S&P Global
Platts

GAS DAILY

Tuesday, June 12, 2018

NEWS HEADLINES

Northeast production lags pipe capacity additions

- Northeast production still at December levels
- LNG contract renewals are being weighed

(continued on page 2)

EPA chief says 'federalism' guides overhaul

- Pruitt favors local partnerships over federal mandates
- Initiative No. 97 threatens Colorado production: CU

(continued on page 3)

Rover add-on facilities could boost production

- Revolution receipt meter capacity is 525 MMcf/d
- Burgettstown lateral request is still pending

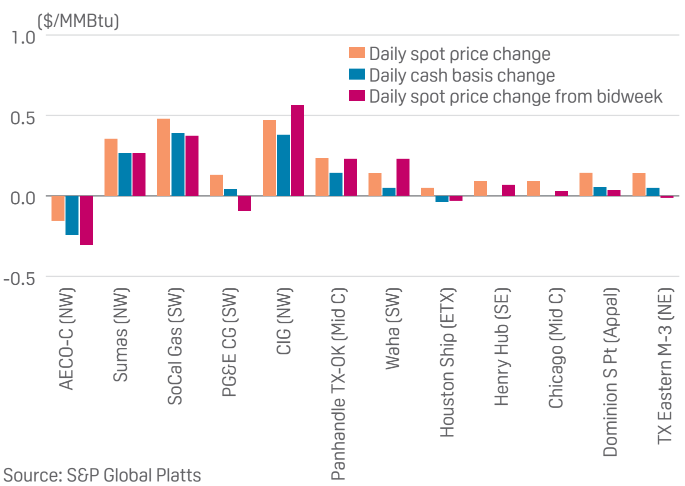
(continued on page 4)

Appalachian producers find alternate NGL markets

- Ruling is latest roadblock for Mariner East
- Mariner East 1 shutdown affects Appalachian production

(continued on page 5)

SPOT PRICE AND BASIS CHANGES



Source: S&P Global Platts

INSIDE THIS ISSUE

FINAL DAILY PRICE SURVEY - PLATTS LOCATIONS ($/MMBtu)

