

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Application of)
)
)
) APPLICATION FOR
) COMPETITIVE NATURAL GAS
seeking authority to operate as a) PROVIDER AUTHORITY
Competitive Natural Gas)
Provider in the State of)
Nebraska.)

NG-125

Pursuant to Neb. Rev. Stat. §§ 66-1848 and 66-1849, and 291 Neb. Admin. Code § 9-011, ("Applicant") seeks authority from the Nebraska Public Service Commission ("Commission") to operate as a Competitive Natural Gas Provider ("CNGP") within the State of Nebraska. In support of its application, Applicant provides the following information:

Neb. Rev. Stat. § 66-1848

The Applicant intends to conduct the following type of business in Nebraska, for which it is seeking certification:

CNGP only _____
CNGP and Aggregator _____
Aggregator only _____

291 Neb. Admin. Code § 9-011.02A

1. The Applicant's full legal name, and any trade names under which the Applicant will operate in Nebraska, are as follows:

Commission Use Only

**NOTE: THIS DOCUMENT IS FOR REFERENCE PURPOSES ONLY AND IS NOT
INTENDED TO BE FILED WITHOUT ADDITIONAL EDITING.**

NPSC Received 08/04/2025

2. The Applicant is (check one):

_____ A publically owned corporation and a copy of its most recent Annual Report to Shareholders is attached as an Exhibit to this application.

_____ A privately held corporation.

3. The name of the Parent Company of the Applicant is:

4. Insert a description of the business structure of the Applicant. An organizational chart is attached to this application as Exhibit Number ____.

5. The Applicant is legally certified to conduct business in the State of Nebraska. Evidence of the Applicant's registration and authority to conduct business in Nebraska by the Nebraska Secretary of State for all trade names under which Applicant will operate is attached to this application as Exhibit Number ____.

6. The Applicant is incorporated in the following state:

_____.

7. The address of Applicant's headquarters is:

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8. The individual to which any questions regarding this application should be addressed is: NG-125

Name: _____

Title: _____

Address: _____

Phone number: _____

Email address: _____

291 Neb. Admin. Code § 9-011.02B

9. A document listing the names, business addresses, business telephone numbers, and business email addresses of the principal officers of the Applicant who can be contacted regarding its operations in Nebraska is attached as Exhibit Number ____.

10. A telephone number(s) at which the Applicant can be contacted 24 hours a day is as follows:

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INTENDED TO BE FILED WITHOUT ADDITIONAL EDITING.**

11. Applicant hereby lists the names and addresses of all the Applicant's affiliates (including parent entities) engaged in the provision of Competitive Natural Gas and/or Aggregator Service in any other state or jurisdiction and indicate which, if any, are duly certificated in Nebraska:

Please see Exhibit Number 4.

12. The following is a complete and accurate list of the jurisdictions in which the Applicant or one of its affiliates are certificated to operate as a competitive natural gas provider and/or aggregator:

Please see Exhibit Number 5.

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13. The following is an complete and accurate list of all legal actions and/or formal complaints pertaining to the provision of competitive natural gas services filed against the Applicant or its affiliates in a court or public utility regulatory body, other than the Nebraska Commission, that were pending in the 12 months prior to the date of this application.

Note: Please include number of such proceedings, the type of proceeding, the jurisdiction where such action occurred, and the current status of any applicable proceeding(s).

There were no legal actions or formal complaints pertaining to the provision of competitive natural gas services filed against Sprague Operating Resources LLC or its affiliates in a court or before a regulatory body in the prior 12 months.

14. A copy of each of the final orders in the above-listed proceedings are attached to this application as Exhibit Number _____.

N/A

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15. The following is a complete and accurate list of the states and jurisdictions in which the Applicant or an affiliate has had a license or certificate to supply competitive natural gas service suspended, revoked, or denied, or where the Applicant or affiliate voluntarily withdrew from providing CNGP or aggregator service.

Note: Applicant must include identification of the title and number of any applicable proceedings.

Please see Exhibit Number 6.

16. A copy of any final orders in such proceedings or the citation to the website where the text of the orders can be found is attached as Exhibit Number 6.

291 Neb. Admin. Code § 9-011.02F

17. Applicant presents the following to demonstrate it has the operational and financial capability to obtain and deliver the services it proposes to offer.

- a. Financial capability. A balance sheet, statement of income, statement of cash flow, and if applicable, a statement of shareholders' equity and the Applicant's debt structure, including bond rating are attached as Exhibit Number ____.

NOTE: A request for confidential treatment of these materials may be filed with the Commission pursuant to 291 Neb. Admin. Code § 9-006.

- b. Operational ability. A roster of officers and directors, a description of the professional backgrounds of the

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Applicant's principal managerial and technical personnel, and an operational flow chart are attached to this application as Exhibit Number ____.

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18. The Applicant sets forth the following description of the Applicant's facilities and services it intends to render in Nebraska:

Sprague Operating Resources LLC intends to provide gas supply service to all customer classes where permitted in the Black Hills Energy service territory and in other territories as may become available in the future. Sprague Operating Resources LLC is currently researching and reaching out to the utility to identify the requirements necessary and to provide needed information.

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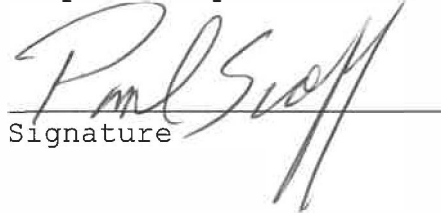
ATTESTATIONS

NG-125

19. Applicant hereby commits to comply with all applicable statutes, regulations, and orders in its provision of CNGP and aggregation services within the State of Nebraska. Applicant understands that if granted CNGP or aggregator authority, it will be required to file an annual report with the Commission.
20. Applicant hereby acknowledges that any inaccuracies, misstatements of fact, or falsehoods within this application may result in the denial and/or revocation of CNGP or aggregator authority by the Commission.
21. Applicant acknowledges that if it is granted CNGP or aggregator authority, a failure to comply with applicable statutes, regulations, and orders may result in fines and/or the revocation of the authority granted.

The Applicant respectfully requests that the Commission grant its Application for authority to provide CNGP services within the State of Nebraska.

Respectfully submitted,


Signature

Printed Name:

Title: VP, General Counsel, Chief Compliance Officer and Secretary

Mailing Address: 185 International Drive
Portsmouth, NH 03801

Phone Number: 603.430.5333

Email Address: pscoff@spragueenergy.com

Date: August 4, 2025

**NOTE: THIS DOCUMENT IS FOR REFERENCE PURPOSES ONLY AND IS NOT
INTENDED TO BE FILED WITHOUT ADDITIONAL EDITING.**

STATE OF New Hampshire)
) ss.
COUNTY OF Rockingham)

NG-125

I, Todd Bohan, a notary duly commissioned in
Rockingham County, New Hampshire, hereby swear
and acknowledge that on the 4th day of August, 2025,
Paul Scoff, who
is personally known to me and who provided satisfactory
identification pursuant to Neb. Rev. Stat. § 64-105, came
under oath and signed the foregoing document in my presence.

SUBSCRIBED AND SWORN to before me this 4th day of
August, 2025.




Notary Public

**NOTE: THIS DOCUMENT IS FOR REFERENCE PURPOSES ONLY AND IS NOT
INTENDED TO BE FILED WITHOUT ADDITIONAL EDITING.**

APPLICATION FOR NEW CNGP / AGGREGATOR AUTHORITY CHECKLIST

All Applicants please complete and return the following checklist. Attach all required information and forms.

NOTE: The following checklist is for reference purposes only and is not intended to be a definitive guide to a complete application for CNGP/Aggregator authority. The Commission and its staff reserve the right to request additional information from the Applicant.

- _____ 1. A completed Application form and eight copies, prepared in conformity with the sample CNGP / Aggregator Application available on the Nebraska Public Service Commission website available at: <https://psc.nebraska.gov/sites/psc.nebraska.gov/files/doc/CNGP%20Application%20Form%204-9-20.pdf>
- _____ 2. A \$200 filing fee or proof of payment via the online Payport system.
- _____ 3. A copy of the most recent Annual Report to Stockholders, if applicable. If not applicable, this must be stated in the Application.
- _____ 4. Organizational chart, showing the corporate structure of the Applicant in relation to any parent companies and affiliates.
- _____ 5. Certificate of Authority to conduct business in Nebraska from the Nebraska Secretary of State.
- _____ 6. Copies of all final orders arising from any legal actions taken against Applicant, its parent company, and/or its affiliates, regarding the provision of competitive natural gas or aggregator services in any state in the past 12 months.
- _____ 7. Copies of final orders or a link to where text of the orders can be found, for any jurisdiction where the Applicant, its parent company, and/or its affiliates, had a license to provide competitive natural gas or aggregator services suspended, revoked, voluntary withdrawn, or an application to provide such services denied.
- _____ 8. A current income statement, balance sheet, and statement of cash flow.
- _____ 9. A statement of shareholders' equity and a description of applicant's debt structure, including bond rating, if applicable. If not applicable, this must be stated in the Application.
- _____ 10. A roster of officers and directors of the Applicant.
- _____ 11. A description of the professional backgrounds of the Applicant's principal managerial and technical personnel, including any officers responsible for Applicant's business in Nebraska. Include an operational flowchart or diagram.
- _____ 12. If desired, a request for confidential treatment of proprietary or sensitive information filed within this docket.

Business Description and Organizational Chart

NG-125

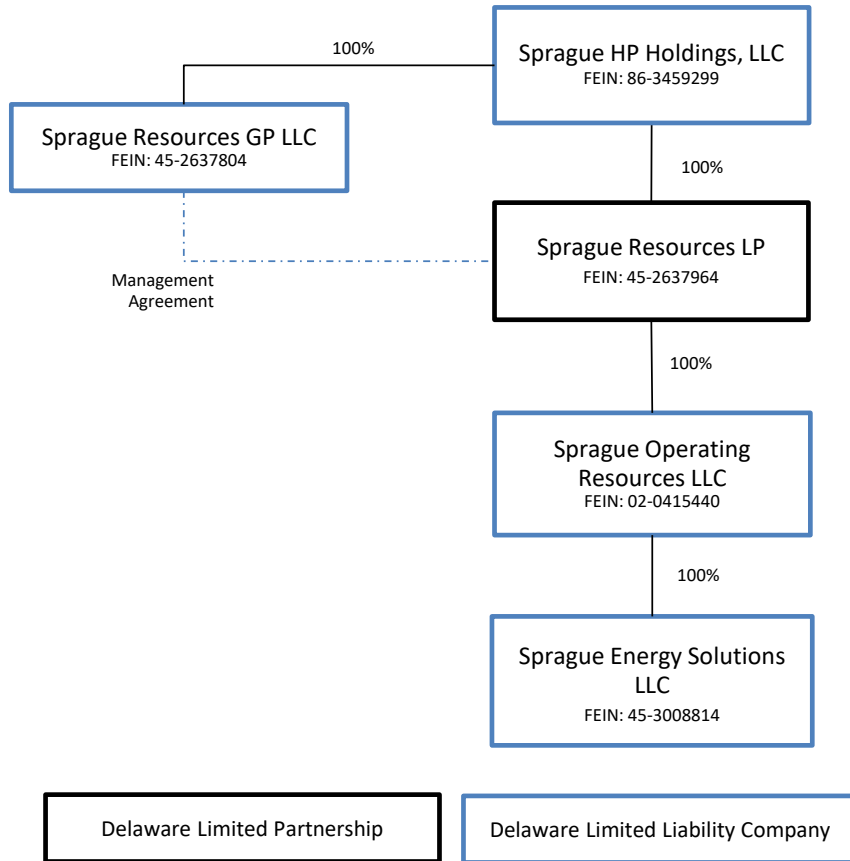
Description of Business

Sprague has been a leading energy supplier since it was founded in Boston, MA in 1870. Today, we are headquartered in Portsmouth, NH and we are a leading provider of refined fuels, natural gas, electricity, materials handling and related products and services to wholesale, commercial and industrial customers. We currently employ approximately 800 individuals throughout our service territory in the US.

Sprague supplies natural gas to over 33,000 commercial and industrial customers in 13 jurisdictions behind 50 utilities located primarily in the Northeast, Mid-Atlantic, and Midwest US. Sprague also brokers electricity to over 8,000 commercial and industrial customers located primarily in the same territories along with a few other deregulated states.

NG-125

Organizational Chart



Legend
 Direct Ownership: _____
 Management Agreement: - - - - -

NG-125

**APPLICATION FOR CERTIFICATE OF AUTHORITY FOREIGN
LIMITED LIABILITY COMPANY**

Robert B. Evnen, Secretary of State
P.O. Box 94608
Lincoln, NE 68509
www.sos.nebraska.gov

An original certificate of existence from the appropriate authority in the jurisdiction or state under whose laws the limited liability company was organized must be filed with this document.
NOTE: A certified copy of the company's certificate of organization may not be filed in lieu of a certificate of existence.

Name of Limited Liability Company Sprague Operating Resources LLC

Alternate Name _____
(complete only if actual name is unavailable for use or does not comply with Nebraska law)

Name and address of registered agent in Nebraska:

Registered Agent Name: CSC-Lawyers Incorporating Service Company

Registered Agent Address:

233 South 13th Street Suite 1900 Lincoln NE 68508
Street and Mailing Address City State Zip

Address of Principal Office:

185 International Drive Portsmouth NH 03801
Street and Mailing Address City State Zip

If required by state or jurisdiction of organization, office maintained in that jurisdiction:

Street and Mailing Address City State Zip

Organized under the laws of the State or Jurisdiction of Delaware

Nature of the Business, purposes to be conducted or promoted in this state or professional services being rendered:

Natural Gas Sales and Brokering and Electricity Activity.

Effective date if other than the date filed _____

Date 7/1/2025


Signature of Authorized Representative

Paul Scoff
Printed Name of Authorized Representative

FILING FEE: \$110.00 (In-Office) / \$100.00 (Online) + \$10 for Certificate
Revised 07/01/2021

Neb. Rev. Stat. §21-156

NPSC Received 08/04/2025

Delaware

The First State

NG-125

Page 1

I, CHARUNI PATIBANDA-SANCHEZ, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "SPRAGUE OPERATING RESOURCES LLC" IS DULY FORMED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FIRST DAY OF JULY, A.D. 2025.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "SPRAGUE OPERATING RESOURCES LLC" WAS FORMED ON THE NINTH DAY OF OCTOBER, A.D. 1987.

AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL TAXES HAVE BEEN PAID TO DATE.



2140249 8300

SR# 20253250720

You may verify this certificate online at corp.delaware.gov/authver.shtml

C. B. Sanchez

Charuni Patibanda-Sanchez, Secretary of State

Authentication: 204094960

Date: 07-01-25

NPSC Received 08/04/2025

STATE OF NEBRASKA

United States of America
State of Nebraska

} ss.
}

Secretary of State
State Capitol
Lincoln, Nebraska

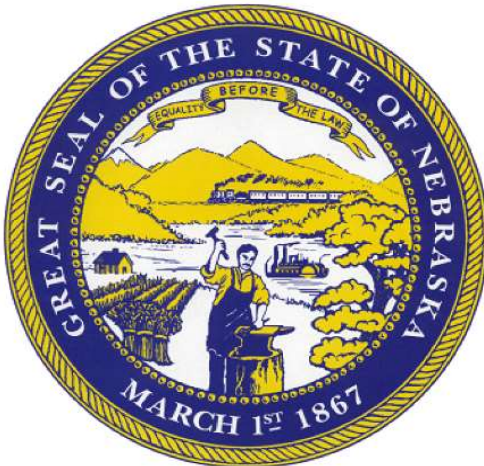
**I, Robert B. Evnen, Secretary of State of the
State of Nebraska, do here by certify that**

SPRAGUE OPERATING RESOURCES LLC

**a(n) Delaware Limited Liability Company, filed an Application for Certificate of
Authority on July 8, 2025 and is hereby authorized to transact business in the state
of Nebraska as of the date of this certificate.**

*This certificate is not to be construed as an
endorsement, recommendation, or notice of approval of the entity's
financial condition or business activities and practices.*

In Testimony Whereof,



I have hereunto set my hand and
affixed the Great Seal of the
State of Nebraska on this date of

July 8, 2025

A handwritten signature in blue ink, reading "Robert B. Evnen".

Secretary of State

NG-125

Sprague Operating Resources LLC

185 International Drive

Portsmouth, NH 03801

1.800.225.1560

FEIN: 02-0415440

Officer List

| <u>Name:</u> | <u>Title:</u> | <u>Phone:</u> | <u>Email:</u> |
|---------------------|--|----------------------|--|
| David Glendon | Chairman | 603.430.7239 | dglendon@spragueenergy.com |
| Karl Schmidt | Co-President | 212.536.8607 | kschmidt@spragueenergy.com |
| Brian Weego | Co-President | 603.430.5347 | bweego@spragueenergy.com |
| Paul Scoff | Vice President, General Counsel, Chief Compliance Officer, and Secretary | 603.430.5333 | pscoff@spragueenergy.com |
| James Therriault | Vice President, Materials Handling | 603.430.5372 | jtherriault@spragueenergy.com |
| Tim Winters | Vice President, Operations | 603.430.5348 | twinters@spragueenergy.com |
| Sener Pasalic | Vice President, Business Development | 603.430.5364 | spasalic@spragueenergy.com |
| Derek Hintz | Assistant Treasurer | 603.430.7259 | dhintz@spragueenergy.com |
| David Long | Head of Business Development | 603.430.5355 | dlong@spragueenergy.com |
| Vanda Moore | Senior Compliance Officer and Assistant Secretary | 603.610.8234 | vmore@spragueenergy.com |
| Celeste Sartorelli | Assistant Secretary | 603.430.7254 | csartorelli@spragueenergy.com |

Sprague Energy Solutions LLC, 185 International Drive, Portsmouth, NH 03801, a 100 percent wholly owned subsidiary of Sprague Operating Resources LLC, is a licensed energy services company (ESCO) and energy consultant in New York authorized to provide competitive natural gas supplier and broker services. Sprague Energy Solutions LLC is not duly certified in Nebraska.

| Sprague Operating Resources LLC | | |
|---------------------------------|----------------------------------|-----------------------------------|
| Jurisdiction | Requirement | License |
| CT | Natural Gas Seller Registration | Registration Number 02-99 |
| DC | Natural Gas Supplier License | Case No. GA 2014-13 |
| MA | Natural Gas Supplier | License No. GS-008 |
| MD | Natural Gas Supplier | PSC Lic No. IR-339 |
| ME | Natural Gas Supplier | Registered |
| NH | Competitive Natural Gas Supplier | Docket No. DM 17-010 |
| NJ | Natural Gas Supplier | License No. GSL-0028 |
| NY | Energy Service Company (ESCO) | Initial Eligibility: 02-FEB-99 |
| OH | None | Only serving mercantile customers |
| PA | Natural Gas Supplier | Docket No. A-125055 |
| RI | Natural Gas Marketer | Docket No. 2379 (E1) |
| VA | Natural gas broker | PUE 2014-00116 Lic. No. A-130 |
| VA | Competitive Service Provider | PUE 2014-00116 Lic. No. G-44 |
| WV | None | N/A |

Sprague Operating Resources LLC has not had a license or certificate to supply competitive natural gas service suspended, revoked, or denied, or voluntarily withdrawn from providing competitive natural gas service.

