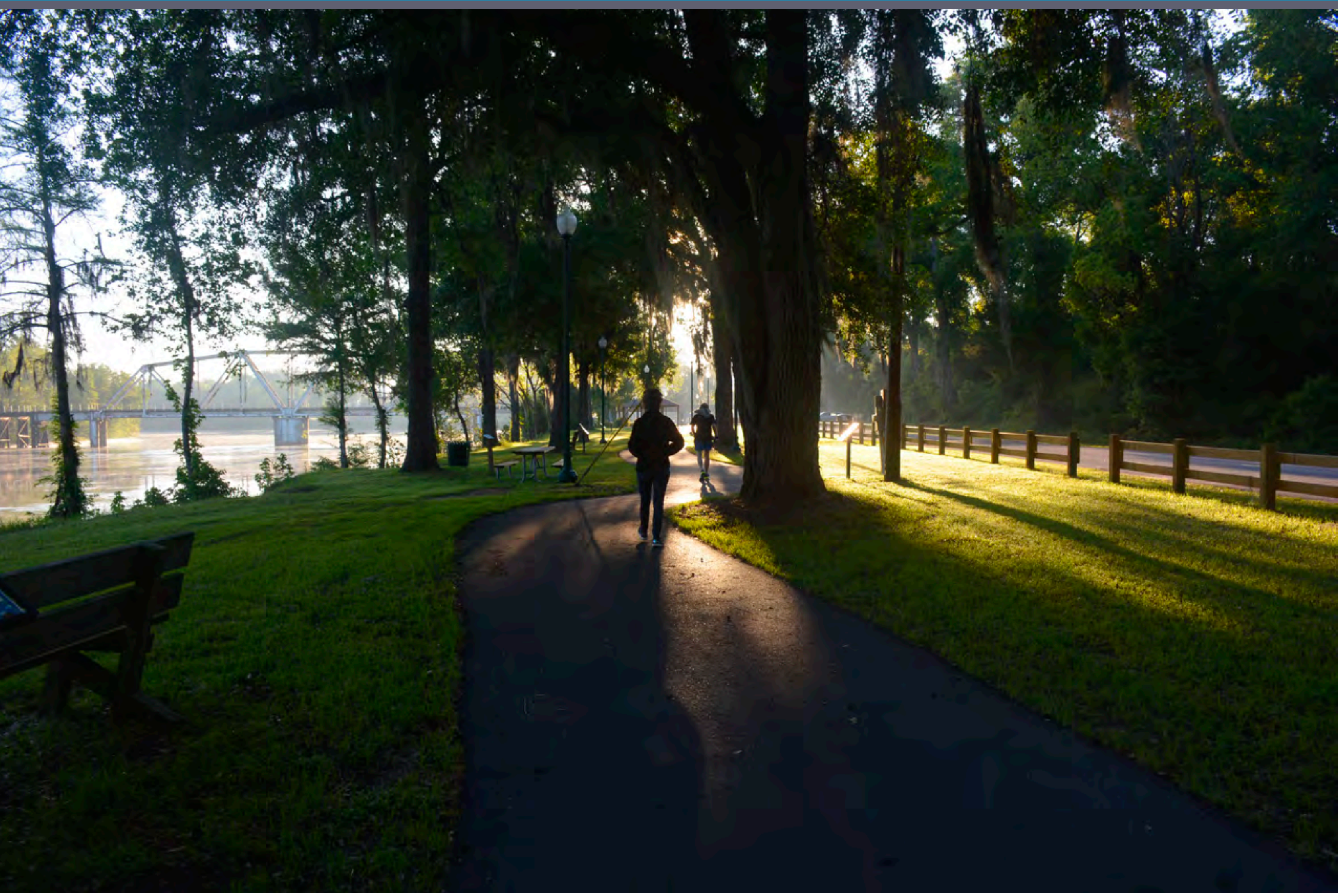
In December, the Gas Authority experienced a record peak day delivering 640,000 MMBtu on December 23rd, more than 80,000 MMBtu higher than the previous record peak day. Although over 15 percent of the U.S. supply was off-line during that time, we experienced very minimal cuts. The average cost of gas delivered to Members increased $2.70 per MMBtu from $4.74 in 2021 to $7.44 per MMBtu in 2022, primarily due to the 73 percent increase in natural gas prices, up $2.80 per MMBtu, and the 6 percent increase in pipeline transportation/storage costs, up $0.05 per MMBtu, partially offset by lower Gas Authority services, down 10 percent, or 1.4 cents per MMBtu.

In 2022, we continued to help Members maintain competitive rate structures while fully recovering their costs. The Members' residential rates averaged $1.63 per therm and continue to compare favorably to the AGL marketer rates, which averaged $2.05 per therm for the fixed rates and $2.85 per therm for the variable rates, and to Liberty Utilities' regulated rate, which averaged $1.99 per therm. Over half the Members and several Municipal Customers actively engage with our risk management team to navigate the volatile natural gas price environment and achieve economical pricing and rate stability for their customers.

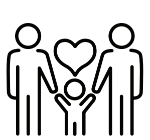
Our marketing and communications efforts continued to help Members effectively promote the benefits of natural gas in their communities and attract new customers and retain existing ones through direct sales efforts. One major effort was assisting Members with retaining natural gas service to their housing authorities. Over the year, we worked directly with 35 housing authorities within our Members' service areas to provide them with natural gas application solutions to benefit their residents.



Danimer Scientific headquartered in Bainbridge, Georgia, is improving the world's future through the development of compostable polymers to produce completely biodegradable plastics. This advanced technology can be applied to a variety of consumable products and packaging solutions, such as straws, bottles, lids, shopping and trash bags.



The development of a river walk along the Flint River in Bainbridge, Georgia, offers residents and visitors recreation and respite. When completed it will tie the downtown area with the 500-acre scenic Earl May Boat Basin Recreation Area.



Municipalities who effectively manage the many (and often competing) facets of a community deliver the highest quality of life for their citizens. It requires balancing the material living conditions – housing, business climate and economic security, safety, and governance – with the more subtle and intangible needs for leisure, social interaction, cultural connection, and the natural and living environment of the community.

Quality of Life

Access to affordable and reliable energy enables communities to thrive and grow – empowering their economic prosperity, enhancing their living conditions, and creating a dynamic and vibrant quality of life for all.

As we look ahead, we see a bright future where our industry continues to empower people, businesses and communities to thrive and grow by helping them meet their energy needs and environmental goals. The natural gas industry will contribute to this bright future through continued innovation and hard work that results in safely and reliably delivering clean, affordable energy to people in the U.S, North America and abroad.

The Gas Authority remains committed to help its Members bring the full benefits of natural gas to their customers and communities. Whether it is safely and reliably delivering low-cost natural gas each and every day, or assisting Members increase service to existing customers, add new customers or develop new markets, the Gas Authority has an outstanding team of professionals dedicated to serving its Members, as well as Municipal Customers, and helping them serve their communities and reach their goals.

On behalf of our Board and employees, we thank you for the opportunity to serve you, your customers and your communities and pledge to always go the extra mile to earn the confidence and trust you have placed in us.

Chris Hobby
Chairman of the Board

Arthur Corbin
President & CEO

In recent years urban planners have focused on a city's "walkability" as a measure for quality of life, recognizing the many health, economic and environmental benefits. A community's walkability is scored based on the quality of footpaths, sidewalks or other pedestrian rights-of-way, traffic and road conditions, accessibility, and safety.

Officers

From left to right:
Susan Reeves,
Chief Financial Officer
Scott Tolleson,
Vice President, Member Support
& Government Affairs
Mike Frey,
Chief Operating Officer
Arthur Corbin,
President & CEO
Rodney Dill,
Vice President, Market Development
& Communications
Not pictured:
Tina Smith,
Vice President, Gas Supply,
Operations & Risk Management

Board of Directors

From left to right:
Kenneth L. Usry – Mayor of Thomson, Jonathan Mason, Assistant Gas Superintendent – Chambersburg Gas Department, Irving Thompson – General Manager, East Central Alabama Gas District, Chris Hobby – Chairman of the Board, City Manager – Bainbridge, Daren Perkins, Gas Superintendent – Buford, Luther L. (Buddy) Duke, III, Secretary-Treasurer, Mayor – Adel, Michael Clay, Director of Utilities – Dublin, Bruce Maples, Assistant City Manager, City of Albany, James Wascher, City Manager, City of Commerce
Not pictured:
Todd Hardigree, Vice Chairman, Gas Superintendent, City of Lawrenceville, Howard McKinnon, Town Manager – Retired, Town of Havana (FL)
Chuck Shaheen, Former Councilman, City of Warner Robins

Key Operating Statistics

	2018	2019	2020	2021	2022
Number of Members/Municipal Customers					
Southern Natural	25	25	25	26	27
Southern Natural - South Georgia Facilities	29	29	29	29	29
Transco	23	23	24	24	24
Texas Eastern	2	2	2	2	2
Municipal Customers on Various Pipelines	11	16	14	14	16
Regulatory Compliance Customers	36	41	42	44	46
Total Number of Members/Municipal Customers	126	136	136	139	144
Total Throughput By Member & Municipal Customers (000 MMBtu)					
Member	56,209	53,852	51,134	53,216	59,657
Municipal Customers	28,327	45,143	61,148	57,339	65,828
Total Throuhput	84,536	98,995	112,282	110,555	125,485
Total Throughput by Pipeline (000 MMBtu)					
Southern Natural	23,133	23,806	27,153	26,899	29,495
Southern Natural - South Georgia Facilities	16,766	16,170	14,541	13,787	14,637
Transco	32,995	34,826	38,161	40,000	45,789
Texas Eastern	1,999	2,244	3,131	3,096	3,405
Florida Gas Transmission	4,548	13,576	19,532	17,101	20,595
Other	5,095	8,373	9,764	9,672	11,564
Total Throughput by Pipeline	84,536	98,995	112,282	110,555	125,485
Heating Degree Days - Actual					
South Georgia	1,367	1,172	1,149	1,307	1.358
Middle Georgia	2,175	1,894	1,840	1,994	2,051
North Georgia	2,630	2,236	2,186	2,211	2,395
Heating Degree Days - 10 Year Average					
South Georgia	1,423	1,393	1,377	1,276	1,253
Middle Georgia	2,300	2,292	2,272	2,164	2,127
North Georgia	2,567	2,545	2,510	2,407	2,377
Average NYMEX Spot Price ($/MMBtu)	$3.09	$2.63	$2.08	$3.84	$6.64
Members' Customers - By Pipeline					
Southern Natural	49,977	49,700	50,004	49,826	50,817
Southern Natural - South Georgia Facilities	36,619	35,621	35,215	35,365	35,044
Transco	143,594	148,736	155,565	156,777	159,703
Texas Eastern	12,255	12,333	12,539	12,683	13,025
Total Customers	242,445	246,390	253,323	254,651	258,589

Financial
Statements

As of and for the Years Ended December 31, 2022 and 2021

EY
Building a better working world

Report of Independent Auditors

The Board of Directors
Municipal Gas Authority of Georgia

Opinion

We have audited the financial statements of the Municipal Gas Authority of Georgia (the "Company"), which comprise the statements of net position as of December 31, 2022 and 2021, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022 and 2021, and the results of its operations and changes in net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 19-27 be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Ernst + Young LLP

Atlanta, Georgia
April 14, 2023

Management's Discussion and Analysis
(dollars in thousands)
(Unaudited)

Corporate Structure

Municipal Gas Authority of Georgia (the Gas Authority) is a nonprofit, joint-action agency created in 1987 by an Act of the General Assembly of the State of Georgia (the Act). The Gas Authority is a public corporation whose primary purpose is to provide municipalities reliable and economic gas supplies and to assist them in developing and growing their systems to optimize the benefits of public ownership.

