

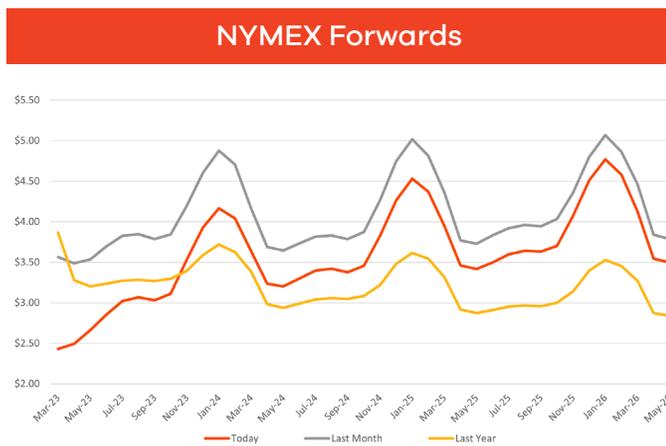
Pricing Outlook

What a difference a month makes! Or a year! Or two years! The NYMEX natural gas prompt month contract is trading at levels we haven't seen since mid-2020. Beginning with mild weather, an array of bearish fundamentals has weighed heavily on near-term market prices as the end of the winter starts to come into view.

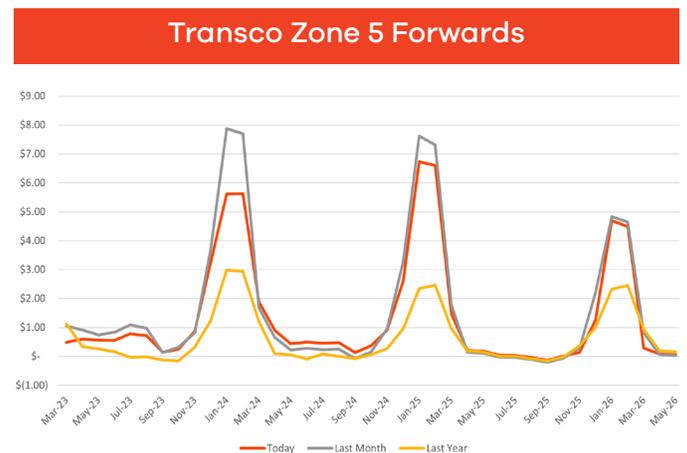
Warm temperatures domestically and abroad have altered the fundamental dynamics of the market. The temperature outlook calls for more warmth despite six weeks until winter's official end. In fact, Georgia's own General Beauregard Lee did not see his shadow on Groundhog Day, signaling spring is near. Maybe the market thinks he's on to something.

Storage inventories are now solidly ahead of the five-year average, and natural gas production continues to run powerfully. Basis markets have come down, though the Southeastern basis complex remains strong and volatile relative to seasons past. The emerging seasonal pattern shows strength in late summer basis pricing along with the traditional heating season.

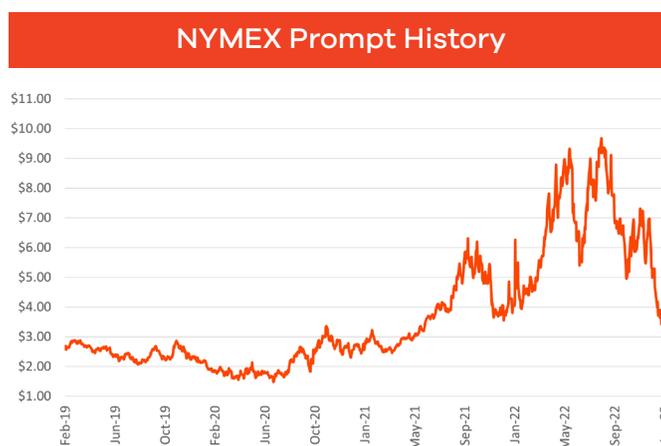
In other fundamental news, all eyes remain on the Freeport LNG export terminal. The terminal is nearing a return to LNG production, but repeated approval delays have slowed the process. The first exports since the outage occurred last June are expected in the latter half of February. Feedgas flows have already begun.



Front month NYMEX prices are well below where they were at this time a month ago and last year. They are low even when measured against past years. However, the longer term trend does show a reversion to the \$3-5 per MMBtu range.



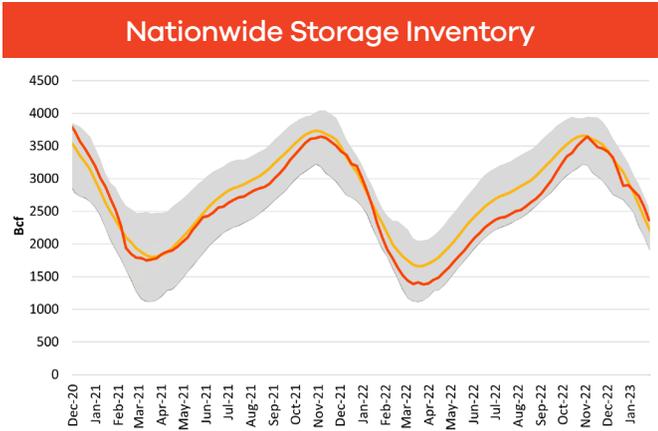
Transco Zone 5 South forwards have come off of their midwinter peaks.



NYMEX prices have fallen significantly since late December amidst an onslaught of bearish market fundamentals.

News From Gas South

This February, Gas South is celebrating Black History Month by highlighting our newest employee resource group, BEST. BEST stands for Black Employee Support Team. Our Diversity, Equity and Inclusion team helped launch the group in September with the aim to build relationships and elevate the employee experience through dialogue, problem solving and support for employees who identify as African American or who are connected through heritage to the African Diaspora. Learn more about our proud new employee resource on [our blog](#) or [watch this video](#).

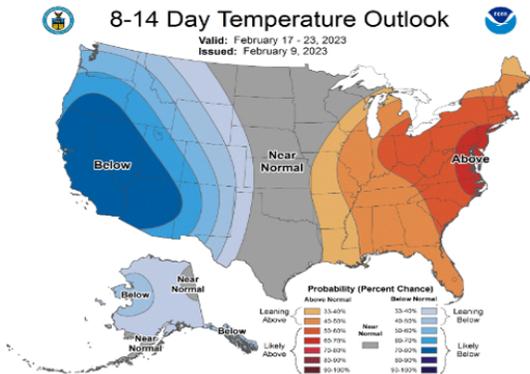


In the wake of a warm heating season, nationwide storage inventory is now solidly above the five-year average.



Global LNG prices, particularly in Europe, are trending lower.

Short-Range Temperature Outlook



Forecasted temperatures remain relatively mild for the balance of February.