Sprague Energy Solutions LLC, a 100 percent wholly owned subsidiary of Sprague Operating Resources LLC, has not had a license or certificate to supply competitive natural gas service suspended, revoked, or denied.

Sprague Energy Solutions LLC has voluntarily withdrawn its license or certificate for providing competitive natural gas service due to business changes that eliminated the need for that licensure. Specifically, the activity was able to be done under Sprague Operating Resources LLC's licensure in that jurisdiction. Accordingly, Sprague Energy Solutions LLC (formerly Inc.) received the following approvals to withdraw licensure:

Maryland Public Service Commission Letter dated January 27, 2016, IR-3595.

New Hampshire Public Utilities Commission Letter dated March 23, 2015, DM 11-281.

Pennsylvania Public Utility Commission Letter dated March 31, 2025, Docket No. A-2025-3054002.

Rhode Island Public Utilities Commission Letter dated June 22, 2016, Docket No. 2379(S2).

Virginia State Corporation Commission Letter Order dated March 21, 2025, Case No. PUE-2015-00008.

W. KEVIN HUGHES
CHAIRMAN

HAROLD D. WILLIAMS
ANNE E. HOSKINS
JEANNETTE M. MILLS
MICHAEL T. RICHARD

STATE OF MARYLAND



NG-125

PUBLIC SERVICE COMMISSION

#3, 1/27/16 AM; ML# 175636, IR-3595

January 27, 2016

Katherine K. Battles
Senior Counsel
Sprague Energy Solutions, Inc.
185 International Drive
Portsmouth, New Hampshire 03801

Dear Ms. Battles:

The Commission has reviewed the request filed on October 8, 2015 by Sprague Energy Solutions, Inc. to cease authority and cancel its natural gas supplier license.

After considering this matter at the January 27, 2016 Administrative Meeting, the Commission canceled the Company's license to operate as a natural gas supplier in Maryland.

By Direction of the Commission,

A handwritten signature in blue ink, appearing to read "David J. Collins".

David J. Collins
Executive Secretary

DJC/st



185 International Drive
Portsmouth, New Hampshire 03801
(800) 225.1560

NG-125

March 23, 2015

SENT VIA UPS

Executive Director
NH Public Utilities Commission
21 South Fruit Street, suite 10
Concord, NH 03301

NHPUC MAR24'15 AM 9:36

RE: Sprague Energy Solutions Inc. – Natural Gas Annual Report of Sales
Docket No. DM 11-281

Dear Ms. Howland,

Please be advised that Sprague Energy Solutions Inc. wishes to withdraw its currently active registration as a Competitive Natural Gas Supplier, Docket No. DM 11-281. Sprague has not served any retail customers during the past 90 days.

As requested, please find enclosed additional copies. A copy of the same has been sent via email to the Executive Director and David Goyette.

Feel free to contact Teresa Mitchell, Legal Assistant, directly at 603-766-7485 should you have any questions regarding this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "K. Battles".

Katherine K. Battles
Senior Counsel

KKB:tlm

Enclosure(s): 3 copies

cc: executive.director@puc.nh.gov
david.goyette@puc.nh.gov

NPSC Received 08/04/2025



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
COMMONWEALTH KEYSTONE BUILDING
400 NORTH STREET
HARRISBURG, PENNSYLVANIA 17120
March 31, 2025

NG-125

Docket No. A-2025-3054002
Utility Code: 1217376

TODD BOHAN PHD
SPRAGUE ENERGY SOLUTIONS INC
185 INTERNATIONAL DR
PORTSMOUTH NH 03801

Re: Application for the Abandonment of Natural Gas Supplier License for Sprague Energy Solutions, Inc.

Dear Mr. Bohan:

On February 27, 2025, Sprague Energy Solutions, Inc. (Sprague Energy) filed an application to abandon its natural gas supplier (NGS) license as a broker/marketer. Sprague Energy was initially licensed on June 11, 2015, to serve small commercial (less than 6,000 Mcf annually) and industrial customers in the natural gas distribution company (NGDC) service territories of Columbia Gas of Pennsylvania, Inc., National Fuel Gas Distribution Corporation, PECO Energy Company, Peoples Natural Gas – Peoples Natural Gas Division, and Peoples Natural Gas – Peoples Gas Division (fka Peoples Natural Gas Company, LLC, Peoples Natural Gas Company, LLC - Equitable Division, and Peoples TWP LLC), Philadelphia Gas Works, UGI Utilities-Gas Division (fka UGI Utilities, Inc., UGI Central Penn Gas, and UGI Penn Natural Gas), and Valley Energy within the Commonwealth of Pennsylvania.

There are no outstanding fines pending against Sprague Energy. There are also no outstanding formal or informal complaints. Based on the foregoing, the notification provisions under Title 52, Chapter 62, Subchapter D, Section 62.112 are waived.

We believe that the relinquishment and abandonment of Sprague Energy's license will have no impact on the public, NGDC service territories, or default service providers. Therefore, the Commission approves, by this Secretarial Letter, Sprague Energy's application to abandon its NGS License at Docket No. A-2015-2469003 and its license is cancelled.

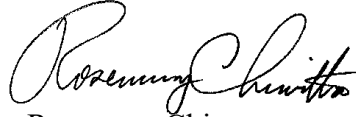
The Secretary's Bureau shall remove the company's name from all active status utility lists maintained by the Commission. The Bureau of Administrative Services shall remove the company from all assessment lists.

NPSC Received 08/04/2025

If you have any questions in this matter, please contact Lee Yalcin of the Bureau of Technical Utility Services at lyalcin@pa.gov or 717-787-6723.

NG-125

Sincerely,

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta". The signature is fluid and cursive, with the first name "Rosemary" being more prominent than the last name "Chiavetta".

Rosemary Chiavetta
Secretary

Cc: Bureau of Administration, Financial and Assessments



185 International Drive
Portsmouth, New Hampshire 03801
(800) 225.1560

NG-125

June 22, 2016

VIA 2nd DAY MAIL

Rhode Island Public Utilities Commission
Commission Clerk
89 Jefferson Boulevard
Warwick, RI 02888

RE: Sprague Energy Solutions Inc. | Docket No. 2379(S2)

Dear Ms. Massaro:

Sprague Energy Solutions Inc. hereby submits its request to cancel its gas marketer license approved by the Rhode Island Public Utilities Commission on December 22, 2011, in Docket No. 2379(S2).

Should you have any questions, please do not hesitate to contact me directly at 603-766-3046.

Sincerely,

Todd Bohan

Todd Bohan, PhD
Regulatory Specialist

cc: john.bell@dpuc.ri.gov

NPSC Received 08/04/2025

STATE CORPORATION COMMISSION

AT RICHMOND, MARCH 21, 2025

State Corporation Commission
Document Control Center
03/21/25 9:12 AM NG-125

APPLICATION OF

SPRAGUE ENERGY SOLUTIONS, INC.

CASE NO. PUE-2015-00008

For a license to conduct business as a
natural gas aggregator

ORDER CANCELLING LICENSE AND CLOSING CASE

On January 23, 2015, Sprague Energy Solutions, Inc. ("Sprague" or "Company"), filed an application with the State Corporation Commission ("Commission") for a license to conduct business as an aggregator of natural gas services ("Application"), seeking authority to provide aggregator services throughout Virginia to eligible commercial and industrial customers. On March 9, 2015, the Commission issued an Order Granting License No. A-40 to Sprague. On February 26, 2025, the Company filed a letter to surrender License No. A-40.¹ According to the Company:

The Commission's regulations require providing notice to any affected customers, to the local distribution companies and the Commission. As the Company is not serving any customers under this license, there are no customers to issue notice. A copy of this filing is being provided by U.S.P.S. mail to the natural gas companies listed on the Commission's website....²

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Sprague has voluntarily surrendered License No. A-40 and abandoned conducting business as an aggregator of natural gas services to eligible commercial and industrial customers in the Commonwealth of Virginia. Pursuant to the Company's representations, the Commission further

¹ Letter of License Surrender, License No. A-40, at 1.

² *Id.*

finds that no customers will be affected by Sprague's surrender of its license. Based on the foregoing, the Commission finds that Sprague's natural gas aggregator License No. A-40 should be cancelled, and this case dismissed. NG-125

Accordingly, IT IS ORDERED THAT:

- (1) Sprague's License No. A-40 is cancelled.
- (2) This case is dismissed.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.

In support of its application, Sprague Operating Resources LLC provides the following materials demonstrating its financial qualifications:

Sprague Operating Resources LLC does not have stand-alone financial statements. Audited financial statements for the past two years for Sprague Resources LP, Sprague Operating Resources LLC's parent company, are provided. Sprague Operating Resources LLC comprises a majority of Sprague Resources LP's financials. Sprague Operating Resources LLC's net sales are approximately 90 percent of Sprague Resources LP's net sales, and the remaining 10 percent of Sprague Resources LP net sales are generated through entities that are wholly owned by Sprague Operating Resources LLC. Accordingly, Sprague Resources LP's consolidated (and audited) financial statements represent the financial position of Sprague Operating Resources LLC.

NG-125

CONSOLIDATED FINANCIAL STATEMENTS

Sprague Resources LP
Years Ended December 31, 2024 and 2023
With Report of Independent Auditors



The better the question.
The better the answer.
The better the world works.



Shape the future
with confidence

NPSC Received 08/04/2025

Sprague Resources LP

NG-125

Consolidated Financial Statements

Years Ended December 31, 2024 and 2023

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Ernst & Young LLP
200 Clarendon Street
Boston, MA 02116

Tel: +1 617 266 2000
Fax: +1 617 266 5843
ey.com

NG-125

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Report of Independent Auditors

To the Partners of Sprague Resources LP

Opinion

We have audited the consolidated financial statements of Sprague Resources LP (the Partnership), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, consolidated statements of comprehensive (loss) income, consolidated statements of Partners' equity and consolidated statements of cash flows for the years then ended, and the related notes to consolidated financial statements (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 Partnership at December 31, 2024 and 2023, and the results of its operations 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 Partnership 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 Partnership's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



**Shape the future
with confidence**

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 Partnership'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 Partnership'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.

Ernst & Young LLP

March 28, 2025

Sprague Resources LP

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Consolidated Balance Sheets (In Thousands)

| | December 31 | |
|--|---------------------|---------------------|
| | 2024 | 2023 |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 12,342 | \$ 17,139 |
| Accounts receivable, net | 339,481 | 321,580 |
| Inventories | 302,911 | 277,455 |
| Fair value of derivative assets | 157,515 | 260,125 |
| Other current assets | 59,733 | 109,722 |
| Total current assets | 871,982 | 986,021 |
| Fair value of derivative assets long-term | 43,117 | 79,500 |
| Property, plant, and equipment, net | 394,100 | 394,447 |
| Intangibles, net | 19,174 | 23,388 |
| Other assets, net | 35,393 | 11,290 |
| Goodwill, net | 89,667 | 92,029 |
| Total assets | <u>\$ 1,453,433</u> | <u>\$ 1,586,675</u> |
| Liabilities and Partners' equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 180,329 | \$ 162,647 |
| Accrued liabilities | 71,823 | 60,856 |
| Fair value of derivative liabilities | 124,643 | 137,290 |
| Due to General Partner | 18,797 | 13,248 |
| Revolving working capital facility | 488,700 | 576,200 |
| Current portion of other obligations | 9,239 | 7,377 |
| Total current liabilities | 893,531 | 957,618 |
| <i>Commitments and contingencies</i> | | |
| Promissory notes to Hartree Partners, L.P. | 70,000 | 70,000 |
| Acquisition facility | 365,100 | 357,400 |
| Fair value of derivative liabilities, less current portion | 15,995 | 23,975 |
| Other obligations, less current portion | 26,631 | 20,151 |
| Operating lease liabilities, less current portion | 6,107 | 1,921 |
| Due to General Partner | 1,892 | 1,994 |
| Deferred income taxes | 10,753 | 12,608 |
| Total liabilities | 1,390,009 | 1,445,667 |
| Partners' equity: | | |
| Capital accounts | 57,110 | 131,185 |
| Accumulated other comprehensive income, net of tax | 6,314 | 9,823 |
| Total Partners' equity | 63,424 | 141,008 |
| Total liabilities and Partners' equity | <u>\$ 1,453,433</u> | <u>\$ 1,586,675</u> |

The accompanying notes are an integral part of these financial statements.

Sprague Resources LP

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Consolidated Statements of Operations
(In Thousands)

| | Year Ended December 31 | |
|--|------------------------|--------------|
| | 2024 | 2023 |
| Net sales | \$ 3,965,196 | \$ 4,404,431 |
| Cost of products sold (excluding depreciation and amortization shown separately below) | 3,732,812 | 3,892,659 |
| Operating expenses | 104,757 | 100,319 |
| Selling, general and administrative | 105,440 | 88,169 |
| Depreciation and amortization | 42,707 | 42,573 |
| Total operating costs and expenses | 3,985,716 | 4,123,720 |
| Operating (loss) income | (20,520) | 280,711 |
| Other income (expenses) | 11,549 | (5) |
| Interest income | 1,973 | 1,936 |
| Interest expense | (62,703) | (67,311) |
| (Loss) income before income taxes | (69,701) | 215,331 |
| Income tax provision | (4,374) | (2,201) |
| Net (loss) income | \$ (74,075) | \$ 213,130 |

The accompanying notes are an integral part of these financial statements.

Sprague Resources LP

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Consolidated Statements of Comprehensive (Loss) Income (In Thousands)

| | Year Ended December 31 | |
|---|------------------------|------------|
| | 2024 | 2023 |
| Net (loss) income | \$ (74,075) | \$ 213,130 |
| Other comprehensive income (loss), net of tax: | | |
| Unrealized income (loss) on interest rate swaps: | | |
| Net income arising in the period | 11,687 | 6,982 |
| Reclassification adjustment related to loss realized in net (loss) income | (15,016) | (11,742) |
| Net change in unrealized loss on interest rate swaps | (3,329) | (4,760) |
| Tax effect | 26 | 37 |
| | (3,303) | (4,723) |
| Foreign currency translation adjustment | (206) | 63 |
| Other comprehensive loss | (3,509) | (4,660) |
| Comprehensive (loss) income | \$ (77,584) | \$ 208,470 |

The accompanying notes are an integral part of these financial statements.

Sprague Resources LP

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Consolidated Statements of Partners' Equity (In Thousands)

| | Partners' Capital | Accumulated Other Comprehensive (Loss) Income | Total |
|---------------------------------|------------------------------|--|------------------|
| Balance as of December 31, 2022 | \$ (69,954) | \$ 14,483 | \$ (55,471) |
| Net income | 213,130 | — | 213,130 |
| Other comprehensive loss | — | (4,660) | (4,660) |
| Distributions paid to Partners | (11,991) | — | (11,991) |
| Balance as of December 31, 2023 | 131,185 | 9,823 | 141,008 |
| Net loss | (74,075) | — | (74,075) |
| Other comprehensive loss | — | (3,303) | (3,303) |
| Disposal of Wintergreen | — | (206) | (206) |
| Balance as of December 31, 2024 | \$ 57,110 | \$ 6,314 | \$ 63,424 |

The accompanying notes are an integral part of these financial statements.

Sprague Resources LP

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Consolidated Statements of Cash Flows (In Thousands)

| | Year Ended December 31 | |
|---|------------------------|-----------|
| | 2024 | 2023 |
| Operating activities | | |
| Net (loss) income | \$ (74,075) | \$213,130 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | |
| Depreciation and amortization (includes amortization of deferred debt issue costs) | 48,491 | 47,348 |
| (Gain) loss on sale of assets | (11,643) | 116 |
| Provision for doubtful accounts | 816 | 613 |
| Deferred income taxes | (1,687) | 674 |
| Changes in assets and liabilities: | | |
| Accounts receivable | (18,717) | 82,957 |
| Inventories | (25,313) | 142,590 |
| Other assets | 52,922 | (34,878) |
| Fair value of commodity derivative instruments | 115,811 | (215,397) |
| Due to/from General Partner and affiliates | 2,372 | (3,698) |
| Accounts payable, accrued liabilities and other | 26,477 | (124,340) |
| Net cash provided by operating activities | 115,454 | 109,115 |
| Investing activities | | |
| Purchases of property, plant and equipment | (24,554) | (99,143) |
| Acquisitions, net of cash acquired | (8,535) | — |
| Proceeds from sale of assets | 13,516 | 128 |
| Net cash used in investing activities | (19,573) | (99,015) |
| Financing activities | | |
| Proceeds from promissory notes | — | 70,000 |
| Payment of existing revolving working capital facility | (401,000) | — |
| Proceeds from new revolving working capital facility | 433,100 | — |
| Net payments under revolving credit facility | (111,900) | (54,712) |
| Payments on finance leases and other obligations | (7,659) | (6,743) |
| Payment of debt issuance costs on new and amended facilities | (13,013) | 4 |
| Distributions paid to Partners | — | (11,991) |
| Net cash used in financing activities | (100,472) | (3,442) |
| Effect of exchange rate changes on cash balances held in foreign currencies | (206) | 39 |
| Net change in cash and cash equivalents | (4,797) | 6,697 |
| Cash and cash equivalents, beginning of period | 17,139 | 10,442 |
| Cash and cash equivalents, end of period | \$ 12,342 | \$ 17,139 |
| Supplemental disclosure of cash flow information | | |
| Cash paid for interest | \$ 59,323 | \$ 64,885 |
| Cash paid for taxes | \$ 1,051 | \$ 434 |
| Assets acquired under finance lease obligations | \$ 2,663 | \$ 2,493 |
| Non-cash asset retirement obligation and related asset | \$ 880 | \$ 2,463 |
| Cash paid for operating leases | \$ 6,788 | \$ 7,887 |
| ROU assets obtained in exchange for new lease liabilities | \$ 11,305 | \$ 1,552 |

The accompanying notes are an integral part of these financial statements.

Sprague Resources LP

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Notes to Consolidated Financial Statements (In Thousands Unless Otherwise Stated)

Years Ended December 31, 2024 and 2023

1. Description of Business and Summary of Significant Accounting Policies

Partnership Businesses

Sprague Resources LP (the “Partnership”) is a Delaware limited partnership formed on June 23, 2011 by Sprague Holdings and its General Partner and engages in the purchase, storage, distribution and sale of refined products and natural gas, and provides storage and handling services for a broad range of materials.