Members and Customers

Eighty-two municipal gas utilities (the Members), serving approximately 259,000 retail customers in Georgia, Alabama, Florida, Pennsylvania, and Tennessee, have signed long-term gas supply contracts through 2060 requiring that they take their entire gas supply from the Gas Authority and requiring the Gas Authority to provide that supply. Each utility is locally owned and operated; however, municipal utilities share common interests and concerns that can best be solved by working together. For example, by contracting with the Gas Authority, the municipal utilities can diversify their source of supplies through a portfolio of supply arrangements rather than depending on the services of a single provider. Through joint action, these municipal utilities use economies of scale to reduce the overall cost of natural gas to their ultimate customers.

The Gas Authority also provides gas supplies and related services to 16 other agencies and municipal utilities (Customers) on a limited basis for the benefit of the Members. Additionally, the Gas Authority provides regulatory compliance services to 46 other entities. The Gas Authority is governed by a nine-member Board of Directors, which is elected from the membership and serves in staggered three-year terms. The Board also has three nonvoting out-of-state directors.

Authority

The Act provides that the Gas Authority will establish rates and charges to produce revenues sufficient to cover its costs, including debt service. It may not operate for profit unless such profit inures to the benefit of the public. The Gas Authority is specifically authorized by the Act to undertake joint projects for its Members and to issue tax-exempt bonds and other obligations to finance the costs of such projects.

Long-Term Gas Supply

Members can elect to participate in joint projects undertaken by the Gas Authority and authorize the issuance of project debt by entering into a supplemental contract (Supplemental Contract). These Supplemental Contracts authorize the Gas Authority to issue gas revenue bonds and other debt obligations to acquire a portfolio of gas supplies and gas-related assets to fulfill, in whole or in part, its obligation to supply gas to Members.

The Portfolio III project was initiated in November 2002 with the execution of amended Gas Supply Contracts and Supplemental Contracts with all Members. Those contracts were amended in 2008 to extend the full requirements of gas supply services to Members through at least the date on which all Portfolio III bonds are fully retired and authorize the issuance of up to $1,500,000 in debt to secure long-term gas supplies. Through these contracts, the Gas Authority was authorized to issue additional debt through December 31, 2014, with maturities not exceeding 15 years from issuance.

Management's Discussion and Analysis (continued)
(dollars in thousands)
(Unaudited)

The Portfolio IV project was initiated in November 2014 with the execution of Supplemental Contracts. Under the Portfolio IV contracts, the Gas Authority was authorized to issue up to $1,100,000 in debt through December 31, 2020, increasing to $1,500,000 as Portfolio III principal payments are made, with maturities not exceeding 20 years from issuance, to secure long-term gas supplies. The Portfolio V project was initiated in January 2021 with the execution of Supplemental Contracts. Under the Portfolio V contracts, the Gas Authority is authorized to issue up to $831,500 in debt through December 31, 2030, increasing to $1,000,000 as Portfolio III and IV principal payments are made, with maturities not exceeding 30 years from issuance, to secure long-term gas supplies.

The Gas Authority is a party to three Natural Gas Production Sharing Agreements (PSAs) with Public Gas Partners, Inc. (PGP), an autonomous Georgia nonprofit corporation that acquires and manages pools of gas supplies and provides other services for its municipal members, and whose day-to-day activities are managed by the Gas Authority. The first two PSAs authorized PGP to acquire specified gas supplies for the benefit of the Gas Authority and other pool participants over three-year acquisition periods, which ended in 2008. PGP completed reserve acquisitions of $327,900 in Pool 1 and $151,500 in Pool 2. The Gas Authority utilized a portion of the Portfolio III and IV debt to make advance payments to PGP for its share of acquisitions and finance PGP's liquidity requirements. See further discussion in liquidity and capital resources below. The third PSA authorizes PGP to acquire specified gas supplies for the benefit of the Gas Authority and other pool participants for as long as those participants have nominations in effect with PGP. PGP has completed $190,500 in reserve acquisitions in Pool 3. The Gas Authority is also a party to a Participation Agreement with PGP related to PGP Pool 4, which is a gas supplier/exchanger and gas commodity swap counterparty for prepayment transactions.

The Gas Authority is a party to a Participation Agreement with a 49% participation share with Public Energy Partners, Inc. (PEP), an autonomous Georgia nonprofit corporation that is a gas supplier/exchanger and gas commodity swap counterparty for prepayment transactions. PEP's initial transaction began on April 1, 2022.

As of December 31, 2022, the Gas Authority is a party to 15 long-term supply arrangements, including 11 with Main Street Natural Gas, Inc. described below, that are expected to deliver a firm supply of discounted gas over various terms ending in 2052. Under these pay-as-you-go arrangements, the Gas Authority has committed to buy specified volumes of gas at prevailing market prices less a discount when, and if, gas is delivered.

Main Street Natural Gas, Inc.

Main Street Natural Gas, Inc. (Main Street) is a nonprofit corporation organized under Georgia law. Main Street facilitates long-term supply transactions on behalf of the Gas Authority, who in turn sells a portion of this discounted gas to Customers. Main Street is authorized to issue tax-exempt bonds on behalf of the Gas Authority. Main Street is governed by a board of directors consisting of five directors of the Gas Authority. Accordingly, Main Street is considered a blended component unit of the Gas Authority under governmental accounting standards and is included within the Gas Authority's financial statements. Main Street's audited financial statements are available from the Gas Authority. Main Street's daily activities are managed by the Gas Authority.

Management's Discussion and Analysis (continued)
(dollars in thousands)
(Unaudited)

Main Street has acquired gas through long-term prepaid gas purchase agreements (GPAs) and delivers gas to the Gas Authority through long-term gas supply contracts for specified volumes of gas. In some cases, the obligation of the Gas Authority to pay Main Street the contract price for its contract quantity of gas is insured pursuant to a separate financial guaranty insurance policy. Gas is priced at a discount to spot market pricing. Additional discounts may be distributed annually at the discretion of the Main Street Board.

Following is a summary of Main Street's active prepayments as of December 31, 2022:

Bond Series	Supplier	Gas Supply Term	Original Bond Amount	Original Volume *
2007A	Merrill Lynch	Dec 2007 – Jul 2028	$ 496,710 [1]	118,784 [1]
2018A&B	Royal Bank of Canada	Mar 2018 – Feb 2048	1,021,675	405,467
2018C,D,&E	Royal Bank of Canada	Jul 2018 – Jun 2048	1,000,215	409,762
2019A	Macquarie Group	Apr 2019 – Mar 2049	695,595	351,437
2019B	Toronto-Dominion Bank	Jul 2019 – Jun 2049	675,430	265,367
2019C	Citigroup	Feb 2020 – Jan 2050	631,970	236,472
2021A	Royal Bank of Canada	Jun 2022 – May 2052	821,620	259,175
2021C	Citigroup	Apr 2022 – Mar 2052	756,630	265,558
2022A	Citigroup	Aug 2022 – Jul 2052	538,310	166,018
2022B	Citigroup	Nov 2022 – Oct 2052	709,795	227,962
2022C	Citadel	Jul 2022 – Jun 2052	626,255	215,983

* Thousands of MMBtu

[1] In May 2009, Main Street redeemed $225,105 of bonds through a tender offer. The remaining volumes to be delivered under the related gas supply agreement were reduced by 51,508 thousands of MMBtu.

The Series 2018A&B, 2018C,D,&E, 2019B, 2019C, 2021A, 2021C, 2022A, 2022B, and 2022C bonds are required to be purchased pursuant to mandatory tenders on dates ranging from 5-7 years from issuance and remarketed or refunded. If the remarketing fails or the bonds are not refunded, bondholders are required to be repaid through a termination payment due from the supplier under the GPA and the prepayment transaction will terminate.

Price risk related to the future deliveries of gas under these prepayments has been fully hedged through the use of natural gas swaps that convert the revenues that Main Street will receive for selling future deliveries of gas from a variable price based on a spot market index to a fixed price. These fixed prices are sufficient to pay project costs, while preserving the discounts obtained in the original prepayments. Main Street's prepayments for these rights are secured by guaranties provided by large financial institutions. The Series 2007A, 2018A, 2018C, 2019A, 2019B, 2019C, 2021A, 2021C bonds, 2022A, 2022B, and 2022C have fixed interest rates. The Series 2018B, 2018D, and 2018E bonds have variable interest rates along with interest rate swaps.

In February 2023, Main Street issued Series 2023A revenue bonds totaling $695,535 to fund a 30-year natural gas prepayment transaction for 206,298,000 MMBtu supplied by Citi Prepaid Energy, LLC. In February 2023, Main Street issued Series 2023B revenue bonds totaling $834,335 to fund a 30-year natural gas prepayment transaction for 252,034,000 MMBtu supplied by Royal Bank of Canada.

Management's Discussion and Analysis (continued)
(dollars in thousands)
(Unaudited)

Short-Term Gas Supplies and Sales

In addition to gas supplies obtained from long-term arrangements, the Gas Authority obtains short-term supplies on a daily, monthly, and seasonal basis from a variety of suppliers. These supplies are used by the Gas Authority to fulfill and balance its Members' and Customers' daily requirements. Because of the volatile and highly seasonal nature of its Members' and Customers' gas supply requirements, the Gas Authority also occasionally remarkets excess gas supplies on a short-term basis to a variety of suppliers. The Gas Authority uses derivative instruments, including swaps and options, to hedge its commodity price risk associated with forecasted natural gas supply and sales transactions.

