



NATURAL GAS

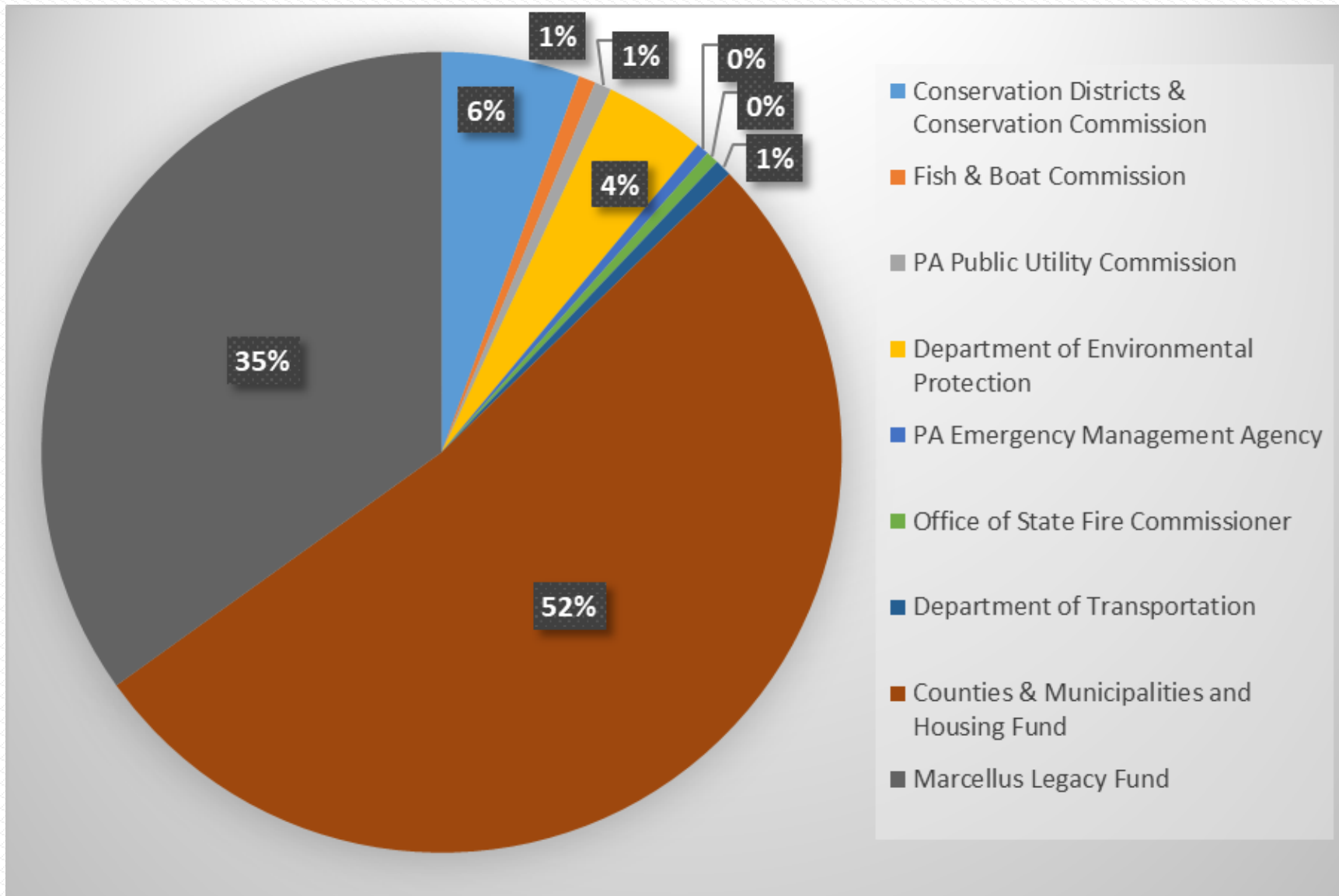
2020 ACTIVITY REPORTS AND OUTLOOK 2022

Centre County and Municipal Act 13 Impact Fee Usages

**2020 Act 13 Unconventional Gas Well Impact Fees distributed to Centre County and Municipalities
(host municipalities names are bolded text)**