NATIONAL AVERAGE PRICE: 2.650
Trade date: 11-Jun
Flow date(s): 12-Jun

Powered by ICE

		Midpoint	+/-	Absolute	Common	Vol.	Deals
Northeast							
Algonquin, city-gates	IGBEE21	2.565	+0.355	2.550-2.650	2.550-2.590	142	25
Algonquin, receipts	IGBDK21	2.760	+0.650	2.320-3.200	2.540-2.980	20	3
Dracut, Mass.	IGBDW21	—	—	—	—	—	—
Iroquois, receipts	IGBCR21	2.780	+0.210	2.750-2.810	2.765-2.795	47	12
Iroquois, zone 2	IGBEJ21	2.780	+0.325	2.650-2.850	2.730-2.830	147	30
Niagara	IGBCS21	2.450	-0.045	2.450-2.450	2.450-2.450	28	3
Tennessee, z6 (300 leg) del.	IGBJC21	—	—	—	—	—	—
Tennessee, zone 6 del.	IGBEI21	2.775	+0.245	2.750-2.850	2.750-2.800	18	6
Tx. Eastern, M-3	IGBEK21	2.280	+0.140	2.210-2.340	2.250-2.315	179	44
Transco, zone 5 del.	IGBEN21	2.965	+0.055	2.920-3.000	2.945-2.985	166	30
Transco, zone 5 del. North	IGCGL21	2.980	+0.065	2.950-3.000	2.970-2.995	81	10
Transco, zone 5 del. South	IGCHL21	2.955	+0.050	2.920-2.980	2.940-2.970	85	20
Transco, zone 6 N.Y.	IGBEM21	2.845	+0.525	2.800-2.910	2.820-2.875	47	8
Transco, zone 6 non-N.Y.	IGBEL21	2.825	+0.515	2.800-2.850	2.815-2.840	39	10
Transco, zone 6 non-N.Y. North	IGBJS21	2.825	+0.515	2.800-2.850	2.815-2.840	39	10
Transco, zone 6-non-N.Y. South	IGBJT21	—	—	—	—	—	—
Northeast regional average	IGCAA00	2.705					
Appalachia							
Columbia Gas, App.	IGBDE21	2.800	+0.060	2.775-2.815	2.790-2.810	678	115
Columbia Gas, App. non-IPP	IGBJU21	—	—	—	—	—	—
Dominion, North Point	IGBDB21	2.240	+0.125	2.200-2.350	2.205-2.280	209	34
Dominion, South Point	IGBDC21	2.255	+0.145	2.200-2.300	2.230-2.280	637	125
Lebanon Hub	IGBFJ21	2.700	+0.100	2.690-2.705	2.695-2.705	129	20
Leidy Hub	IGBDD21	—	—	—	—	—	—
Millennium, East receipts	IGBIW21	2.085	+0.060	2.050-2.150	2.060-2.110	35	15
REX, Clarington Ohio	IGBGO21	—	—	—	—	—	—
Tennessee, zone 4-200 leg	IGBJN21	2.580	+0.105	2.540-2.620	2.560-2.600	114	36
Tennessee, zone 4-300 leg	IGBFL21	2.010	+0.090	1.910-2.050	1.975-2.045	40	8
Tennessee, zone 4-313 pool	IGCFL21	2.430	+0.050	2.410-2.450	2.420-2.440	44	11
Tennessee, zone 4-Ohio	IGBHO21	—	—	—	—	—	—
Texas Eastern, M-2 receipts	IGBJE21	2.185	+0.120	2.140-2.240	2.160-2.210	669	100
Transco, Leidy Line receipts	IGBIS21	2.050	+0.065	1.970-2.200	1.995-2.110	472	99
Appalachia regional average	IGDAA00	2.335					
Midcontinent							
ANR, Okla.	IGBBY21	2.560	+0.295	2.350-2.610	2.495-2.610	301	59
Enable Gas, East	IGBCA21	2.775	+0.075	2.730-2.785	2.760-2.785	29	7
NGPL, Amarillo receipt	IGBDR21	2.610	+0.165	2.580-2.625	2.600-2.620	14	4
NGPL, Midcontinent	IGBBZ21	2.595	+0.320	2.550-2.630	2.575-2.615	465	85
Oneok, Okla.	IGBCD21	2.065	+0.165	2.030-2.090	2.050-2.080	100	18
Panhandle, Tx.-Okla.	IGBCE21	2.440	+0.235	2.370-2.540	2.400-2.485	560	78
Southern Star	IGBCF21	2.565	+0.290	2.510-2.600	2.545-2.590	96	18
Tx. Eastern, M-1 24-in.	IGBET21	2.825	+0.090	2.800-2.830	2.820-2.830	18	5
Midcontinent regional average	IGEAA00	2.555					
Upper Midwest							
Alliance, into interstates	IGBDP21	2.685	+0.075	2.680-2.700	2.680-2.690	545	86
ANR, ML 7	IGBDQ21	—	—	—	—	—	—
Chicago city-gates	IGBDX21	2.730	+0.090	2.670-2.750	2.710-2.750	881	130
Chicago-Nicor	IGBEX21	2.715	+0.090	2.690-2.725	2.705-2.725	199	35
Chicago-NIPSCO	IGBFX21	2.735	+0.090	2.700-2.740	2.725-2.740	614	80
Chicago-Peoples	IGBGX21	2.715	+0.065	2.670-2.750	2.695-2.735	68	15
Consumers city-gate	IGBDY21	2.745	+0.050	2.740-2.760	2.740-2.750	485	76
Dawn, Ontario	IGBCX21	2.740	+0.055	2.685-2.765	2.720-2.760	405	56
Emerson, Viking GL	IGBCW21	2.545	+0.145	2.500-2.590	2.525-2.570	94	20
Mich Con city-gate	IGBDZ21	2.745	+0.060	2.730-2.760	2.740-2.755	900	130
Northern Bdr., Ventura TP	IGBGH21	2.635	+0.190	2.620-2.670	2.625-2.650	131	18
Northern, demarc	IGBDV21	2.625	+0.185	2.615-2.630	2.620-2.630	161	22
Northern, Ventura	IGBDU21	2.625	+0.175	2.615-2.680	2.615-2.640	195	35
REX, Zone 3 delivered	IGBRO21	2.700	+0.095	2.665-2.710	2.690-2.710	591	99
Upper Midwest regional average	IGFAA00	2.680					

Gap seen widening between US Northeast gas pipeline capacity and production

Natural gas pipeline takeaway capacity additions in the US Northeast production area have yet to spur the level of new output the market was expecting, making it difficult to fill the infrastructure during certain periods, an S&P Global Platts analysis presented Monday shows.

The perspective, offered during the first day of the LDC Gas Forum Northeast conference in Boston, comes as industry leaders analyze Appalachian Basin supply, demand and pricing fundamentals heading into the next decade.

At issue is whether easing pipeline constraints are only temporary and the extent to which LNG export growth will encourage Marcellus and Utica shale producers to drill more.