Proprietary Fund Accounting

The Gas Authority follows proprietary fund accounting under governmental accounting standards. Proprietary funds are used to report business-type activities, as contrasted with tax-supported governmental activities.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Gas Authority's basic financial statements. These financial statements are designed to provide readers with a broad overview of the Gas Authority's finances in a manner similar to a private-sector business.

The statements of net position present information on all the Gas Authority's assets, liabilities, and deferred inflows/outflows of resources, with the differences between these amounts reported as net position. Because billings and revenues in excess of actual costs are generally returned to Members in the form of billing credits and annual cash returns, net position is somewhat limited. The only significant exception is net position that has been designated by the Gas Authority's Board of Directors as reserve accounts and that has been funded by a reduction in Member billing credits or returns. The statements of revenues, expenses, and changes in net position present information showing how the Gas Authority's net position changed during the periods presented. All changes in net position are reported on the accrual basis as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in these statements for some items that will result in cash flows in future fiscal periods (i.e., costs recoverable from future billings and deferred inflows/outflows of resources).

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Management's Discussion and Analysis (continued)
(dollars in thousands)
(Unaudited)

Financial Analysis – 2022 Compared to 2021

Following are condensed statements of net position as of December 31:

	2022	2021
Total assets	**$ 8,738,410**	$ 7,210,750
Deferred outflows of resources	**1,434,664**	–
Current liabilities	**2,404,435**	395,901
Noncurrent liabilities	**7,730,538**	6,216,829
Total liabilities	**$ 10,134,973**	$ 6,612,730
Deferred inflows of resources	**$ –**	$ 561,476
Net position:		
Invested in capital assets	**2,924**	3,035
Unrestricted	**35,177**	33,509
Total net position	**$ 38,101**	$ 36,544

Total Assets – The increase in total assets of $1,527,660 is primarily due to the increase of $1,760,669 in prepaid gas supplies related to Main Street transactions, an increase of $43,263 in accounts receivable due to higher gas prices, and an increase of $94,826 in costs recoverable from future billings due to timing differences between expense recognition and billings to Members. These increases were partially offset by a decrease of $79,468 in investment securities related to Main Street Series 2006A and 2006B maturing, a decrease of $29,929 related to repayment of advances to PGP and direct financing leases, and a decrease of $271,423 in the fair value of derivative instruments related to changes in market conditions.

Total Liabilities – Current liabilities increased by $2,008,534 due primarily to an increase in the current portion of limited obligation debt of $1,962,693 primarily related to the Main Street transactions, an increase of $48,106 primarily due to accounts payable due to higher gas prices and accrued interest due to addition of Main Street debt, and an increase of $17,779 in the fair value of derivative instruments related to changes in market conditions, offset by a decrease of $25,781 in the current portion of long-term debt. Noncurrent liabilities increased by $1,513,709 due primarily to an increase of $1,706,939 in the fair value of derivative instruments related to market conditions, offset by a decrease in limited obligation debt of $188,317 due to reclasses to the current portion of limited obligation debt, and a decrease of $4,125 in long-term debt. See "Liquidity and Capital Resources" below.

Deferred Outflows/Inflows of Resources – The hedging derivative instruments experienced a net unrealized loss of $1,996,140 which caused the deferred inflows of resources of $561,476 in the prior year to become deferred outflows of resources of $1,434,664 in the current year.

Management's Discussion and Analysis (continued)
(dollars in thousands)
(Unaudited)

Following is a summary of operations for the years ended December 31:

	2022	2021
Operating revenues	**$ 667,700**	$ 471,710
Operating expenses:		
Gas operations	**346,179**	176,012
Reserve depletion and prepaid gas supply delivery	**201,243**	191,326
General and administrative	**15,670**	14,268
Total operating expenses	**563,092**	381,606
Operating income	**104,608**	90,104
Nonoperating expenses, net	**(103,051)**	(89,858)
Change in net position	**1,557**	246
Net position – beginning of year	**36,544**	36,298
Net position – end of year	**$ 38,101**	$ 36,544

Operating Revenues – Operating revenues, which represent gas supplies and related hedge settlements, pipeline charges, and other services provided to Members and Customers, increased by $195,990, or 41.6%. The increase in revenues is primarily due to higher average gas prices, which were $6.64 and $3.84 in 2022 and 2021, respectively, with an increase in throughput of approximately 14%. Revenue volatility is mitigated somewhat by the hedging programs discussed earlier.

Operating Expenses – Gas operations, which include transportation, storage, and commodity costs of delivering natural gas to Members and Customers, increased $170,167, or 96.7%, due primarily to higher gas prices. Reserve depletion and prepaid gas supply delivery expense increased $9,917, or 5.2%, primarily due the new Main Street prepayments.

Nonoperating Expenses, Net – Nonoperating expenses, net increased $13,193 primarily due to interest expense and costs of issuance related to the new Main Street transactions and the increase in costs recoverable from future billings, which represents the timing differences between expense recognition and billings to Members and Customers.

Liquidity and Capital Resources – The Gas Authority had cash, restricted cash and investment securities of $145,512 at December 31, 2022, as compared to $223,845 at December 31, 2021. See the cash flow statement for details of cash activity during 2022.

Management's Discussion and Analysis (continued)
(dollars in thousands)
(Unaudited)

Following is a summary of debt activity in 2022:

	December 31, 2021	Issuances	Payments/ Amortization	December 31, 2022	Maturity
Lines of credit	$ 40,000	**$ 148,000**	**$ (148,000)**	**$ 40,000**	Mar 2026
Bank Notes	52,000	**38,000**	**(27,000)**	**63,000**	Oct 2025
Series Q	2,000	**-**	**(2,000)**	**-**	Oct 2022
Series S	22,000	**-**	**(22,000)**	**-**	Oct 2022
Series U	13,000	**-**	**(5,000)**	**8,000**	Oct 2024
Series A	26,000	**-**	**(10,000)**	**16,000**	Oct 2024
Bond premium	2,699	**-**	**(1,906)**	**793**	N/A
Total	$ 157,699	**$ 186,000**	**$ (215,906)**	**$ 127,793**	
Limited obligation debt:					
Main Street bonds	$ 5,893,810	**$ 1,874,360**	**$ (136,610)**	**$ 7,631,560**	2023 - 2049
Bond premium	438,681	**138,873**	**(99,722)**	**477,832**	N/A
Direct financing leases	17,790	**-**	**(2,525)**	**15,265**	2023 - 2033
Total	$ 6,350,281	**$ 2,013,233**	**$ (238,857)**	**$ 8,124,657**	

All bonds except three series of Main Street bonds are fixed rate, and all debt supports financing of gas prepayments, gas reserve acquisitions, advance payments to PGP, storage operations, and other gas supply activities.

From the proceeds of non-limited obligation debt financings, $126,454 has been advanced to PGP as of December 31, 2022. Under advance payment agreements, PGP is obligated to repay these funds by the final maturity of related Gas Authority debt in 2027. See the financial statement notes for further discussion of the Gas Authority's long-term debt.

The Gas Authority has lines of credit (LOCs) with an aggregate capacity of $150,000, and $110,000 available to be drawn at December 31, 2022. In December 2022, the Gas Authority increased its lines of credit to $150,000 and extended the term through March 31, 2026.

The Gas Authority is exposed to credit risk in its arrangements with financial counterparties, suppliers, Members, Customers, and others. The Gas Authority has adopted policies and procedures to minimize this risk. Cash and investment securities balances consist of working capital and portfolio reserves as well as cash balances generated by the Gas Authority's long-term supply projects and provide sufficient liquidity for planned operations.

In April 2023, the Gas Authority Board of Directors approved an annual cash return to Members of $16,469 that is incremental to monthly returns.

Management's Discussion and Analysis (continued)
(dollars in thousands)
(Unaudited)

Financial Analysis – 2021 Compared to 2020

Following are condensed statements of net position as of December 31:

	2021	2020
Total assets	**$ 7,210,750**	$ 6,904,431
Current liabilities	**395,901**	311,898
Noncurrent liabilities	**6,216,829**	4,673,769
Total liabilities	**$ 6,612,730**	$ 4,985,667
Deferred inflows of resources	**$ 561,476**	$ 1,882,466
Net position:		
Invested in capital assets	**3,035**	2,557
Unrestricted	**33,509**	33,741
Total net position	**$ 36,544**	$ 36,298

Total Assets – The increase in total assets of $306,319 is primarily due to the increase of $1,590,597 in prepaid gas supplies and $28,067 in investment securities related to the new Main Street 2021A and 2021C prepayment transactions, an increase of $7,143 in accounts receivable due to higher gas prices, and an increase of $54,119 in cost recoverable from future billings due to timing differences between expense recognition and billings to Members; these increases were partially offset by a decrease of $38,185 related to repayment of advances to PGP and a decrease of $1,334,400 in the fair value of derivative instruments related to changes in market conditions.

Total Liabilities – Current liabilities increased by $84,003 due primarily to an increase in the current portion of limited obligation debt of $59,142 primarily related to the Main Street 2021A and 2021C transactions, an increase of $17,870 in the current portion of long-term debt due to reclassifications from long-term debt net of debt repayments, and an increase in accounts payable and accrued expenses of $10,434 primarily related to higher gas prices, offset by a decrease of $2,400 in short-term debt. Noncurrent liabilities increased by $1,543,060 due primarily to an increase of $1,607,590 in limited obligation debt related to the Main Street 2021A and 2021C transactions, partially offset by a decrease in limited obligation debt of $50,363 due to reclasses to the current portion of limited obligation debt, and a decrease of $13,726 in the fair value of derivative instruments due to market conditions. See "Liquidity and Capital Resources" below.

Deferred Inflows of Resources – Deferred inflows of resources represents the net unrealized gain on hedging derivative instruments, which decreased $1,320,990 due primarily to changes in market conditions.

Management's Discussion and Analysis (continued)
(dollars in thousands)
(Unaudited)

Following is a summary of operations for the years ended December 31:

	2021	2020
Operating revenues	**$ 471,710**	$ 438,978
Operating expenses:		
Gas operations	**176,012**	137,360
Reserve depletion and prepaid gas supply delivery	**191,326**	209,072
General and administrative	**14,268**	13,951
Total operating expenses	**381,606**	360,383
Operating income	**90,104**	78,595
Nonoperating expenses, net	**(89,858)**	(77,724)
Change in net position	**246**	871
Net position – beginning of year	**36,298**	35,427
Net position – end of year	**$ 36,544**	$ 36,298

Operating Revenues – Operating revenues, which represent gas supplies and related hedge settlements, pipeline charges, and other services provided to Members and Customers, increased by $32,732, or 7.5%. The increase in revenues is primarily due higher average gas prices, which were $3.84 and $2.08 in 2021 and 2020, respectively, partially offset by a throughput decline of approximately 2%. Revenue volatility is mitigated somewhat by the hedging programs discussed earlier.

