

Pricing Outlook

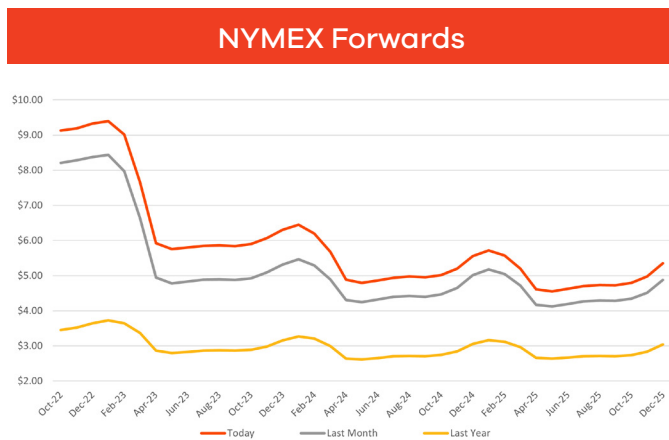
The summer trend continued in August, as NYMEX prices fluctuated between **\$7.50/MMBtu-\$9.65/MMBtu** throughout the month. Gas market fundamentals remain largely the same: storage is lagging, energy supply chain constraints are rattling the natural gas market, global LNG prices are spawning upward price pressure, and the market remains regionally capacity constrained—particularly in the Southeast.

News of continued delays at the Freeport LNG facility did create some downward market pressure again mid-month (the site is now projected to come back online in mid-November rather than October). Still, price declines were largely erased as the prompt month contract marched toward settlement.

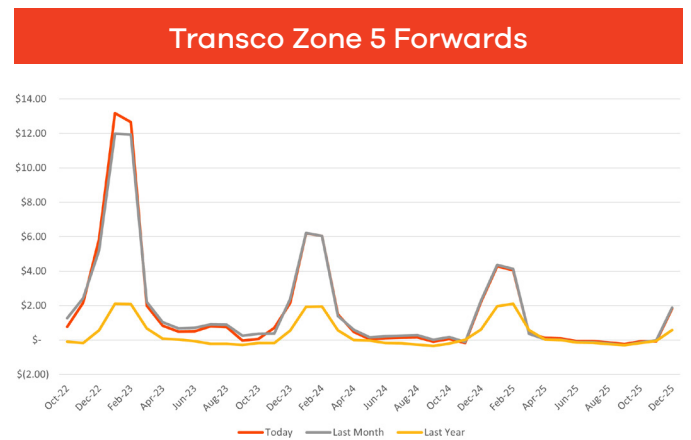
Basis markets have been particularly strong, not just for the near term but as traded for the entirety

of the upcoming winter. November 2022-March 2023 pricing for Sonat LA, FGT Zone 3, Transco Zone 4 and Transco Zone 5 all touched new highs in late August. On the global stage, European gas prices again breached \$70/MMBtu. In fact, winter prices traded above \$100/MMBtu for the Dutch TTF contract as energy supply concerns and pipeline outages persisted amidst the crisis in Ukraine. The European market does affect U.S. gas prices, though one might argue it's primarily psychological, given that the U.S. LNG exports are near capacity.

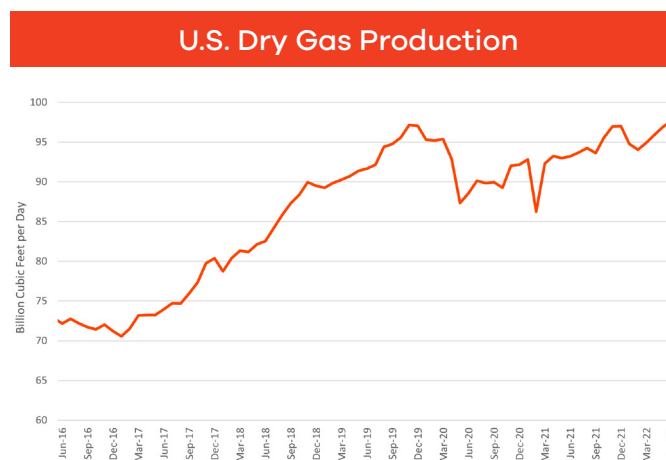
With summer winding down, attention is shifting to the heating season ahead. Winter weather will significantly influence the natural gas market, especially if we see cold temperatures during the early stages of the traditional heating season.



NYMEX prices continue a range bound trading pattern between \$7.50 and \$10. Eyes are beginning to shift focus toward the heating season ahead for market direction.



Transco Zone 5 basis forwards, and basis forwards across the Southeast, continue to trade particularly strong. Some operational issues are creating market disruption, but the strength in basis is expected to continue at least through the winter.



U.S. production continues to grow.

News From Gas South

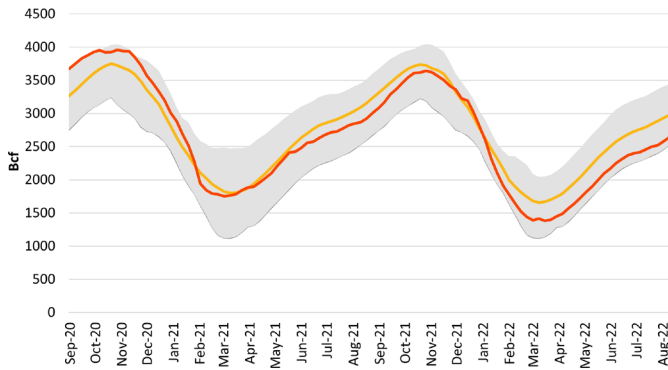
At Gas South, our purpose is to Be A Fuel For Good, because we believe in doing our part to strengthen the communities we serve. By giving back 5% of our annual profits to support children in need, we make every customer a part of that service. Recently, we announced the recipients of our \$300,000 Impact Investment awards that focus on childhood basic needs, education, and illness and disability. Every year, our employees vote for recipients of \$50,000 impact grants to fund a specific project that wouldn't be possible without this investment. We're so proud to support each of these winners. You can read more about them [on our blog](#).

NYMEX Prompt History



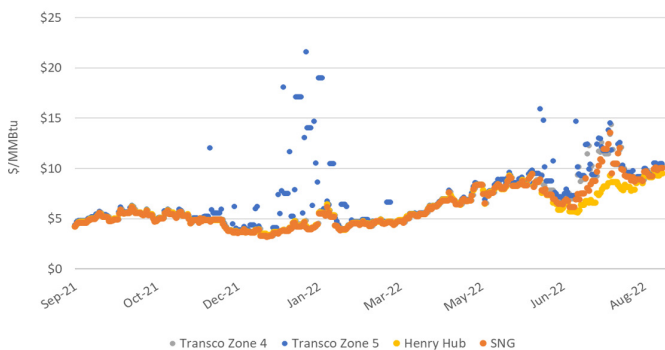
NYMEX natural gas prices, currently trading in the mid-\$8s, have rebounded significantly from early summer lows. Market fundamentals remain overwhelmingly bullish as the cooling season draws to a close.

Nationwide Storage Inventory



If everything stays on track, storage stocks are projected to land at 3.45 Tcf by the end of the traditional injection season.

Southeastern Spot Prices



Cash prices across the southeast have shown some increased separation from Henry Hub as basis premiums have trended higher.