"New production is not there to fill these projects, and this is only going to get worse," Luke Jackson, an S&P Global Platts senior energy

(continued on page 3)

ASSESSMENT RATIONALE

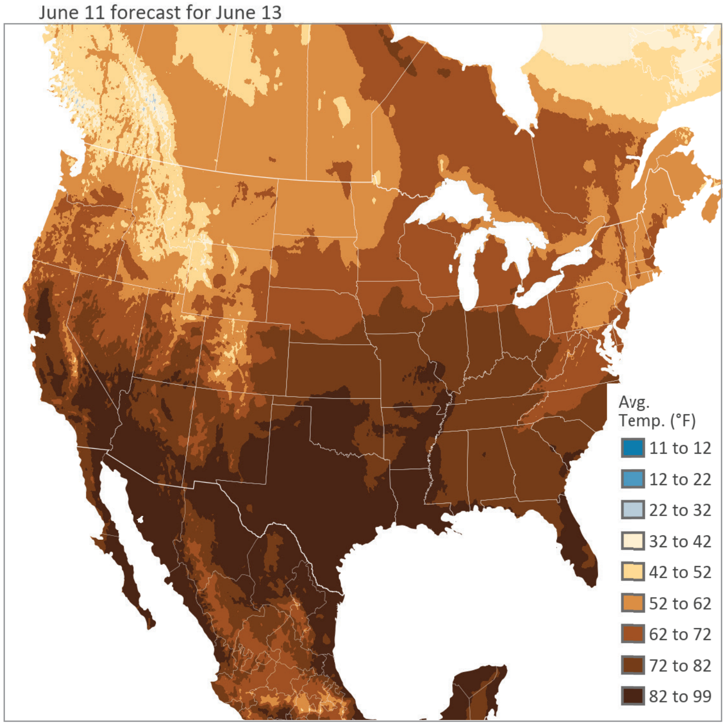
Platts Gas Daily indices are based upon trade data reported to Platts by market participants and the Intercontinental Exchange.

The indices are calculated using detailed transaction level data from these providers. Platts editors screen the data for outliers that may be further examined and potentially removed. A volume weighted average is then calculated from the remaining set of data. For more details on this methodology please see our North American Natural Gas Methodology and Specifications Guide on Platts.com, located at http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/na_gas_methodology.pdf

Questions may be directed to Ryan Ouwerkerk at 713-655-2202, or ryan.ouwerkerk@spglobal.com

2-DAY-AHEAD TEMPERATURE FORECAST MAP

June 11 forecast for June 13



Source: S&P Global Platts, Custom Weather

DAILY PRICE SURVEY - FINAL PLATTS LOCATIONS ($/MMBtu)