Centre County	\$153,597.93	Gregg Township	\$611.60	Miles Township	\$262.07	Snow Shoe Borough	\$1,017.97
Bellefonte Borough	\$673.21	Haines Township	\$411.01	Milesburg Borough	\$152.79	Snow Shoe Township	\$38,835.58
Benner Township	\$1,035.26	Halfmoon Township	\$452.89	Millheim Borough	\$130.26	Spring Township	\$1,083.67
Boggs Township	\$4,693.08	Harris Township	\$818.22	Patton Township	\$1,821.95	State College Borough	\$3,460.21
Burnside Township	\$23,360.87	Howard Borough	\$92.35	Penn Township	\$259.63	Taylor Township	\$336.23
Centre Hall Borough	\$152.34	Howard Township	\$1,936.44	Philipsburg Borough	\$334.67	Union Township	\$2,450.18
College Township	\$1,280.91	Huston Township	\$261.78	Port Matilda Borough	\$82.82	Unionville Borough	\$51.62
Curtin Township	\$4,330.67	Liberty Township	\$3,194.83	Potter Township	\$891.41	Walker Township	\$730.03
Ferguson Township	\$2,376.73	Marion Township	\$175.70	Rush Township	\$5,883.45	Worth Township	\$270.45

Pennsylvania's Act 13 Impact Fee Distribution



CENTRE COUNTY

ELIGIBILITY CALCULATION UNDER SECTIONS OF ACT 13

Act 13 Unconventional Gas Well Impact Fee distributions to Centre County have steadily decreased in the last four (4) years as the amount of natural gas produced continues to decline over the wells' lifespans. It should be noted, though, the 2018 spike reflects additional monies distributed as a result of a State Supreme Court Case ruling.

