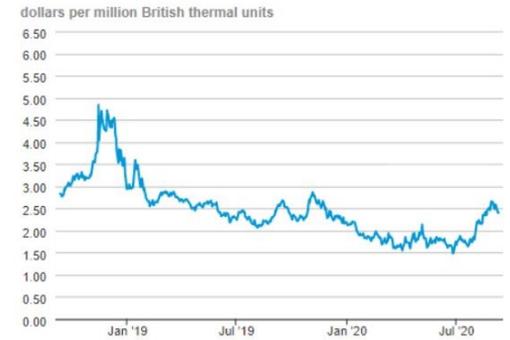


GENERAL UPDATE

- The October 2020 NYMEX Henry Hub traded down to \$2.406/MMBtu, a \$0.08 (-3.2%) decrease from the previous Wednesday. The price of the 12-month strip averaging October 2020 through September 2021 futures contract was down \$0.01 (-0.3%) to \$2.964/MMBtu.
- Boston's Algonquin Citygate price went up \$0.76 (+44.7%) to \$2.46/MMBtu last Wednesday. Transco Zone 6 NYC price decreased \$0.10 (-5.7%) to \$1.66/MMBtu.
- Pennsylvania's Dominion South fell \$0.02 (-1.3%) to \$1.51/MMBtu. Tennessee Zone 4 Marcellus spot price decreased \$0.23 (-16.5%) to \$1.16/MMBtu.
- California prices fell last week. SoCal Citygate price decreased \$0.03 (-1.0%) to \$3.12/MMBtu last Wednesday. The price at Northern California PG&E Citygate fell \$0.04 (-1.1%) to \$3.55/MMBtu week over week.

Near-month natural gas futures prices (Nymex)



Source: CME Group as compiled by Bloomberg, L.P.

POWER

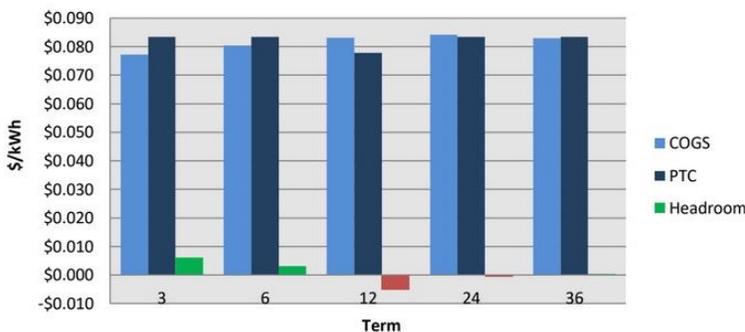
- Power markets have moved higher over the past month but did take a pause last week and moved slightly lower coming out of the holiday weekend. Good time to take a look at winter positions as should stay in this current range as we head into the fall season and will take a few more weeks to determine direction of winter weather and demand forecasts before moving higher.
- Prices were flat week over week. New England MassHub 12 Month peak at \$40.93 and 24 Month peak at \$41.11. NYISO NYC Zone (J) 12 Month peak is at \$38.40 with winter pricing holding firm around \$60. PJM was flat to slightly higher after the holiday and West Hub 12 Month peak at \$34.27 and winter pricing holding firm at \$44.65
- ERCOT is out of the peak summer season and daily demand continues to underperform to keep hourly prices at very low levels. Houston zone 12 Month peak pretty flat at \$44.52 and the 24 Month peak lower at \$44.10.

UTILITY HIGHLIGHT

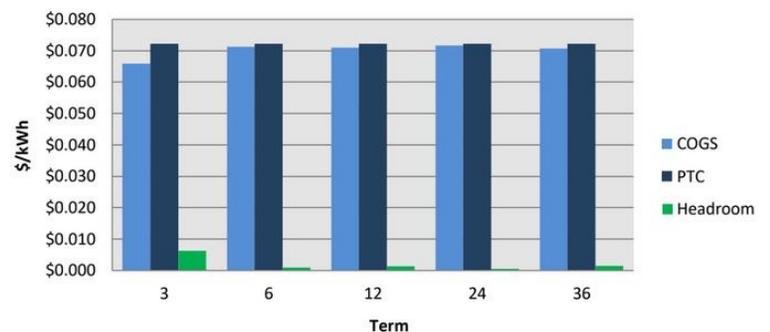
PEPCO > RMSH

PEPCO > MDND

PEPCO - RMSH



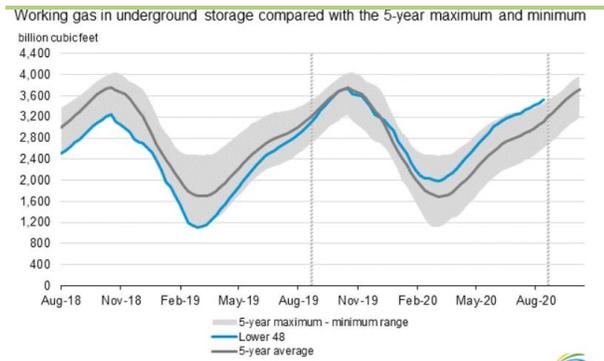
PEPCO - MDND



- The upcoming Price to Compare for Potomac Electric Power Company in Maryland (PEPCO -RMSH), Residential Space Hearing rate class (RMSH) is \$0.08347/kWh, in effect from Oct 1, 2020 to May 31, 2021.
- Headroom in the PEPCO - RMSH territory is now available in the shorter periods for contracts with 3 and 6 month terms. Headroom of \$0.00618/kWh and \$0.00314/kWh is likely for these periods, respectively.
- The current Price to Compare data for Potomac Electric Power Company in Maryland (PEPCO), General Service (MDND) is \$0.07217/kWh, in effect from Oct 1, 2020 to May 31, 2021.
- Headroom is available in the PEPCO - MDND market for shorter terms, 3 and 6 month terms, with \$0.00625/kWh and \$0.00091/kWh of headroom respectively.