Trade date: 11-Jun
Flow date(s): 12-Jun

		Midpoint	+/-	Absolute	Common	Vol.	Deals
East Texas							
Agua Dulce Hub	IGBAV21	—	—	——	——	—	—
Carthage Hub	IGBAF21	2.795	+0.045	2.780-2.815	2.785-2.805	40	5
Florida Gas, zone 1	IGBAW21	2.875	+0.095	2.870-2.880	2.875-2.880	16	3
Houston Ship Channel	IGBAP21	3.000	+0.050	3.000-3.000	3.000-3.000	4	2
Katy	IGBAQ21	2.995	+0.060	2.970-3.040	2.980-3.015	355	44
NGPL, STX	IGBAZ21	2.960	+0.110	2.960-2.960	2.960-2.960	7	2
NGPL, Texok zone	IGBAL21	2.760	+0.060	2.755-2.765	2.760-2.765	239	30
Tennessee, zone 0	IGBBA21	2.720	+0.020	2.720-2.730	2.720-2.725	388	52
Tx. Eastern, ETX	IGBAN21	2.795	+0.110	2.790-2.850	2.790-2.810	12	6
Tx. Eastern, STX	IGBBB21	2.975	+0.060	2.970-2.985	2.970-2.980	163	40
Transco, zone 1	IGBBC21	2.820	+0.030	2.820-2.820	2.820-2.820	5	6
Transco, zone 2	IGBBU21	2.840	-0.005	2.840-2.850	2.840-2.845	12	10
East Texas regional average	IGGAA00	**2.865**					
Louisiana/Southeast							
ANR, La.	IGBBF21	2.770	+0.130	2.770-2.770	2.770-2.770	3	2
Columbia Gulf, La.	IGBBG21	2.855	+0.050	2.835-2.890	2.840-2.870	305	38
Columbia Gulf, mainline	IGBBH21	2.840	+0.070	2.810-2.880	2.825-2.860	676	104
Florida city-gates	IGBED21	3.100	+0.030	3.100-3.100	3.100-3.100	20	2
Florida Gas, zone 2	IGBBJ21	2.875	+0.090	2.870-2.880	2.875-2.880	158	5
Florida Gas, zone 3	IGBBK21	2.910	+0.060	2.905-2.920	2.905-2.915	156	20
Henry Hub	IGBBL21	2.950	+0.090	2.925-2.970	2.940-2.960	256	38
Southern Natural, La.	IGBBO21	2.890	+0.075	2.880-2.900	2.885-2.895	145	23
Tennessee, zone 1	IGBHI21	2.715	+0.065	2.690-2.750	2.700-2.730	322	49
Tennessee, 500 Leg	IGBBP21	2.865	+0.060	2.860-2.870	2.865-2.870	343	56
Tennessee, 800 Leg	IGBBQ21	2.835	+0.065	2.815-2.845	2.830-2.845	238	44
Tx. Eastern, ELA	IGBBS21	2.785	+0.040	2.775-2.795	2.780-2.790	98	29
Tx. Eastern, M-1 30-in.	IGBDI21	2.845	+0.065	2.810-2.850	2.835-2.850	4	4
Tx. Eastern, WLA	IGBBR21	2.840	+0.045	2.840-2.850	2.840-2.845	89	10
Tx. Gas, zone 1	IGBAO21	2.775	+0.045	2.690-2.800	2.750-2.800	171	28
Tx. Gas, zone SL	IGBBT21	—	—	——	——	—	—
Transco, zone 3	IGBBV21	2.855	+0.060	2.840-2.865	2.850-2.860	199	35
Transco, zone 4	IGBDJ21	2.900	+0.075	2.880-2.905	2.895-2.905	616	89
Trunkline, ELA	IGBBX21	2.840	-0.060	2.840-2.840	2.840-2.840	3	4
Trunkline, WLA	IGBBW21	—	—	——	——	—	—
Trunkline, zone 1A	IGBGF21	2.725	+0.085	2.710-2.750	2.715-2.735	36	12
Louisian/Southeast regional average	IGHAA00	**2.850**					
Rockies/Northwest							
Cheyenne Hub	IGBCO21	2.575	+0.370	2.485-2.600	2.545-2.600	485	81
CIG, Rockies	IGBCK21	2.525	+0.470	2.470-2.540	2.510-2.540	208	28
GTN, Kingsgate	IGBCY21	1.955	+0.060	1.925-2.000	1.935-1.975	68	18
Kern River, Opal	IGBCL21	2.545	+0.355	2.500-2.585	2.525-2.565	712	110
NW, Can. bdr. (Sumas)	IGBCT21	1.745	+0.355	1.500-2.000	1.620-1.870	104	20
NW, s. of Green River	IGBCQ21	2.455	+0.330	2.450-2.460	2.455-2.460	85	18
NW, Wyo. Pool	IGBCP21	2.540	+0.360	2.460-2.585	2.510-2.570	474	72
PG&E, Malin	IGBDO21	2.600	+0.360	2.560-2.640	2.580-2.620	410	65
Questar, Rockies	IGBCN21	2.470	+0.340	2.470-2.470	2.470-2.470	0.4	2
Stanfield, Ore.	IGBCM21	2.370	+0.305	2.350-2.380	2.365-2.380	120	35
TCPL Alberta, AECO-C*	IGBCU21	0.555	-0.155	0.330-0.770	0.445-0.665	907	167
Westcoast, station 2*	IGBCZ21	0.905	-0.215	0.830-1.000	0.865-0.950	132	27
White River Hub	IGBGL21	2.495	+0.325	2.485-2.500	2.490-2.500	77	14
Rockies/Northwest regional average	IGIAA00	**2.390**					
Southwest							
El Paso, Bondad	IGBCG21	2.430	+0.345	2.400-2.460	2.415-2.445	93	18
El Paso, Permian	IGBAB21	2.195	+0.150	1.980-2.480	2.070-2.320	891	119
El Paso, San Juan	IGBCH21	2.440	+0.350	2.350-2.490	2.405-2.475	336	48
El Paso, South Mainline	IGBFR21	2.775	+0.600	2.700-2.800	2.750-2.800	94	12
Kern River, delivered	IGBES21	2.855	+0.585	2.835-2.890	2.840-2.870	340	69
PG&E city-gate	IGBEB21	3.005	+0.130	2.995-3.015	3.000-3.010	563	88
PG&E, South	IGBDM21	2.605	+0.455	2.580-2.650	2.590-2.625	71	14
SoCal Gas	IGBDL21	2.705	+0.480	2.550-2.850	2.630-2.780	396	63
SoCal Gas, city-gate	IGBGG21	3.385	+0.975	3.300-3.500	3.335-3.435	575	112
Transwestern, Permian	IGBAE21	2.200	+0.175	2.150-2.260	2.175-2.230	75	15
Transwestern, San Juan	IGBGK21	2.480	+0.380	2.430-2.480	2.470-2.480	42	10
Waha	IGBAD21	2.200	+0.140	2.120-2.250	2.170-2.235	643	77
Southwest regional average	IGJAA00	**2.605**					

*Price in C$ per gj; C$1=US$0.7696; Volume in 000 MMBtu/day. Symbols represent gas flow date.

analyst, told attendees at the conference. "On the surface, you'd say the Northeast is evolving. I would argue, 'Not so fast.'"