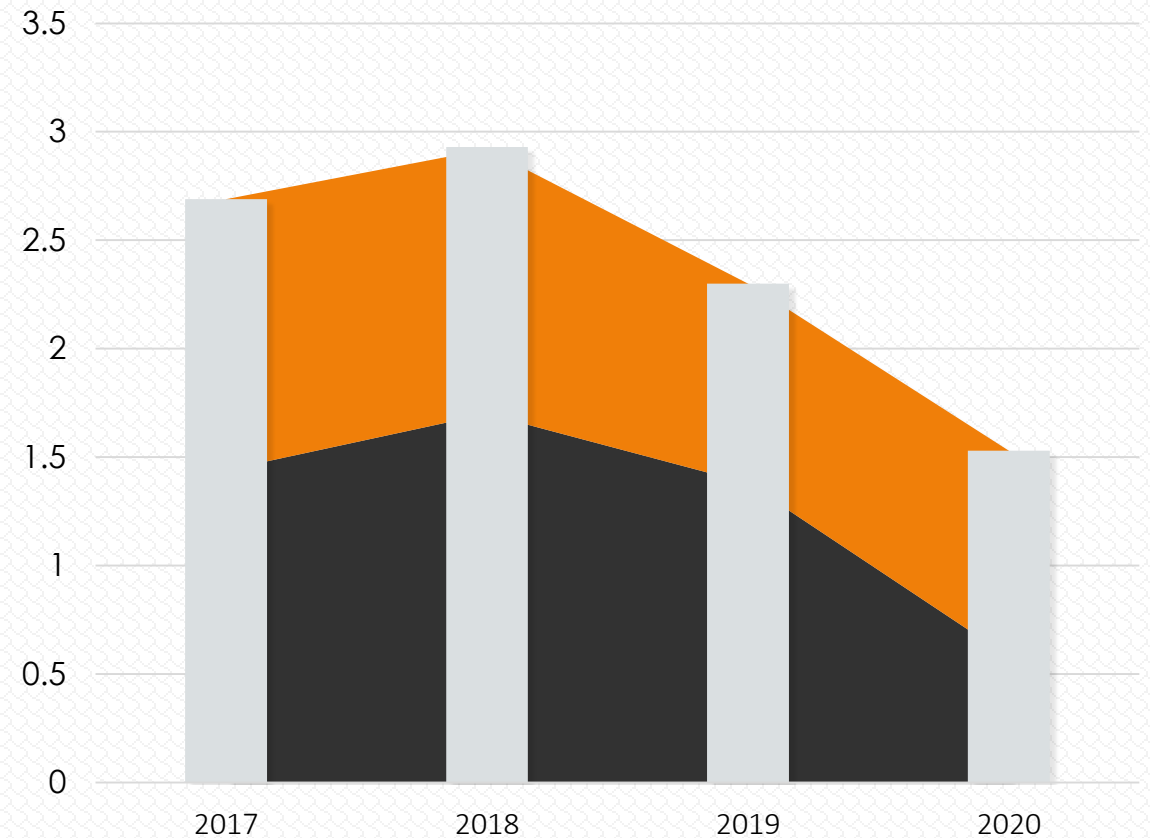
\$95,146.70

Section 2315(a.1)(5): County rehabilitation of greenways, etc.

\$58,451.23

Section 2314(d)(1): Counties with spud unconventional wells, total 24 spud wells

County's Act 13 Distribution between 2017 and 2020



HOST MUNICIPALITIES

Three-year snapshot of Act 13 Impact Fee Distributions

	2018	2019	2020	TOTALS
Burnside Township	\$48,716.66	\$39,267.33	\$23,360.87	\$111,344.86
Curtin Township	\$8,407.99	\$6,683.60	\$4,330.67	\$19,422.26
Rush Township	\$11,584.92	\$9,311.17	\$5,883.45	\$26,779.54
Snow Shoe Township	\$75,103.84	\$59,137.43	\$38,835.58	\$173,076.85

Snow Shoe Township's Act 13 Impact Fee Distributions remain the highest over the last 3-year period, as well as by the total 3-year sum. Overall, however, as natural gas production per well decreases over a well's lifespan the distribution fees are also decreasing.

MAJOR NATURAL GAS EXTRACTION COMPANIES

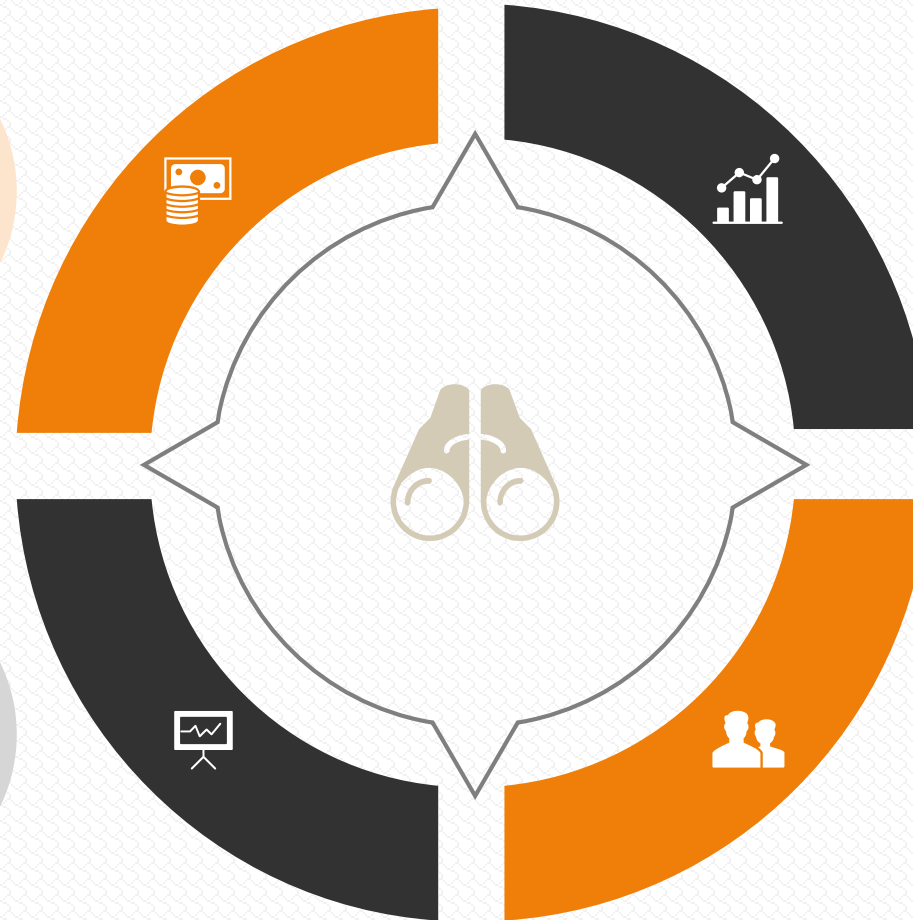
IN CENTRE COUNTY

Range Resources

With only 5 unconventional wells in Centre County, the company paid out more than \$17 million across the commonwealth in impact fees.

