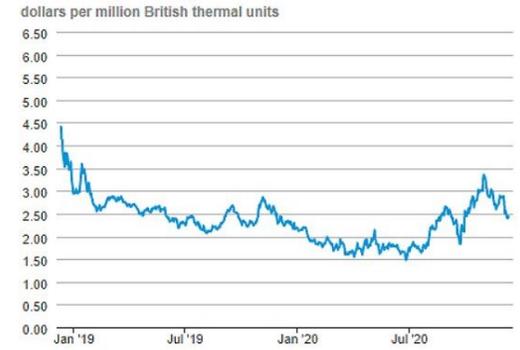


GENERAL UPDATE

- The January 2020 NYMEX Henry Hub traded down to \$2.442/MMBtu, a \$0.34 (-12.2%) decrease from the previous Wednesday. The price of the 12-month strip averaging January 2021 through December 2021 futures contract was down \$0.20 (-7.1%) to \$2.576/MMBtu.
- Boston's Algonquin Citygate price went up \$0.29 (+12.0%) to \$2.70/MMBtu last Wednesday. Transco Zone 6 NYC price decreased \$0.10 (-4.1%) to \$2.35/MMBtu.
- Pennsylvania's Dominion South fell \$0.08 (4.1%) to \$1.86/MMBtu. Tennessee Zone 4 Marcellus spot price decreased \$0.07 (-3.6%) to \$1.85/MMBtu.
- California prices fell last week. SoCal Citygate price decreased \$0.26 (-1.9%) to \$4.74/MMBtu last Wednesday. The price at Northern California PG&E Citygate fell \$0.26 (-7.0%) to \$3.45/MMBtu week over week.

Near-month natural gas futures prices (Nymex)



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

POWER

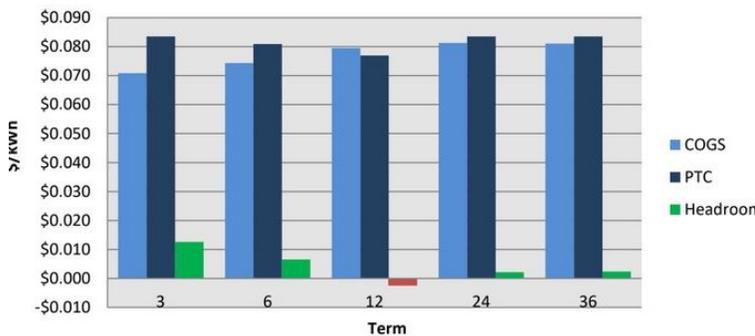
- Power prices have stabilized over the past week and did move slightly higher to start the week. Not un-expected given the lows we touched at the start of the month. We do expect market pricing to firm up as we head into the year-end holiday season and current pricing levels still represent great value to lock in longer term hedges. This week winter will finally arrive in the east as a strong storm heads up the coast that should firm up short term natural gas pricing and add to the upward pressure on forward pricing.
- The front of the curve moved slightly higher to start the week after touching the most likely lows for the season over a week ago. The curve has moved slightly higher but still time to lock in additional hedges prior to year end. New England MassHub 12 month peak is up to \$38.37 and 24 Month up slightly to \$39.35. NYISO NYC Zone (J) 12 month peak up to \$36.22 with the 24 month peak now at \$38.45. In PJM slight movements higher in all load zones but still great value. West Hub 12 Month peak strip at \$31.97 and 24 Month peak strip lower as well at \$32.56.

UTILITY HIGHLIGHT

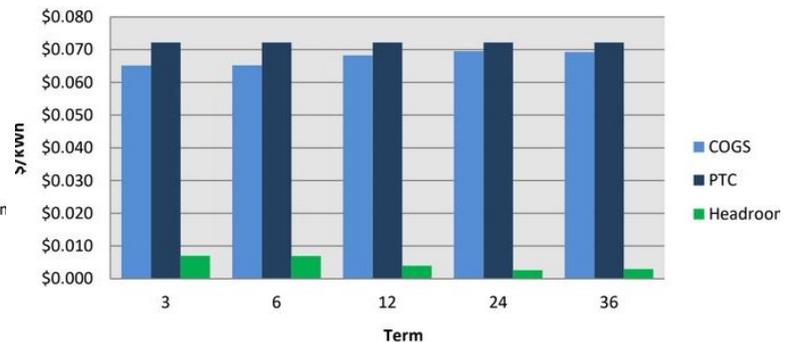
PEPCO > RMSH

PEPCO > MDND

PEPCO - RMSH



PEPCO - MDND



- The upcoming Price to Compare for Potomac Electric Power Company in Maryland (PEPCO -RMSH), Residential Space Heating rate class (RMSH) is \$0.08347/kWh, in effect from Dec 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 \$0.01262/kWh and \$0.00660/kWh is likely for these periods, respectively.
- The current Price to Compare data for Potomac Electric Power Company in Maryland (PEPCO - MDND), General Service (MDND) is \$0.07217/kWh, in effect from Dec 1, 2020 to May 31, 2021.
- Headroom is available in the PEPCO - MDND market for the shorter periods for contracts with 3 and 6 month terms. Headroom of \$0.00703/kWh and \$0.00698/kWh is likely for these periods, respectively.