Unless the context otherwise requires, effective May 28, 2021, references referring to Sprague Resources, and the Partnership, refer to Sprague Resources LP and its subsidiaries; references to the General Partner refer to Sprague Resources GP LLC; references to “Hartree” or the Sponsor refer to Hartree Partners, LP, and its controlled affiliates, collectively, other than Sprague Resources, its subsidiaries and its General Partner; references to “Sprague Holdings” refer to Sprague HP Holdings LLC, a wholly owned subsidiary of Hartree and the owner of the General Partner.

The Partnership owns, operates and/or controls a network of refined products and materials handling terminals and storage facilities predominantly located in the Northeast United States from New York to Maine and in Quebec, Canada. The Partnership also utilizes third-party terminals in the Northeast United States through which it sells or distributes refined products pursuant to rack, exchange and throughput agreements. The Partnership has four businesses: refined products, natural gas, materials handling and other operations.

- The refined products business purchases a variety of refined products, such as heating oil, diesel fuel, residual fuel oil, kerosene, jet fuel, and gasoline – primarily from refining companies, trading organizations and producers – and sells them to wholesale and commercial customers.
- The natural gas business purchases natural gas from natural gas producers and trading companies and sells and distributes natural gas to commercial and industrial customers.
- The materials handling business offloads, stores and prepares for delivery a variety of customer-owned products, including asphalt, clay slurry, salt, gypsum, crude oil, residual fuel oil, coal, petroleum coke, caustic soda, tallow, pulp and heavy equipment.

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Notes to Consolidated Financial Statements (continued) *(in thousands unless otherwise stated)*

1. Description of Business and Summary of Significant Accounting Policies (continued)

- The other operations primarily includes the marketing and distribution of coal and certain commercial trucking activities.

See Note 3 – Revenue for a description of the Partnership’s revenue activities within these business units.

Services Agreement

The Partnership, the General Partner and Sprague Holdings operate under a services agreement (the “Services Agreement”) pursuant to which the General Partner provides certain general and administrative and operational services to the Partnership and Sprague Holdings, and the Partnership and Sprague Holdings reimburse the General Partner for all costs and expenses incurred in connection with providing such services to the Partnership and Sprague Holdings. The Services Agreement does not limit the amount that may be reimbursed or paid by the Partnership to the General Partner. The initial term of the Services Agreement expired on October 30, 2018 and automatically renewed at the end of the initial term for successive one-year terms until terminated in accordance with the terms thereof. The Services Agreement does not limit the ability of the officers and employees of the General Partner to provide services to other affiliates of Sprague Holdings or unaffiliated third parties. See Note 15 – Related Party Transactions.

As of December 31, 2024, the General Partner employed approximately 653 full-time employees who support the Partnership’s operations, 85 of whom were covered by five collective bargaining agreements. One collective bargaining agreement covering 8 employees is scheduled to expire within the next 12 months. As of December 31, 2024, the Partnership’s Canadian subsidiary had 89 employees, 41 of whom were covered by one collective bargaining agreement.

Basis of Presentation

The Consolidated Financial Statements include the accounts of the Partnership and its wholly owned subsidiaries. Intercompany transactions between the Partnership and its subsidiaries have been eliminated.

Notes to Consolidated Financial Statements (continued)
(in thousands unless otherwise stated)

1. Description of Business and Summary of Significant Accounting Policies (continued)

The Partnership makes estimates and assumptions that affect the reported amounts on these consolidated financial statements and accompanying notes as of the date of the financial statements. The Partnership assessed accounting estimates that require consideration of forecasted financial information, including, but not limited to, the allowance for credit losses, the carrying value of goodwill, intangible assets, and other long-lived assets. This assessment was conducted in the context of information reasonably available to the Partnership.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities in the balance sheet and the reported net sales and expenses in the income statement. Actual results could differ from those estimates. Among the estimates made by management are the fair value of derivative assets and liabilities, allowance for credit losses, valuation estimates to determine the fair value of assets acquired, and if necessary goodwill and long-lived asset impairments as well as environmental and legal obligations.

Purchase Price Allocation

From time to time, the Partnership enters into material business combinations. The purchase price is allocated to the various assets acquired and liabilities assumed at their estimated fair value as of the acquisition date with the residual of the purchase price allocated to goodwill. From time to time, the Partnership engages third-party valuation experts to assist us in determining the fair values of certain assets acquired and liabilities assumed.

The Partnership has elected to adopt the accounting alternative for private companies as provided in Accounting Standards Update (ASU) 2014-18, "Business Combinations (Topic 805): Accounting for Certain Identifiable Intangible Assets in a Business Combination." This alternative allows private companies to simplify the accounting for intangible assets acquired in a business combination. Under this accounting alternative, an acquirer other than a public business entity can make an accounting policy election not to recognize and measure: (a) customer-related intangibles (unless they are capable of being sold or licensed independent from the other assets of the acquired business) and (b) non-compete agreements. Based on this election, the Partnership does not separately recognize non-compete agreements and customer-related intangible assets that are not considered to be identifiable. Instead, these assets are included in goodwill.

Notes to Consolidated Financial Statements (continued)
(in thousands unless otherwise stated)

1. Description of Business and Summary of Significant Accounting Policies (continued)

The Partnership assesses the fair value of the identifiable intangible assets acquired in a business combination at the acquisition date. The fair value measurement is based on the expected future cash flows attributable to the intangible assets, discounted to present value using an appropriate discount rate. Management makes estimates of fair value based upon assumptions it believes to be reasonable. These estimates are based upon historical experience and information obtained from the management of the acquired companies and are inherently uncertain. Unanticipated events and circumstances may occur, which may affect the accuracy or validity of such assumptions or estimates. The allocation of the purchase price may be modified up to one year after the acquisition date, under certain circumstances, as more information is obtained about the fair value of assets acquired and liabilities assumed.

For all material acquisitions the Partnership determines the fair value of the assets acquired and liabilities assumed, including goodwill, based on recognized business valuation methodologies. An income, market or cost valuation method may be utilized to estimate the fair value of the assets acquired or liabilities assumed. The income valuation method represents the present value of future cash flows over the life of the asset using: (i) discrete financial forecasts, based on management's estimates of revenue and operating expenses; (ii) long-term growth rates; and (iii) appropriate discount rates. The market valuation method uses prices paid for a reasonably similar asset by other purchasers in the market, with adjustments relating to any differences between the assets. The cost valuation method is based on the replacement cost of a comparable asset at prices at the time of the acquisition reduced for depreciation of the asset. For contingent consideration arrangements, a liability is recognized at fair value as of the acquisition date with subsequent fair value adjustments recorded in operations.

Other assets acquired and liabilities assumed typically include, but are not limited to, inventory, accounts receivable, accounts payable and other working capital items. Because of their short-term nature, the fair values of these other assets and liabilities generally approximate the book values on the acquired entity's balance sheet.

Revenue Recognition and Cost of Products Sold

Revenue is recognized when performance obligations under the terms of a contract with a customer are satisfied. The majority of the Partnership's revenue is generated from refined products and natural gas contracts that have a single performance obligation which is the delivery of the related

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

1. Description of Business and Summary of Significant Accounting Policies (continued)

energy product. Accordingly, the Partnership recognizes revenue for refined products and natural gas when title and control have been transferred to the customer which is generally at the time of shipment or delivery of products. Revenue for the Partnership's materials handling business is recorded on a straight-line basis under leasing arrangements or as services are performed.

Revenue is measured as the amount of consideration the Partnership expects to receive in exchange for transferring products or providing services and is generally based upon a negotiated index, formula, list or fixed price. An allowance for doubtful accounts is recorded to reflect an estimate of the ultimate realization of the Partnership's accounts receivable and includes an assessment of the customers' creditworthiness and the probability of collection. The provision for the allowance for doubtful accounts is included in cost of products sold. Estimated discounts are included in the transaction price of the contracts with customers as a reduction to net sales. Cash discounts were \$0.9 million and \$5.1 million for the years ended December 31, 2024 and 2023, respectively. The Partnership sells its products or provides its services directly to commercial customers and wholesale distributors generally under agreements with payment terms typically less than 30 days.

The Partnership has elected to account for shipping and handling as activities to fulfill the promise to transfer the good. As such, shipping and handling fees billed to customers in a sales transaction are recorded in net sales and shipping and handling costs incurred are recorded in cost of products sold. The Partnership has elected to exclude from net sales any value adds, sales and other taxes which it collects concurrently with revenue-producing activities.

The majority of the Partnership's revenue is derived from contracts (i) with an original expected length of one year or less and (ii) contracts for which it recognizes revenue at the amount in which it has the right to invoice the customer as product is delivered. The Partnership has elected the practical expedient in accordance with ASC 606 not to disclose the value of remaining performance obligations associated with these types of contracts.

Commodity Derivatives

The Partnership utilizes derivative instruments consisting of futures contracts, forward contracts, swaps, options and other derivatives individually or in combination, to mitigate its exposure to fluctuations in prices of refined petroleum products and natural gas. The use of these derivative instruments within the Partnership's risk management policy may, on a limited basis, generate gains or losses from changes in market prices. The Partnership enters into futures and over-the-

Notes to Consolidated Financial Statements (continued)
(in thousands unless otherwise stated)

1. Description of Business and Summary of Significant Accounting Policies (continued)

counter (“OTC”) transactions either on regulated exchanges or in the OTC market. Futures contracts are exchange-traded contractual commitments to either receive or deliver a standard amount or value of a commodity at a specified future date and price, with some futures contracts based on cash settlement rather than a delivery requirement. Futures exchanges typically require margin deposits as security. OTC contracts, which may or may not require margin deposits as security, involve parties that have agreed either to exchange cash payments or deliver or receive the underlying commodity at a specified future date and price. The Partnership posts initial margin with futures transaction brokers, along with variation margin, which is paid or received on a daily basis, and is included in other current assets and other current liabilities. In addition, the Partnership may either pay or receive margin based upon exposure with counterparties. Payments made by the Partnership are included in other current assets, whereas payments received by the Partnership are included in accrued liabilities. Substantially all of the Partnership’s commodity derivative contracts outstanding as of December 31, 2024, will settle prior to June 30, 2025.

The Partnership does enter into master netting arrangements to mitigate credit risk with significant counterparties. Master netting arrangements are standardized contracts that govern all specified transactions with the same counterparty and allow the Partnership to terminate all contracts upon occurrence of certain events, such as a counterparty’s default. The Partnership has elected not to offset the fair value of its derivatives, even where these arrangements provide the right to do so.

The Partnership’s derivative instruments are recorded at fair value, with changes in fair value recognized in net income (loss) each period. The Partnership’s fair value measurements are determined using the market approach and includes non-performance risk and time value of money considerations. Counterparty credit is considered for receivable balances, and the Partnership’s credit is considered for payable balances.

The Partnership does not offset fair value amounts recognized for the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) against the fair value of derivative instruments executed with the same counterparty under the same master netting arrangement. The Partnership had no right to reclaim or obligation to return cash collateral as of December 31, 2024 or 2023.

Notes to Consolidated Financial Statements (continued)
(in thousands unless otherwise stated)

1. Description of Business and Summary of Significant Accounting Policies (continued)

Interest Rate Derivatives

The Partnership manages its exposure to variable Secured Overnight Financing Rate (“SOFR”) borrowings by using interest rate swaps to convert a portion of its variable rate debt to fixed rates. These interest rate swaps are designated as cash flow hedges and the changes in fair value of the swaps are included as a component of comprehensive (loss) income and accumulated other comprehensive loss, net of tax.

To designate a derivative as a cash flow hedge, the Partnership documents at inception the assessment that the derivative will be highly effective in offsetting expected changes in cash flows from the item hedged. The assessment, updated at least annually, is based on the most recent relevant historical correlation between the derivative and the item hedged. If during the term of the derivative, the hedge is found to be less than highly effective, hedge accounting is prospectively discontinued, and the remaining gains and losses are reclassified to income in the current period.

Market and Credit Risk

The Partnership manages the risk of fluctuations in the price and transportation costs of its commodities through the use of derivative instruments. The volatility of prices for energy commodities can be significantly influenced by market supply and demand, changes in seasonal demand, weather conditions, transportation availability, and federal and state regulations. The Partnership monitors and manages its exposure to market risk on a daily basis in accordance with approved policies.

The Partnership has a number of financial instruments that are potentially at risk including cash and cash equivalents, receivables and derivative contracts. The Partnership’s primary exposure is credit risk related to its receivables and counterparty performance risk related to its derivative assets, which is the loss that may result from a customer’s or counterparty’s non-performance. The Partnership uses credit policies to control credit risk, including utilizing an established credit approval process, monitoring customer and counterparty limits, employing credit mitigation measures such as analyzing customer financial statements, and accepting personal guarantees and various forms of collateral.

Notes to Consolidated Financial Statements (continued)
(in thousands unless otherwise stated)

1. Description of Business and Summary of Significant Accounting Policies (continued)

The Partnership believes that the counterparties to its derivative contracts will be able to satisfy their contractual obligations. Credit risk is limited by the large number of customers and counterparties comprising the Partnership's business and their dispersion across different industries.

The Partnership's cash is in demand deposits placed with federally insured financial institutions. Such deposit accounts at times may exceed federally insured limits. The Partnership has not experienced any losses on such accounts.

Fair Value Measurements

The Partnership determines fair value based on a hierarchy for the inputs used to measure the fair value of financial assets and liabilities based on the source of the input, which generally range from quoted prices for identical instruments in a principal trading market (Level 1) to estimates determined using significant unobservable inputs (Level 3). Multiple inputs may be used to measure fair value; however, the level of fair value is based on the lowest significant input level within this fair value hierarchy.

Details on the methods and assumptions used to determine the fair values are as follows:

Fair value measurements based on Level 1 inputs: Measurements that are most observable and are based on quoted prices of identical instruments obtained from the principal markets in which they are traded. Closing prices are both readily available and representative of fair value. Market transactions occur with sufficient frequency and volume to assure liquidity.

Fair value measurements based on Level 2 inputs: Measurements derived indirectly from observable inputs or from quoted prices from markets that are less liquid are considered Level 2. Measurements based on Level 2 inputs include OTC derivative instruments that are priced on an exchange traded curve, but have contractual terms that are not identical to exchange traded contracts. The Partnership utilizes fair value measurements based on Level 2 inputs for its fixed forward contracts, over-the-counter commodity price swaps, interest rate swaps and forward currency contracts.

Fair value measurements based on Level 3 inputs: Measurements that are least observable are estimated from significant unobservable inputs determined from sources with little or no market activity for comparable contracts or for positions with longer durations.

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

1. Description of Business and Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid investments which are readily convertible into cash and have maturities of three months or less when purchased.

Inventories

The Partnership's inventories are valued at the lower of cost or net realizable value. Cost is primarily determined using the first-in, first-out method, except for the Partnership's Canadian subsidiary, which used the weighted average method. Inventory consists of petroleum products, natural gas and coal. The Partnership uses derivative instruments, primarily futures, forwards and swaps, to economically hedge substantially all of its inventory.

Property, Plant and Equipment, Net

Property, plant and equipment, net are recorded at historical cost. Depreciation is computed on a straight-line basis over the following estimated useful lives:

| | |
|-------------------------------------|----------------|
| Furniture and Fixtures | 5 to 10 years |
| Plant and Machinery | 5 to 30 years |
| Building and Leasehold Improvements | 10 to 25 years |

Leasehold improvements are amortized over the term of the lease or the estimated useful life of the improvement, whichever is shorter. Maintenance and repairs are charged to expense as incurred. Costs and related accumulated depreciation of properties sold or otherwise disposed of are removed from the respective accounts, and any resulting gains or losses are recorded at that time.

Long-lived Asset Impairment

The Partnership evaluates the carrying value of its property, plant and equipment and finite lived intangible assets for impairment when events or changes in circumstances indicate the carrying amount of an individual asset or asset group may not be recoverable based on estimated future undiscounted cash flows. Future cash flow projections include assumptions of future sales levels, the impact of controllable cost reduction programs, and the level of working capital needed to

Notes to Consolidated Financial Statements (continued)
(in thousands unless otherwise stated)

1. Description of Business and Summary of Significant Accounting Policies (continued)

support each business. To the extent the carrying amount of the asset group is not recoverable based on undiscounted cash flows, the amount of impairment is measured by the difference between the carrying value and the fair value of the individual assets or asset group.

Goodwill

Goodwill is defined as the excess of cost over the fair value of assets acquired and liabilities assumed in a business combination. Effective January 1, 2022, the Partnership adopted the private company accounting alternative made available under ASU 2014-02, Accounting for Goodwill – a consensus of the Private Company Council (codified in the Accounting Alternative guidance in ASC 350-20). Consistent with the transition provisions of the accounting alternative under ASC 350-20, the Partnership adopted the change on a prospective basis in the period in which it ceased being a public business entity. As a result, effective January 1, 2022, the Partnership began amortizing goodwill over a 10-year useful life. Refer to Note 11, for the gross carrying value of goodwill and accumulated amortization balances as of December 31, 2024.

The Partnership recorded amortization expense related to goodwill of \$12.2 million and \$11.5 million for the years ended December 31, 2024 and 2023, respectively. The amortization of goodwill is recorded within depreciation and amortization expense on the consolidated statement of operations. With the adoption of the accounting alternative under ASC 350-20, the Partnership has elected to perform its annual impairment triggering event analysis as of the reporting date (December 31) and at the entity level, versus the reporting unit level.

During the years ended December 31, 2024 and 2023, there was no impairment of goodwill identified.

Intangibles, Net

Intangibles, net consist of intangible assets with finite lives, primarily customer relationships and non-compete agreements acquired prior to the Company becoming privately owned. Effective January 1, 2022, the Partnership has elected to adopt the accounting alternative for private companies as provided in Accounting Standards Update (ASU) 2014-18, “Business Combinations (Topic 805): Accounting for Certain Identifiable Intangible Assets in a Business Combination.” Under this accounting alternative, the Partnership recognizes only the intangible assets that meet

Notes to Consolidated Financial Statements (continued)
(in thousands unless otherwise stated)

1. Description of Business and Summary of Significant Accounting Policies (continued)

the definition of identifiable under the guidance of Topic 805. Specifically, the Partnership does not separately recognize non-compete agreements and customer-related intangible assets that are not considered to be identifiable. Instead, these assets are included in goodwill.

Intangibles and other assets are amortized over their respective estimated useful lives. The Partnership believes the sum-of-the-years'-digits method of amortization properly reflects the timing of the recognition of the economic benefits realized from its intangible assets.

Income Taxes

The Partnership is organized as a pass-through entity for U.S. federal income tax purposes. As a result, the partners are responsible for U.S. federal income taxes based on their respective share of taxable income. Net income for financial statement purposes may differ significantly from taxable income reportable to partners as a result of differences between the tax bases and financial reporting bases of assets and liabilities and the taxable income allocation requirements under the partnership agreement. The Partnership is subject to income tax and franchise tax in certain domestic state and local as well as foreign jurisdictions.