Operating Expenses – Gas operations, which include transportation, storage, and commodity costs of delivering natural gas to Members and Customers, increased $38,652, or 28.1%, due primarily to higher gas prices. Reserve depletion and prepaid gas supply delivery expense decreased $17,746, or 8.5%, primarily due the termination of Main Street 2010A prepaid in September 2020.

Nonoperating Expenses, Net – Nonoperating expenses, net increased $12,134 primarily due to the net effect of the write-off of the positive fair value of the interest rate swap in the termination of Main Street 2010A prepayment in 2020 and the increase in costs recoverable from future billings, which represents the timing differences between expense recognition and billings to Members and Customers.

Statements of Net Position

(in thousands of dollars)

	December 31, 2022	December 31, 2021
Assets and deferred outflows of resources		
Current assets:		
Cash and cash equivalents	**$ 53,536**	$ 55,094
Restricted cash and cash equivalents	**28,796**	26,103
Investment securities – restricted	**63,180**	142,648
Accounts receivable – Members	**54,280**	25,927
Accounts receivable – other	**53,163**	38,253
Prepaid gas supplies	**261,260**	179,418
Gas inventories and other current assets	**16,377**	8,364
Fair value of derivative instruments	**68,346**	68,046
Total current assets	**598,938**	543,853
Noncurrent assets:		
Gas properties and supplies:		
Prepaid gas supplies	**7,330,240**	5,651,413
Investments:		
Direct financing leases	**13,821**	16,443
Operating partnership	**1,852**	1,875
Advance payment due from Public Gas Partners	**126,454**	153,761
Fair value of derivative instruments	**243,713**	515,436
Costs recoverable from future billings	**416,616**	321,790
Other assets	**6,776**	6,179
Total noncurrent assets	**8,139,472**	6,666,897
Deferred outflows of resources	**1,434,664**	–
Total assets and deferred outflows of resources	**$ 10,173,074**	$ 7,210,750
Current liabilities:		
Accounts payable and accrued expenses	**$ 117,426**	$ 69,320
Due to Members	**16,622**	11,165
Short-term debt	**40,000**	40,000
Current portion of long-term debt	**24,578**	50,359
Current portion of limited obligation debt	**2,186,625**	223,932
Other liabilities	**1,090**	810
Fair value of derivative instruments	**18,094**	315
Total current liabilities	**2,404,435**	395,901
Noncurrent liabilities:		
Long-term debt	**63,215**	67,340
Fair value of derivative instruments	**1,728,629**	21,690
Other liabilities	**662**	1,450
Limited obligation debt	**5,938,032**	6,126,349
Total noncurrent liabilities	**7,730,538**	6,216,829
Total liabilities	**10,134,973**	6,612,730
Deferred inflows of resources	**–**	561,476
Net position:		
Invested in capital assets	**2,924**	3,035
Unrestricted	**35,177**	33,509
Total net position	**38,101**	36,544
Total liabilities, deferred inflows of resources, and net position	**$ 10,173,074**	$ 7,210,750

See accompanying notes.

Statements of Revenues, Expenses, and Changes in Net Position

(in thousands of dollars)

	Year Ended December 31, 2022	2021
Operating revenues:		
Gas operations	**$ 654,714**	$ 460,370
Other	**12,986**	11,340
Total operating revenues	**667,700**	471,710
Operating expenses:		
Gas operations	**346,179**	176,012
Reserve depletion and prepaid gas supply delivery	**201,243**	191,326
General and administrative	**15,670**	14,268
Total operating expenses	**563,092**	381,606
Operating income	**104,608**	90,104
Nonoperating revenues (expenses):		
Investment income and other gains	**5,107**	4,022
Interest and other expense	**(202,984)**	(147,872)
Costs recoverable from future billings	**94,826**	53,992
Total nonoperating expenses, net	**(103,051)**	(89,858)
Change in net position	**1,557**	246
Net position:		
Beginning of period	**36,544**	36,298
End of period	**$ 38,101**	$ 36,544

See accompanying notes.

Statements of Cash Flows

(in thousands of dollars)

	Year Ended December 31, 2022	2021
Operating activities		
Receipts from Members and Customers	**$ 807,466**	$ 383,996
Payments to suppliers and vendors	**(366,521)**	(185,770)
Receipts from (payments to) derivatives counterparties, net	**(128,667)**	103,566
Payments to Members and Customers	**(10,656)**	(11,629)
Payments to employees	**(11,304)**	(11,453)
Net cash flow from operating activities	**290,318**	278,710
Financing activities		
Noncapital financing activities:		
Line of credit receipts	**148,000**	39,600
Line of credit payments	**(148,000)**	(42,000)
Net cash flow from noncapital financing activities	**–**	(2,400)
Capital and related financing activities:		
Capital expenditures and inventory purchases/sales, net	**(82)**	(23)
Acquisition of prepaid gas supply	**(1,961,912)**	(1,781,923)
Member lease payments	**3,304**	3,359
Gas revenue bond proceeds	**38,000**	(30,500)
Gas revenue bond payments	**(66,000)**	–
Limited obligation bond proceeds	**2,013,233**	1,839,387
Limited obligation bond payments	**(139,135)**	(119,580)
Interest payments and bond issuance costs	**(288,536)**	(199,463)
Net cash flow from capital and related financing activities	**(401,128)**	(288,743)
Net cash flow from financing activities	**(401,128)**	(291,143)
Investing activities		
Investment securities purchases/sales, net	**79,468**	(28,067)
Interest receipts and other	**5,170**	3,362
Repayments from Public Gas Partners, net	**27,307**	38,184
Net cash flow from investing activities	**111,945**	13,479
Net change in cash and cash equivalents and restricted cash	**1,135**	1,046
Cash and cash equivalents and restricted cash:		
Beginning of period	**81,197**	80,151
End of period	**$ 82,332**	$ 81,197
Reconciliation of operating income to net cash flow from operating activities		
Operating income	**$ 104,608**	$ 90,104
Adjustments to reconcile net cash provided by operating activities:		
Depreciation, amortization, and accretion	**110**	123
Depletion and delivery of gas	**201,243**	191,326
Changes in certain assets and liabilities:		
Accounts receivable	**(43,262)**	(7,143)
Gas inventories and other assets	**(9,364)**	(731)
Accounts payable and accrued expenses	**32,026**	7,249
Due to Members	**4,957**	(2,218)
Net cash flow from operating activities	**$ 290,318**	$ 278,710

See accompanying notes.

Notes to Financial Statements

(dollars in thousands)

1. Summary of Significant Accounting Policies

Reporting Entity

The Municipal Gas Authority of Georgia (the Gas Authority) is a public corporation created in 1987 by an Act of the General Assembly of the state of Georgia (the Act) to provide reliable and economic gas supplies to municipal gas distribution systems. The Act provides that the Gas Authority will establish rates and charges to produce revenues sufficient to cover its costs, including debt service, but it may not operate for profit, unless any such profit inures to the benefit of the public. As of December 31, 2022, 67 Georgia municipalities, 10 Alabama municipalities, 3 Florida municipalities, 1 Tennessee municipality, and 1 Pennsylvania municipality (the Members) have contracted with the Gas Authority for gas supplies for resale to their customers. The Gas Authority also provides gas supplies and related services to 16 other agencies and municipal utilities (Customers) on a limited basis for the benefit of the Members. Additionally, the Gas Authority provides regulatory compliance services to 46 other entities.

Pursuant to the provisions of the Act, the Gas Authority and all 82 Members have entered into long-term gas supply contracts (the Gas Supply Contracts) that require Members to take their entire gas supply from the Gas Authority and require the Gas Authority to provide that supply. Members can elect to participate in joint projects undertaken by the Gas Authority and authorize the issuance of project debt by entering into a supplemental contract (Supplemental Contract). These Supplemental Contracts authorize the Gas Authority to issue gas revenue bonds and other debt obligations to acquire a portfolio of gas supplies and gas-related assets to fulfill, in whole or in part, its obligation to supply gas to Members.

The Portfolio III project was initiated in November 2002 with the execution of amended Gas Supply Contracts and Supplemental Contracts with all Members. Those contracts were amended in 2008 to extend the full requirements gas supply services to Members through at least the date on which all Portfolio III bonds are fully retired and authorize the issuance of up to $1,500,000 in debt to secure long-term gas supplies. Through these contracts, the Gas Authority was authorized to issue additional debt through December 31, 2014, with maturities not exceeding 15 years from issuance. The Portfolio IV project was initiated in November 2014 with the execution of Supplemental Contracts. Under the Portfolio IV contracts, the Gas Authority was authorized to issue up to $1,100,000 in debt through December 31, 2020, increasing to $1,500,000 as Portfolio III principal payments are made, with maturities not exceeding 20 years from issuance, to secure long-term gas supplies. The Portfolio V project was initiated in January 2021 with the execution of Supplemental Contracts. Under the Portfolio V contracts, the Gas Authority is authorized to issue up to $831,500 in debt through December 31, 2030, increasing to $1,000,000 as Portfolio III and IV principal payments are made, with maturities not exceeding 30 years from issuance, to secure long-term gas supplies.

Pursuant to Governmental Accounting Standards Board (GASB) 14, *The Financial Reporting Entity*, the financial statements of Main Street Natural Gas, Inc. (Main Street), a nonprofit corporation organized under Georgia law, are included in these financial statements as a blended component unit. Main Street facilitates long-term prepaid supply transactions on behalf of the Gas Authority, who in turn sells a portion of this discounted gas to Customers. Main Street is governed by a board of directors that consists of a subset of the Gas Authority's Board of Directors.

The Gas Authority manages the day-to-day activities of Public Gas Partners, Inc. (PGP), a Georgia nonprofit corporation that is a gas supplier/exchanger and gas commodity swap

Notes to Financial Statements (continued)
(dollars in thousands)

counterparty for prepayment transactions and manages pools of long-term natural gas supplies under Production Sharing Agreements with seven municipal entities, including the Gas Authority. PGP is a counterparty to Main Street in certain Main Street transactions. The Gas Authority also manages the day-to-day activities of Public Energy Partners, Inc. (PEP), a Georgia nonprofit corporation that is a gas supplier/exchanger and gas commodity swap counterparty for prepayment transactions. PEP is a counterparty to Main Street in certain Main Street transactions. PGP and PEP are not component units as they are autonomous companies with independent boards of directors, and therefore their operations are not included in these financial statements.