BKV Operators

With a very small presence in Centre County (only 1 unconventional well), the company paid almost \$2 million across the commonwealth in impact fees.



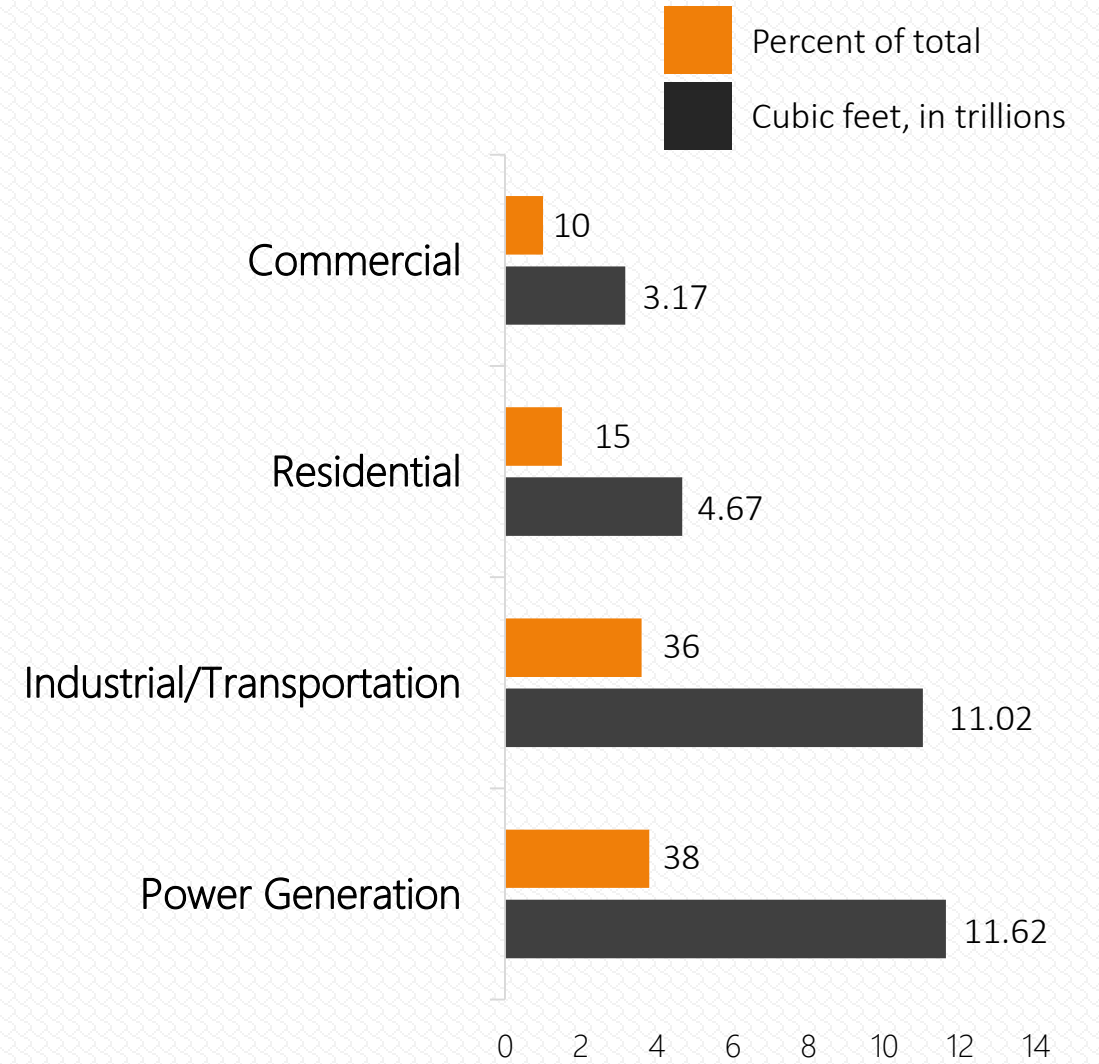
