

Pricing Outlook

Over the past two months, NYMEX forwards have balanced, although they are still more volatile than in previous years. They dipped below \$3.00/dekatherm in early spring and have since mostly stabilized. Natural gas prices have retreated, and the below factors continue to inform a steady price sentiment in the near term within the marketplace:

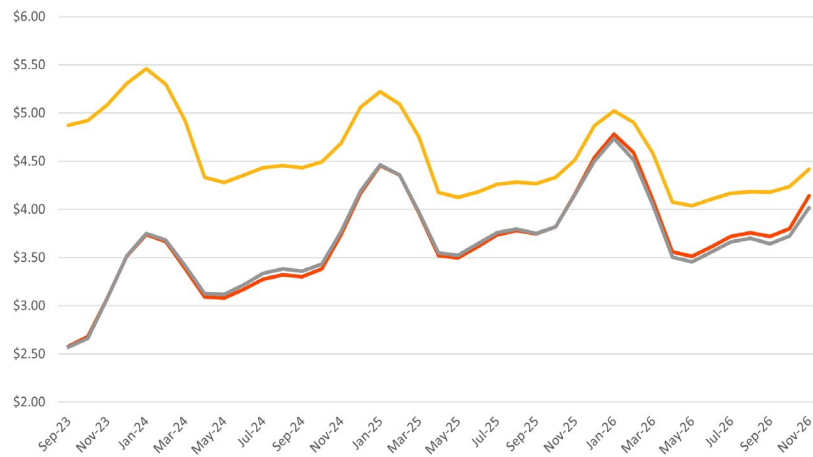
- Nationwide storage inventories are above prior years' averages.
- This summer has been relatively quiet. Although warmer than average, the season hasn't seen the extreme heat events from last summer.
- Weather events, such as hurricanes and tropical storms, have been rather sparse with little impact on natural gas transportation infrastructure in the Southeast.

The Mountain Valley Pipeline (MVP) project, designed to transport natural gas from the Marcellus and Utica shale regions to the Southeast, is still facing significant challenges and uncertainties. Its progress has been hindered by regulatory delays and legal disputes, despite efforts to address these issues and meet compliance requirements. As a result, the timeline for the pipeline's completion remains uncertain. The MVP's current state reflects the complexities and controversies surrounding large-scale energy infrastructure projects in the United States, with stakeholders closely monitoring its developments and potential implications for the Southeast's natural gas supply and pricing.

Nevertheless, NYMEX natural gas prices remain volatile, and consistent dramatic price swings are likely to continue as the market seeks direction for the heating season ahead.

We continue to see summer locational basis diverge among SNG, FGT Zone 3 and Transco Zones 3-5 in particular. Zones that have traded relatively flat in the past are now trading at notable spreads. Looking at the forwards for these markets, we're seeing the importance of locational basis hedging in the Southeast—a trend we predict will continue.

NYMEX Forwards



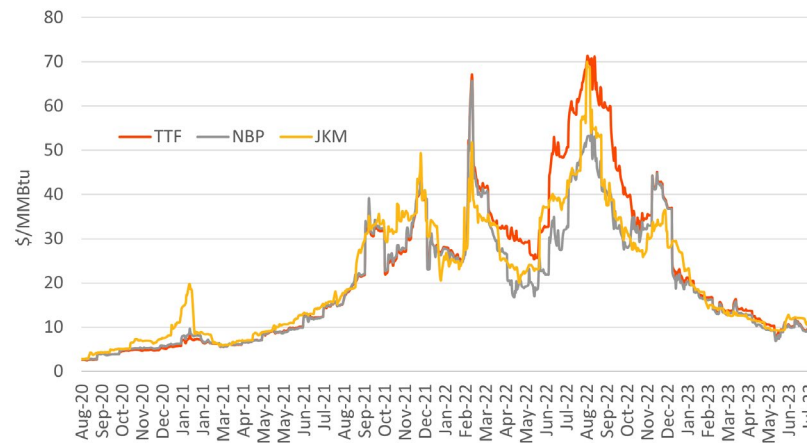
Near term NYMEX prices have retreated near market lows, and the longer-term forwards reflect moderate recovery. Current market volatility projects a wide range of outcomes in the options markets.