Basis of Accounting

The Gas Authority follows proprietary fund accounting in accordance with GASB pronouncements. Proprietary fund accounting is used to report business-type activities, as contrasted with tax-supported governmental activities. The Gas Authority also complies with policies and practices prescribed by its Board of Directors and with practices common in the natural gas industry. As the Board of Directors has the authority to set rates, the Gas Authority follows GASB regulated accounting guidance in GASB 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which provides for the reporting of assets and liabilities consistent with the economic effect of the rate structure. See further discussion under Costs Recoverable From Future Billings and Deferred Outflows/Inflows of Resources.

Cash and Cash Equivalents

Cash and cash equivalents include bank demand accounts and cash deposited in local government investment pools. Cash in excess of daily requirements is invested in a local government investment pool managed by the State of Georgia. Cash deposited with bond trustees is invested in a U.S. Treasury securities fund. Restricted cash represents funds held by trustees or by counterparties under collateralized repurchase agreements, restricted pursuant to various bond resolutions.

Prepaid Gas Supplies

Prepaid gas supplies, which are recorded at amortized cost, comprise secured prepayments of gas to be received by Main Street as further discussed in Note 5. Those prepayments expire at various dates through 2052. The prepaid contracts are each secured by a guaranty provided by a financial institution that met certain criteria upon execution.

Gas Inventories and Other Current Assets

Gas inventories consist of natural gas that is purchased and stored in interstate pipelines or other facilities in the summer and withdrawn in the winter. Gas inventories are stated at weighted average cost. Other current assets consist of prepaid expenses and interest receivable.

Investments

Investment Securities – Restricted

Investment securities – restricted represent Main Street's investments, which consist of guaranteed investment contracts (GICs) with financial counterparties that meet minimum credit criteria, or other investments as permitted under the related bond indentures. The balances in such accounts are restricted for use by Main Street's bond trustee, with earnings released

Notes to Financial Statements (continued)
(dollars in thousands)

annually to Main Street after debt service is paid. GICs are recorded at cost, while other securities are recorded at fair value. Investment income is recorded as investment income and other gains. Any other-than-temporary declines in value are recorded as impairments. No such impairments were recorded in 2022 or 2021. See Note 2 for a schedule of investments as of December 31, 2022 and 2021.

Investments in Direct Financing Leases

Certain direct financing leases executed on behalf of Members for gas distribution system improvements have been recorded based on the lease payment schedule. Leases in which the Gas Authority has assigned its lease payment rights to a bank have not been recorded in the financial statements.

Investment in Operating Partnership

The Gas Authority owns a 3% interest in a liquefied natural gas peak demand facility, recorded at cost. There are no temporary declines in value that were required to be recorded.

Costs Recoverable From Future Billings

Under GASB 62, regulatory assets are recorded to reflect probable future revenues associated with certain costs that are expected to be recovered from customers through the ratemaking process. The Gas Supply Contracts establish a pricing mechanism outlining the methods for billing Members for various classes of gas supply services. Expenses in excess of amounts currently billable to Members under the pricing mechanism that will be recovered from future billings to Members are classified as costs recoverable from future billings. These deferred amounts are principally related to long-term supply and storage arrangements comprising costs that are recognized under generally accepted accounting principles at different times than they are billed to Members, as well as amounts billable or refundable to Main Street customers. Main Street's natural gas billings are designed to provide, over the life of each project, full recovery of all project costs as defined in the respective trust indentures and as prescribed by the Main Street Board of Directors. The Main Street costs to be recovered consist primarily of the difference between the amortization of prepaid gas supplies and debt service requirements recognized in the financial statements and amounts currently billable to Main Street customers.

Other Assets

Other asset balances primarily consist of capital assets, which consist of land, buildings, furniture, and equipment and are recorded at cost, and Member loans for growth initiatives (see Note 3). Depreciation on buildings, furniture, and equipment is recorded using the straight-line method over estimated useful lives of 3 to 40 years.

Deferred Outflows/Inflows of Resources

Deferred outflows/inflows of resources represent the net unrealized loss/gain on hedging derivative instruments primarily related to Main Street.

Notes to Financial Statements (continued)
(dollars in thousands)

Revenues

Revenues are recognized in the period that gas supplies are delivered and other services are provided. Under the provisions of the Act, the Gas Authority is required to set rates sufficient to recover all its costs. Any excess revenues or expenses are either credited or billed to Members in accordance with policies approved by the Board of Directors.

Derivative Instruments

The Gas Authority uses derivative instruments, including swaps and options (collectively, commodity derivatives), to hedge its commodity price risk associated with forecasted natural gas supply and sales transactions, physical storage operations, and gas production sales from its long-term reserve assets. Main Street uses natural gas swaps to hedge commodity price risk associated with its gas prepayment transactions. Main Street also uses interest rate swaps to reduce the impact of changes in interest rates on its variable rate long-term debt.

Under GASB 53, *Accounting and Financial Reporting for Derivative Instruments*, realized gains or losses on hedging derivative instruments are recognized in operating revenues in the period to which the derivative instruments relate. Realized gains or losses on derivative instruments that do not meet the criteria to be accounted for as hedging derivative instruments (investment derivative instruments), if any, are recognized in investment income in the period to which the derivative instruments relate. GASB 53 requires the Gas Authority to record the fair value of derivative instruments on the statements of net position as an asset or liability. The change in fair value of hedging derivative instruments (unrealized gains or losses) is recorded net as a deferred inflow (outflow) of resources. Changes in the fair value of investment derivative instruments (unrealized gains or losses) are recognized as investment income/loss and then deferred as regulatory assets or liabilities under GASB 62. The fair values of derivative instruments with individual counterparties under master netting arrangements are offset as current and/or long-term assets or liabilities on the statements of net position.

Cash receipts and payments for commodity instruments are classified as operating activities in the statements of cash flows. Cash receipts and payments for interest rate instruments are classified as investing activities in the statements of cash flows. Cash receipts and payments for Main Street derivative instruments are classified as operating activities in the statements of cash flows.

Fair Value Measurements

The Gas Authority's financial instruments include cash and cash equivalents, restricted cash and cash equivalents, restricted investments securities, accounts receivable, accrued expenses, accounts payable, interest rate and gas supply hedging agreements, and debt. The carrying amounts of cash and cash equivalents, restricted cash and cash equivalents, accounts receivable, accrued expenses, and accounts payable approximate fair value because of their short-term nature. The carrying amounts of variable-rate debt also approximate fair value because of their variable interest rates.

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. A three-tier fair value hierarchy distinguishes between assumptions based on market data (observable inputs) and the Gas Authority's

assumptions (unobservable inputs). Fair value measurement is classified under the following hierarchy:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Pricing inputs other than Level 1 which are either directly or indirectly observable.
- Level 3: Unobservable pricing inputs developed using the entity's estimates and assumptions, which reflect those that market participants would use in pricing an asset or liability.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Gas Authority. The Gas Authority considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The Gas Authority evaluates its hierarchy disclosures each reporting period, and based on various factors, it is possible that an asset or liability may be classified differently from period to period. However, the Gas Authority expects that changes in classifications between different levels will be infrequent, and no reclassifications occurred to the December 31, 2022 or 2021, balances presented below.

Fair value estimates are based on pertinent information available to management at each statement of net position date. Specifically, fair value estimates for derivative instruments represent the present value of the differences of the fixed prices in the related instruments less the New York Mercantile Exchange (NYMEX) forward price curve (projected for periods beyond when NYMEX quotes are available), adjusted for basis differentials, multiplied by the corresponding monthly gas volume using the applicable London Interbank Offered Rate (LIBOR) forward interest rate curve as a discount rate. Fair values of option contracts are estimated using option pricing models that consider similar factors and also include an estimate of expected volatility. Fair values of interest rate swaps are estimated by measuring the rates of the original interest derivatives against the corresponding index (LIBOR or Securities Industry and Financial Markets Association (SIFMA)). These estimated fair values may be significantly impacted by changes in underlying natural gas commodity prices or the general interest rate environment. Fair values of investments are based on quoted market prices. The fair values presented have not been comprehensively revalued since December 31, 2022, and current estimates of fair value may differ significantly from the amounts presented herein.

The following table summarizes the valuation of financial instruments measured at fair value:

December 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Gas supply hedging agreements	**$ -**	**$ (239,858)**	**$ (1,200,443)**	**$ (1,440,301)**
Interest rate swap agreements	**-**	**-**	**5,637**	**5,637**
US government and agency securities	**53,518**	**-**	**-**	**53,518**

December 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Gas supply hedging agreements	$ -	$ 1,001,130	$ (421,089)	$ 580,041
Interest rate swap agreements	-	-	(18,565)	(18,565)
US government and agency securities	68,386	-	-	68,386

Notes to Financial Statements (continued)
(dollars in thousands)

Net Position

Net investment in capital assets represents the Gas Authority's net position in buildings, land, and equipment. Unrestricted net position represents retained operating margins or billings to Members in excess of costs to establish reserves and working capital to finance the Gas Authority's gas supply operations and for the purchase of property and other assets. Such amounts are subject to disposition in accordance with policies approved by the Board of Directors and the contracts with Members.

Income Taxes

The Gas Authority is a governmental instrumentality and performs an essential government function and, therefore, is exempt from federal and state income taxes pursuant to section 115 of the Internal Revenue Code, as amended. The Gas Authority is also exempt from federal income tax under section 501(a) of the Internal Revenue Code as an entity described in 501(c)(3). Main Street is a public corporation, and therefore is exempt from federal and state income taxes. Accordingly, no provision for such taxes is made in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect (1) the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and (2) the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Intercompany Eliminations

Transactions between the Gas Authority and Main Street have been eliminated in the financial statements.

Subsequent Events

In preparing the accompanying audited financial statements, management reviewed all events that have occurred after December 31, 2022 through April 14, 2023, the date these financial statements were available for issuance, for inclusion in the financial statements and footnotes.

2. Cash and Cash Equivalents, Investment Securities, and Related Risks

Cash and Cash Equivalents

At December 31, 2022, amounts invested in a local government investment pool totaling $4,406 and bank deposits totaling $49,188 were either covered by federal depository insurance or collateralized with securities held by a third-party bank's trust department. Total restricted cash held by trustees at December 31, 2022, was $28,796. Of this amount, $27,206 related to Main Street's limited obligation debt and $1,590 related to direct financing lease obligations.

At December 31, 2021, amounts invested in a local government investment pool totaling $4,417 and bank deposits totaling $50,684 were either covered by federal depository insurance or collateralized with securities held by a third-party bank's trust department. Total restricted cash held by trustees at December 31, 2021, was $26,103. Of this amount, $24,604 related to Main Street's limited obligation debt and $1,499 related to direct financing lease obligations.