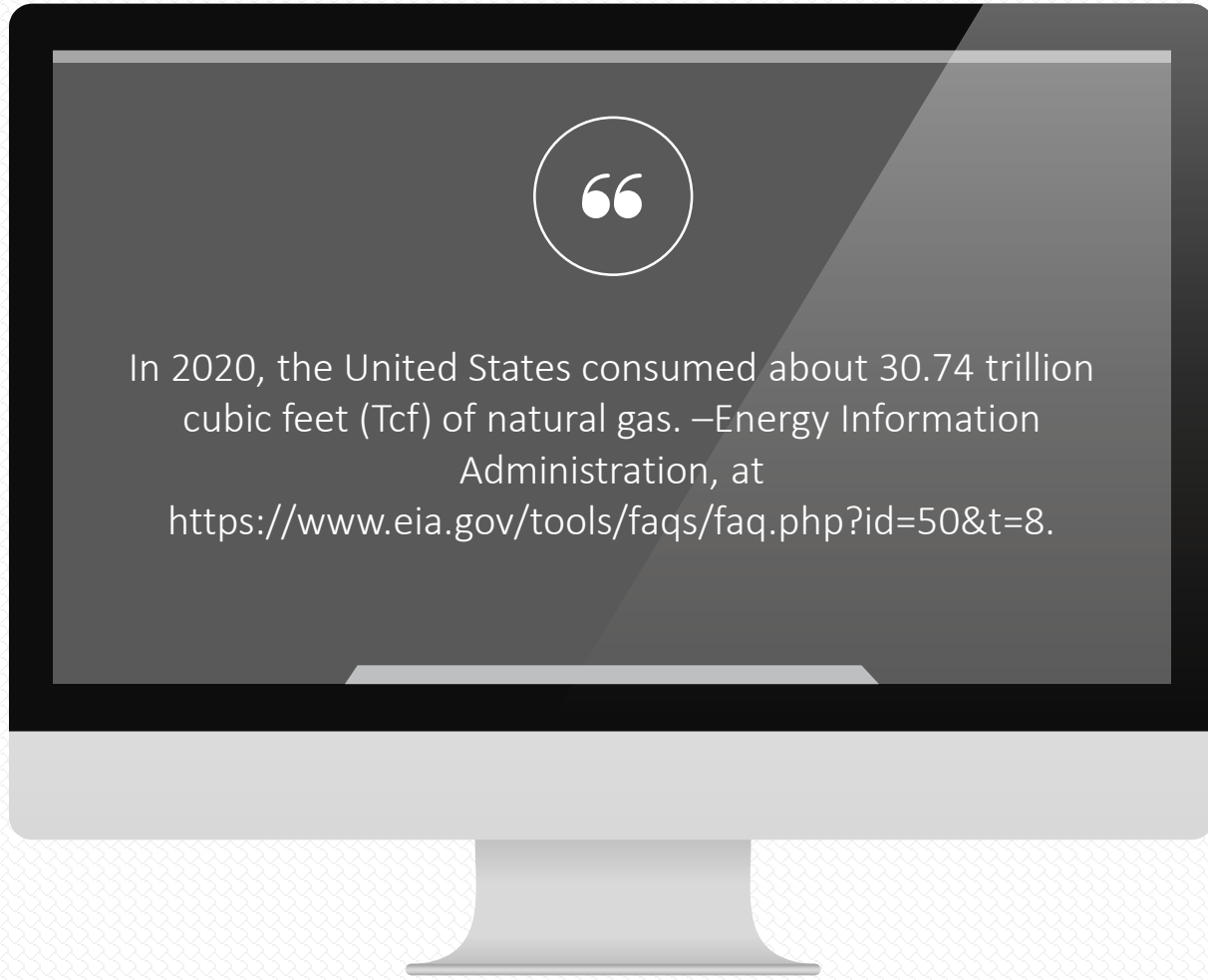
Alta Ard

The company has 27 unconventional wells acquired through a series of company acquisitions. The company paid \$5.1 million in impact fees across Pennsylvania.

