

News From Gas South

Back in 2017, Gas South committed to give 5% of profits to support children in need. And thanks to customers like you, we've been able to build upon that support year after year.

We recently released our Annual Impact Report, which shares how we've made a positive impact on the communities we serve. In 2021, we gave more than \$1.5 million to help children reach their full potential through:

- Strategic partnerships
- Impact investments
- Team grants
- STEAM labs
- Junior Achievement Discovery Centers

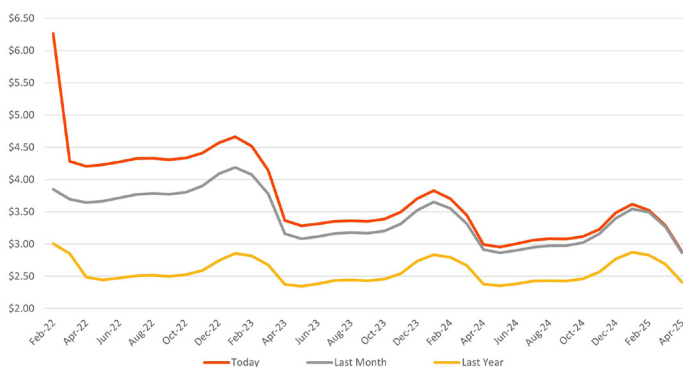
[Click here](#) to view the report.

Pricing Outlook

After a wild last trading day, the February NYMEX natural gas contract expired at **\$6.265/dkth**. The contract began the day around \$4.25, and then a strong technical move during the last 30 minutes of trading saw the contract surge above \$7.30 before settling back down at its expiration. The late-day increase was mainly attributed to a technical short squeeze, lingering cold temperatures at home and mounting geopolitical pressures abroad.

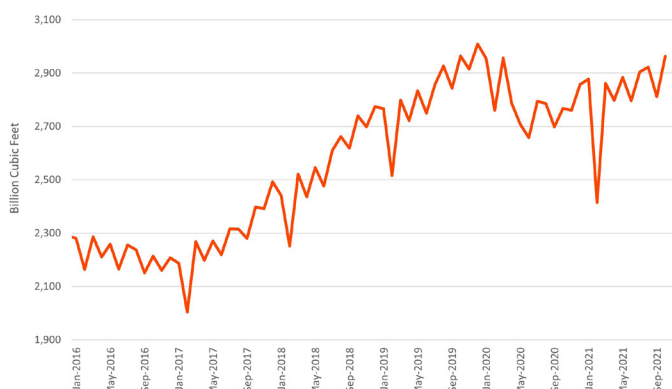
Not since February 2003 has the NYMEX contract had such a delta between the high and low traded price on the day, and not since 1990 has the prompt month expiry experienced such a percentage movement. Once again, the first several trading sessions of the month have been characterized by heightened market volatility. Warming temperatures and a mild outlook for the balance of February are now driving prices lower.

NYMEX Forwards



The February contract surged at its last day settlement. Forward prices remain elevated versus the previous month's market condition but are now in retreat.

U.S. Dry Gas Production



U.S. dry gas production has returned to pre-COVID-19 levels, though winter storm freeze-offs recently created some market pressure.

Fundamentals for Consideration

Storage

With substantial withdrawals utilized during January's persisting cold, nationwide storage inventories are now trading about 6% below the five-year average.

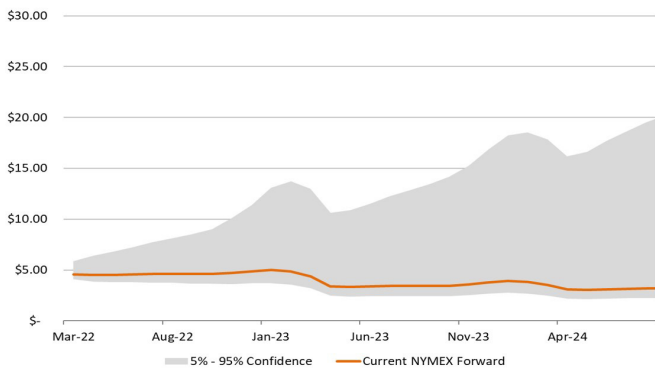
Weather

After a distinctly warm December (the second warmest nationwide since 1960), January's weather was in line with historical norms.

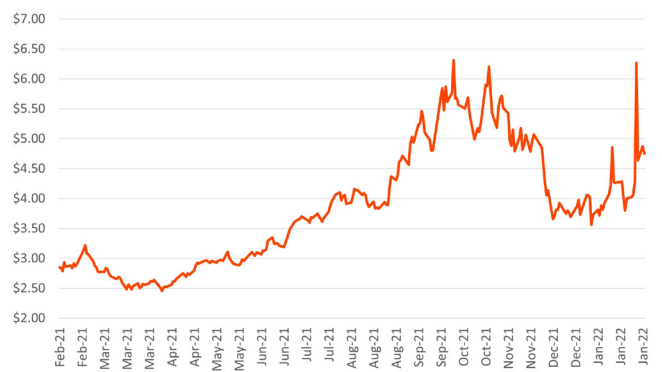
Production

Marketed natural gas production continues to be strong.

Henry Hub Market Price Confidence Interval

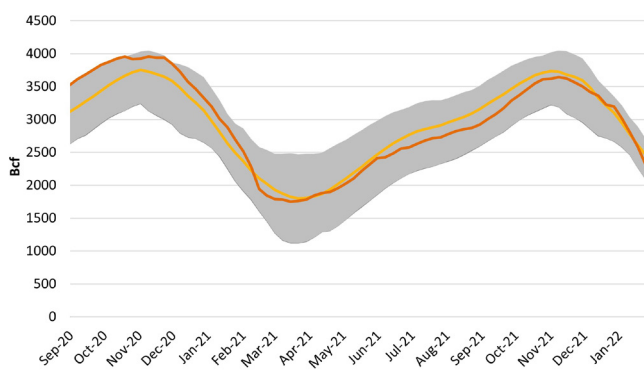


NYMEX Prompt History

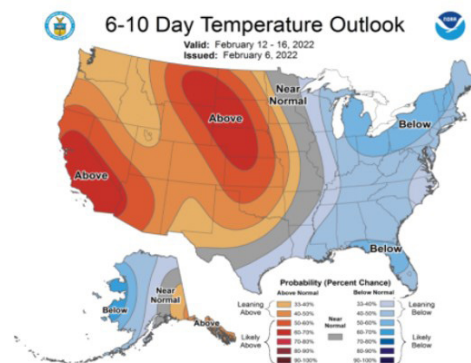


NYMEX volatility in the marketplace remains

Nationwide Storage Inventory



NOAA 6-10 Day Temperature Outlook



Cold temperatures and high market prices prompted accelerated January withdrawals. Nationwide inventories now lag the five-year average by about 6%.

Source, NOAA.gov. Below normal temperatures are expected for the east and southeastern U.S.