Notes to Financial Statements (continued)
(dollars in thousands)

Investment Securities – Restricted

Following is a summary of investment balances:

Investment Type	Balance	Final Maturity	Percentage of Total Investments
December 31, 2022			
Restricted investments securities:			
Guaranteed investment contract:			
Aegon	**$ 9,662**	**2028**	**15 %**
Commercial paper:			
British Columbia Province	**5,620**	**2023**	**9**
Glencove Funding DAC	**6,852**	**2023**	**11**
GTA Funding	**9,260**	**2023**	**15**
Intel Corporation	**4,965**	**2023**	**8**
Regatta Funding	**3,537**	**2023**	**5**
Royal Bank of Canada	**7,525**	**2023**	**12**
Toronto Dominion Bank	**8,337**	**2023**	**13**
Other *	**7,422**	**2023**	**12**
Total	**$ 63,180**		
December 31, 2021			
Restricted investments securities:			
Guaranteed investment contracts:			
Credit Agricole	$ 69,890	2022	50 %
Aegon	4,372	2028	3
Commercial paper:			
Anglesea Funding	15,795	2022	11
DBS Bank	7,999	2022	6
Mountcliff Funding	10,500	2022	7
Other *	34,092	2022	23
Total	$ 142,648		

* Individually less than 5% of total

The guaranteed investment contracts have a maturity that is coterminous with the related gas purchase agreements. The balances accumulate monthly and are subject to withdrawal when a semiannual debt service payment is due. Such balances are classified as current restricted investments in the accompanying statements of net position when such amounts will fund current obligations.

Interest Rate Risk

The Gas Authority and Main Street do not have formal investment policies regarding interest rate risk.

Credit Risk

The Gas Authority's investment policy allows investments in obligations of the federal or any state government; obligations fully insured or guaranteed by the federal government or any of its agencies; obligations of any corporation of the federal government; prime banker's acceptances; the local government investment pool; certain repurchase agreements of the federal government; certain obligations of political subdivisions of any state, their agencies or instrumentalities that

Notes to Financial Statements (continued)
(dollars in thousands)

have been rated the equivalent of AA- or better by at least one of the national rating agencies; and Georgia Members of the Gas Authority pursuant to lease agreements or other intergovernmental contracts with the Gas Authority. Main Street does not have a formal investment policy regarding counterparty credit risk.

Concentration of Credit Risk

The Gas Authority and Main Street do not have a policy that limits the amount that may be invested in any one issuer. Investments representing greater than 5% of total investments are shown under Investment Securities above.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Gas Authority's deposits may not be returned to it. The Gas Authority and Main Street do not have a deposit policy for custodial credit risk. As of December 31, 2022 and 2021, $28,796 and $26,103, respectively, were exposed to custodial credit risk as such amounts were uninsured and collateral held by the pledging bank's trust department was not in the Gas Authority's name.

3. Portfolio and Working Capital Reserves

The Board of Directors has created two reserve accounts, included in unrestricted net position on the statements of net position. The Portfolio Reserve, funded from Portfolio gas supply projects, had a balance of approximately $16,000 and $16,000 at December 31, 2022 and 2021, respectively. Investment income on such reserve is distributed annually to Members (see Note 4). No additional contributions are expected to be made to the Portfolio Reserve other than by Members that have contracted with the Gas Authority since the inception of the reserve. The Working Capital Reserve was funded from retained margins from long-term supplies, including the Portfolio III project, and had a balance of approximately $19,000 and $16,000 at December 31, 2022 and 2021, respectively. Interest income from the Working Capital Reserve is used to help fund general and administrative expenses. The Board has approved the use of up to $10,000 of reserves to fund growth initiatives including loans to Members and other initiatives. Of this amount, $7,382 and $6,220 were utilized at December 31, 2022 and 2021, respectively. These amounts are reflected in other assets and costs recoverable from future billings in the statements of net position.

4. Annual Member Returns

In April 2023 and 2022, the Board of Directors approved annual cash returns to Members of $16,469 and $10,828, respectively. These Member returns, which reduced revenues, are included in due to Members in the statements of net position.

5. Main Street Natural Gas

Main Street is authorized to issue tax-exempt bonds on behalf of the Gas Authority. Main Street's daily activities are managed by the Gas Authority under services agreements with durations consistent with the related gas supply agreements. Main Street's audited financial statements are available from the Gas Authority.

Main Street has acquired gas through long-term prepaid gas purchase agreements (GPAs) and delivers gas to the Gas Authority through long-term gas supply contracts for specified volumes of gas. In some cases, the obligation of the Gas Authority to pay Main Street the contract price for

Notes to Financial Statements (continued)
(dollars in thousands)

its contract quantity of gas is insured pursuant to a separate financial guaranty insurance policy. Gas is priced at a discount to spot market pricing. Additional discounts may be distributed annually at the discretion of the Main Street Board.

Following is a summary of Main Street's active prepayments as of December 31, 2022. See further discussion of the related debt in Note 9.

Bond Series	Supplier	Gas Supply Term	Original Bond Amount	Original Volume *
2007A	Merrill Lynch	Dec 2007 – Jul 2028	$ 496,710 [1]	118,784 [1]
2018A&B	Royal Bank of Canada	Mar 2018 – Feb 2048	1,021,675	405,467
2018C,D,&E	Royal Bank of Canada	Jul 2018 – Jun 2048	1,000,215	409,762
2019A	Macquarie Group	Apr 2019 – Mar 2049	695,595	351,437
2019B	Toronto-Dominion Bank	Jul 2019 – Jun 2049	675,430	265,367
2019C	Citigroup	Feb 2020 – Jan 2050	631,970	236,472
2021A	Royal Bank of Canada	Jun 2022 – May 2052	821,620	259,175
2021C	Citigroup	Apr 2022 – Mar 2052	756,630	265,558
2022A	Citigroup	Aug 2022 – Jul 2052	538,310	166,018
2022B	Citigroup	Nov 2022 – Oct 2052	709,795	227,962
2022C	Citadel	Jul 2022 – Jun 2052	626,255	215,983

* Thousands of MMBtu

[1] In May 2009, Main Street redeemed $225,105 of bonds through a tender offer. The remaining volumes to be delivered under the related gas supply agreement were reduced by 51,508 thousands of MMBtu.

The Series 2018A&B, 2018C,D,&E, 2019B, 2019C, 2021A, 2021C, 2022A, 2022B, and 2022C bonds are required to be purchased pursuant to mandatory tenders and remarketed or refunded on dates ranging from 5-7 years from issuance. If the remarketing fails or the bonds are not refunded, bondholders are required to be repaid through a termination payment due from the supplier under the GPA and the prepayment transaction will terminate.

In February 2023, Main Street issued Series 2023A revenue bonds totaling $695,535 to fund a 30-year natural gas prepayment transaction for 206,298,000 MMBtu supplied by Citi Prepaid Energy, LLC. In February 2023, Main Street issued Series 2023B revenue bonds totaling $834,335 to fund a 30-year natural gas prepayment transaction for 252,034,000 MMBtu supplied by Royal Bank of Canada. These transactions have associated commodity swaps similar to other Main Street transactions discussed in Note 10.

6. Public Gas Partners

The Gas Authority has entered into three Natural Gas Production Sharing Agreements (PSAs) (one each for Gas Supply Pools 1, 2, and 3, further described below) and one Participation Agreement (PA) (for Gas Supply Pool 4, further described below) with PGP. Each PSA and PA obligates the Gas Authority to pay as a component of gas operations expense its share of all costs incurred by the related PGP Pool until all related debt has been paid and the last volumes have been delivered. The PSAs include a step-up provision that could obligate the Gas Authority to increase its participation share in the PGP Pool by up to 25% in the event of default of another member. No defaults occurred in 2022 or 2021.

The acquisition periods for PGP Pools 1 and 2 ended in 2008. The Gas Authority has committed to take 50% of PGP's production from Pool 1 and 58% of PGP's production from Pool 2. The

Notes to Financial Statements (continued)
(dollars in thousands)

production may be taken physically by the Gas Authority or it may be sold in its local market on behalf of the Gas Authority. Pool 3 was formed in May 2009 and has an indefinite acquisition period. The Gas Authority has committed to take 85% of PGP's production from Pool 3. Pool 4 was formed in January 2018 to be a gas supplier/exchanger and commodity swap counterparty for gas prepayment transactions. The Gas Authority provides funding to PGP under Advance Payment Agreements (APAs) that mature in the years the related debt is due. The balance under the APAs is reflected on the statements of net position as advance payment due from Public Gas Partners. Interest expense is charged based on the Gas Authority's actual interest expense incurred. PGP made cash interest payments to the Gas Authority of $1,740 and $1,041 in 2022 and 2021, respectively.

The Gas Authority manages the day-to-day activities of PGP under a services agreement and received fees of $1,594 and $1,645 from PGP for such services in 2022 and 2021, respectively.

7. Public Energy Partners

The Gas Authority has entered into a Participation Agreement with a 49% participation share with PEP. This agreement obligates the Gas Authority to pay as a component of gas operations expense its share of all costs incurred by PEP. The Gas Authority provides funding to PEP under Advance Payment Agreements for each PEP transaction. Those agreements mature when the related transaction is completed. At December 31, 2022 and 2021, no amounts were due to the Gas Authority under those agreements. The Gas Authority manages the day-to-day activities of PEP under a services agreement and received fees of $380 and $0 in 2022 and 2021, respectively.

8. Debt

The Gas Authority has issued debt related to the financing of gas reserve acquisitions, advance payments to PGP, and other gas supply activities. All bonds and bank notes have fixed rates with original maturities of 2 to 15 years. Bond premium is accounted for under the effective-interest method. The Gas Authority has pledged its revenues in support of its obligations under the Portfolio bonds. The trust indenture contains provisions that allow the trustee to declare debt payments immediately due under certain limited events of default.

As of December 31, 2022 and 2021, the Gas Authority had lines of credit (LOCs) with an aggregate capacity of $150,000 and $100,000, respectively. In December 2022, the Gas Authority increased its lines of credit to $150,000 and extended the term through March 31, 2026. As of December 31, 2022 and 2021, $110,000 and $60,000 respectively was available to be drawn on the LOCs.

