

Natural Gas Intelligence

**Agreed-Upon Procedures Performed with Associated Findings
January 1, 2023 to December 31, 2023 with
Independent Accountants' Report on
Applying Agreed-Upon Procedures**

**Independent Accountants' Report on
Applying Agreed-Upon Procedures**

To: Natural Gas Intelligence

We have performed the procedures enumerated below on the published natural gas price indexes of Natural Gas Intelligence ("NGI") throughout the period January 1, 2023 to December 31, 2023. NGI's management is responsible for the published natural gas price indexes.

NGI has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose as required by management. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are listed on pages 2 – 5 of this report.

We were engaged by NGI to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). We were not engaged to and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on NGI's published natural gas price indexes. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of NGI and to meet other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the management of NGI and is not intended to be, and should not be, used by anyone other than these specified parties.



March 1, 2024
Cincinnati, Ohio

NATURAL GAS INTELLIGENCE

Agreed-Upon Procedures and Associated Findings January 1, 2023 to December 31, 2023

I. Objectives and Background

The overall objective of the agreed upon procedures was to evaluate the published price indexes prepared by NGI in accordance with NGI's Price Index Methodology. Specific objectives included:

- Verifying the accuracy of computations to determine if calculated indexes and other published statistics are correctly computed from the source data.
- Verifying the recordkeeping to determine if (a) all excluded transactions from NGI's calculated price indexes have reasons for exclusion and (b) that all reasons for exclusion are consistent with approved reasons.
- Verifying the provenance to ensure all transaction observations have been marked with the name of the NGI price data provider that provided them.
- Verifying the collection of source data to determine if all files listed as the source for the data exist in price data provider files that were uploaded to NGI's pricing system.
- Verifying the assessment denotation to determine if all assessed indexes are properly marked as such in NGI's publications with accompanying rationale language.

The scope of the agreed upon procedures included procedures over the NGI Daily Gas Price Indexes (Daily), NGI Weekly Gas Price Indexes (Weekly), and NGI Bidweek Price Indexes (Bidweek) determined by NGI for the period January 1, 2023 through December 31, 2023.

The Daily Price Indexes are determined from data reported for a single day's worth of trading of gas to flow either the following day or over the next several days in the case of a weekend and/or holiday. The Weekly Prices Indexes are the calculated weekly averages of the Daily Price Indexes for the week. The Bidweek Price Indexes are determined from data reported for trading that occurs during the first three of the last five business days of the month of gas to flow for the entirety of the following month.

II. Procedures and Scope

The following procedures were performed as part of the agreed upon procedures for the NGI published pricing statistics:

NGI Daily Gas Price Indexes:

Step 1: Verify Accuracy of Computation

- We randomly selected a sample of two weeks throughout the period of January 1, 2023 to December 31, 2023 and tested the daily data for all business days from each week. For each day, we randomly selected 10 locations to test from among those listed in each selected day's issue of *NGI's Daily Gas Price Index* for a total sample of 100 locations.
- For each location we performed the following procedures:
 - Extracted and sorted data from the source trades file for the Index Dataset.
 - Calculated a weighted average of the trade prices using each trade's volume as its weight;
 - Calculated a sum of the volumes and converted units from MMBtu to Thousand MMBtu;
 - Calculated the total number of trades;
 - Determined the lowest and highest trade prices to create a range of values;
 - Compared the results of the above calculations to the actual figures published in the corresponding issue of *NGI's Daily Gas Price Index*.

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Step 2: Verify Recordkeeping

- For all days selected in step 1, we examined the file to verify that all excluded trades (a) had a reason for their exclusion and (b) that the reason for exclusion was an approved reason from the NGI Approved Possible Reasons for Trade Exclusion listing.

Step 3: Verify Provenance

- For all days selected in step 1, we examined the file to confirm that each trade had the name of the company that submitted the trade data to NGI.

Step 4: Verify Collection of Source Data

- For all days selected in step 1, we haphazardly selected a sample of one trade from each day. For each selected trade, we verified that the selected trade name, volume, and price information matched the source information submitted to NGI by price data providers.