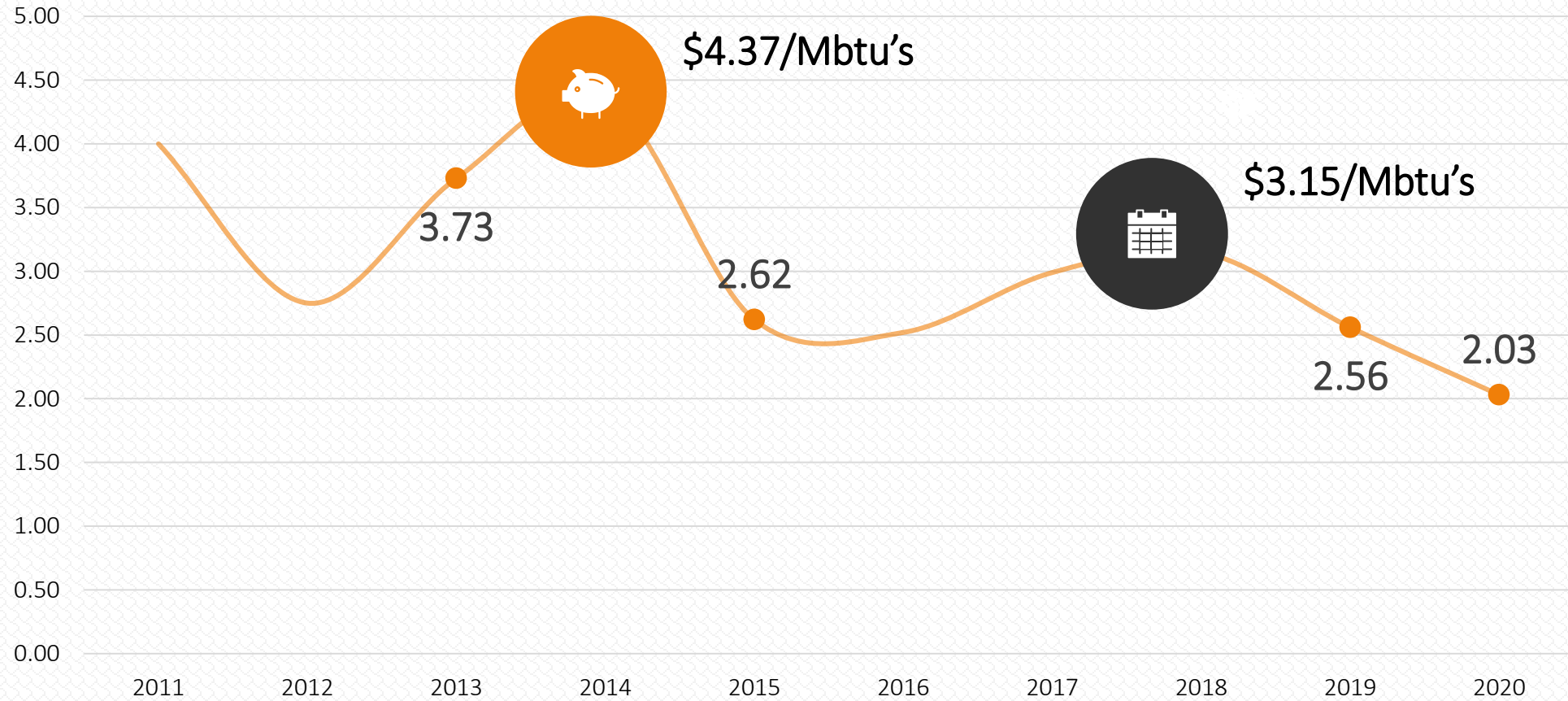
Exco Resources

The company has 24 unconventional wells in the county. The company paid just over \$1.1 million in impact fees across Pennsylvania.