Income taxes (*e.g.*, deferred tax assets, deferred tax liabilities, taxes currently payable and tax expense) are recorded based on amounts refundable or payable in the current year and include the impact of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. Deferred taxes are measured by applying currently enacted tax rates. The Partnership establishes a valuation allowance for deferred tax assets when it is more likely than not that these assets will not be realized.

The Partnership's Canadian operations are conducted within entities that are treated as corporations for Canadian tax purposes and are subject to Canadian federal and provincial taxes. Additionally, payments of dividends from the Partnership's Canadian entities to other Sprague entities are subject to Canadian withholding tax that is treated as income tax expense. The partnership's foreign subsidiaries record investment tax credits under the deferral method.

The Partnership recognizes the financial statement effect of an uncertain tax position only when management believes that it is more likely than not, that based on the technical merits, the position will be sustained upon examination. The Partnership classifies interest and penalties associated

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

1. Description of Business and Summary of Significant Accounting Policies (continued)

with uncertain tax positions as income tax expense. During the years ended December 31, 2024 and 2023, the uncertain tax positions and related interest and penalties recognized by the Partnership were immaterial. The Partnership and its subsidiaries tax returns are subject to examination by the Internal Revenue Service (“IRS”) and by the Canada Revenue Agency for the years ended December 31, 2024, 2023, 2022, and 2021. On October 26, 2023, the IRS selected the Partnership’s 2021 Federal Income Tax Return for audit. The Partnership is working closely with the IRS audit team to provide all required documentation as well as other related requests. For the year ended December 31, 2024, the IRS audit for the Partnership’s 2021 Federal Income Tax Return is still ongoing, and no updates are provided to the Partnership yet.

Foreign Currency

The Partnership’s reporting currency is the U.S. dollar. The Partnership’s most significant foreign operations are conducted by Kildair Service ULC, a Canadian subsidiary (“Kildair”). On January 1, 2014, the Partnership changed the functional currency of Kildair from the Canadian Dollar to the U.S. Dollar as a result of performing a review of the appropriateness of the status of the functional currency for this subsidiary. The factors the Partnership considered included an increasing portion of Kildair’s business being conducted in U.S. dollars, as well as the fact that during the year ended December 31, 2013, Kildair entered into a new credit facility that is denominated in U.S. dollars. In accordance with ASC-830 “Foreign Currency Matters”, the change took place prospectively on the first day of the fiscal year, there was no income statement or cash flow translation required and the translation adjustments for prior periods were not removed from equity (see Note 5). Since then, the functional currency of Kildair has been is the U.S. dollar. Until its divestiture in 2024, Kildair had an operating subsidiary whose functional currency was the Canadian dollar.

Kildair converts receivables and payables denominated in other than their functional currency at the exchange rate as of the balance sheet date. Kildair utilizes forward currency contracts to manage its exposure to currency fluctuations of certain of its transactions that are denominated in Canadian dollars. These forward currency exchange contracts are recorded at fair value at the balance sheet date and changes in fair value are recognized in net income (loss) as these forward currency contracts have not been designated as hedges. For the years ended December 31, 2024 and 2023, transaction exchange gains or losses net of the impact of the forward currency exchange contracts, amounted to a loss of \$0.4 million and a gain of \$0.1 million, respectively, which is recorded in cost of products sold.

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

1. Description of Business and Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

Recently Issued Accounting Standards Not Yet Adopted

On December 14, 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740)—Improvements to Income Tax Disclosures. ASU No. 2023-09 provides more transparency about income tax information through improvements to income tax disclosures primarily related to the rate reconciliation and incomes taxes paid information. For nonpublic companies, the amendments are effective for annual periods beginning after December 15, 2025 and should be applied prospectively. The Partnership is still assessing the effects of adopting the amendments in ASU 2023-09. Since it will only impact its disclosures, the Partnership anticipates that it will not have a material impact on its consolidated financial position and the results of its operations when such amendment is adopted.

2. Business Combination

Acquisition of Energo Natural Gas Business

On May 1, 2024, the Partnership purchased the natural gas marketing of Energo Power & Gas LLC for \$11.0 million. Consideration of cash paid was \$8.5 million and was financed with borrowings under the Credit Agreement. The remaining of \$2.75 million hold back payment with a present value of \$2.5 million, which is scheduled to settle 50% on the 12-month anniversary of the closing date with the balance to be settled on the 24-month anniversary of the closing date. This business markets natural gas to commercial, industrial, municipal and institutional customer locations in the New York Metro, New Jersey, Pennsylvania and Maryland area. The operations of Energo Natural Gas are included in the Partnership's natural gas segment since the acquisition date.

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

2. Business Combination (continued)

The following table summarizes the fair values of the assets acquired and liabilities assumed at the acquisition date:

| | |
|--|-------------------------|
| Inventory | \$ 144 |
| Derivative assets | 45,890 |
| Natural gas transportation assets | 23,810 |
| Other assets | 332 |
| Total identifiable assets acquired | <u>70,176</u> |
| Derivative liabilities | (42,092) |
| Natural gas transportation liabilities | (26,692) |
| Other liabilities | (224) |
| Net identifiable assets acquired | <u>1,168</u> |
| Goodwill | 9,795 |
| Net assets acquired | <u><u>\$ 10,963</u></u> |

The goodwill recognized is attributable to Energo Natural Gas's reputation in its market regions, customer relationships as well as non-compete agreements.

Acquisition of the 149th Street Terminal ("Bronx Terminal")

On March 31, 2023, the Partnership completed its purchase of the 149th Street Terminal from Buckeye Terminals LLC for \$73.5 million. The specified assets identified in the Agreement (the "Acquired Assets") include Real Property (the "Land") owned by the Seller along with Tanks, Machinery, Tools, and Equipment (the "Terminal") located on the Land and used in connection to operate the facility. The Bronx Terminal utilizes seven primary tanks with approximately 530 thousand barrels storage capacity, handling distillate fuel oil, asphalt, biodiesel, and diesel additive.

The Partnership first evaluated whether substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable assets or group of similar identifiable assets. It determined that the combined fair value of land and tanks represents substantially all of the fair value of the gross assets acquired. As a result, the acquisition was accounted for as an asset acquisition as defined under ASC 805, Business Combination. Accordingly, the Partnership

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

2. Business Combination (continued)

included the transaction costs directly related to the assets acquisition for a total consideration of \$76.4 million consisted of \$73.5 million purchase price and \$2.9 million for title insurance, mortgage tax charges as well as other acquisition directly related charges recorded to the Partnership's property, plant and equipment.

The Bronx terminal was financed with borrowings under the Partnership's credit facility.

3. Revenue

Disaggregated Revenue

In general, the Partnership's businesses are aligned according to the nature and economic characteristics of its products and customer relationships which provides meaningful disaggregation of each business unit's results of operations. The Partnership operates its businesses in the Northeast and Mid-Atlantic United States and Eastern Canada.

The refined products business purchases a variety of refined products, such as heating oil, diesel fuel, residual fuel oil, kerosene, jet fuel and gasoline (primarily from refining companies, trading organizations and producers), and sells them to wholesale and commercial customers. Refined products revenue-producing activities are direct sales to customers, including throughput transactions. Revenue is recognized when the product is delivered. Revenue is not recognized on exchange agreements, which are entered into primarily to acquire refined products by taking delivery of products closer to the Partnership's end markets. Rather, net differentials or fees for exchange agreements are recorded within cost of products sold.

The natural gas business purchases natural gas from natural gas producers and trading companies and sells and distributes natural gas to commercial and industrial customers. Natural gas revenue-producing activities are sales to customers at various points on natural gas pipelines or at local distribution companies (i.e., utilities). Natural gas sales not billed by month-end are accrued based upon gas volumes delivered.

The materials handling business offloads, stores and prepares for delivery a variety of customer-owned products. A majority of the materials handling business revenue is generated under leasing arrangements with revenue recorded over the lease term generally on a straight-line basis. Contingent rentals are recorded as revenue only when billable under the arrangement. For

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

3. Revenue (continued)

materials handling contracts that are not leases, the Partnership recognizes revenue either at a point in time after services are performed or over a period of time if the services are performed in a continuous fashion over the period of the contract as these methods represent a faithful depiction of the transfer of goods and services.

The other operations primarily includes the marketing and distribution of coal and certain commercial trucking activities. Revenue from other operations is recognized when the product is delivered or the services are rendered.

Further disaggregation of net sales by business units and geographic destination is as follows:

| | Year Ended December 31 | |
|-----------------------------|-------------------------------|---------------------|
| | 2024 | 2023 |
| Net sales | | |
| Refined products: | | |
| Distillates | \$ 2,420,268 | \$ 2,879,938 |
| Gasoline | 830,230 | 823,065 |
| Heavy fuel oil and asphalt | 162,995 | 239,343 |
| Total refined products | 3,413,493 | 3,942,346 |
| Natural gas | 470,072 | 378,840 |
| Materials handling | 68,276 | 59,771 |
| Other operations | 13,355 | 23,474 |
| Net sales | <u>\$ 3,965,196</u> | <u>\$ 4,404,431</u> |
| Net sales by country | | |
| United States | \$ 3,710,760 | \$ 4,141,197 |
| Canada | 254,436 | 263,234 |
| Net sales | <u>\$ 3,965,196</u> | <u>\$ 4,404,431</u> |

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

3. Revenue (continued)

Contract Balances

Contract liabilities primarily relate to advances or deposits received from the Partnership's customers before revenue is recognized. These amounts are included in accrued liabilities and amounted to \$9.8 million and \$8.3 million as of December 31, 2024 and 2023, respectively. A substantial portion of the contract liabilities as of December 31, 2023 remains outstanding as of December 31, 2024, as they are primarily deposits. The Partnership does not have any material contract assets as of December 31, 2024 or 2023.

4. Leases

The Partnership determines if an arrangement is a lease at the inception of contract. Finance leases are included in property, plant and equipment, net, while the Partnership's operating leases, right-of-use ("ROU") assets, are included as non-current other assets on the Consolidated Balance Sheets. Lease liabilities are included in accrued liabilities, current and non-current other obligations and operating lease liabilities, less current portion in the Consolidated Balance Sheets. Operating lease expense is included in operating expenses and cost of products sold while amortization expense associated with finance leases is included in depreciation and amortization expense.

The Partnership uses the practical expedient not to apply the recognition requirements in the lease standard to short-term leases (a lease that at commencement date has a lease term of 12 months or less and does not contain a purchase option that it is reasonably certain to exercise) and the practical expedient that permits lessees to make an accounting policy election (by class of underlying asset) to account for each separate lease component of a contract and its associated non-lease components as a single lease component.

ROU assets represent the Partnership's right to use an underlying asset for the lease term and lease liabilities represent the Partnership's obligations to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Partnership uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The Partnership's lease terms may include options to extend lease terms ranging from 1 to 10 years while others include options to terminate at the Partnership's discretion.

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

4. Leases (continued)

The Partnership's operating and finance leases are primarily for time charters, facilities, railcars and equipment. The terms and conditions for these leases vary by the type of underlying asset. For the years ended December 31, 2024 and December 31, 2023, total operating lease expense was \$15.6 million and \$14.3 million, respectively, of which \$8.8 million and \$6.4 million was related to short-term leases, respectively. For the years ended December 31, 2024 and December 31, 2023, total finance lease expense was \$2.9 million and \$3.4 million, respectively.

For the year ended December 31, 2024 and 2023, the Partnership incurred \$6.3 million and \$7.8 million, respectively, in non-cash lease expenses related to the decrease of ROU assets. Non-cash lease expenses were included in the change of other assets line in cash flows from operating activities on the consolidated statements of cash flows. For the years ended December 31, 2024 and 2023, the Partnership's operating lease liabilities decreased by \$6.3 million and \$7.7 million, respectively. This decrease of operating lease liabilities is included in the change of accounts payable, accrued liabilities and other line in cash flows from operating activities on the consolidated statements of cash flows.

Operating and finance leases were as follows:

| | As of December 31 | | | |
|---|-------------------|------------------|-----------------|------------------|
| | 2024 | | 2023 | |
| | Operating | Finance | Operating | Finance |
| ROU assets | | | | |
| Other assets, net | \$ 11,096 | \$ – | \$ 6,096 | \$ – |
| Property, plant and equipment, net | – | 12,126 | – | 13,131 |
| Total ROU assets | <u>\$ 11,096</u> | <u>\$ 12,126</u> | <u>\$ 6,096</u> | <u>\$ 13,131</u> |
| Lease liabilities | | | | |
| Accrued liabilities | \$ 5,051 | \$ – | \$ 4,201 | \$ – |
| Current portion of other obligation | – | 2,625 | – | 3,012 |
| Other obligations, less current portion | – | 7,716 | – | 8,498 |
| Operating lease liabilities, less current portion | 6,107 | – | 1,921 | – |
| Total lease liabilities | <u>\$ 11,158</u> | <u>\$ 10,341</u> | <u>\$ 6,122</u> | <u>\$ 11,510</u> |
| Weighted average remaining lease term (years) | 2 | 4 | 2 | 4 |
| Weighted average discount rate | 5.99% | 5.97% | 4.80% | 5.56% |

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

4. Leases (continued)

Maturities of operating and finance lease liabilities as of December 31, 2024, are as follows:

| | <u>Operating</u> | <u>Finance</u> |
|----------------------|------------------|------------------|
| 2025 | \$ 5,118 | \$ 3,134 |
| 2026 | 4,056 | 2,552 |
| 2027 | 2,188 | 2,200 |
| 2028 | 235 | 1,737 |
| 2029 | 38 | 1,363 |
| Thereafter | — | 230 |
| Total lease payments | <u>11,635</u> | <u>11,216</u> |
| Less: interest | <u>(477)</u> | <u>(875)</u> |
| Total | <u>\$ 11,158</u> | <u>\$ 10,341</u> |

From a lessor perspective, the Partnership has entered into various throughput and materials handling arrangements with customers. These arrangements are accounted for as operating leases as determined by the use terms and rights outlined in the underlying agreements. The throughput contracts are agreements with refined products wholesalers that use the Partnership's terminal facilities for a fee. The materials handling contracts are arrangements involving rentals of dedicated tanks, pads, land and small office locations for the purposes of storage, parking and other related uses. For the years ended December 31, 2024 and December 31, 2023, income related to the operating leases with the Partnership as the lessor, as described above, totaled \$45.9 million and \$43.5 million, respectively.

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

4. Leases (continued)

The undiscounted cash flows to be received on an annual basis from operating leases as of December 31, 2024, are as follows:

| | | |
|----------------------|----|----------------|
| 2025 | \$ | 42,366 |
| 2026 | | 26,450 |
| 2027 | | 19,204 |
| 2028 | | 12,895 |
| 2029 | | 12,739 |
| Thereafter | | 14,802 |
| Total lease receipts | \$ | <u>128,456</u> |

5. Accumulated Other Comprehensive Income, Net of Tax

Amounts included in accumulated other comprehensive loss, net of tax, consisted of the following:

| | As of December 31 | |
|--|-------------------|-----------|
| | 2024 | 2023 |
| Fair value of interest rate swaps, net of tax | \$ 18,156 | \$ 21,458 |
| Cumulative foreign currency translation adjustment | (11,842) | (11,635) |
| Accumulated other comprehensive income, net of tax | \$ 6,314 | \$ 9,823 |

6. Accounts Receivable, Net

| | As of December 31 | |
|----------------------------------|-------------------|------------|
| | 2024 | 2023 |
| Accounts receivable, trade | \$ 333,071 | \$ 313,313 |
| Less allowance for credit losses | (2,198) | (1,560) |
| Net accounts receivable, trade | 330,873 | 311,753 |
| Accounts receivable, other | 8,608 | 9,827 |
| Accounts receivable, net | \$ 339,481 | \$ 321,580 |

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Notes to Consolidated Financial Statements (continued)

(in thousands unless otherwise stated)

6. Accounts Receivable, Net (continued)

Unbilled accounts receivable, included in accounts receivable, trade at December 31, 2024 and 2023, were \$105.0 million and \$70.8 million, respectively. Unbilled receivables relate primarily to the delivery and sale of natural gas and refined products to customers in the current month for which the right to bill exists. Such amounts generally are invoiced to the customer the following month when actual usage data becomes available. Accounts receivable, other consists primarily of product tax receivables.

The Partnership records its allowance for expected credit losses using an estimated loss rate method that considers historical collection experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. The estimated loss rates are applied to trade receivables with similar risk characteristics such as the length of time the balance has been outstanding and the location of the customer. In certain instances, the Partnership may identify individual trade receivable assets that do not share risk characteristics with other trade receivables, in which case the Partnership records its expected credit losses on an individual asset basis. To date, the Partnership has not experienced significant customer payment defaults, or identified other significant collectability concerns. In connection with assessing credit losses for individual trade receivable assets, the Partnership considers significant factors relevant to collectability including those specific to the customer such as bankruptcy, length of time an account is outstanding, and the liquidity and financial position of the customer.

A reconciliation of the beginning and ending allowance for credit losses is as follows:

| | Balance at Beginning of Period | Charged to Expense | (Deductions) | Balance at End of Period |
|-------------------|--------------------------------------|-----------------------|--------------|--------------------------------|
| Years ended: | | | | |
| December 31, 2024 | \$ 1,826 | \$ 816 | \$ (197) | \$ 2,445 |
| December 31, 2023 | \$ 1,540 | \$ 613 | \$ (327) | \$ 1,826 |

Notes receivable, net of allowance, are generally long-term arrangements and were fully reserved in the amount of \$0.2 million and \$0.3 million for the years ended December 31, 2024 and 2023, respectively.

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

7. Inventories

| | As of December 31 | |
|--------------------------------|-------------------|-------------------|
| | 2024 | 2023 |
| Petroleum and related products | \$ 289,079 | \$ 268,646 |
| Coal | 1,049 | 2,815 |
| Natural gas | 12,783 | 5,994 |
| Inventories | <u>\$ 302,911</u> | <u>\$ 277,455</u> |

Partnership's Canadian subsidiary's inventory was valued using weighted average method. For the year ended December 31, 2024 and 2023, Partnership's Canadian subsidiary's inventory was \$35.5 million and \$25.7 million, respectively.

Due to changing market conditions, the Partnership recorded a charge of \$0.9 million and \$10.8 million as of December 31, 2024 and 2023, respectively, to write-down petroleum and related products, and natural gas inventory to its net realizable value. These charges are included in cost of products sold.

8. Other Current Assets

| | As of December 31 | |
|------------------------------|-------------------|-------------------|
| | 2024 | 2023 |
| Margin deposits with brokers | \$ 17,228 | \$ 82,246 |
| Prepaid software and fees | 13,129 | 9,147 |
| Other | 29,376 | 18,329 |
| Other current assets | <u>\$ 59,733</u> | <u>\$ 109,722</u> |

For the year ended December 31, 2023, \$4.9 million out of \$18.3 million other current assets listed above is a related party receivable with the Partnership's parent company, Hartree. This related party receivable balance was settled in the following month. The related party receivable balance for the year ended December 31, 2024 was zero.

