

**Chester County**  
**natural gas authority**  
*The “Natural” Solution*

Beginning in November 2019, Chester County Natural Gas Authority (CCNGA) received from the Charleston Post & Courier (the Paper) several requests under the South Carolina Freedom of Information Act (FOIA).

CCNGA has been open and above-board in its responses. We believe, however, that the Paper’s intention in making these requests has been to cast a negative light onto all of the Natural Gas Authorities as Special Purpose Districts in the State of South Carolina.

On behalf of CCNGA, we—the undersigned, together with CCNGA’s directors, officers, employees, and their respective families—take great pride in the role that CCNGA has played in being an industry leader in safety, reliability, operational efficiency, and customer service to the businesses and citizens of Chester County for over 63 years.

Throughout CCNGA’s existence, it has invested in its communities to the end of improving the quality of life in this County. CCNGA has invested millions of dollars into economic development efforts in the County by expanding its natural gas system, which has resulted in one of the fastest-growing industrially based economies in the State of South Carolina. The leveraging of these funds has aided in the recruitment of industries to our communities, which in return has boosted our economy and provided jobs to our citizens.

Not only does CCNGA provide funding to help locate new industries here, but it also dedicates time to recruiting industries and businesses to Chester County. We are involved and have been involved in many boards and groups in the County including, to name just a few:

- Chester Development Association
- Chester County Chamber of Commerce
- Gateway Steering Committee
- Chester Facilities Corporation
- Penny Sales Tax Committee

CCNGA annually invests several thousand dollars to many organizations operating locally in Chester County, to include:

Public schools	Radio Stations
The [Chester] News & Reporter	Recreation and sports programming
Law Enforcement	Chamber of Commerce
First Responders	The Palmetto Council
Businesses	The YMCA

and many other economic development and community involvements.

In addition to the funding that CCNGA provides to support and development, we collectively donate many hours of volunteer time in order to further enhance, empower, and enrich our communities. And, in spite of its investments, CCNGA has not applied for any grant monies, and receives no other monetary assistance, supported by County tax funding.

CCNGA also offers incentives to its contractors and customers, rewarding a ratepayer that becomes a new or is a continuing customer. We value all our customers and thank them for their continued use of natural gas.

With regard to facility charges, CCNGA has the second lowest facility charge of the public gas utilities in both South Carolina and North Carolina.

The natural gas industry is extremely complex (with two sets of commodities, pipeline capacity and gas supply, just to get the product to the State), and continuing education is a necessity in making informed decisions on behalf of our customers. To cover the cost of this annual education for CCGNA's Board and staff amounts to less than \$0.001 per therm per customer per year.

\$34,000	Cost of Asheville
38,423,940	Therms sold in 2020
\$0.0009	Cost Per Therm
750	Above Average Residential Usage in Therms
\$0.6636*	Cost per Residential Customer Per Year

\*Less than \$1.00 per year per residential customer

CCNGA Board and staff typically obtain their continuing education from the industry's American Public Gas Association (APGA). The APGA, the only not-for-profit organization representing America's publicly owned natural gas local distribution companies, offers many conferences and educational opportunities throughout each year. The APGA represents the interests of public gas before Congress, federal agencies, and other energy-related stakeholders by developing and presenting regulatory and legislative policies that further the goals of its members. In addition, the APGA organizes meetings, seminars, and workshops with a specific goal to improve the safety, reliability, and operational efficiency with which, and regulatory environment in which, public gas systems operate. To best serve CCNGA and, by extension, its larger community, its Board *must* remain up to date and thoroughly educated with all that entails—which is why it is vital for the Board to remain involved with and be informed by APGA.

With regard to 2019: CCNGA hosted an education and information event at the Grove Park Inn in the Fall of 2019. This site was selected because of the comfort of the speakers and guests and, more importantly, the ability to drive, rather than fly, from Chester. Public notice of this meeting was posted at the front of the CCNGA office and on its website. This conference featured speakers representing the area's Patriots Energy Group (PEG); the national perspective of the natural gas industry; and industry providers Dominion Energy, Shell, Municipal Gas Authority of Georgia and McCarter & English attorney. Each speaker and the topic they presented provided our Board with detailed information on what each entity brings to CCNGA. The topics of the conference included the following:

- PEG Executive Director Report [subjects were PEG Lost Gas, Transco Rate Case, Engineering Study, Transco Turn Back Capacity, Pre-Pay Arrangements, Load Duration Curves, Gas Control, Transco OBA, Meeting Summaries with Shell, Direct Energy, Transco, Dominion, MGAG, Texican, Hedging, Cost Allocation Study, Shell Peaking Services, Dominion Capacity, PEG Retreat Conference, Winter Weather Review]
- Washington and Market perspectives on the natural gas industry
- Shell's assets related to PEG, Peaking Supply, Asset Management Agreements, and the Elba Island LNG Facility
- Dominion Energy/SCANA Merger, DECGT Update, Services Provided to PEG/CCNGA, and Existing Capacities
- MGAG Services to PEG/CCNGA, Gas Control and Operations, Capacity Release, Public Gas Partners, PEAK Days, Gas Pricing Dynamics, and Risk Management

All of the above is *vital* information to enable the Board to make informed decisions on CCNGA operations. Without hosting this conference, the Board would not have received this valuable information focused directly towards CCNGA. Again, the natural gas industry is complex, and the continuing education of our Board is essential to CCNGA's success.

Moreover, the costs of the Grove Park Inn Conference were not solely for CCNGA personnel and directors. As host, CCNGA covered the meals and activities of the conference guests and speakers, who provided their services *gratis*. A conference of this magnitude, featuring national heavyweights, aids CCNGA in building industry relationships, which in turn facilitates natural gas transactions currently and in the future.

Conference minutes were kept throughout, approved, and then provided to the media.

Unknown to most, our faithful and hardworking Board members serve without salary. They are community leaders whose days are filled with many worthwhile endeavors, yet they devote many hours to this service. Also, a number are somewhat older and, understandably, would hesitate to travel without familial support.

Because the educational sessions require a not-small time commitment, and because they are so valuable to the mission of CCNGA, it has been decided to cover the expenses of Board members and a companion, usually a spouse, when attending a conference. Indeed, many of the conference functions invite spousal participation, such as APGA-sponsored meals, seminars, and receptions. Some of the events are specifically directed toward attendees' spouses.

CCNGA believes that spousal attendance is an important component of, and richly conveys, goodwill. From their attendance at APGA conferences over the years, our Directors and their spouses have formed lasting relationships, and even friendships, with many of the nationally known consultant natural gas and related financial experts and their spouses. These connections have assisted with the development of key contracts and partnerships which have saved and will save the combined PEG authorities hundreds of millions of dollars. Thus, CCNGA believes that conference attendance is not so much a benefit to or compensation for our Directors, so much as it is a valuable investment which repays dividends exponentially.

Prior to each fiscal year, CCNGA develops a new budget which is presented to the Board, and then duly approved. The budgets include a line item for "Professional Conferences and Meetings." The Board of Directors meets five (5) times per year, and members receive a \$35 per diem for each meeting. Board members have the option to obtain a company credit card to assist in expenses for conferences and events. These company credit cards, and the billings therefor, are kept at the CCNGA offices. All meeting times are posted on the CCNGA website along with the agenda prior to the meeting. The annual budget meeting is posted in the Chester News and Reporter and the public is invited to that meeting at a special time.

We hope that the above has provided full insight into the operations of the Chester County Natural Gas Authority. We look forward to a continued convivial relationship with the news media at large.