Step 5: Verify Assessment Denotation

- For all days selected in step 1, we examined the price table in each day's *Daily Gas Price Index* issue for indexes with a published price but no listed values in the volume or deals columns. When applicable, for all identified indexes, we verified that the index with no listed values had an explanatory note providing the rationale for the listing in the table.

NGI Weekly Gas Price Indexes:

Step 1: Verify the Accuracy of Computation

- We selected a random sample of two weeks throughout the period of January 1, 2023 to December 31, 2023. From this sample, we selected a random sample of 25 locations from each week's published *NGI's Weekly GPI* for a total sample of 50 Locations.
- For each chosen location, we used the daily statistics from each week to perform the following procedures:
 - Calculate a simple average of the daily prices to create the weekly price average;
 - Calculated a sum of the daily volumes to create a weekly volume;
 - Calculated a sum of the number of daily trades;
 - Determined the lowest and highest daily prices for the week using the daily range values;
 - Compared the above calculation results to the actual figures published in the corresponding issue of *NGI's Weekly GPI*.

Step 2: Verify Assessment Denotation

- We haphazardly selected 5 issues dates within the year, and we examined the price table in each day's *Daily Gas Price Index* issue for assessed indexes with an asterisk next to the average in the table. For all identified indexes, we verified that the index had an explanatory note providing the assessment rationale for the listing in the table.

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NGI Bidweek Gas Price Indexes:

Step 1: Verify the Accuracy of Computation

- We selected a random sample of two months for the period of January 1, 2023 to December 31, 2023. From this sample, we haphazardly selected 5 indexes to test from each selected month for a total of 10 indexes.
- For each chosen index we extracted and sorted data from the file and performed the following calculations for the Fixed Price and Basis Price:
 - Calculated a weighted average of the trade prices using each trade's volume as its weight;
 - Calculated a sum of the trade volumes and converted from MMBtu to Thousand MMBtu;
 - Calculated the total number of trades;
 - Determined the lowest and highest trade prices to create a range of values;
 - Compared the results of the above calculations to the actual figures published in the corresponding issue of *NGI's Bidweek Survey*.

Step 2: Verify Recordkeeping

- For both selected months in step 1, we examined the file to verify that all excluded trades had a reason for their exclusion and that the reason for exclusion was an approved reason within the list of NGI approved Possible Reasons for Trade Exclusion.

Step 3: Verify Provenance

- For both selected months in step 1, we examined the file to confirm that each trade had the name of the company that submitted the trade data to NGI.

Step 4: Verify Collection of Source Data

- For both selected months in step 1, we haphazardly selected a sample of five trades from each month. For each selected trade:
 - We verified that the selected trade name, volume, and price information matched the source information submitted to NGI by price data providers.

Step 5: Verify Assessment Denotation

- Using the 5 selected indexes from each month in step 1, we examined the price table in each *NGI's Bidweek Survey* issue for indexes with a published price but no values in the volume or deals columns. When applicable, for these indexes, we verified that the index had an explanatory note providing the assessment rationale for the listing in the table.

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III. Associated Findings

The following summarizes the associated findings of the procedures performed above:

NGI Daily Gas Price Indexes Testing Results:

Step 1: Verify the Accuracy of Computation

- We noted no exceptions in our testing.

Step 2: Verify Recordkeeping

- We noted no exceptions in our testing.

Step 3: Verify Provenance

- We noted no exceptions in our testing.

Step 4: Verify Collection of Source Data

- We noted no exceptions in our testing.

Step 5: Verify Assessment Denotation

- We noted no exceptions in our testing.

NGI Weekly Gas Price Indexes:

Step 1: Verify the Accuracy of Computation

- We noted no exceptions in our testing.

Step 2: Verify Assessment Denotation

- We noted no exceptions in our testing.

NGI Bidweek Gas Price Indexes:

Step 1: Verify the Accuracy of Computation

- We noted no exceptions in our testing.

Step 2: Verify Recordkeeping

- We noted no exceptions in our testing.

Step 3: Verify Provenance

- We noted no exceptions in our testing.

Step 4: Verify Collection of Source Data

- We noted no exceptions in our testing.

Step 5: Verify Assessment Denotation

- We noted no exceptions in our testing.