Notes to Financial Statements (continued)
(dollars in thousands)

Following is a summary of debt activity in 2022:

	Issue Date	Final Maturity	Avg % Yield	Balance December 31, 2021	Issuances	Payments/ Amortization	Balance December 31, 2022
Short-term debt:							
Lines of credit	N/A	Mar '26	N/A	$ 40,000	$ 148,000	$ (148,000)	$ 40,000
Long-term debt:							
Bank notes	Sep '20	Oct '25	1.24	$ 52,000	$ –	$ (27,000)	$ 25,000
Bank notes	Sep '22	Oct 24	4.19	–	38,000	–	38,000
Series Q	Nov '12	Oct '22	2.43	2,000	–	(2,000)	–
Series S	Nov '12	Oct '22	3.07	22,000	–	(22,000)	–
Series U	Jul '14	Oct '24	1.70	13,000	–	(5,000)	8,000
Series A	Jul '16	Oct '24	1.22	26,000	–	(10,000)	16,000
Bond premium	N/A	N/A	N/A	2,699	–	(1,906)	793
Total debt				117,699	$ 38,000	$ (67,906)	87,793
Less amounts due within one year				49,000			24,000
Less current portion of bond premium				1,359			578
Total long-term debt				$ 67,340			$ 63,215

The summary of annual debt service for long-term debt, along with expected interest payments, for the years ending December 31, is as follows:

Year	Principal	Interest	Total Debt Service
2023	$ 24,000	$ 3,071	$ 27,071
2024	54,000	1,841	55,841
2025	9,000	88	9,088
Total	$ 87,000	$ 5,000	$ 92,000

Following is a summary of debt activity in 2021:

	Issue Date	Final Maturity	Avg % Yield	Balance December 31, 2020	Issuances	Payments/ Amortization	Balance December 31, 2021
Short-term debt:							
Lines of credit	N/A	Mar '23	N/A	$ 42,400	$ 39,600	$ (42,000)	$ 40,000
Long-term debt:							
Bank notes	Sep '20	Oct '25	1.24	$ 58,000	$ –	$ (6,000)	$ 52,000
Series Q	Nov '12	Oct '22	2.43	12,000	–	(10,000)	2,000
Series S	Nov '12	Oct '27	3.07	22,000	–	–	22,000
Series U	Jul '14	Oct '24	1.70	22,500	–	(9,500)	13,000
Series A	Jul '16	Oct '24	1.22	31,000	–	(5,000)	26,000
Bond premium	N/A	N/A	N/A	4,692	–	(1,993)	2,699
Total debt				150,192	$ –	$ (32,493)	117,699
Less amounts due within one year				30,500			49,000
Less current portion of bond premium				1,989			1,359
Total long-term debt				$ 117,703			$ 67,340

Notes to Financial Statements (continued)
(dollars in thousands)

9. Limited Obligation Debt

Main Street Debt

As discussed in Note 5, as of December 31, 2022, Main Street has 14 series of revenue bonds outstanding under 11 transactions related to the acquisition of prepaid long-term supplies of gas from various gas suppliers. These bonds were issued at a premium, which is accounted for under the effective-interest method.

Main Street's obligation for repayment of its gas revenue bonds is limited to the assets held by the bond trustee in the trust estate for each Main Street transaction. For each Main Street transaction, a trust estate exists that principally consists of proceeds collected from sales of natural gas under the related customer supply agreements, net of amounts collected from the commodity swap counterparties (see Note 10), and the right to receive termination payments due, if any, from the gas supplier. The gas revenue bonds are not general obligations of Main Street. Main Street's debt is not an obligation of the Gas Authority or of any Customers.

Direct Financing Leases

Gas Authority-Financed

The Gas Authority and certain Members have entered into lease agreements that were funded by Gas Authority cash reserves. The loan proceeds were used to construct natural gas vehicle fueling stations or make improvements to the respective Members' gas distribution systems. Project improvements or facilities are leased to those Members until the loan is repaid.

Bank-Financed

The Gas Authority and certain Members have entered into lease agreements that were funded by bank loans entered into by the Gas Authority. The loan proceeds were used to make improvements to the respective Members' gas distribution systems. Project improvements are leased to those Members until the debt is retired. The Gas Authority has assigned its rights to receive rental payments to the banks that funded construction of the projects. The Gas Authority has not executed a promissory note or loaned money in connection with these lease transactions. The obligations of the cities to make the rental payments under the leases constitute general obligations of the cities to which the full faith and credit of the cities are pledged. Therefore, no leased assets or related obligations have been recorded in the Gas Authority's financial statements.

Bond-Financed

The Gas Authority and certain Members have entered into supplemental contracts for the issuance of limited obligation gas revenue bonds (Direct Financing Lease Bonds). The bond proceeds were used to make improvements to the respective Members' gas distribution systems. Project improvements are leased to those Members until the debt is retired. The bonds are limited obligations of the Gas Authority payable solely from the trust estates created by the various gas revenue bond resolutions. The respective Members are required to make lease payments to the Gas Authority for deposit with the trustees that correspond in amount to the principal, premium, and interest on each series of bonds in advance of their payment dates.

Notes to Financial Statements (continued)
(dollars in thousands)

Direct financing lease bonds outstanding at December 31, 2022, are as follows:

Direct Financing Lease Bond Issue	Due Dates	Serial and Term Bond Range of Principal Payments Due	Range of Annual Interest Rates
Toccoa 2011	2023-2024	$ 1,335 - 1,865	4.25% - 5.00%
Warner Robins 2011	2023-2026	$ 1,625	5.00%
Jointly Owned Natural Gas 2018	2023-2033	$ 780 - 1,140	3.90%

The trustees held $1,590 of funds restricted under the various bond resolutions related to these leases at December 31, 2022. The leases of these properties to the respective Members have been recorded as investments in direct financing leases.

The components of net investment in the direct financing leases are as follows:

Total debt requirement	$ 18,274
Less advanced payments deposited with trustee	1,631
Total minimum lease payments to be received	16,643
Less unearned income	2,822
Net investment in direct financing leases	$ 13,821

Lease payments to be received over the remaining life of the leases are as follows:

2023	$ 3,231
2024	2,632
2025	1,267
2026	2,853
2027	1,183
Thereafter	7,108
Total	$ 18,274

Following is a summary of limited obligation debt activity in 2022:

	Balance December 31, 2021	Issuances	Payments/ Amortization	Balance December 31, 2022
Main Street bonds	$ 5,893,810	$ **1,874,360**	$ **(136,610)**	$ **7,631,560**
Bond premium	438,681	**138,873**	**(99,722)**	**477,832**
Direct financing leases	17,790	**-**	**(2,525)**	**15,265**
Total debt	6,350,281	$ **2,013,233**	$ **(238,857)**	**8,124,657**
Less amounts due within one year	139,134			**2,084,995**
Less current portion of bond premium	84,798			**101,630**
Total noncurrent limited obligation debt	$ 6,126,349			$ **5,938,032**

Notes to Financial Statements (continued)
(dollars in thousands)

The combined annual requirement of all limited obligation bond issues outstanding at December 31, 2022, is as follows:

	Principal				
Years	**Main Street Bonds**	**Direct Financing Lease**	**Total**	**Interest [a]**	**Total Debt Service**
2023	$ 2,082,350	$ 2,645	$ 2,084,995	$ 295,402	$ 2,380,397
2024	741,740	2,145	743,885	238,200	982,085
2025	93,015	840	93,855	207,592	301,447
2026	683,815	2,500	686,315	203,081	889,396
2027	1,492,395	905	1,493,300	174,973	1,668,273
2028-2032	2,041,380	5,090	2,046,470	257,704	2,304,174
2033-2037	122,320	1,140	123,460	108,083	231,543
2038-2042	137,265	-	137,265	75,819	213,084
2043-2047	160,940	-	160,940	39,980	200,920
2048-2049	76,340	-	76,340	3,861	80,201
Total	$ 7,631,560	$ 15,265	$ 7,646,825	$ 1,604,695	$ 9,251,520

[a] Variable interest amounts assume future interest rates remain constant at the rate in effect on December 31, 2022.

Following is a summary of limited obligation debt activity in 2021:

	Balance December 31, 2020	**Issuances**	**Payments/ Amortization**	**Balance December 31, 2021**
Main Street bonds	$ 4,431,010	**$ 1,578,250**	**$ (115,450)**	**$ 5,893,810**
Bond premium	230,619	**261,137**	**(53,075)**	**438,681**
Direct financing leases	21,920	**-**	**(4,130)**	**17,790**
Total debt	4,683,549	**$ 1,839,387**	**$ (172,655)**	**6,350,281**
Less amounts due within one year	119,580			**139,134**
Less current portion of bond premium	45,210			**84,798**
Total noncurrent limited obligation debt	$ 4,518,759			**$ 6,126,349**

Main Street Series 2007A, 2018A, 2018C, 2019A, 2019B, 2019C, 2021A, and 2021C, 2022A, 2022B, and 2022C bonds have fixed interest rates ranging from 4.0% to 5.5% at December 31, 2022, with an effective rate, including bond premium, of 3.51%. Main Street Series 2018B, 2018D, and 2018E bonds have variable interest rates based on LIBOR (2018B and 2018D) or SIFMA (2018E), and interest rate swaps that swap the variable rates to fixed rates (see Note 10). The weighted average variable interest rate was 3.71% and 0.81% at December 31, 2022 and 2021, respectively. Giving effect to the swaps, the net rate in effect was 2.82% and 2.45% at December 31, 2022 and 2021, respectively. Direct financing lease bonds have a fixed rate that ranged from 3.90% to 5.00% at December 31, 2022, and from 3.90% to 5.00% at December 31, 2021. The average effective rate for all limited-obligation bonds was 3.45% and 2.42% at December 31, 2022 and 2021, respectively.

Notes to Financial Statements (continued)
(dollars in thousands)

10. Derivative Instruments

Commodity Derivative Instruments

The Gas Authority has established rates with its Members and Customers generally based on spot market pricing unless the Member or Customer has requested an alternate pricing arrangement pursuant to the Gas Supply Contract. The Gas Authority and Main Street use commodity derivative instruments to hedge exposure related to gas supply operations, long-term gas supplies, and Main Street prepayments, as discussed below.

The commodity derivative instruments require monthly payments to be made or received based on the difference between the spot market price and the contract strike price on notional volumes. None of the Gas Authority's or Main Street's derivatives require a cash payment at inception.

Hedging Activities Related to Gas Supply Operations

Members and Customers may elect to stabilize gas prices and/or basis differentials for a portion of their anticipated near-term gas purchases by requesting alternate pricing arrangements pursuant to the Gas Supply Contracts. The Gas Authority uses commodity derivatives to hedge its commitment to sell, consistent with these alternate pricing arrangements. In addition, the Gas Authority manages Member peak day requirements by utilizing its storage assets. The Gas Authority uses commodity derivatives to reduce risk related to price changes between the injection of storage gas in the summer months and its withdrawal during the winter months.