NYMEX Prompt History



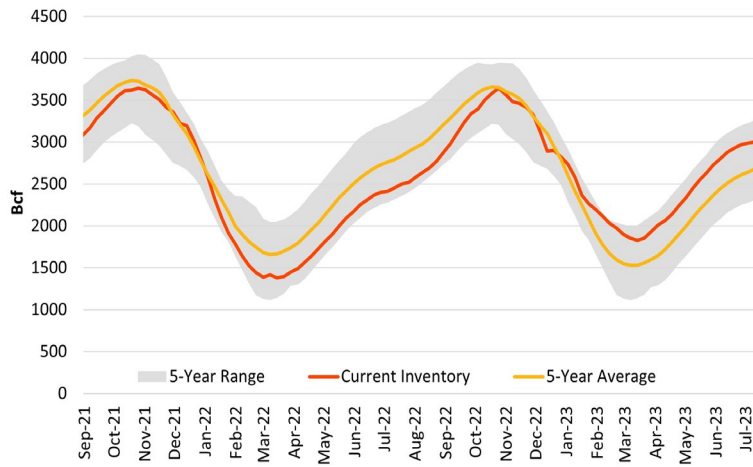
Steady heat patterns across the U.S. produced a strong July, which has likely kept the market from challenging some lower price support thresholds.

Global LNG Prices



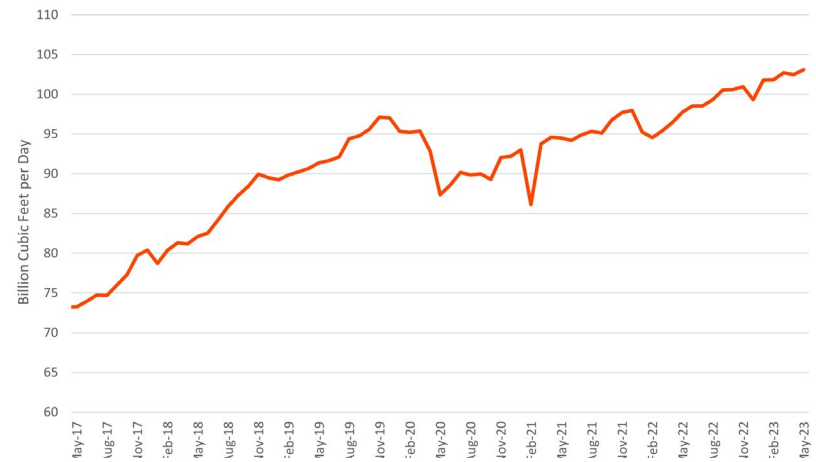
There continues to be increasing LNG export demand, with concerns regarding Russia's supply availability in the European Union for the upcoming winter.

Nationwide Storage Inventory



As the traditional injection season winds down, working gas in storage continues to exceed the five-year average. It's currently less than 10% off the five-year max.

U.S. Dry Gas Production



Despite the low-price environment, monthly dry gas production (which is reported on a two-month lag) hit an all-time high of 103 Bcf/day in May.

News From Gas South

We're proud to announce the recipients of our 2023 Impact Investments, Sunshine on a Ranney Day and Food 4 Kids. This annual initiative is part of our purpose to *Be A Fuel For Good* by giving back 5% of profits to children in need. For the first time in the program's history, we asked our customers to vote for non-profit organizations that applied for a grant so they could support causes that matter to them. With an exciting 15,000 votes and \$100,000 each, the awarded organizations will be able to help more children in metro Atlanta and north Florida lead successful lives. [Watch their reactions!](#)