NATURAL GAS

- For the week ending September 4th, 2020, the EIA reported net injection into storage of 70 Bcf, which is less than last year's net injection of 80 Bcf for this week and more than the 5-year (2015–19) average net injection of 68 Bcf.
- Working natural gas in storage totaled 3,525 Bcf, which is 528 Bcf (17.6%) higher than last year's working gas totals of 2,997 Bcf at the same time and 582 Bcf (13.1%) higher than the 5-year (2015-2019) average of 3,116 Bcf. Total working gas is above the five-year historical range.

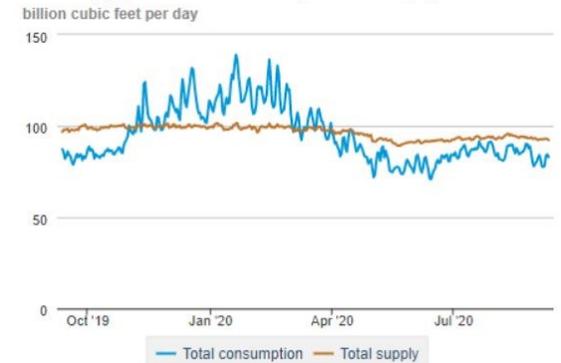


Source: U.S. Energy Information Administration
 Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2015 through 2019. The dashed vertical lines indicate current and year-ago weekly periods.

SUPPLY & DEMAND

- Average total supply of natural gas is down 0.3% week/week. Dry natural gas production increased by 0.7% while net imports with Canada decreased by 19.4% compared with the previous week.
- Total US consumption of natural gas fell by 3.9% since last week. Natural gas consumption for power generation decreased 7.8%, industrial sector consumption increased 1.8%, residential-commercial consumption was down 0.1%, and exports to Mexico decreased 1.8% compared to last week.
- US LNG exports were flat week over week, with 6 vessels departing US ports for a combined 21 Bcf.

Total supply/demand balance (last 365 days)



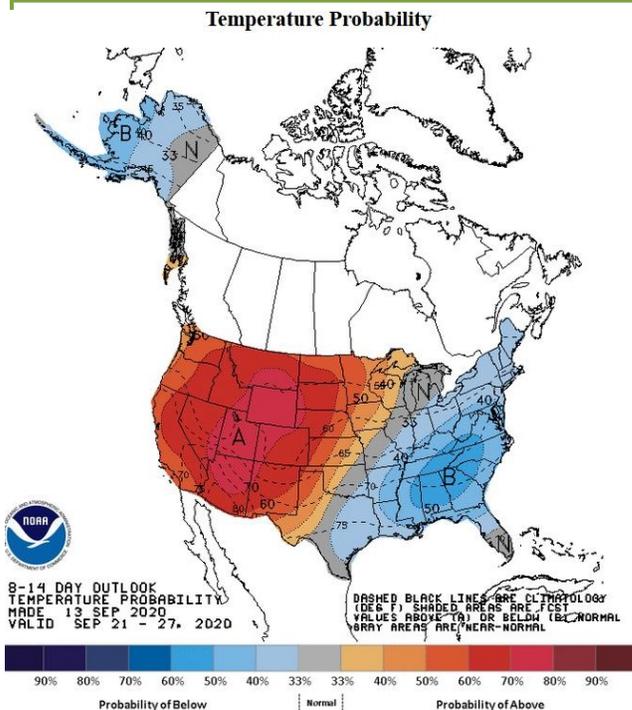
Source: IHS Markit

MARKET INTELLIGENCE

- The Californian Independent System Operator (CAISO), continued to contend with high heat and widespread wildfires. Pacific Gas & Electric (PG&E) was forced to call Public Safety Power Shutoffs (PSPS) to battle fire conditions which left 158,000 customers without power. As a result of an unplanned transmission outage and unplanned generation unit outage, CAISO had to call a stage two emergency. The power line that tripped was carrying power from Oregon into California and caused grid overloads that had to be curtailed. CAISO had a 500 Megawatt natural gas power plant in Southern California unexpectedly trip offline as a result of equipment failure that led to an onsite fire. Between the transmission and generation trips, CAISO had to deal with losing 2,000 megawatts in a very short amount of time, which is what led to the stage two emergency declaration.

WEATHER

- The Pacific Coast, including California, Southwestern states, Rocky Mountain states, western portion of the Midwest and west Texas are forecast to receive more above normal temperatures in the 8-14 window starting September 21st, no reprieve from the extreme heat for California. The highest probability for below normal temperatures are the Southern States, Great lake States, Middle Atlantic States and New England States. The Pacific Coast States, and Southwestern states have the highest probability for above normal temperatures.
- In the 8-14 day window, Washington state is forecast to see above normal precipitation. California is forecast to see normal rainfall. The Rocky Mountain States, Texas and east of the Mississippi has the highest probability of seeing below normal rainfall.



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