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

9. Property, Plant and Equipment, Net

| | As of December 31 | |
|--|-------------------|------------|
| | 2024 | 2023 |
| Plant, machinery, furniture and fixtures | \$ 523,299 | \$ 506,989 |
| Building and leasehold improvements | 20,958 | 21,687 |
| Land and land improvements | 137,298 | 136,659 |
| Construction in progress | 16,346 | 12,886 |
| Property, plant and equipment, gross | 697,901 | 678,221 |
| Less: accumulated depreciation | (303,801) | (283,774) |
| Property, plant and equipment, net | \$ 394,100 | \$ 394,447 |

Depreciation expense for the years ended December 31, 2024 and 2023, was \$26.3 million and \$26.2 million, respectively.

Property, plant and equipment include the following amounts under finance leases:

| | As of December 31 | |
|--|-------------------|-----------|
| | 2024 | 2023 |
| Plant, machinery, furniture and fixtures | \$ 33,903 | \$ 34,137 |
| Building and leasehold improvements | 962 | 962 |
| Land and land improvements | 251 | 251 |
| Property, plant and equipment, gross | 35,116 | 35,350 |
| Less: accumulated amortization | (22,990) | (22,219) |
| Property, plant and equipment, net | \$ 12,126 | \$ 13,131 |

Amortization expense on finance leased assets is included in depreciation and amortization expense and for the years ended December 31, 2024 and 2023, was \$2.6 million and \$2.9 million, respectively.

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

10. Intangibles, Net

| As of December 31, 2024 | | | | |
|-------------------------|--|------------------|-----------------------------|------------------|
| | Weighted Average Amortization Period (Years) | Gross | Accumulated Amortization | Net |
| Customer relationships | 13 | \$ 75,360 | \$ 56,186 | \$ 19,174 |
| Intangible assets, net | | <u>\$ 75,360</u> | <u>\$ 56,186</u> | <u>\$ 19,174</u> |
| As of December 31, 2023 | | | | |
| | Weighted Average Amortization Period (Years) | Gross | Accumulated Amortization | Net |
| Customer relationships | 14 | \$ 75,360 | \$ 51,972 | \$ 23,388 |
| Intangible assets, net | | <u>\$ 75,360</u> | <u>\$ 51,972</u> | <u>\$ 23,388</u> |

The Partnership recorded amortization expense related to intangible assets of \$4.2 million and \$4.8 million during the years ended December 31, 2024 and 2023, respectively. The amortization of intangible assets is recorded in depreciation and amortization expense. Fully amortized intangible assets have been eliminated from both the gross and accumulated amortization amounts.

The estimated future annual amortization expense of intangible assets for the years ending December 31, 2025, 2026, 2027, 2028 and 2029 and thereafter is \$3.6 million, \$3.0 million, \$2.5 million, \$2.0 million and \$1.6 million, and \$6.5 million respectively. As acquisitions and dispositions occur in the future, these amounts may vary.

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

11. Goodwill, Net

Starting January 1, 2022, the Partnership adopted the private company accounting alternative and began to amortize goodwill over a 10-year useful life.

| As of December 31, 2024 | | | | |
|-------------------------|--|------------|-----------------------------|-----------|
| | Weighted Average Amortization Period (Years) | Gross | Accumulated Amortization | Net |
| Goodwill | 7 | \$ 124,832 | \$ 35,165 | \$ 89,667 |

| As of December 31, 2023 | | | | |
|-------------------------|--|------------|-----------------------------|-----------|
| | Weighted Average Amortization Period (Years) | Gross | Accumulated Amortization | Net |
| Goodwill | 8 | \$ 115,037 | \$ 23,008 | \$ 92,029 |

The Partnership recorded amortization expense related to goodwill of \$12.2 million and \$11.5 million for the years ended December 31, 2024 and 2023, respectively. The amortization of goodwill is recorded in depreciation and amortization expense line.

The estimated future annual amortization expense of goodwill during the next five fiscal years is \$12.4 million per year. As acquisitions and dispositions occur in the future, these amounts may vary.

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

12. Other Assets, Net

| | As of December 31 | |
|---|-------------------|------------------|
| | 2024 | 2023 |
| Deferred debt issuance costs, net | \$ 9,786 | \$ 1,540 |
| ROU Assets | 11,096 | 6,096 |
| Natural gas transportation, long-term portion | 9,798 | — |
| Other | 4,713 | 3,654 |
| Other assets, net | <u>\$ 35,393</u> | <u>\$ 11,290</u> |

Deferred Debt Issuance Costs

The Partnership recorded amortization expense related to deferred debt issuance costs of \$5.8 million and \$4.8 million during the years ended December 31, 2024 and 2023, respectively. Deferred debt issuance costs are amortized over the life of the related debt on a straight-line basis and recorded in interest expense.

Natural Gas Transportation Assets

The Partnership records the fair value of natural gas transportation contracts acquired in business combinations. In 2024 the Partnership recorded an asset of \$23.8 million and a liability of \$26.7 million in connection with the Energo natural gas acquisition.

These assets and liabilities are being amortized into cost of products sold (exclusive of depreciation and amortization) in the natural gas segment over the life of the underlying agreements. During the year ended December 31, 2024, the Partnership recorded an offset to cost of products sold (exclusive of depreciation and amortization) of \$1.1 million.

The estimated future expense of the net natural gas transportation assets for the years ended December 31, 2025 and 2026, is \$1.2 million and \$0.6 million, respectively. The amount expected to be expensed in the year ended December 31, 2025, has been recorded in other current assets and other current liabilities.

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

13. Accrued Liabilities

| | As of December 31 | |
|--|-------------------|------------------|
| | 2024 | 2023 |
| Accrued product taxes | \$ 12,554 | \$ 13,676 |
| Customer prepayments and deposits | 9,819 | 8,307 |
| Operating lease liabilities | 5,051 | 4,201 |
| Accrued product costs | 8,808 | 3,740 |
| Natural Gas Transportation liabilities – current portion | 8,607 | – |
| Margin deposits from brokers | – | 8,417 |
| Other | 26,984 | 22,515 |
| Accrued liabilities | <u>\$ 71,823</u> | <u>\$ 60,856</u> |

14. Credit Agreement

| | As of December 31 | |
|---|-------------------|-------------------|
| | 2024 | 2023 |
| Revolving working capital facility | \$ 488,700 | \$ 576,200 |
| Acquisition facility | 365,100 | 357,400 |
| Total credit facilities | <u>853,800</u> | <u>933,600</u> |
| Less: current portion of revolving working capital facility | <u>(488,700)</u> | <u>(576,200)</u> |
| Total long-term portion | <u>\$ 365,100</u> | <u>\$ 357,400</u> |

The Revolving Working Capital (or ABL facility)

In September 2024, Sprague, Sprague Operating Resources LLC, a subsidiary of the Partnership, Hartree, and Kildair Service ULC, as Borrowers, entered in the Fourth Amended and Restated Credit Agreement with the objective of amending the terms and conditions of the existing Hartree Credit Facility as the current facility was approaching its maturity and did not fully encompass all borrowers. As of December 31, 2024, the Borrowers maintain a \$4.1 billion borrowing base revolving credit facility (the “ABL” facility) with a maturity date of September 4, 2027, which is evenly split between two tranches (Uncommitted Tranche and Committed Tranche). The fourth amendment and restatement of the credit agreement resulted on: Extending the credit facility for 24 months, maturing 3 years after close of the amendment. Sprague’s revolving working capital

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Notes to Consolidated Financial Statements (continued) *(in thousands unless otherwise stated)*

14. Credit Agreement (continued)

debt is secured by the Partnership's current assets such as accounts receivable, inventory and other current assets. The Partnership considered the guidance set forth within ASC 470. As the working capital facility is used to finance its day-to-day operations, with drawn downs and repayments made on a daily basis to align with its cash needs of routine functions like purchasing inventory, and paying natural gas suppliers, the current classification on the balance sheet is consistent with the nature and use of the facility. The fourth amendment and restatement of the credit facility resulted on:

- Adding Sprague Operating Resources LLC and Kildair Service ULC as co-borrowers along with the existing Hartree Partners LP (HPLP) and Hartree Partners Power and Gas Company (UK) Limited (HPPGCO).
- Three-year committed U.S dollar revolving working capital facility up to \$2,050 million, subject to borrowing base limits, to be used for working capital loans and letters of credit.
- A two-year uncommitted U.S. dollar revolving working capital facility of up to \$2,050 million, subject to borrowing base limits and the sole discretion of the lenders, to be used for working capital loans and letters of credit.

Upon entry into the fourth amendment and restatement of the credit agreement by Sprague Operating Resources LLC, all loans, upon funding, shall be deemed to be jointly funded to and received by all Borrowers and all credit shall be deemed to be jointly issued for account or benefit of all Borrowers. Each Borrower jointly and severally agrees to pay, and shall be jointly and severally liable under the credit agreement for, all obligations, regardless of the manner or account in which proceeds of loans or credit are used, allocated, shared, or disbursed by or among the Borrowers themselves. Each Borrower shall be liable for all amounts due to the administrative agent, any issuing lender, any lead arranger or any lender under the Credit Agreement or any loan document, regardless of which Borrower actually receives loans or is benefitted by credits hereunder or the amount of such loans or credits received, as defined in the credit agreement.

The pre-existing unamortized working capital facility deferred debt extinguishment of \$0.5 million was determined by calculating the amortized value of pre-existing deferred debt costs up to September 2024.

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Notes to Consolidated Financial Statements (continued) *(in thousands unless otherwise stated)*

14. Credit Agreement (continued)

The ABL Facility provides access to loans and letters of credit issued by the ABL Facility banks on behalf of Sprague, the Partnership, and Hartree. The ABL Facility is used to finance or collateralize the purchase, shipment, storage, and sale of the Partnership's portfolio of commodities (including derivative contracts). Outstanding borrowings accrue interest at market rates based on a base rate, cost of funds rate, or the applicable SOFR rate plus applicable margin, and letters of credit incur a fee, both as outlined in the credit agreement. The payment terms and conditions vary, depending upon the type of credit accommodation the Partnership may draw.

The amount of credit available under the ABL Facility is limited to the amount of assets reported under the borrowing base consisting of eligible receivables, inventory, net derivative assets, cash and brokerage accounts, and other assets of the pledged Hartree entities.

The ABL Facility requires the borrowers to meet certain financial covenants, including maximum leverage ratio, minimum net working capital, and minimum tangible net worth. It also imposes to each borrower that, so long as any of the commitments or uncommitted tranche portions remain in effect, any credit remains outstanding that has not been cash collateralized in an amount equal to the minimum collateral amount or any amount is owing to any Lender, any issuing lender or the administrative agent, such borrower is also subject to certain other limitations, including, but not limited to, certain limitations on other indebtedness, liens, fundamental changes, restricted payments, sale of assets, capital expenditures, investments, loans and advances, prepayments of indebtedness, modifications of certain instruments, transactions with affiliates, accounting changes, use of proceeds, and others.

The Partnership paid off the existing ABL in the amount of \$401.0 million and had initial proceeds under the new ABL of \$433.1 million in September 2024.

At December 31, 2024, the total combined outstanding amount under this joint and several liability arrangement is \$678.5 million of loan outstanding and \$695.3 million of letter of credits of which \$488.7 million are loan outstanding and \$68.1 million are outstanding letters of credits with the Partnership. At December 31, 2023, the Partnership had \$576.2 million of loans outstanding and \$63.5 million letters of credit outstanding under previous ABL Facility.

The weighted average interest rate on the ABL facility was 5.8% at December 31, 2024 and 7.5% at December 31, 2023. No amounts are due under the ABL facility until the maturity date.

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Notes to Consolidated Financial Statements (continued) *(in thousands unless otherwise stated)*

14. Credit Agreement (continued)

The interest expense, commitment fees and the amortized portion of the lending fees are reflected in Interest expense in the Consolidated Statements of Operations.

The Partnership was in compliance with the financial covenants under the ABL facility at December 31, 2024.

The Acquisition Facility

On September 4, 2024, Hartree, Sprague Operating Resources LLC (a subsidiary of Sprague Resources LP), and Kildair Service ULC (the borrowers) entered into an acquisition facility credit agreement (the “Credit Agreement”) with several banks, other financial institutions and Cooperative Rabobank U.A., New York Branch, as administrative agent. At December 31, 2024, the Sprague Acquisition Facility commitments amount to \$662.5 million in loans, collateralized by pledged real estate, to be used to fund capital expenditures, acquisitions, and other general corporate purposes with a maturity date of September 4, 2027. Subject to certain conditions, the revolving acquisition facility may be increased to up to \$750.0 million.

The pre-existing unamortized acquisition facility deferred debt extinguishment of \$0.2 million was determined by calculating the amortized value of pre-existing deferred debt costs up to September 2024.

The interest expense, commitment fees, and the amortized portion of the lending fees are reflected in Interest expense in the Consolidated Statements of Operations.

At December 31, 2024 and 2023, the amortized lending fees related to the Acquisition Credit Facility were \$1.9 million and \$4.8 million respectively, and were presented net, in Other assets.

The weighted average interest rate on the Credit Agreement was 6.4% at December 31, 2024 and 7.9% at December 31, 2023. No amounts are due under the Acquisition Facility until the maturity date which is therefore classified as non-current.

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

14. Credit Agreement (continued)

The Acquisition facility Credit Agreement requires the borrowers to meet certain financial condition covenants including (a) minimum tangible net worth, (b) minimum combined debt service coverage ratio, and (c) maximum combined total leverage ratio. It also imposes to the borrowers (other than Hartree) limitation on indebtedness on liens, on fundamental changes on restricted payments, on sale of assets, on capital expenditures, on investments, loans and advances, on transactions with affiliates or accounting changes.

There was no repayment of the existing acquisition facility and the entire amount of \$365.1 million acquisition debt was reassigned upon the closure of the Credit Agreement.

The Partnership was in compliance with the financial covenants under Credit Agreement at December 31, 2024.

The Credit Agreement also contains events of default that are usual and customary for a financing of this type, size and purpose including, among others, non-payment of principal, interest or fees, violation of certain covenants, material inaccuracy of representations and warranties, bankruptcy and insolvency events, cross-payment default and cross-acceleration, material judgments and events constituting a change of control. If an event of default exists under the Credit Agreement, the lenders will be able to terminate the lending commitments, accelerate the maturity of the Credit Agreement and exercise other rights and remedies with respect to the collateral.

15. Related Party Transactions

The General Partner charges the Partnership for the reimbursements of employee costs and related employee benefits and other overhead costs supporting the Partnership's operations which amounted to \$122.1 million and \$107.8 million for the years ended December 31, 2024 and 2023, respectively. Through the General Partner, the Partnership participates in pension plans sponsored by Axel Johnson, Inc. and its controlled affiliates ("Axel Johnson") and other post-retirement benefits plan sponsored by the General Partner. At December 31, 2024 and 2023, total amounts due to the General Partner with respect to these benefits and overhead costs were \$20.7 million and \$15.2 million, respectively. (see Note 18 -Retirement Plans).

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

15. Related Party Transactions (continued)

During the year ended December 31, 2023, the Partnership borrowed \$70.0 million interest bearing note payable from Hartree which remains outstanding as of December 31, 2024. Interest accrues daily (computed on the basis of a 360-day year) on the principal amount outstanding from time to time unpaid to and including the maturity hereof at a rate per annum equal to “prime rate” published by the Wall Street Journal as set on the first business day of each month plus 1.25% or any other rate as agreed by the parties. Monthly accrued interest is settled on the last business day of each month.

During the year ended December 31, 2024, the Partnership purchased oil and natural gas products from Hartree totaling \$618.1 million and generated revenue from the sales of marine fuels and natural gas products to Hartree of \$78.3 million.

During the year ended December 31, 2023, the Partnership purchased oil and natural gas products from Hartree totaling \$607.3 million and generated revenue from the sales of natural gas products to Hartree of \$119.0 million.

16. Other Obligations

| | As of December 31 | |
|--|-------------------|-----------|
| | 2024 | 2023 |
| Natural gas transportation liabilities | \$ 10,428 | \$ — |
| Deferred consideration | 4,844 | 8,188 |
| Finance leases, long-term portion | 4,887 | 5,245 |
| Port authority terminal obligations | 2,829 | 3,253 |
| Asset retirement obligation | 1,057 | 1,993 |
| Postretirement benefits | 748 | 920 |
| Other | 1,838 | 552 |
| Other obligations, long-term portion | \$ 26,631 | \$ 20,151 |

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Notes to Consolidated Financial Statements (continued)

(in thousands unless otherwise stated)

16. Other Obligations (continued)

Natural Gas Transportation Liabilities – Less Current Portion

In connection with the Energo natural gas acquisition, the Partnership recorded natural gas transportation liabilities of \$26.7 million. Liabilities are being amortized into cost of products sold over the life of the underlying agreements. For the year ended December 31, 2024, the net transportation liabilities after amortization were \$19.0 million and the long-term portions is \$10.4 million as shown in the above table.

Deferred Consideration – Carbo Terminals

In connection with the Carbo acquisition entered into during 2017, the Partnership is obligated to pay to Carbo a total of \$38.2 million in equal monthly installments of \$0.3 million payable over a ten-year period. The obligation was recorded at an estimated fair value of \$27.3 million using a discount rate of 7.1%. The short-term portion of this obligation as of December 31, 2024 is \$3.3 million and is included in the current portion of other obligations.

Deferred consideration obligation maturities for each of the next five years and thereafter as of December 31, 2024 are as follow:

| | |
|---|-----------------|
| 2025 | \$ 3,818 |
| 2026 | 3,818 |
| 2027 | 1,274 |
| Total | <u>8,910</u> |
| Less amount representing interest | (721) |
| Present value of payments | <u>8,189</u> |
| Less current portion | <u>(3,345)</u> |
| Deferred consideration, long-term portion | <u>\$ 4,844</u> |

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

16. Other Obligations (continued)

Port Authority Terminal Obligations

The Port Authority terminal obligations represent long-term obligations of the Partnership to a third party that constructed dock facilities at the Partnership's Searsport, Maine terminal. These amounts will be repaid by future wharfage fees incurred by the Partnership for the use of these facilities. The short-term portion of these obligations of \$0.5 million and \$0.6 million as of December 31, 2024 and 2023 respectively, is included in accrued liabilities and represents an estimate of the expected future wharfage fees for the ensuing year. The Partnership has exclusive rights to the use of the dock facilities through a license and operating agreement ("License Agreement"), which expires in 2033. The License Agreement provides the Partnership the option to purchase the dock facilities at any time at an amount equal to the remaining license fees due. The related dock facilities assets are treated as a finance lease and are included in property, plant and equipment.