Hedging Activities Related to Main Street

Main Street has entered into long-term prepaid GPAs and uses long-term commodity derivatives with matching terms to convert fixed prepayments for future deliveries to spot market prices.

Use of Options

The Gas Authority uses option strategies, including collars, to hedge against the variability in cash flows associated with gas supply operations. The Gas Authority purchases call options to establish price caps at the option strike price and sells put options to create a collar. Selling a put obligates the Gas Authority to buy gas below the strike price and creates a floor.

Interest Rate Derivative Instruments

In 2018, in connection with the issuance of the 2018B, 2018D, and 2018E variable-rate bonds, Main Street entered into interest rate swap agreements that result in Main Street paying fixed interest rates on the bonds. In each of these agreements, accounted for as hedging derivative instruments, Main Street pays a fixed rate of 2.48%, 2.78%, and 2.82% on the 2018B, 2018D, and 2018E transactions, respectively, and receives the bond rate from the counterparty.

Notes to Financial Statements (continued)
(dollars in thousands)

Fair Value of Derivative Instruments

See Note 1 for a discussion of fair value policies and methodologies. The fair value balances of derivative instruments outstanding as of December 31, 2022 and 2021, classified by type, and the changes in fair value of such derivative instruments for the years then ended as reported in the related financial statements are as follows (losses and liabilities in parentheses):

	Notional Amount at December 31, 2021*	Change in Fair Value 2021	Fair Value at December 31, 2021	Change in Fair Value 2022	Fair Value at December 31, 2022	Notional Amount at December 31, 2022*
Gas Supply Operations and Long-Term Gas Supplies						
Hedging Derivatives						
Long futures – pay fixed	740	$ (210)	$ (210)	$ (26)	$ (236)	420
Short futures – receive fixed	650	(38)	(52)	611	559	360
Commodity swaps – pay fixed	30,136	19,128	20,148	11,929	32,077	27,833
Commodity swaps – receive fixed	9,214	(6,985)	(6,543)	(2,860)	(9,403)	11,050
Basis swaps - pay fixed	-	-	-	(102)	(102)	1,795
Basis swaps – receive fixed	295	(12)	(10)	544	534	1,980
Commodity options – sold put	-	-	-	(811)	(811)	1,690
Commodity options – bought put	-	(447)	-	-	-	-
Commodity options – sold call	-	1	-	-	-	-
Main Street						
Hedging Derivatives						
Commodity swap – received fixed	2,101,311	(1,349,214)	566,708	(2,029,627)	(1,462,919)	2,641,325
Interest rate swaps – pay fixed	665,000	16,787	(18,565)	24,202	5,637	665,000

* Notional amounts are in thousands of MMBtu except interest rate swaps, which are in U.S. dollars.

The following tables display key terms of the Gas Authority's derivative instruments:

As of December 31, 2022	Effective Dates	Notional Amounts*	Trade/Strike Prices
Gas Supply Operations and Long-Term Gas Supplies			
Hedging Derivatives			
Long futures – pay fixed	Mar 2023 – Oct 2023	420	$ 4.37 – 5.16
Short futures – receive fixed	Feb 2023 – Mar 2024	360	4.72 – 8.67
Commodity swaps – pay fixed	Jan 2023 – Mar 2027	27,833	2.27 – 8.71
Commodity swaps – receive fixed	Jan 2023 – Mar 2027	11,050	2.70 – 7.93
Basis swaps - pay fixed	Jan 2023 – Mar 2023	1,795	0.38 – 0.50
Basis swaps - receive fixed	Jan 2023 – Feb 2023	1,980	0.15 – 0.83
Commodity options – sold put	Nov 2023 – Mar 2024	1,690	3.50
Main Street			
Hedging Derivatives			
Commodity swaps – receive fixed	Jan 2023 – Oct 2052	2,641,325	4.08 – 10.36
Interest rate swaps – pay fixed	Jan 2023 – Dec 2023	665,000	Variable

* Notional amounts are in thousands of MMBtu except interest rate swaps, which are in U.S. dollars.

MUNICIPAL GAS AUTHORITY OF GEORGIA

Notes to Financial Statements (continued)
(dollars in thousands)

As of December 31, 2021	Effective Dates	Notional Amounts*	Trade/Strike Prices
Gas Supply Operations and Long-Term Gas Supplies			
Hedging Derivatives			
Long futures – pay fixed	Mar 2022 – Mar 2023	740	$ 3.58 – 5.48
Short futures – receive fixed	Feb 2022 – Feb 2023	650	2.83 – 4.10
Commodity swaps – pay fixed	Jan 2022 – Mar 2027	30,136	2.27 – 5.75
Commodity swaps – receive fixed	Jan 2022 – Mar 2026	9,214	2.60 – 4.08
Basis swaps - receive fixed	Jan 2022 – Feb 2022	295	-0.06
Main Street			
Hedging Derivatives			
Commodity swaps – receive fixed	Jan 2022 – May 2052	2,101,311	4.08 – 10.36
Interest rate swaps – pay fixed	Jan 2022 – Dec 2023	665,000	Variable

* Notional amounts are in thousands of MMBtu except interest rate swaps, which are in U.S. dollars.

Risks Associated With Derivative Instruments

Credit Risk

The Gas Authority and Main Street intend to hold all derivative instruments to maturity. The Gas Authority is exposed to market price risk in the event of nonperformance by any of its counterparties; however, the Gas Authority does not anticipate nonperformance. The counterparties to these contracts are major financial institutions or energy companies. Main Street commodity swaps contain tear-up provisions such that they may be terminated under certain limited circumstances, including specific credit events, with no settlement payment due or payable by either party. In addition, the Main Street prepaid gas purchase agreements allow for the substitution of swap counterparties by both Main Street and the related supplier in the event of specified credit rating downgrades or certain other limited conditions.

The Gas Authority has entered into netting arrangements whenever it has entered into more than one derivative instrument with a counterparty. Under the terms of those arrangements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and all amounts due so that a single sum will be owed by, or owed to, the non-defaulting party. Main Street swaps cannot be netted among individual transactions or with transactions of the Gas Authority.

The aggregate fair value of hedging derivative instruments in asset positions at December 31, 2022, excluding Main Street swaps, is $23,135. This represents the maximum potential loss that would be recognized at the reporting date if all counterparties fail to perform as contracted.

Notes to Financial Statements (continued)
(dollars in thousands)

The credit ratings of the Gas Authority's derivative counterparties, excluding Main Street derivatives, and related fair values of derivative instruments are summarized below, as of December 31, 2022:

Gas Authority Counterparty	Counterparty Credit Ratings S&P/Moody's	Fair Market Value of Derivative Instruments Asset (Liability)
BP	A-/A3	$ 81
FCStone (Clearinghouse)	N/A	(487)
JPMorgan Chase Bank, N.A.	A+/Aa2	(29)
Macquarie Bank	A+/A2	696
Royal Bank of Canada	AA-/Aa1	18,800
Wells Fargo Bank, N.A.	A+/Aa2	3,557

The credit ratings of Main Street's derivative counterparties and related fair values of derivative instruments are summarized below, as of December 31, 2022:

Main Street Counterparty	Counterparty Credit Ratings S&P/Moody's	Fair Market Value of Derivative Instruments Asset (Liability)
JPMorgan Chase Bank, N.A.	A+/Aa2	$ (78,738)
PGP4 MS18A, LLC	Not rated	(306,985)
PGP4 MS18C, LLC	Not rated	(333,993)
PGP4 MS CEI, LLC	Not rated	(161,211)
PGP4 MS21A, LLC	Not rated	(91,599)
PEP MS21C, LLC	Not rated	(145,120)
PEP MS22A, LLC	Not rated	(5,968)
PEP MS22B, LLC	Not rated	150,220
PGP4 MS22C, LLC	Not rated	(97,092)
Royal Bank of Canada	AA-/Aa1	(386,796)

Basis Risk

The NYMEX-based commodity hedging transactions are subject to locational basis risk. NYMEX-based derivative instruments are based on pricing at the Henry Hub delivery point. However, the Gas Authority delivers gas to Members at various delivery points. For a portion of its hedged volumes, the Gas Authority enters into commodity derivatives based on pricing at certain local delivery and sales points to mitigate basis risk. Changes in NYMEX-based natural gas prices have been, and are anticipated to be, highly correlated with gas prices at the Gas Authority's delivery and sales points.

Termination Risk

The Gas Authority and Main Street are exposed to termination risk in their commodity and interest rate derivatives only upon nonperformance by a counterparty. No collateral is required by either party under any of the derivative arrangements. Termination of Main Street hedges may occur

Notes to Financial Statements (continued)
(dollars in thousands)

upon a downgrade of the swap counterparties below specified levels; however, the supplier and Main Street have the option to replace such counterparties for a specified period, generally ranging from 90 to 120 days. In addition, Main Street's 2018A&B, 2018C,D,&E, 2019B, 2019C, 2021A, 2021C, 2022A, 2022B, and 2022C transactions may be terminated or amended under certain limited circumstances. No amounts related to the swaps would be due by either party, other than monthly obligations related to gas already delivered by Main Street, in the event of termination of any Main Street derivatives.

11. Employee Benefit Plans

The Gas Authority has a noncontributory, defined contribution retirement plan pursuant to Section 401(a) of the Internal Revenue Code (IRC) that requires the Gas Authority to contribute a defined percentage of each participant's basic compensation. Additionally, contributions may be made as determined solely by the action of the Board of Directors.

The Gas Authority has a deferred compensation plan pursuant to Section 457 of the IRC that allows plan participants to defer and contribute to the plan, through the Gas Authority, a specified portion of each participant's compensation. The Gas Authority matches a portion of the participants' contributions up to amounts specified in the plan.

The Gas Authority has a contributory retirement plan pursuant to Section 403(b) of the IRC designed to allow employees to make additional contributions in excess of maximums allowed in the Section 457 plan. The Gas Authority does not contribute to this plan.

The Gas Authority's contributions to the above plans resulted in expense of $1,306 and $1,201 in 2022 and 2021, respectively.

12. Commitments and Contingencies

The following table summarizes the Gas Authority's commitments (excluding commitments to Main Street) to purchase gas from various suppliers through 2053 on a pay-as-you-go basis:

Year	Volumes *
2023	7,420
2024	5,252
2025	3,856
2026	4,371
2027	4,176
Thereafter	95,085
Total	120,160

* Thousands of MMBtu

In 2022 and 2021, the Gas Authority purchased 7,381 and 6,312 thousands of MMBtu of gas, respectively, under these agreements.