2020 NATURAL GAS CONSUMPTION BY SECTOR IN THE UNITED STATES



AVERAGE ANNUAL NATURAL GAS PRICES ON THE HENRY HUB (\$/million Btu's)

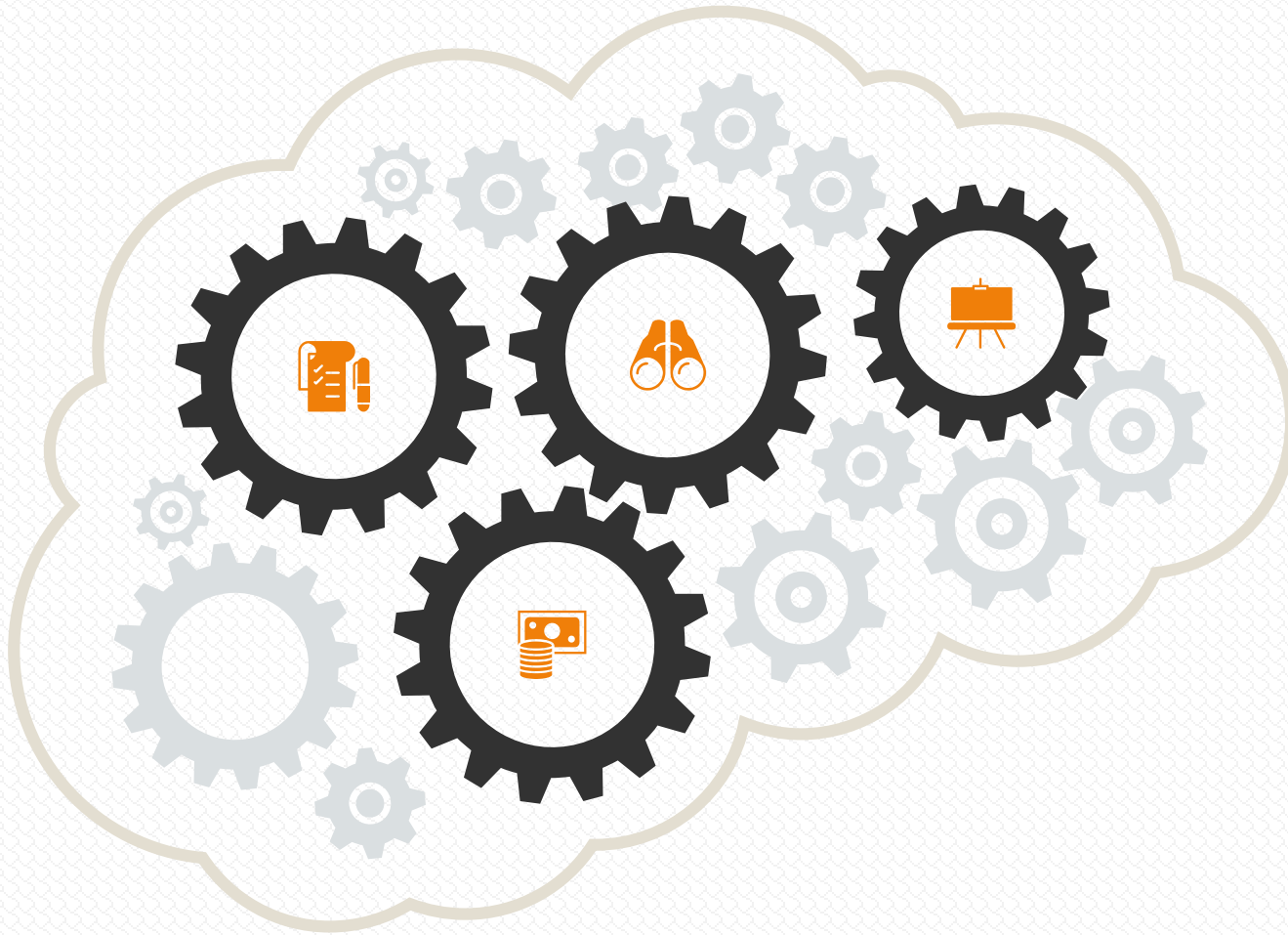


2014 marked an annual average of \$4.37 per million Btu's (British thermal units) for natural gas on the Henry Hub Index.



2018 marked a price uptick to \$3.15 per Mbtu's which reflected colder than predicted temperatures and increased consumption.

2022 NATURAL GAS OUTLOOK



Withdrawals from the lower 48 states gas reserves expected to reach 5-year annual averages.



Continued rising U.S. liquid natural gas exports and relatively flat production.



Continued natural gas export growth to Mexico by pipeline infrastructure.



Short-term average prices reaching over \$5.00/Mbtu.



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Question or comments can be sent to CCPC@centrecountypa.gov