Asset Retirement Obligation

The Partnership has accrued an asset retirement obligation ("ARO") that relates to an environmental obligation associated with the purchase of a terminal in Bridgeport, Connecticut. The current portion of the ARO represents the estimated obligation retirements for the ensuing year and is recorded in accrued liabilities.

The changes in the ARO are as follows:

| | Year Ended December 31 | |
|---------------------------|------------------------|----------|
| | 2024 | 2023 |
| ARO – beginning of period | \$ 2,976 | \$ 4,149 |
| Change in estimates | 663 | 2,463 |
| Accretion expense | 38 | 69 |
| Payments of ARO | (993) | (3,705) |
| ARO – end of period | 2,684 | 2,976 |
| Less current portion | (1,627) | (983) |
| ARO – long-term | \$ 1,057 | \$ 1,993 |

Notes to Consolidated Financial Statements (continued)
(in thousands unless otherwise stated)

16. Other Obligations (continued)

The Partnership also accounts for asset retirement obligations associated with its railcar leases. As of December 31, 2024, the Partnership recorded \$0.5 million within accrued liabilities on the consolidated balance sheet for these obligations.

When the Partnership has a legal obligation to incur costs to retire an asset, it records a liability in the period in which the obligation was incurred provided a reasonable estimate of fair value can be made. If a reasonable estimate of fair value cannot be made at the time the obligation arises, the Partnership records the liability when sufficient information is available to estimate its fair value. The Partnership's practice is to keep its terminal assets in good operating condition through routine repair and maintenance of component parts in the ordinary course of business and by continuing to make improvements based on technological advancements. As a result, the Partnership determined that generally these assets have no expected retirement dates for the purposes of estimating asset retirement obligations since the dates or ranges of dates upon which it would retire these assets cannot be reasonably estimated at this time. The Partnership will recognize liabilities for these obligations in the period when sufficient information becomes available to estimate a date or range of potential retirements.

Post Retirement Benefits

Postretirement benefit obligations are comprised of actuarial determined postretirement healthcare, life insurance and other postretirement benefits. See Note 18 – Retirement Plans.

17. Income Taxes

Since the Partnership's acquisition by its parent company, Hartree, in November 2022, the Partnership is a member of a group that files consolidated tax return. The Partnership is wholly owned by Hartree and is not subject to tax since it is a disregarded entity by the taxing authority. Pursuant to ASC 740-10-30-27A, the Parent Company is not required to allocate the consolidated amount of current and deferred tax expense to the Partnership and has not elected to do so. The Partnership's subsidiaries, Sprague Energy Solutions, Inc. and its foreign Canadian operations are subject to tax. They respectively file their own federal and state tax returns and Canadian federal and provincial income taxes. The current and deferred tax expense for those subsidiaries are presented below.

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

17. Income Taxes (continued)

The income tax provision (benefit) attributable to operations is summarized as follows:

| | Year Ended December 31 | |
|---|------------------------|----------|
| | 2024 | 2023 |
| Current | | |
| U.S. Federal income tax | \$ — | \$ 21 |
| State and local income tax | — | 259 |
| Foreign income taxes | 6,069 | 1,246 |
| Total current income tax provision | 6,069 | 1,526 |
| Deferred | | |
| U.S. Federal income tax | — | 35 |
| State and local income tax | (234) | (35) |
| Foreign income taxes | (1,461) | 675 |
| Total deferred income tax (benefit) expense | (1,695) | 675 |
| Total income tax provision | \$ 4,374 | \$ 2,201 |

U.S. and international components of income before income taxes were as follows:

| | Year Ended December 31 | |
|----------------------------------|------------------------|------------|
| | 2024 | 2023 |
| United States | \$ (85,773) | \$ 209,002 |
| Foreign | 16,072 | 6,329 |
| Total income before income taxes | \$ (69,701) | \$ 215,331 |

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

17. Income Taxes (continued)

Reconciliations of the statutory U.S. federal income tax to the effective income tax for operations are as follows:

| | Year Ended December 31 | |
|--|------------------------|-----------------|
| | 2024 | 2023 |
| Statutory U.S. Federal income tax | \$ (14,637) | \$ 45,219 |
| Partnership income not subject to tax | 18,028 | (44,820) |
| State and local income taxes, net of federal tax | (250) | 1,210 |
| Foreign earnings taxed at higher (lower) rates | 1,233 | 591 |
| Total income tax provision (benefit) | <u>\$ 4,374</u> | <u>\$ 2,201</u> |

The components of the deferred tax assets (liabilities) were as follows:

| | As of December 31 | |
|--------------------------------|--------------------|--------------------|
| | 2024 | 2023 |
| Deferred tax assets: | | |
| Derivatives | \$ — | \$ — |
| Capital and non-capital losses | 466 | 466 |
| Other | 781 | 987 |
| Total deferred tax assets | <u>1,247</u> | <u>1,453</u> |
| Valuation allowance | <u>(466)</u> | <u>(466)</u> |
| Net deferred tax assets | <u>781</u> | <u>987</u> |
| Deferred tax liabilities: | | |
| Derivatives | 189 | (357) |
| Fixed assets and intangibles | (10,879) | (12,504) |
| Other | (844) | (734) |
| Total deferred tax liabilities | <u>(11,534)</u> | <u>(13,595)</u> |
| Net deferred tax liabilities | <u>\$ (10,753)</u> | <u>\$ (12,608)</u> |

As of December 31, 2024, the Partnership has not provided deferred Canadian withholding taxes on accumulated Canadian earnings of \$124.5 million which are considered to be indefinitely reinvested outside the U.S. The unrecognized deferred withholding tax liability associated with these earnings is \$31.1 million as of December 31, 2024.

Notes to Consolidated Financial Statements (continued)
(in thousands unless otherwise stated)

18. Retirement Plans

Pension Plans

Through the General Partner, the Partnership participates in a noncontributory defined benefit pension plan, the Axel Johnson Inc. Retirement Plan (the “Plan”), sponsored by Axel Johnson. Benefits under the Plan were frozen as of December 31, 2003, and are based on a participant’s years of service and compensation through December 31, 2003. The Plan’s assets are invested principally in equity and fixed income securities. The Plan sponsor’s policy is to satisfy the minimum funding requirements of the Employee Retirement Income Security Act of 1974 (“ERISA”).

Through the General Partner, the Partnership also participates in an unfunded pension plan, the Axel Johnson Inc. Retirement Restoration Plan, for employees whose benefits under the defined benefit pension plan were reduced due to limitations under U.S. federal tax laws. Benefits under this plan were frozen as of December 31, 2003.

Both the Plan and the Retirement Restoration Plan are administered by Axel Johnson. The costs of these benefits are based on the Partnership’s portion of the projected benefit obligations under these plans. Charges related to these employee benefit plans were \$0.4 million and \$0.4 million during the years ended December 31, 2024 and 2023, respectively.

Eligible employees also receive a defined contribution retirement benefit generally equal to a defined percentage of their eligible compensation. This contribution by the Partnership to employee accounts in the thrift and defined contribution plan is in addition to any Partnership match on 401(k) contributions that employees currently choose to make. The Partnership made total contributions to these plans of \$6.0 million and \$5.5 million during the years ended December 31, 2024 and 2023, respectively.

Other Postretirement Benefits

Prior to May 28, 2021, the Sponsor (Axel Johnson) and some of its subsidiaries, which included the Partnership, had a number of health care and life insurance benefit plans covering eligible employees who reach retirement age while working for the Sponsor. Effective May 28, 2021, as a result of Axel Johnson’s sale of their interest in the Partnership, the General Partner became the sole sponsor of the postretirement health and life welfare plan and all related liabilities were

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

18. Retirement Plans (continued)

transferred to the General Partner. There were no material changes to the plan as a result of this Sponsor change. The plans are not funded. In general, employees hired after December 31, 1990, are not eligible for postretirement health care benefits. The Partnership has recorded postretirement expense of \$0.06 million and \$0.01 million during the years ended December 31, 2024 and 2023, respectively.

19. Financial Instruments and Off-Balance Sheet Risk

As of December 31, 2024 and 2023, the carrying amounts of cash, cash equivalents, accounts receivable, accounts payable and accrued liabilities approximated fair value because of the short maturity of these instruments. As of December 31, 2024 and 2023, the carrying value of the Partnership's margin deposits with brokers approximates fair value and consists of initial margin with futures transaction brokers, along with variation margin, which is paid or received on a daily basis, and is included in other current assets or other current liabilities. As of December 31, 2024 and 2023, the carrying value of the Partnership's debt approximated fair value due to the variable interest nature of these instruments.

The following table presents all financial assets and financial liabilities of the Partnership measured at fair value on a recurring basis:

| | As of December 31, 2024 | | | |
|-------------------------------|-------------------------|---|---|---|
| | Fair Value Measurement | Quoted Prices in Active Markets Level 1 | Significant Other Observable Inputs Level 2 | Significant Unobservable Inputs Level 3 |
| Derivative assets | | | | |
| Commodity fixed forwards | \$ 84,828 | \$ — | \$ 84,828 | \$ — |
| Futures, swaps and options | 97,648 | 89,795 | 7,853 | — |
| Commodity derivatives | 182,476 | 89,795 | 92,681 | — |
| Interest rate swaps | 18,156 | — | 18,156 | — |
| Total derivative assets | \$ 200,632 | \$ 89,795 | \$ 110,837 | \$ — |
| Derivative liabilities | | | | |
| Commodity fixed forwards | \$ 43,655 | \$ — | \$ 43,655 | \$ — |
| Futures, swaps and options | 96,983 | 86,086 | 10,897 | — |
| Commodity derivatives | 140,638 | 86,086 | 54,552 | — |
| Interest rate swaps | — | — | — | — |
| Total derivative liabilities | \$ 140,638 | \$ 86,086 | \$ 54,552 | \$ — |

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

19. Financial Instruments and Off-Balance Sheet Risk (continued)

| | As of December 31, 2023 | | | |
|-------------------------------|-------------------------|---|---|---|
| | Fair Value Measurement | Quoted Prices in Active Markets Level 1 | Significant Other Observable Inputs Level 2 | Significant Unobservable Inputs Level 3 |
| Derivative assets | | | | |
| Commodity fixed forwards | \$ 230,236 | \$ — | \$ 230,236 | \$ — |
| Futures, swaps and options | 87,379 | 87,379 | — | — |
| Commodity derivatives | 317,615 | 87,379 | 230,236 | — |
| Interest rate swaps | 22,010 | — | 22,010 | — |
| Total derivative assets | \$ 339,625 | \$ 87,379 | \$ 252,246 | \$ — |
| | | | | — |
| Derivative liabilities | | | | |
| Commodity fixed forwards | \$ 21,241 | \$ — | \$ 21,241 | \$ — |
| Futures, swaps and options | 139,645 | 139,645 | — | — |
| Commodity derivatives | 160,886 | 139,645 | 21,241 | — |
| Interest rate swaps | 380 | — | 380 | — |
| Total derivative liabilities | \$ 161,266 | \$ 139,645 | \$ 21,621 | \$ — |

Derivative Instruments

The Partnership enters into derivative contracts with counterparties, some of which are subject to master netting arrangements, which allow net settlements under certain conditions. The maximum amount of loss due to credit risk that the Partnership would incur if its counterparties failed completely to perform according to the terms of the contracts, based on the net fair value of these financial instruments, was \$111.1 million at December 31, 2024.

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

19. Financial Instruments and Off-Balance Sheet Risk (continued)

Information related to these offsetting arrangements as of December 31, 2024 and 2023 is as follows:

| As of December 31, 2024 | | | | |
|--|--------------------------|------------------------------|---------------|-------------|
| Gross Amount Not Offset in the Balance Sheet | | | | |
| Gross Amounts of Assets/Liabilities in Balance Sheet | Financial Instruments | Cash Collateral Posted | Net Amount | |
| Commodity derivative assets | \$ 182,476 | \$ (89,581) | \$ – | \$ 92,895 |
| Interest rate swap derivative assets | 18,156 | – | – | 18,156 |
| Fair value of derivative assets | \$ 200,632 | \$ (89,581) | \$ – | \$ 111,051 |
| Commodity derivative liabilities | \$ (140,638) | \$ (89,581) | \$ 713 | \$ (50,344) |
| Interest rate swap derivative liabilities | – | – | – | – |
| Fair value of derivative liabilities | \$ (140,638) | \$ (89,581) | \$ 713 | \$ (50,344) |

| As of December 31, 2023 | | | | |
|--|--------------------------|------------------------------|--|-------------|
| Gross Amount Not Offset in the Balance Sheet | | | | |
| Gross Amounts of Assets/Liabilities in Balance Sheet | Financial Instruments | Cash Collateral Posted | Gross Amounts of Assets/Liabilities in Balance Sheet | |
| Commodity derivative assets | \$ 317,615 | \$ (70,090) | \$ (8,417) | \$ 239,108 |
| Interest rate swap derivative assets | 22,010 | – | – | 22,010 |
| Fair value of derivative assets | \$ 339,625 | \$ (70,090) | \$ (8,417) | \$ 261,118 |
| Commodity derivative liabilities | \$ (160,886) | \$ 70,090 | \$ 71,314 | \$ (19,482) |
| Interest rate swap derivative liabilities | (380) | – | – | (380) |
| Fair value of derivative liabilities | \$ (161,266) | \$ 70,090 | \$ 71,314 | \$ (19,862) |

As of December 31, 2024, the Partnership held \$0.7 million cash collateral and posted cash collateral of \$17.2 million. As of December 31, 2023, the Partnership held \$71.3 million cash collateral and posted cash collateral of \$82.2 million.

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

19. Financial Instruments and Off-Balance Sheet Risk (continued)

The following table presents total realized and unrealized gains (losses) on derivative instruments utilized for commodity risk management purposes included in cost of products sold:

| | Year Ended December 31 | |
|----------------------------|------------------------|-------------------|
| | 2024 | 2023 |
| Refined products contracts | \$ 9,852 | \$ 25,392 |
| Natural gas contracts | 16,274 | 246,189 |
| Total | <u>\$ 26,126</u> | <u>\$ 271,581</u> |

There were no discretionary trading activities included in realized and unrealized gains (losses) on derivatives instruments for the years ended December 31, 2024 and 2023.

The following table presents the gross volume of commodity derivative instruments outstanding for the periods indicated:

| | As of December 31 | | | |
|-----------------|----------------------------------|-------------------------|----------------------------------|-------------------------|
| | 2024 | | 2023 | |
| | Refined Products (Barrels) | Natural Gas (MMBTUs) | Refined Products (Barrels) | Natural Gas (MMBTUs) |
| Long contracts | 32,858 | 327,589 | 23,624 | 207,284 |
| Short contracts | (36,249) | (225,505) | (26,381) | (131,469) |

Interest Rate Derivatives

The Partnership has entered into interest rate swaps to manage its exposure to changes in interest rates on its Credit Agreement. The Partnership's interest rate swaps hedge actual and forecasted SOFR borrowings and have been designated as cash flow hedges. Counterparties to the Partnership's interest rate swaps are large multinational banks and the Partnership does not believe there is a material risk of counterparty non-performance. The Partnership expects to continue to utilize interest rate swaps to hedge cash flow risk and to manage the Partnership's exposure to SOFR interest rates or its replaced equivalent for the foreseeable future.

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Notes to Consolidated Financial Statements (continued) (in thousands unless otherwise stated)

19. Financial Instruments and Off-Balance Sheet Risk (continued)

The Partnership's interest rate swap agreements outstanding as of December 31, 2024 were as follows:

| Interest Rate Swap Agreements | | |
|-------------------------------|---------------|--------------------------------|
| Beginning | Ending | Notional Amount * |
| January 2025 | December 2025 | \$350 million to \$575 million |
| January 2026 | December 2026 | \$350 million to \$650 million |
| January 2027 | December 2027 | \$75 million to \$250 million |
| January 2028 | December 2028 | \$50 million to \$75 million |
| January 2029 | December 2029 | \$50 million to \$75 million |

* Notional amount varies during the year, range of the notional amounts are disclosed in the table above.

The Partnership records unrealized gains and losses on its interest rate swaps as a component of accumulated other comprehensive income, net of tax, which is reclassified to earnings as interest expense when the payments are made. As of December 31, 2024, the amount of unrealized gains, net of tax, expected to be reclassified to earnings during the following twelve-month period was \$8.8 million.

20. Commitments and Contingencies

Legal, Environmental and Other Proceedings

The Partnership is subject to a tax on sales made in Quebec from product it imports into the province. Following an audit by the Quebec Energy Board (QEB) of the annual filings, the Partnership initiated legal action with the Superior Court of Quebec seeking a declaration to limit the applicability of the tax to direct imports, as well as the periods subject to review. On May 7, 2021, the Attorney General of Quebec ("AGQ"), acting for the Ministry of Environment and the Ministry of Energy, constituted itself cross-plaintiff. Since filing this legal action in June 2018, the Partnership has been assessed \$9.1 million of tax, including interest and penalties, with respect to the Energy Transition Regime for the reporting periods from 2007 to December 31, 2024. Similarly, since the filing, the Partnership has been assessed \$11.6 million, including a 15%

Notes to Consolidated Financial Statements (continued)
(in thousands unless otherwise stated)

20. Commitments and Contingencies (continued)

penalty and interest, from the Ministry of the Environment, and the Fight Against Climate Change (known as MELCC) under separate regulation for the reporting periods from 2007 to 2014. The Partnership is disputing this assessment on the same basis as set out in the QEB legal action described above. The Partnership estimates that there is a risk of additional potential liability beyond the payments made. The Partnership has accrued an amount of \$3.2 million corresponding to the out of court settlement offer which represents management best estimate of loss (low end of a range of unfavorable outcome) related to these matters. Management believes no other amount between this amount and the claim by the AGQ can be reliably estimated.

The Partnership is involved in other various lawsuits, other proceedings and environmental matters, all of which arose in the normal course of business. The Partnership believes, based upon its examination of currently available information, its experience to date, and advice from legal counsel, that the individual and aggregate liabilities resulting from the resolution of these contingent matters will not have a material adverse impact on the Partnership's consolidated results of operations.

21. Subsequent Events

The Partnership considers events or transactions that occur after the balance sheet date but prior to the date the financial statements are available to be issued for potential recognition or disclosure in the financial statements. The Partnership has completed an evaluation of all subsequent events after the audited balance sheet date of December 31, 2024 through March 28, 2025, the date the financial statements were issued, to ensure that these financial statements include appropriate disclosure of events both recognized in the financial statements as of December 31, 2024 and events which occurred subsequently but were not recognized in the financial statements.

There were no subsequent events to disclose for the year ended December 31, 2024.

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Managerial and Technical Qualifications

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Sprague has been a leading energy supplier since it was founded in Boston, MA in 1870. Today, we are headquartered in Portsmouth, New Hampshire and are a leading provider of refined fuels, natural gas, materials handling and related products and services to wholesale, commercial and industrial customers. We currently employ approximately 800 individuals throughout our service territory in the U.S. Today, Sprague supplies natural gas to over 33,000 commercial and industrial customers in 13 jurisdictions behind 50 utilities located primarily in the Northeast, Mid-Atlantic, and Midwest U.S. Sprague also brokers electricity to over 8,000 commercial and industrial customers located primarily in the same territories along with a few other deregulated states.