Total Northeast production reached 27.3 Bcf/d on several days towards the end of December. Since then, TransCanada's Leach XPress brought online its 1.5 Bcf/d of capacity while Energy Transfer Partners' Rover Pipeline has added approximately 1.5 Bcf/d of capacity as well. Despite those increases, total Northeast gas production averaged just 27.2 Bcf/d in May and is averaging 27.3 Bcf/d thus far in June, data compiled by S&P Global Platts Analytics shows.

Rather than spurring regional production growth, new pipeline capacity has reshuffled production volumes among existing Northeast takeaway pipelines. Jackson said the gap between Northeast capacity and production could be as wide as 10 Bcf/d by late 2019.

"There is this next wave of constraints on the horizon that not a lot of the market is talking about," Jackson said.

The growth of LNG exports could be helpful to the situation, depending on how many of the dozen or so terminals being proposed as part of the so-called second wave of US liquefaction are completed.

"A big increase is coming. The question is how much more is out there and how much more is needed," Meera Bagati, manager of market analysis for NextEra Energy Resources, told the conference. "When you start to peel the layers of the onion a little bit and look at where this LNG demand is, a lot of the demand growth is going to come from really two nations – China and India."

While fears of a global LNG supply glut have eased, some US LNG export project developers have delayed final investment decisions as they struggle to secure firm long-term contracts with buyers. There remains uncertainty about how many of the second wave of US projects will get built, and at what level the current crop of projects will be utilized toward the end of the decade.

Some of the first-wave projects have struggled to meet project timelines due to problems with construction, disputes with contractors, and bad weather, especially along the Gulf Coast, which is susceptible to heavy rains and an active hurricane season.

Freeport LNG cited flooding following Hurricane Harvey as one reason it decided to delay the expected commercial start date for its first train to September 1, 2019, from its previous target of the fourth quarter. Sempra Energy said in May its top priority is making sure the three production units at the Cameron LNG export terminal in Louisiana are online in 2019. That project has faced two prior delays.

LNG contract renewals are being weighed

One wildcard for the developers that have yet to begin construction is that some 14 Bcf/d, close to 30% of global LNG supply, is coming up for renewal in the next five years, Bagati said. That could provide an opening for developers to snap up a share of those long-term contracts.

"It's a big number," Bagati said.

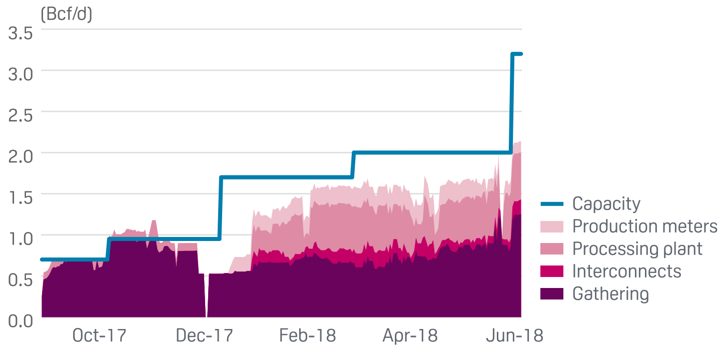
Still, Bagati said that with buyers holding most of the cards, getting to a positive FID for many developers is not going to be an easy task through 2020, Bagati said.

"In the best case, we think probably half of the projects go," she said.

