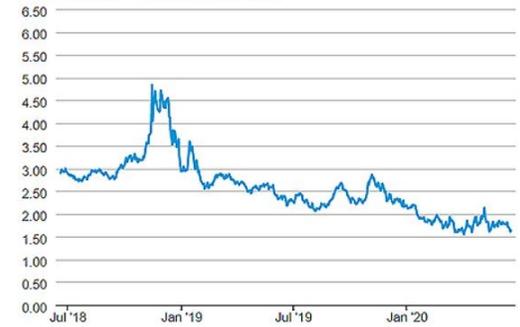


GENERAL UPDATE

- The July 2020 NYMEX Henry Hub traded down to \$1.638/MMBtu, a \$0.14 (-7.9%) decrease from the previous Wednesday. The price of the 12-month strip averaging July 2020 through June 2021 futures contract fell \$0.07 (-2.9%) to \$2.361/MMBtu.
- Boston's Algonquin Citygate price went down \$0.14 (-8.5%) to \$1.51/MMBtu last Wednesday. Transco Zone 6 NYC price decreased \$0.14 (-8.9%) to \$1.44/MMBtu.
- Pennsylvania's Dominion South fell \$0.16 (-10.9%) to \$1.31/MMBtu. Tennessee Zone 4 Marcellus spot price decreased \$0.14 (-9.7%) to \$1.30/MMBtu.
- California prices trended up since last week. SoCal Citygate price decreased \$0.51 (-22.9%) to \$1.72/MMBtu last Wednesday. The price at Northern California PG&E Citygate went down \$0.27 (-10.6%) to \$2.28/MMBtu week over week.

Near-month natural gas futures prices (Nymex)
dollars per million British thermal units



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

POWER

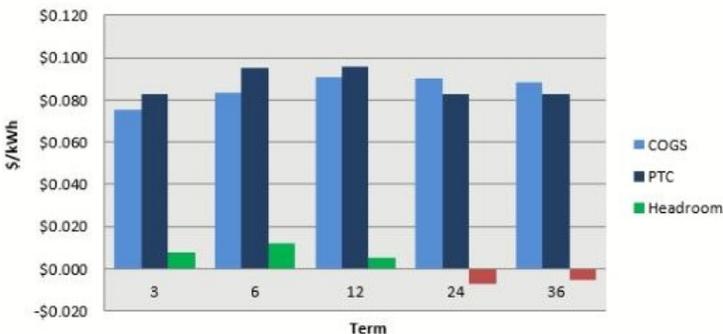
- Power market pricing moved lower to start the week to give back some gains over the past week. Trend will remain neutral to slightly bearish as winter natural gas pricing has tried to test the \$3 level but faced strong resistance each time. In most markets, winter 2021 pricing is lower with summer 2020 pricing up slightly. Quiet in all the ISO markets, outside of PJM last week, as over forecasting demand continues to keep hourly price volatility in check.
- New England MassHub 12 Month peak moved up to \$36.17 and 24 Month peak flat the past month at \$37.51. NYC Zone (J) 12 Month peak strip is flat at \$34.87 with summer peak still below \$30 at \$29.85. PJM markets had small movements. West Hub 12 Month peak up around \$0.75 to end at \$30.87 and 24 Month peak down around \$0.45 to stand at \$31.57 as we officially enter summer this week.
- ERCOT hourly pricing has been in check and expect that to continue until we get into the heart of the summer in August. Pricing down in most zones, Houston zone 12 Month peak down \$1.64 at \$43.57 and 24 Month peak strip down \$1.07 to finish at \$42.79.

UTILITY HIGHLIGHT

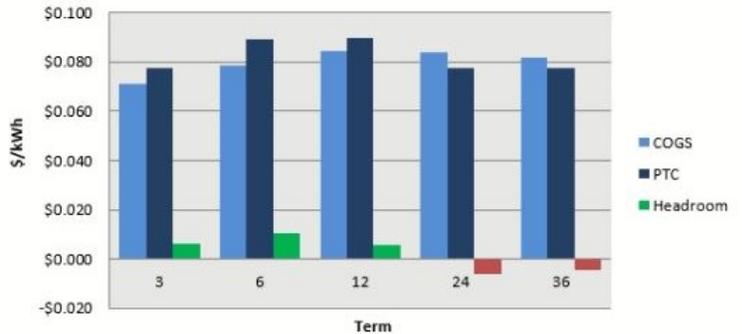
NARRAG > A16

NARRAG > C 06

NARRAG A16



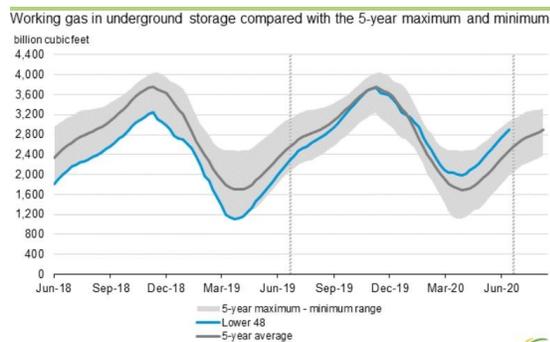
NARRAG C06



- The upcoming Price to Compare for National Grid's Narragansett Rhode Island (NARRAGA16), Basic Residential rate class (A16) is \$0.08299/kWh, in effect from July 1, 2020 to Sept 30, 2020.
- Headroom in the NARRAG – A16 territory is now available in the shorter periods for contracts with 3 and 6 month terms. Headroom of \$0.00743/kWh and \$0.01186/kWh is likely for these periods, respectively.
- The current Price to Compare data for National Grid's Narragansett Rhode Island (NARRAG), Small Commercial (C-06) is \$0.07764/kWh, in effect for the period July 1, 2020 to Sept 30, 2020.
- Headroom is available in the NARRAG - C06 market for shorter terms, 3 and 6 month terms, with \$0.00642/kWh and \$0.01065/kWh of headroom respectively.