Brief Biographies of Sprague Operating Resources LLC Officers

David C. Glendon - Mr. Glendon was named Chairman of Sprague Operating Resources LLC in May 2025, and prior to that he served as President and Chief Executive Officer for over a decade. Mr. Glendon was hired on June 30, 2003, as the Senior Vice President of Oil and Materials Handling, focusing on driving the execution of a customer-centric approach across all elements of the business. Prior to joining Sprague, Mr. Glendon was a partner and global account manager at Monitor Group. He was also a founder and managing director of Monitor Equity Advisors, which worked with leading private capital providers in evaluating transactions and enhancing the strategic positions of their portfolio investments. Mr. Glendon received a Bachelor's degree, cum laude, in Psychology from Williams College and a Master's degree in Business Administration from the Stanford Graduate School of Business. As a result of his professional background, Mr. Glendon brings executive-level strategic and financial skills along with significant operational experience combined with his 15 years of consulting experience in a variety of industries and a deep knowledge of our business.

Karl Schmidt – Mr. Schmidt was named Co-President of Sprague Operating Resources LLC in May 2025. Mr. Schmidt joins the Sprague team after an impressive career building a series of successful businesses at Hartree Partners. Mr. Schmidt joined Hartree to build a fuel oil business after 15 years at BP and recently established a thriving metals business at Hartree, as well as a growing international bunkers platform. Mr. Schmidt will be instrumental in leading Sprague Operating Resources LLC's refined products business.

Brian W. Weego – Mr. Weego was named Co-President of Sprague Operating Resources LLC in May 2025, and prior to that he served as Vice President, Natural Gas for 15 years. As Vice President, Natural Gas, Mr. Weego was responsible for all elements of the natural gas business unit. He has been employed by

Sprague since December 1998, having served as Manager, Natural Gas Supply Operations; Director, Natural Gas Marketing; and Managing Director, Natural Gas Marketing. Prior to joining Sprague, Mr. Weego spent 11 years in various segments in the natural gas industry and has worked for the Coastal Corporation (wholesale natural gas origination and sales), O&R Energy (natural gas supply and trading) and Commonwealth Gas Company (natural gas utility supply planning and acquisition). Mr. Weego received a Bachelor of Science degree in Management from Lesley University and a Master's degree in Business Administration from the University of New Hampshire Whittemore School of Business and Economics.

Paul A. Scoff - Mr. Scoff was appointed Vice President, General Counsel, Chief Compliance Officer, and Secretary in June 2011 and has continued to serve in that capacity since this time. Mr. Scoff has been employed with Sprague since December 1999, serving as Vice President, General Counsel and Secretary during such time. Prior to joining Sprague, Mr. Scoff was the Vice President and General Counsel of Genesis Energy L.P., a publicly traded master limited partnership, and prior to Genesis, he served as Senior Counsel with Basis Petroleum (formerly known as Phibro Energy U.S.A. Inc., a division of Salomon Inc.). Mr. Scoff also served as Senior Counsel with The Coastal Corporation prior to joining Basis Petroleum. He received his Juris Doctor from the University of Houston Law Center and his Bachelor's degree, cum laude, in Political Science and English from Washington & Jefferson College.

James A. Therriault - Mr. Therriault is Vice President, Materials Handling, a position he has held at Sprague since October 2003. As Vice President, Materials Handling, Mr. Therriault is responsible for the sales and business development efforts of our materials handling business unit. Mr. Therriault has held a variety of business and financial positions since joining Sprague in 1984. He graduated from The University of New Hampshire with a Bachelor of Arts degree in Economics and from the University of Southern New Hampshire with a Master's degree in Business Administration.

Timothy C. Winters – Mr. Winters was appointed Vice President, Operations in July of 2023 with duties that include overseeing Sprague's Terminal Network, Transportation, Service and Delivery Integrity operations. Previously, Mr. Winters had served in the role of Managing Director, Terminal Operations overseeing a portion of Sprague's network of terminals since 2012. In that role Mr. Winters was responsible for the safe and efficient operations of these terminals, ensuring that operations supported Sprague's refined products, coal, heavy fuel, and material handling sales. Mr. Winters joined Sprague in 2010 as the Manager of Operational Safety and Integrity. Prior to this he held various positions with Irving

Oil and Arco Marine. Mr. Winters has a Bachelor's degree in Nautical Science from Maine Maritime Academy and a Master's degree in Management from New England College.

Sener E. Pasalic - Ms. Pasalic was named Vice President, Business Development in July 2022 and has been an integral part of Sprague since 1999, where she held a variety of roles in business development and natural gas. Before assuming her current role, Ms. Pasalic spent four years leading the Natural Gas and Power Sales Team and nine years as the Managing Director of Natural Gas Supply, Trading, and Scheduling. In addition, she held Director and Manager positions in Pricing and Financial Analysis for ten years. In these roles, her responsibilities included supply planning, trading, procurement, scheduling, financial reporting, internal systems management development, margin analysis, sales support, and training. Her extensive experience encompasses trading, supply management, financial analysis, M&A, sales and marketing operations management. Throughout her career, she has consistently demonstrated her expertise in staff development, acquisition planning, integration, and strategic initiative planning and implementation. Ms. Pasalic holds a Master of Business Administration from the University of Southern Maine. Her commitment to professional development extends to her completion of the High Impact Leadership program at the University of Virginia, Darden School of Business.

Todd Tinelli - Mr. Tinelli was appointed Chief Financial Officer in April 2023, prior to this position he served as the Treasurer and Managing Director of Finance. Mr. Tinelli has been employed with Sprague since June 2007, holding various senior management positions in accounting, finance, and treasury. Prior to joining Sprague, Mr. Tinelli held Senior Operations positions at Sempra Energy Trading, a subsidiary of Sempra Energy Corporation, a publicly traded entity. Prior to that, he held various credit positions at Premcor Refining, a publicly traded entity. Mr. Tinelli received his MBA from Western Connecticut University and his Bachelor's degree in Finance and minor in Accounting from Sacred Heart University.

Derek Hintz - Mr. Hintz was appointed Assistant Treasurer in April 2021, and has been employed by Sprague since November 2008, serving as Financial Analyst, Credit Manager, Treasury Manager, and finally Assistant Treasurer during such time. Prior to joining our Sprague, he worked in FP&A and collections in the insurance industry. Mr. Hintz received his MBA from the University of New Hampshire and his Bachelor's degree, in Business Administration, also from The University of New Hampshire.

David C. Long – Mr. Long was named Chief Operating Officer and Head of Business Development for Sprague in April 2023. Prior to this, Mr. Long served as Chief Financial Officer from January 2019 to April 2023. From June 2013 until December 2018, Mr. Long served as Senior Vice President with Kinetico

Incorporated, a subsidiary of Axel Johnson, Inc., during which he was responsible for marketing, sales, and business development activity in North America. From February 2008 through June 2013, Mr. Long served as Senior Vice President and Chief Financial Officer of Kinetico Incorporated where he led the finance and accounting organization, and from 1998 through 2008, Mr. Long held a variety of roles with Axel Johnson, Inc., including Managing Director of Sales, Refined Products. Mr. Long holds a Bachelor's degree from the University of Maine and a Master of Finance degree from Boston College.

Vanda J. Moore – Ms. Moore is Senior Compliance Officer, Director of Legal Operations, Insurance & Asset Management at Sprague. Ms. Moore is a member of Sprague's Innovation Team and the Women's Network Committee, and joined Sprague in 2017. Ms. Moore serves as a company officer and fiduciary for all Sprague entities. Prior to her employment at Sprague, Ms. Moore was Vice President of Compliance and Operations at JPMorgan/Chase Corporate & Investment Bank. During that time Ms. Moore's expertise served both compliance and operations, from managing a team providing services to clients, internal business, and systems management, to direct exposure and experience with regulators (SEC, OCC), internal/external audit, and internal risk & controls management. Ms. Moore holds a Bachelor's degree from Manhattanville University.

Celeste Sartorelli – Ms. Sartorelli was appointed as Assistant Secretary at Sprague in June 2025. Ms. Sartorelli has been employed with Sprague since June 2023, serving as Legal Counsel and worked as an intern for Sprague's legal department in 2018. Prior to joining Sprague, she worked as a compliance officer and counsel for State Street Global Advisors, State Street Corporation's Broker-Dealer business based in Boston. Prior to State Street, she served as a legal intern for an immigration law firm in Boston, MA Goss Associates LLC and for family law firms in Portsmouth, NH including Dwyer, Donovan & Reis and Christo Law Office. Ms. Sartorelli received her Juris Doctor from Suffolk University Law School in 2020, with a concentration in Business law, where she received a Jurisprudence Award for Professional Responsibility. She received her Bachelor's degree, cum laude, in Global Business and Business Administration Management from Suffolk University in 2017. She holds active Bar licensures in both Massachusetts and New Hampshire.

Brief Biographies of Key Sprague Employees

While not officers of Sprague Operating Resources LLC, the following are key personnel in the operation of Sprague's natural gas supplier and electricity aggregator/marketer activity:

Mark A. Roberts – Mr. Roberts is Managing Director of Natural Gas & Electricity Sales and has been with Sprague since the creation of their natural gas department in 1999. Mr. Roberts has extensive experience in all aspects of natural gas, oil and electricity marketing, sales and supply operations in the Northeastern U.S. as well as a strong proven record of senior and sales organizational management, staff development, acquisition planning and integration, growth and strategic initiative planning and implementation. Mr. Roberts holds a Bachelor's degree in Business Administration and Finance from Northeastern University and is a graduate of the University of Texas Petroleum Land Management program.

Kevin D. Piotrowski – Mr. Piotrowski is Managing Director of Natural Gas Supply, Operations & Business Analysis, a position he has held since 2018, and has been with Sprague since 2007. Prior to his current role, Mr. Piotrowski has held a number of positions in the natural gas space with increasing elements of responsibility including Director, Natural Gas Operations; Director, Natural Gas Desk Marketing; Manager, Natural Gas Desk Marketing; and Trainee, Natural Gas Rotational Program. Mr. Piotrowski holds a Bachelor of Science degree in Logistics & Intermodal Transportation, and an MBA from the University of New Hampshire.

Todd Bohan – Mr. Bohan is Regulatory Compliance Manager and has been with Sprague in varying capacities since 2015 and handles all of Sprague's regulatory compliance matters pertaining to its natural gas sales and electricity brokering activity. Prior to joining Sprague, Mr. Bohan held roles with an economic consulting firm, regulated utilities, and a state regulatory agency. Mr. Bohan has participated in numerous regulatory proceedings and testified before regulatory commissions on a broad spectrum of energy and policy matters affecting both electricity and natural gas. In addition, he has taught undergraduate and graduate courses in economics, business and finance over the last 30 years. Mr. Bohan holds a Bachelor of Arts degree in Financial Economics, magna cum laude, from Saint Anslem College, a Master of Arts degree in Economics from Clark University and a Doctor of Philosophy in Economics from Clark University.

Sprague Operating Resources LLC certifies that Sener Pasalic and Kevin Piotrowski have four or more years demonstrated experience in a management position with enterprise financial and administration responsibilities including profit and loss responsibilities and four years natural gas sales experience.

The resumes of Mr. Weego, Ms. Pasalic, Mr. Roberts, Mr. Piotrowski, and Mr. Bohan follow.

Summary

Energy industry professional with experience in gas sales management, direct gas sales, marketing and trading, gas supply procurement, operations, planning and risk management.

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Professional Experience

Sprague Energy
Portsmouth, NH 12/98 - Present

Co-President (5/25 to Present)

Vice President, Natural Gas (6/10 – 5/25)

- Division P&L Responsibility
- Manage sales staff of 48 and support staff of 36
- Redesigned and implemented supply/trading strategy in support of retail sales focus
- Led several acquisitions from negotiation through integration

Managing Director, Natural Gas Marketing (1/07 – 6/10)

Director, Natural Gas Sales & Marketing (7/00 – 1/07)

- Retail Sales P&L responsibility
- Directly responsible for growth of retail book from 10 Bcf to 55 Bcf annually.
- Manage sales staff of 15 and support staff of 11
- Designed and implemented sales/marketing
- Built back office staff, systems and procedures
- Instrumental in trading and wholesale growth from 0 to 150 Bcf annually

Manager, Gas Supply Operations (12/98 - 7/00)

- Managed operations and supply team of 6 employees
- Responsible for supply/trading, risk management and transportation in support of retail book
- Designed and implemented risk management policies and procedures
- Developed pricing desk for clearing retail transactions

Engage Energy US, L.P. / Coastal Gas Marketing
Portsmouth, NH 10/96 - 12/98, Hasbrouck Heights, NJ 8/95 - 10/96

Manager, East Coast Marketing (8/95 - 12/98)

- Originated, developed and maintained Northeast markets
- Identified and assisted in developing added value services (structured products, financial products, etc.) to existing markets
- Focus on industrials, utilities, IPP's, niche marketers (wholesale)
- Long term and spot market

Norstar Energy, Inc. / O&R Energy, Inc.
Montvale, NJ 1/94 - 8/95

Natural Gas Trader (1/95 - 8/95)

- Originated, developed and maintained Northeast markets
- Focused on utilities, IPP's and marketing companies
- Long term and spot market

Manager, Gas Supply (1/94 - 1/95)

- Originated, developed and maintained supply portfolio and producer contacts
- Provided supply support for retail and wholesale marketing
- Long term and spot market

*Commonwealth Gas Company
Southborough, MA 8/87 - 1/94*

Senior Forecast Analyst (10/93 - 1/94)

Supply Planning Analyst (12/89 - 10/93)

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Junior Supply Planning Analyst (5/89 - 12/89)

- Responsible for long and short term gas purchasing including transportation, routing, scheduling and accounting
- Led FERC Order 636 contract conversion effort
- Responsible for short and long term demand and supply forecasting
- Project leader and responsible for the design and implementation of gas tracking and accounting system

Facilities Planner (8/87 - 5/89)

- Preparation and maintenance of distribution facility plans and documents

Education

University of New Hampshire, Durham, NH
Master of Business Administration

Lesley University, Cambridge, MA
Bachelor of Science, Management

Portsmouth, NH * (207) 329-4526 * sener@pasalic.com

PROFESSIONAL SUMMARY

Seasoned energy executive with 25+ years of progressive leadership experience in natural gas, power and refined fuels markets. Proven track record of building and leading high-performing teams, driving commercial strategy, managing risk, and structuring complex supply and pricing solutions. Known for driving growth in competitive energy markets and leading transformational initiatives across acquisitions, operations, sales, and business development. Executive presence supported by deep market knowledge and operational rigor.

EXPERIENCE

Sprague Operating Resources LLC – Portsmouth, NH

Vice President, Business Development

Aug 2022 – Present

- Lead strategic partnerships, acquisitions, and regional growth initiatives across Sprague's energy portfolio.
- Shape long-term business development strategy with a focus on infrastructure expansion, market entry, and commercial optimization.

Managing Director, Natural Gas & Power Sales

Jun 2019 – Jul 2022

- Oversaw regional sales organization with full P&L responsibility for natural gas and power markets.
- Directed strategic account management, competitive pricing, and customer acquisition strategies.

Managing Director, Natural Gas Pricing & Supply

2010 – 2019

- Led all pricing and supply functions across Sprague's natural gas markets.
- Managed basis risk, supply hedging, and structured pricing to maximize portfolio performance.

Director, Natural Gas Pricing

2006 – 2010

- Implemented pricing models and competitive strategies to support market expansion.
- Collaborated with trading and origination teams on structured deal evaluations.

Manager, Natural Gas Pricing & Financial Analysis

2003 – 2006

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- Led pricing analytics and financial modeling functions.
- Supported strategic initiatives and new product development.

Financial Analyst

1999 – 2003

- Performed financial forecasting, market analysis, and margin reporting.
- Supported M&A evaluation and capital budgeting.

EDUCATION

University of Virginia – Darden School of Business

AJI High Impact Leadership Program, 2019

University of Southern Maine

Master of Business Administration (MBA), 1999

University of Southern Maine

Bachelor of Business Administration, Finance, 1997

Istanbul University

Bachelor's Coursework in English Language and Literature, 1990–1993

VOLUNTEER LEADERSHIP

Vice President & Founding Board Member

Mariah's Studio, 501(c)(3) Public Charity

Jun 2022 – Present

- Support governance and program development for nonprofit focused on healing trauma through art therapy.
- Guide fundraising and outreach to expand therapeutic programming for vulnerable populations.

SKILLS & EXPERTISE

Energy Markets & Trading Strategy, M&A and Business Development, Commercial Risk Management, Customer Acquisition & Retention, Team Leadership & Executive Coaching, Contract Structuring & Negotiation, Strategic Planning & P&L Ownership, Regulatory and Market Analysis

SUMMARY**NG-125**

Extensive experience in all aspects of natural gas, oil and electricity marketing, sales and supply operations in the Northeastern and Mid-Atlantic United States. Successful record of accomplishment of departmental and portfolio management; commercial/industrial account sales; retail market, performance and financial analysis; information systems development; acquisitions and related administration; and numerous other senior level responsibilities associated with a rapidly growing business environment.

Strong proven record of developing commercial, educational, health and public sector sales teams and trainees of all backgrounds and prior philosophies. Experienced in all manner of presentations, traditional and electronic marketing, staffing and all other related senior management activities.

PROFESSIONAL EXPERIENCE**Sprague Operating Resources LLC****Formerly - Sprague Energy Corp.,** Portsmouth, NH

1999-Present

Managing Director- Natural Gas Sales and Marketing

Responsibilities continuously increased to my present position where I manage all natural gas and electricity sales and marketing activities for Sprague throughout our entire business footprint of New England, New Jersey, New York, Pennsylvania, Maryland, Virginia and the District of Columbia.

- Manage a 50-person staff
- Continually meet all sales budget and annual growth expectations
- Successful development of marketing, sales, strategic planning, program and innovative product initiatives.

Regional Sales Manager – Integrated Fuels

Primarily responsible for natural gas, residual/distillate oil and electricity sales in Massachusetts and New Hampshire – six individual direct reports.

- 100% success rate meeting budget expectations (all fuels)
- Annual natural gas sales exceeded 7 Bcf combined with annual oil sales of 450,000 BBLs.
- Developed extensive commercial and industrial customer sales database.
- Successfully initiated BTU Option Program for dual-fuel customers.