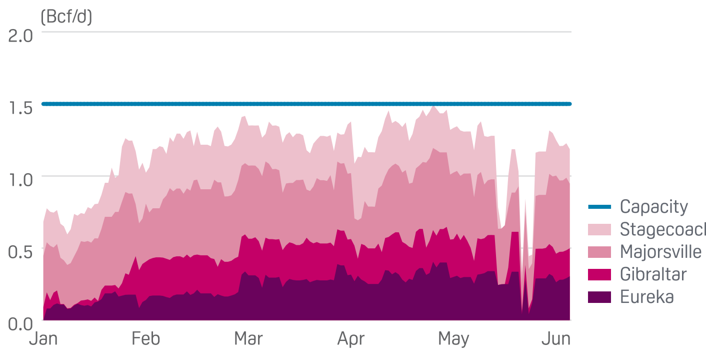
— Harry Weber and John McManus

US NORTHEAST GAS CAPACITY ADDITIONS HAVE TOUGH TIME BEING FILLED WITH NEW OUTPUT

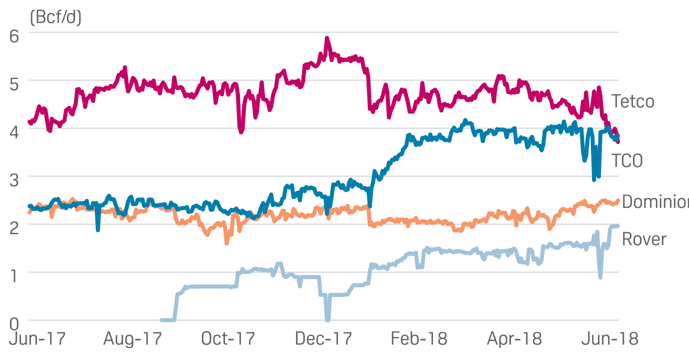
Rover receipts vs capacity



TCO Leach Xpress receipts vs capacity



Northeast pipeline production receipts



Source: S&P Global Platts Analytics

EPA chief says spirit of 'cooperative federalism' guides agency's regulatory overhaul

Environmental Protection Agency chief Scott Pruitt highlighted recent regulatory rollbacks during an address Friday night at the Western Conservative Summit in Denver, saying the agency has now adopted a policy of "cooperative federalism" rather than the top-down approach of the prior administration.

"The past administration had unapologetically declared war on a sector of our economy," Pruitt said. "I've put a lot of emphasis on cooperative federalism to ensure we are interfacing with the states and actually trying to advance environmental outcomes through better use of state implementation plans. There's been an awakening of states that are very excited about revisiting the commitment to cooperative federalism."

Pruitt favors local partnerships over federal mandates

Rather than a one-size-fits-all approach, Pruitt stressed the importance of local influence in regulatory activities.

"Air quality issues on the West Coast are different than the Southeast," Pruitt said. "We must as an agency embody that partnership. So we have given a rebirth to rule of law, a rebirth to process and we've renewed our focus. We're going to engage in true federalism and partnership to improve air quality and water quality. A one-size-fits-all strategy with respect to these issues does not work."

He also highlighted the suspension of the methane leak rule and other federal deregulatory actions. In fact, earlier in the week, the EPA unveiled its "500 Days of American Greatness" campaign, citing the exit from the Paris climate initiative, ending "sue and settle" abuses and ending the Clean Power Plan and the Waters of the United States rule.

RECENT FEDERAL REGULATORY ROLLBACKS

	Status	What it means for industry?
Rule on hyradulic fracking	Repealed	Scrapped potential compliance and safety costs for operators on federal/Indian lands
2016 Waste Prevention rule	Suspended	BLM rule regarding venting/flaring/leaking methane delayed until 17-Jan-19
Clean Power Plan	Ongoing	EPA currently accepting input on how to replace rule cutting GHG emissions from power plants
Utah national monuments	Reduced by 2 million acres	Nearly a non-factor for oil/gas in Paradox but creates potential for coal/uranium mining
Offshore drilling safety rule	In progress	BSEE says rule removal will save industry $900 million over 10 years
Opening ANWR	In progress	Tax bill calls for feds to hold at least two oil and gas lease sales over next decade
Offshore drilling	In progress	Executive order to open Arctic, Atlantic, Pacific; will likely take years to rewrite fed leasing plans
LNG exports	In progress	DOE proposed fast-tracking LNG projects not exceeding 140 MMcf/d
2017 Valuation Rule	Rescinded	Scrapped rule that would have increased oil/gas/coal royalties on federal/Indian lands

Source: Federal Register, DOI, EPA

"During the Obama administration, the EPA exaggerated the benefits of Washington regulations and misjudged how costly they are to the economy," said US Senator John Barrasso (R-Wyoming). "Punishing regulations like the so-called Clean Power Plan would have cost Wyoming's energy workers their jobs and devastated communities throughout the state. Now the Trump administration is taking important steps to make sure the agency can no longer abuse the cost-benefit analysis process."

"To me what we're doing is less deregulation, and more regulatory reform," Pruitt said. "We're getting rid of the deficient rules and providing answers consistent with our authority, recognizing the role of states and private property owners. We have done such a great job advancing air quality since the inception of the Clean Air Act while growing our GDP. Our CO2 footprint fell 20% from 2000 to 2014 through innovation and technology, not government mandates."

Initiative No. 97 threatens Colorado production: CU

Colorado Oil and Gas Association CEO Dan Haley, who spoke at the summit, also gave credit to technological advances by producers to limit their environmental impact through more tightly spaced well pads as well as improved capture equipment.