NATURAL GAS

- For the week ending June 12, 2020, the EIA reported net injection into storage of 85 Bcf, which is less than last year's net injection of 111 Bcf for this week and lower than the 5-year (2015–19) average net injection of 87 Bcf.
- Working natural gas in storage totaled 2,892 Bcf, which is 722 Bcf (33.3%) higher than last year's working gas totals of 2,170 Bcf at the same time and 419 Bcf (16.9%) higher than the 5-year (2015-2019) average of 2,473 Bcf. Total working gas is within the five-year historical.



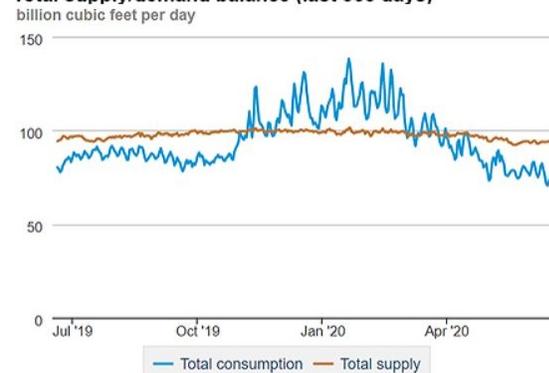
Source: U.S. Energy Information Administration
 Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2011 through 2019. The dashed vertical lines indicate current and year-ago weekly periods.



SUPPLY & DEMAND

- Average total supply of natural gas is up 0.2% week/week. Dry natural gas production increased by 0.5% while net imports with Canada decreased by 5.5% compared with the previous week.
- Total US consumption of natural gas fell by 7.1% since last week. Natural gas consumption for power generation decreased 15.6%, industrial sector consumption increased 2.2%, residential-commercial consumption was up 4.8%, and exports to Mexico decreased 4.7% compared to last week.
- US LNG exports increased week over week, with 8 vessels departing US ports for a combined 29 Bcf.

Total supply/demand balance (last 365 days)

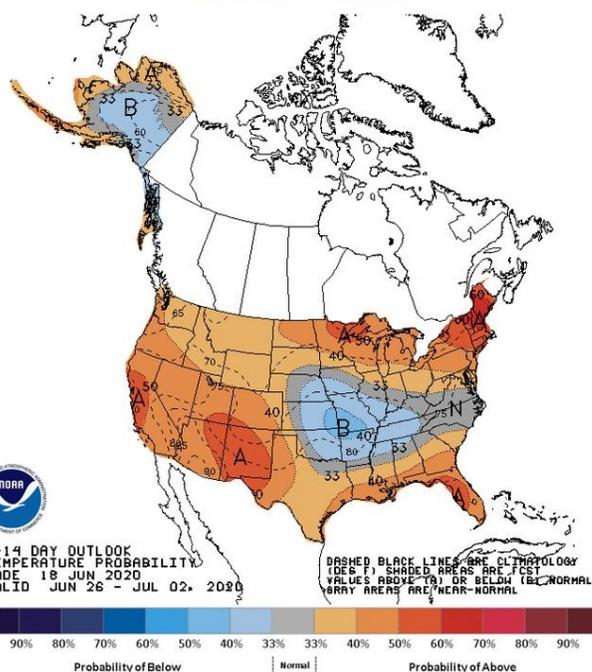


Source: IHS Markit

MARKET INTELLIGENCE

- On June 10th, NYISO released “Power Trends 2020” report. Report highlights challenges of how to meet New York States zero-carbon energy goals, goals of electrify vehicles and buildings, as well as, achieving 70% of electricity from renewables by 2030. NYISO is currently grappling with the ability to connect the clean upstate energy with the downstate demand. 29% of downstate resources are carbon-free and majority of the zero-carbon sources come from one generator, Indian Point, which is set to close in the coming year. Upstate New York gets 88% of electricity from zero-carbon sources. Plan is to add new transmission to carry upstate wind/hydro to downstate load centers; new battery storage; development of downstate offshore wind and solar; with a carbon-pricing regime.

Temperature Probability



WEATHER

- Above average temperatures are forecast for entire United States, except the Central Plains states, in the 8-14 day window starting June 26th. The highest probability for heat is in the Northeastern United States. A cool snap forecast is projected for the Central Plains states and they have the highest likelihood of seeing cooler than normal weather.
- In the 8-14 day window, only New Mexico and North Dakota are forecast to see below normal precipitation. The Central Plains states have the highest probability of seeing above normal rainfall along with the Pacific Northwest.

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