AllEnergy Marketing Company, Waltham, MA

1996-1998

*(Non-regulated Spin-off of Boston Gas Company/Eastern Enterprises)**Director – Gas Operations*

Designed, assembled and managed an operations department of six individuals responsible for all aspects of the annual delivery of over 24 billion cubic feet of natural gas to customers located behind 25 local distribution companies (LDCs) throughout New England, New York and New Jersey. Direct responsibilities included: staff administration associated with supply planning, procurement and scheduling; cost and margin reporting; internal systems management development; market analysis and sales support and training. Jointly participated in the financial management of the company's natural gas commodity portfolio.

Boston Gas Company, Boston, MA

1992-1996

*City Gate Sales – Operations and Sales Manager (4/95 – 4/96)***NG-125**

Responsible for the establishment and implementation of all administrative, operational and marketing initiatives and strategies for a regulated entity to market natural gas and energy services directly to eligible end-users throughout New England. The City Gate Sales department, which consisted of myself and one other individual, was the catalyst for the creation of *AllEnergy* Marketing Company.

Gas Supply Analyst (10/92-3/95)

Involved in all daily gas supply operations including supply and transportation analysis, scheduling, procurement, supply and pipeline capacity sales and releases.

Vitols Associates – Architects and Planners, Boston, MA

1988-1992

Director of Marketing

Responsible for the expansion of the firm's client base through designing and authoring office and project brochures, work proposals, and presentations. Prepared and oversaw capital needs assessments; public relations; advertising, and computer operations.

Massachusetts Executive Office of Energy Resources, Boston, MA

1983-1988

Special Assistant to the Secretary

Involved in all aspects of federal, state and municipal energy conservation program development and implementation; budgeting and staff supervision; political and public relations; as well as overall joint senior management of the Secretariat.

Independent Petroleum Landman, Houston, TX

1982-1983

Represented numerous Texas-based exploration companies in researching mineral ownership in certain land areas, making contact with mineral owners and securing oil and gas leases through the successful negotiation of oil and gas royalties, rental payments and bonuses.

EDUCATION**Northeastern University, Boston, MA***BSBA: Business Administration/Finance***University of Texas, Austin, TX***Petroleum Land Management***AFFILIATIONS**

Board of Directors (Past Member ~ 7 years) Northeast Energy and Commerce Association (NECA)

Past member:

City of Boston - Financial Transition Team
Board of Directors - CARAVAN for Commuters
Board of Directors - Franklin Institute of Boston

Kevin D. Piotrowski

12 Sherburne Dr

Hampton, NH 03842

(516) 987-4511

kpiotrowski@spragueenergy.com

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Summary

Experienced energy sector executive with a strong background in Northeast natural gas sales, trading, operations, and business development. Proven leadership in managing cross-functional teams, driving revenue growth, and optimizing trading strategies.

Professional Experience**Sprague Operating Resources LLC — *Portsmouth, NH*****Managing Director, Natural Gas Supply, Operations & Business Analysis** (*Sep 2018 - Present*)

- Oversight of unit P&L, budgeting, and performance metrics.
- Managed daily operations for supply planning, scheduling, and trading logistics.
- Spearheaded operational and strategic realignment initiatives to support evolving market and customer demands.
- Shaped supply/trading strategy to design competitive, risk-managed product offerings.
- Enhanced supplier relationships and negotiated key transportation contracts.
- Key contributor to acquisition planning, due diligence, and post-close integration.

Director, Natural Gas Retail Operations (*2016 – 2018*)

- Developed pricing models and structured product offerings to enhance value and profitability.
- Implement systems, tools, and process improvements to increase automation, accuracy, and responsiveness in retail operations.
- Oversee customer onboarding, contract setup, and enrollment processes, ensuring compliance with regulatory and utility-specific requirements.
- Develop and maintain reporting tools and dashboards for real-time tracking of marketing performance and P&L impact.

Director, Natural Gas Desk Marketing (*2014 – 2016*)

- Lead the development and execution of marketing strategies to support natural gas desk sales objectives.
- Collaborate closely with trading desks to align physical and financial product offerings with market opportunities and customer needs.

- Structure and price customized natural gas products, including fixed-price, index, and structured deals.

Manager, Natural Gas Desk Marketing (2009 – 2014)

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- Drive business development initiatives to grow desk marketing volumes and gross margin.
- Manage the pricing desk and ensure timely quote generation for retail and wholesale transactions.
- Develop and maintain reporting tools and dashboards for real-time tracking of marketing performance and P&L impact.

Trainee, Natural Gas Rotation Program (2007 – 2009)

- Support daily scheduling and nominations under guidance, gaining exposure to pipeline operations and LDC balancing.
- Assist with market analysis, demand forecasting, and pricing research to support trading and commercial decision-making.
- Learn the fundamentals of gas trading, storage utilization, and transportation management through real-time desk interaction.
- Support deal structuring, pricing, and product development to align with market opportunities and customer requirements.

United States Navy Reserve

Lieutenant (2002-2010)

United States Merchant Marine

2nd Officer (2002-2006)

Education

University of New Hampshire

Master of Business Administration (2006-2007)

United States Merchant Marine Academy

Bachelor of Science, Logistics & Intermodal Transportation (1998-2002)

Todd M. Bohan, PhD

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<https://www.linkedin.com/in/todd-bohan-phd-3950ba24/>

Experience

Sprague Resources GP, LLC (\$2.3 billion Operating Revenues | 20,000 E&G customers) Portsmouth, NH

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Regulatory Compliance Manager

July 2021 – Present

- Conduct research on the rules, programs, policies, and incentives, applicable to the development of new energy business efforts in the Northeast region of the U.S.
- Monitor developments in the energy regulatory environment and assess the impact on natural gas and electricity brokerage and supplier activity in the Northeast and mid-Atlantic regions.
- Oversee regulatory compliance for Sprague companies conducting natural gas and electricity brokerage and supplier activity in multiple state jurisdictions across the U.S.

FTI Consulting, Inc. (\$2.3 billion Operating Revenues | 5,500 employees)

Boston, MA

Director, Economic Consulting – Power & Utilities Practice

March 2020 – July 2021

- Specialized in utility ratemaking, regulatory advisory and energy procurement.
- Served as project manager for major utility rate case and provided subject matter expertise on marginal cost of service, rate design and cost of capital.
- Major projects included supporting expert testimony regarding a multi-year rate plan; participation in a management audit of a major utility; and regulatory research across multiple jurisdictions for key client matters including wholesale markets, capacity markets and acquisitions.

Eversource Energy (\$8.5 billion Operating Revenues | 3.7 million E&G customers)

Manchester, NH

Team Lead, Rates - New Hampshire

August 2019 – March 2020

- Responsible for regulatory requirements, rates and electric tariff administration in its New Hampshire service area.
- Provided analytical support for rate filings and proceedings, cost-of-service, contracting and pricing analyses.
- Represented Eversource Energy in rate and regulatory matters before the New Hampshire Public Utilities Commission.

Sprague Resources GP, LLC (\$3.7 billion Operating Revenues | 20,000 E&G customers)

Portsmouth, NH

Manager, Regulatory Compliance | Regulatory Specialist

November 2015 – August 2019

- Directed all regulatory initiatives for Sprague's natural gas supplier and electricity brokerage business across 18 jurisdictions.
- Oversaw the administration of government compliance and survey reporting requirements including the small business and disadvantaged business commercial subcontracting plans.
- Managed regulatory compliance activities for federal, state and local jurisdictions and ensured compliance with applicable utility rules and requirements for retail energy marketing.

Unitil Service Corporation (\$444 million Operating Revenues | 188,000 E&G customers)

Hampton, NH

Senior Energy Analyst | Energy Analyst

August 2010 – October 2015

- Provided analytical support for energy supply solicitations and made recommendations for selection of winning bidders.
- Prepared regulatory filings in support of basic and default service solicitations including written and oral testimony.
- Coordinated electric market operations, data reporting, budgeting and reconciliation with Independent System Operator – New England for two electric distribution companies.

Todd M. Bohan, PhD

• • •

- Oversaw operational and administrative activities associated with all competitive electric supplier activity on two electric utility systems.

Senior Regulatory Analyst | Regulatory Analyst

November 1998 – August 2010

- Prepared numerous regulatory initiatives and filings before four utility regulatory commissions.
- Supported Customer Service and Business Development in meeting customers' needs by investigating customer inquiries and developing recommendations for solutions.
- Monitored Until's competitive position by maintaining a database of potential competitors' pricing strategies for use by Customer Relations and Business Development.
- Served as a company liaison at various industry meetings and regulatory proceedings on behalf of senior management.

Bay State Gas (\$586 million Operating Revenues / 324,000 Gas customers)

Westborough, MA

Rate Analyst

July 1998 – November 1998

- Developed cost-of-gas adjustment filings for Northern Utilities, Inc.

NH Public Utilities Commission (regulates \$2.2 billion Operating Revenues)

Concord, NH

Senior Economist (Utility Analyst III) | Economist

January 1996 – June 1998

- Evaluated all New Hampshire electric utilities' fuel and purchased power adjustment filings before the New Hampshire Public Utilities Commission.
- Prepared, presented and defended written and oral testimony on economic conditions.
- Provided testimony on the cost of capital and other utility-related issues.

Academia

University of New Hampshire – Manchester

Manchester, NH

Southern New Hampshire University

Manchester, NH

Adjunct Professor | Faculty Member

September 1992 – Present

- Teach courses in Microeconomics, Macroeconomics, Money and Banking, International Trade and Finance, The Regulation of Business (developed with colleagues), Public Finance, Corporate Finance and Economics for Business (graduate level).

Education

Clark University

Worcester, MA

Doctor of Philosophy in Economics

August 1995

Master of Arts in Economics

May 1990

Saint Anselm College

Manchester, NH

Bachelor of Arts in Financial Economics (Magna cum Laude)

May 1987

Certifications

Notary Public, State of New Hampshire

December 2025 Expiration

CPR/AED/First Aid, American Red Cross

Credential ID: GWPGT7

Volunteerism

Employer Sponsored Scholarship Committee

March 2013 – Present

University of New Hampshire, Parent Council

September 2018 – September 2023

Natural Gas Division

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Sprague has been providing its commercial, industrial, utility and wholesale customers with natural gas since 1994. In 2024, we transported and sold over 80 billion cubic feet of natural gas to approximately 33,000 customer accounts while managing supply to 50 different utilities in 12 states and Washington, DC and over 15 interstate pipelines. Sprague offers competitively priced fuel and flexible programs such as our integrated fuel service program that provides customers with the option to switch fuel sources, as market conditions dictate. We offer a wide range of customized services that include both firm and swing natural gas services, load following supplies, and transportation and storage optimization services.

Located in Portsmouth, New Hampshire, Sprague's gas marketing division focuses on the New England and Mid-Atlantic natural gas markets; however, it is planning to expand into other geographic regions. Sprague does this by pooling production from all major domestic and Canadian production areas and moving that gas to the market via firm transportation either owned or controlled by Sprague. Sprague professionals balance supply reliability with cost effective balancing and purchasing programs based upon a comprehensive risk and asset management program.

Our products and services are backed by experienced professionals in both the "mid and back office" areas. Sprague's natural gas division currently has over 100 professionals dedicated to optimizing your natural gas assets and delivering natural gas when and where it is needed. All of our staff have multiple years of natural gas experience that covers all aspects of our industry.

Service and Capability Bullets:

- Started selling industrial dual fuel – first BTU program
- Customer Count today roughly 33,000 NG Account Locations annual volume of ~80Bcf
- Industrial, Commercial, Retail
- Peak send out approximately 600,000 Dths/Day
- Pipeline Capacity approximately 370,000 Dths/Day Excludes Utility Peaking Assets

| Sprague currently provides natural gas products and services to the following states and utility locations: | | |
|---|--|--|
| Massachusetts <ul style="list-style-type: none">• Berkshire Gas• Columbia Gas of Massachusetts• National Grid - Boston Gas• National Grid - Colonial Gas• National Grid - Essex Gas• New England Gas - Fall River Gas• NStar Gas• Unitil Gas - Fitchburg Gas & Electric | New York <ul style="list-style-type: none">• Central Hudson Gas & Electric Corporation• Consolidated Edison• Corning Natural Gas• Keyspan Energy Delivery - Long Island• Keyspan Energy Delivery - New York• National Fuel Gas Distribution• National Grid - Niagara Mohawk• New York State Electric & Gas• Orange and Rockland Utilities, Inc.• Rochester Gas & Electric• St. Lawrence Gas | Pennsylvania <ul style="list-style-type: none">• Columbia Gas of Pennsylvania• The Peoples Natural Company• National Fuel Gas Distribution• PECO Energy• Philadelphia Gas Works• UGI Gas Service |
| New Jersey <ul style="list-style-type: none">• Elizabethtown Gas• New Jersey Natural Gas• Public Service Electric & Gas• South Jersey Gas | Maryland <ul style="list-style-type: none">• Baltimore Gas & Electric• Washington Gas Light | Connecticut <ul style="list-style-type: none">• Yankee Gas Services• Connecticut Gas• Southern Connecticut Gas |
| Maine <ul style="list-style-type: none">• Bangor Gas• Maine Natural Gas• Unitil | Ohio <ul style="list-style-type: none">• Columbia Gas of Ohio• Dominion East Ohio | New Hampshire <ul style="list-style-type: none">• Liberty Utilities• Unitil Gas - Northern Utilities |
| West Virginia <ul style="list-style-type: none">• Dominion Hope Gas | Washington, D.C. <ul style="list-style-type: none">• Washington Gas Light | Rhode Island <ul style="list-style-type: none">• National Grid Rhode Island |
| | | Virginia <ul style="list-style-type: none">• Washington Gas Light |

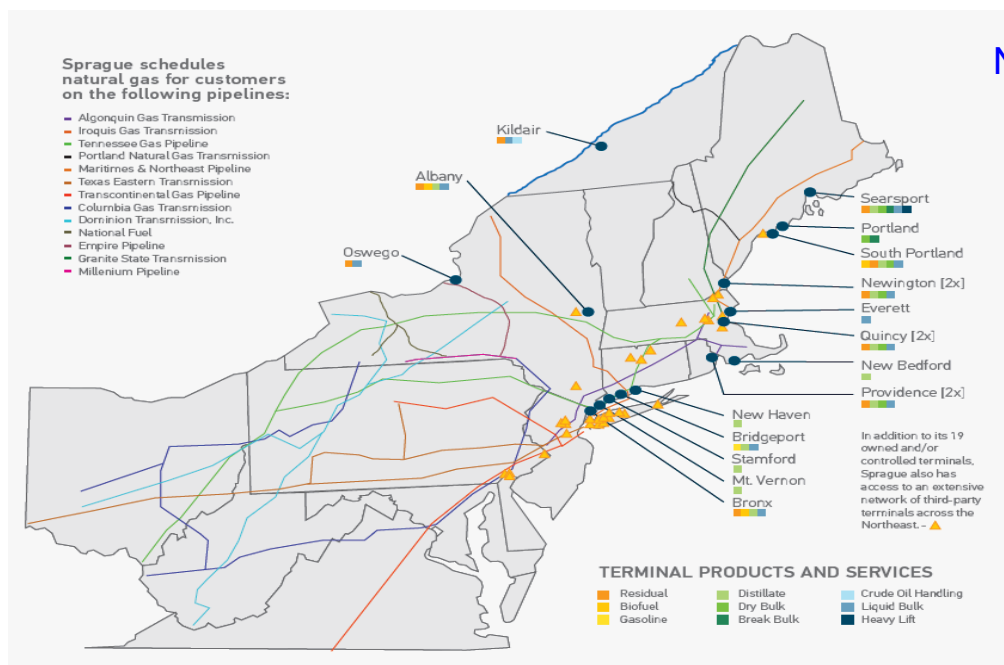


Figure 1
Sprague's Current Marketing Territory
 (Canada, DE and VT are not currently being served)

Operational Hours:

Sprague's normal business hours are from 8:00 A.M. to 5:00 P.M. Eastern Standard Time Monday through Friday. Outside of normal business hours Sprague has both Gas Supply and Gas Scheduling personnel available to handle after hours issues. Sprague has the capability and the ability to nominate and supply natural gas 365 days per year 24 hours a day.

Back Office Capabilities

As a fully integrated natural gas marketing company Sprague has a complete Back Office support system that would be required in order to serve your specific requirements. Sprague's dedicated staff includes:

- Supply Department that provides for both short and long term gas purchasing, short and long term gas sales, daily balancing and transportation capacity optimization
- Transportation Schedulers that nominate track and confirm all volumetric and balancing transactions on the interstate pipelines
- Operation Schedulers that nominate track and confirm all volumetric and balancing transactions on the utility systems
- Accounts Payable Department provides a complete suite of accounting services
- Customer Care Department handles all customer needs with a complete staff of service professionals. Customer Care is open during normal business hours. We also provide you with an emergency contact number that is available 24 hours a day, 7 days a week

Risk Management

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Global insecurity and ever increasing regulation have combined to cause great volatility in energy prices and have repeatedly interrupted supply availability. The risks associated with unanticipated price movements and supply shortages can adversely affect credit exposure, working capital requirements, budget expectations and profitability. Sprague offers a wide range of pricing programs that you can utilize to help mitigate the volatility of its gas supplies.

Sprague also has a robust corporate risk management program. This program includes a formal risk management policy and a risk management department. The risk management department is responsible for measuring, evaluating and controlling Sprague's commodity risk exposure. The risk department also monitors all marketing activities to maintain compliance with the company's risk policy. Our goal is to understand what risks are poised for each market and to ensure that both Sprague and the end user are ensured as much risk mitigation and management as possible to reduce any financial impacts.

Securing Firm Supplies

Sprague has been providing its industrial, commercial, utility and wholesale customers with natural gas since 1994. In 2024 Sprague sold approximately 82Bcf to approximately 33,000 different end user accounts and this does not include any wholesale volumes that were sold into the market. As a full service marketer Sprague transports our supplies on firm transportation that Sprague owns and/or controls. Of the end user volumes sold, almost 100 percent of those volumes were purchased and sold on a firm basis. This should provide sufficient evidence of Sprague's ability to secure a constant supply of natural gas.

Interstate Pipeline Transportation

Sprague transports and manages supply to 50 different utilities in 12 states and Washington, DC and over 15 interstate pipelines. Sprague has the capability of purchasing natural gas in all the major producing areas of Canada and the United States and transporting that supply to our markets in the northeast United States. Again, as a full service marketer Sprague transports our supplies on firm transportation that Sprague owns and/or controls.

Billing, Nominating and Balancing Experience

Sprague has a fully staffed scheduling department that nominates tracks and confirms all volumetric and balancing transactions on the utility systems and interstate pipelines. While Sprague's normal business hours are from 8:00 A.M. to 5:00 P.M. Eastern Standard Time Monday through Friday, Sprague has the proven capability to nominate, supply and balance natural gas supplies 365 days per year 24 hours a day.

Sprague also has a fully staffed billing and accounts receivable department that prepares and issues all invoices and tracks associated payments. Customers can reach out to their account manager or can speak directly to their designated billing representative who will reach out on billing related matters proactively and as needed.