"We are producing our natural gas more cleanly and more efficiently than ever before," he said. "Emissions across the Front Range of Colorado have dropped by 50% while production has quadrupled over the same time period. We are so awash in natural gas that we can't build export facilities fast enough."

However, he warned the collision between industry and the Front Range's booming population will remain a constant despite less intrusion from Washington. For example, ballot initiative No. 97 would change state law to require 2,500-foot setbacks from occupied structures, playgrounds and water sources for new oil and gas projects.

Such setbacks would eliminate approximately 95% of all available drilling acreage in the state's top five oil and gas producing counties, according to a study by the University of Colorado.

If the bill receives 100,000 signatures from counties across the state by the August 6 deadline, the initiative would appear on the 2018 November ballot. An identical initiative was pursued in 2016, but it fell about 20,000 signatures short from making the ballot. At the time, Haley said the state's oil and gas industry "gave a collective sigh of relief."

— Brandon Evans

Rover pitches add-on facilities that could boost production, seeks September signoff

Rover Pipeline brought itself one step closer to boosting Northeast production Friday by making two requests to the US Federal Energy Regulatory Commission to bring on additional facilities associated with the pipeline — the Revolution receipt meter along the Burgettstown Lateral in Washington County, Pennsylvania, and the Iron Bank meter station along the Majorsville Lateral in Marshall County, West Virginia.

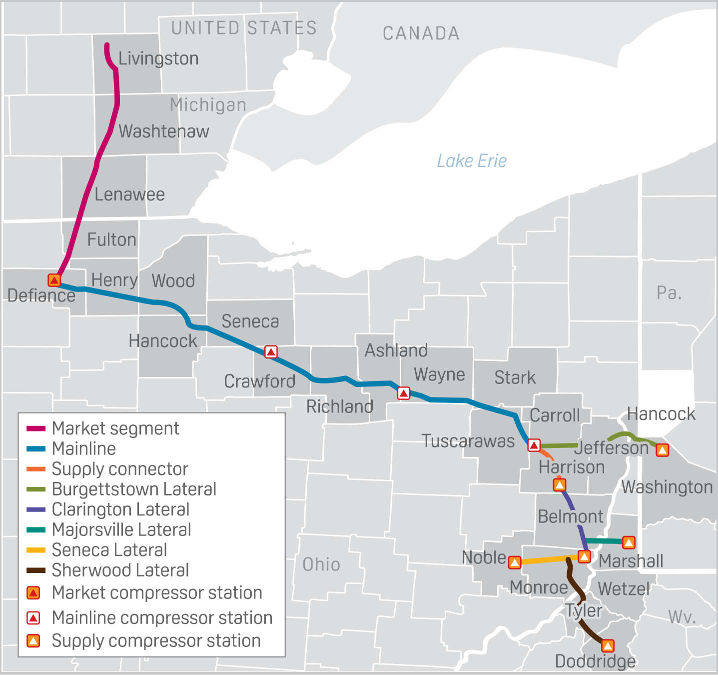
Rover requested certificate authorization for both of these receipt points by September 1, possibly shedding light on when Energy Transfer Partners anticipates in-service for the Revolution processing plant. In the case of the Iron Bank station, Rover is seeking to place the facility into service by December 1.

Because FERC withheld blanket authorization to build facilities related to Rover Pipeline, the project is required to seek commission authorization for subsequent modifications that might otherwise have avoided the longer certificate approval process.

The 525 MMcf/d Revolution receipt meter (CP18-500) will comprise an existing side tap on the Burgettstown lateral in Pennsylvania and source gas from Energy Transfer Partners' "mechanically complete," but not yet in-service, Revolution processing plant. The side tap on the lateral has already been built and Rover notes there is no additional construction or cost required to bring the meter online.

Of note is the relationship between ETP's Revolution plant and the Mariner East NGL pipeline network, which ETP also owns. Mariner East 1 and the under-construction Mariner East 2 will provide NGL takeaway from processing plants in southwestern Pennsylvania; wet gas processing capacity will, to a certain extent, be dependent upon NGL takeaway infrastructure. Currently, operations on Mariner East 1 are shut in as a result of a Pennsylvania Public Utility Commission ruling, and construction activity on Mariner East 2 has also been suspended. A restart of service along Mariner East 1 and the commencement of operations on Mariner East 2 will be critical to providing NGL takeaway capacity

ROVER PIPELINE PROJECT



Source: Energy Transfer

for gas processed for delivery on to the Burgettstown lateral.

ETP Monday said it hoped the Pennsylvania PUC, at its regular meeting Thursday, would overturn an administrative law judge order.