NATURAL GAS

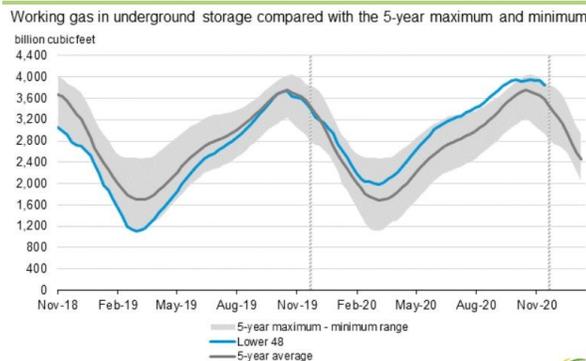
- For the week ending December 4th, 2020, the EIA reported net withdrawals from storage of 91 Bcf, which is more than last year's net withdrawal of 57 Bcf for this week and more than the 5-year (2015–19) average net withdrawals of 61 Bcf.
- Working natural gas in storage totaled 3,848 Bcf, which is 309 Bcf (+8.7%) higher than last year's working gas totals of 3,539 Bcf at the same time and 260 Bcf (+7.2%) higher than the 5-year (2015-2019) average of 3,588 Bcf. Total working gas is within the five-year historical range.

SUPPLY & DEMAND

- Average total supply of natural gas rose 0.1% week/week. Dry natural gas production decreased by 1.2% while net imports with Canada increased by 24.1% compared with the previous week.
- Total US consumption of natural gas rose by 11.5% since last week. Natural gas consumption for power generation increased 9.4%, industrial sector consumption increased 2.1%, residential-commercial consumption increased 20.7%, and exports to Mexico decreased 1.7% compared to last week.
- US LNG exports increased week over week, with 22 vessels departing US ports for a combined 81 Bcf.

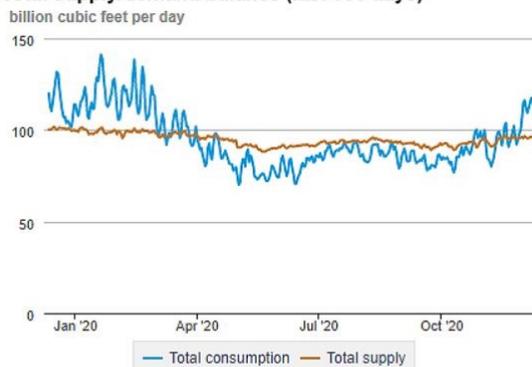
MARKET INTELLIGENCE

White Stallion Energy and coal mining company Lighthouse Resources filed for bankruptcy early this month. Lighthouse has coal mines in Wyoming and Montana, while White Stallion has a presence in Indiana and Illinois. Coal fired plants have been retiring at a rapid pace as the plants continue to not be economical. Around 95 gigawatts (GW) of coal capacity has closed or switched fuel from 2011 through 2020, additional 25 GW of coal generation is planned to retire by 2025. Coal generation has been displaced by cheaper natural gas and renewable resources that meet stricter emission standards. Some coal units have moved to seasonal operation models, only running during peak electricity pricing season, such as summers in Texas. Lower power prices during the coronavirus pandemic have also been a drag on coal demand with the coal fleet operating less than 30% during April and May 2020. Among the list of coal companies having previously filed bankruptcy this year include Blackhawk, Black jewel, Cambrian, Cloud Peak, Piney Woods, and Trinity. Peabody Energy Corp announced in November they may also seek bankruptcy.

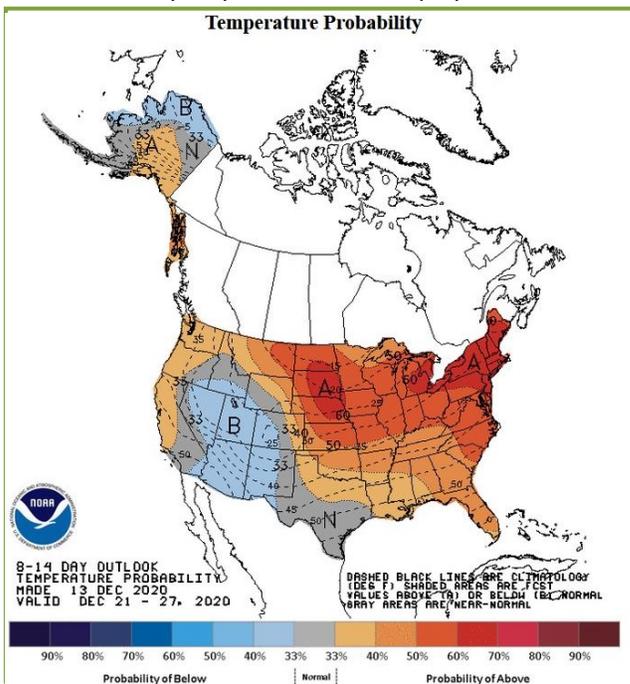


Source: U.S. Energy Information Administration
 Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2015 through 2019. The dashed vertical lines indicate current and year-ago weekly periods.

Total supply/demand balance (last 365 days)



Source: IHS Markit



WEATHER

- The United States is forecasted to receive a bearish weather pattern with the Midwestern States, Great Lakes States, Southern States, Florida, Middle Atlantic States and New England States forecast to receive above normal temperatures in the 8-14 window starting Dec 21st. The Pacific Coast States, Rocky Mountain States, Southwestern States, and Texas are forecast for normal to below temperatures. The Midwestern and New England states have the highest probability for much above normal temperatures.
- In the 8-14 day window, the Rocky Mountain States, Southern States, Middle Atlantic States and New England States are predicted to see above normal precipitation. The Southwestern States, California, Midwestern States and Texas are forecast to receive below normal precipitation. Florida and the Pacific Northwest are expected to have normal precipitation. Southern California has the highest probability for below normal precipitation.

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