



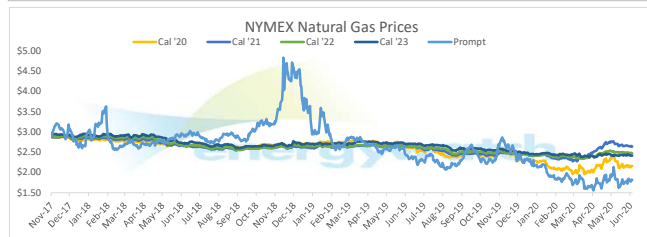
Week Ending: 6/5/2020

#### Weekly Update:

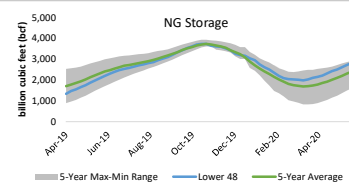
Significantly warmer temperatures throughout the continental US triggered an increased in natural gas demand, leading to an injection number that is similar the 5-year average. On Thursday morning, the Energy Information Agency (EIA) released an injection number of 93 Bcf, bringing total storage volumes to 2,807 Bcf. We are now 36% higher than this time last year and almost 18% higher than the 5-year average. July prompt month gas prices are still trading around \$1.80/MMBtu. The remainder of 2020 natural gas contracts is currently trading at \$2.10/MMBtu. As oil prices begin to creep upwards, production is also expected to increase over the next few weeks. This may trigger an increase in natural gas production, leading to more gas going into storage.

Day Ahead power prices for much of the Northeast remained in the low \$20/mWh range for Friday, 6/12/20. Power prices for NYISO Zone G traded around \$22/mWh while PJM West Hub was \$24/mWh, ISONE Mass Hub at \$23/mWh. Without a widespread heatwave, power prices will likely stay at the current levels due to the lack of demand and average temperatures. For customers on an index product, floating with the market would remain the current recommendation.

Natural gas pricing plays a key role in electricity power pricing due to the increasing reliance on natural gas fired generators as nuclear, coal, and oil generation is retired and mothballed. As the marginal unit of generation, gas prices are directly correlated to power pricing (more so in some regions such as NYC vs. others such as parts of PJM). We keep an eye on natural gas market fundamentals in order to provide insights into forward power pricing for our clients. Gas production has grown and surpassed any speculation that production would not be able to keep up with demand due to LNG and Mexican exports.

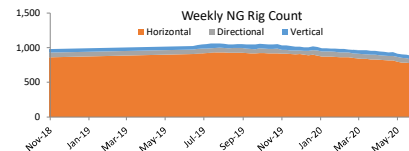


Natural Gas Storage Week Ending 6/5/2020	
Current Week Stocks (bcf)	2,807
Previous Week Stocks (bcf)	2,714
Implied Net Change (bcf)	93
Expected Net Change (bcf)	94
Variance (bcf)	-1
Year-Ago Stocks (bcf)	2,059
Variance vs Prev. Year (%)	36.3%
5-Year Average (bcf)	2,386
Variance vs 5-YR Avg (%)	17.6%

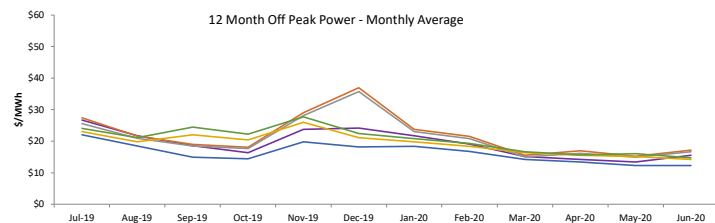
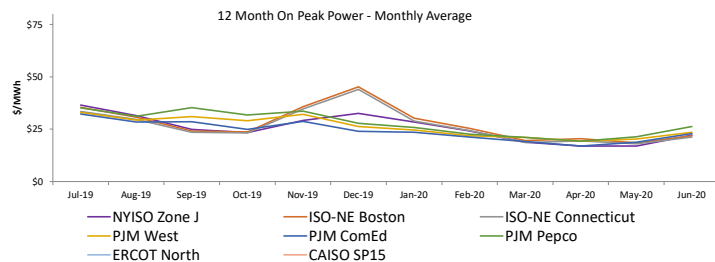


	\$/MMBtu	W-o-W Δ	Y-o-Y Δ
Prompt Month	\$1.813	1.5%	-23.0%
12-Month	\$2.461	1.8%	-2.0%
24-Month	\$2.518	1.4%	-2.1%
Cal 20	\$2.170	1.4%	-16.7%
Cal 21	\$2.684	1.9%	2.1%
Cal 22	\$2.470	0.3%	-6.1%

Week Ending:	6/5/2020	W-o-W Δ
Oil Rigs	206	-4.2%
Gas Rigs	76	-0.8%
Vertical	52	0.0%
Horizontal	749	0.0%
Directional	54	0.0%



	Avg. Temp	Past 10 Weeks	Departure From Normal	CDD	HDD
Boston	61			0	4
Chicago	77			12	0
Columbus	81			16	0
Dallas	77			12	0
Denver	55		-10	0	10
Detroit	81			16	0
Hartford	71			6	0
Houston	84			19	0
Indianapolis	79			14	0
Las Vegas	82			17	0
Los Angeles	76			11	0
Miami	83			18	0
Minneapolis	72			7	0
New York City	81			16	0
Philadelphia	74			9	0
Phoenix	88			23	0
Salt Lake City	61			0	4
San Diego	78			13	0
San Francisco	63			0	3
Seattle	57			0	8
St. Louis	84			19	0
Washington D.C.	78			13	0



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## 2014 - 2020 YTD Locational Marginal Pricing (LMPs)