The Revolution receipt meter will be one of two production receipt points along Rover's Burgettstown lateral, with the pipeline also sourcing gas from MPLX's 200 MMcf/d Harmon Creek processing plant, also located in Washington County, Pennsylvania. Harmon Creek is schedule to be online in the fourth quarter, and Rover's mid-February request to bring on the Burgettstown lateral is still pending. Additional receipt points are possible but, as of now, none are known.

Rover also sought authorization to build and operate the 500 MMcf/d Iron Bank meter station along the Majorsville lateral in Marshall County, West Virginia (CP18-499).The meter station will source gas from the APP Midstream gathering system. APP Midstream is a local production company that is developing, in a nod to pop culture, its Casterley Rock-to-Castle Black project, comprising 12.9 miles of 24-inch-diameter gathering lines upstream of the Iron Bank interconnect with Rover.

APP is planning to drill the first three wells on its Casterley Rock well pad this year, and begin drilling next year wells on the Castle Black well pad. Additional Northeast production from the Majorsville lateral will be dependent upon APP Midstream's production, with additional processing capacity at Majorsville coming online in the third quarter.

— Grant Gunter

Appalachian producers finding alternate markets for NGLs

Given the continued closure of the Energy Transfer Partners Mariner East 1 natural gas liquids pipeline by Pennsylvania officials, Appalachian gas producers who hold capacity on the line are finding alternatives to get their ethane and other NGLs to market.

But exploration-and-production companies and market observers have expressed concern that continued closure of Mariner East 1 — part of a system of pipelines to carry NGLs from plants in western Pennsylvania, Ohio and West Virginia to the export terminal at Marcus Hook, Pennsylvania — could slow the growth of gas production in the region.

In a notice to investors, Range Resources said it has "already executed agreements for some of the Mariner East ethane volume to be sold in alternate markets." The producer added that another option would be for the company to simply leave the ethane in the gas stream.

In addition to Range's Mariner East 1 ethane capacity, the company said it has transportation or sales arrangements covering about 41,000 b/d of the NGL.

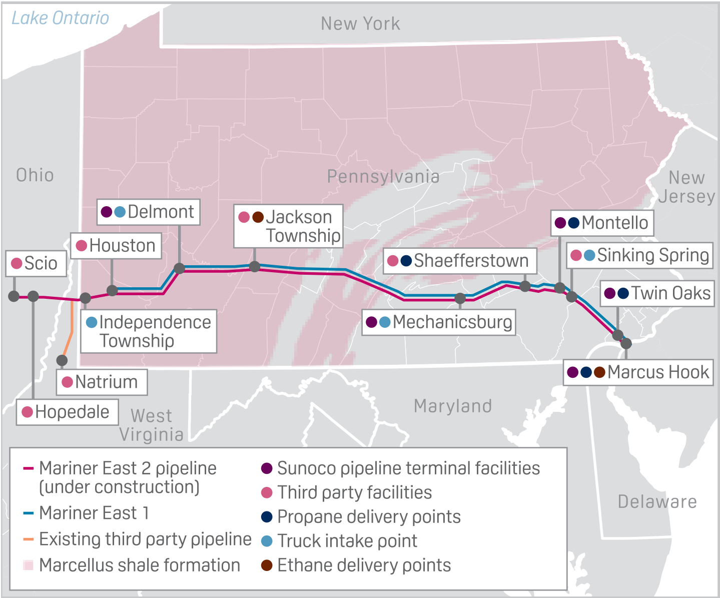
For its propane production, Range said it has access to another NGL pipeline as well as to railcars, which will allow it to move the product to various domestic markets as well as to international export markets through the Marcus Hook terminal. The company said it expects that, in second-quarter 2018, NGL pricing will remain near the low end of its previous pricing guidance of 32% to 36% of WTI.

Another Appalachian producer, EQT, also downplayed the impact of the shutdown of Mariner East 1 on its operations. In an email statement, an EQT spokeswoman said in regard to the Mariner East 1 shutdown, "our gas continues to move as planned without complication."

Mariner East 1, a project of ETP's Sunoco Pipeline, remains offline following a decision last month by Pennsylvania Public Utilities Commission Administrative Law Judge Elizabeth Barnes, which prohibited the reopening of the line pending a final PUC order. The wide-ranging order also called for the stoppage of all operation, drilling and construction activities on Mariner East 2 and 2X pipelines.

ETP is hoping that the ALJ's order will be overturned at the PUC's regular meeting Thursday, spokeswoman Lisa Dillinger said in an email Monday. "Many letters of support to overturn have been submitted to

MARINER EAST PIPELINE PROJECT



Source: Energy Transfer

the PUC in advance of the meeting — including from legislators, labor unions, and local townships," Dillinger said.

Ruling just latest roadblock for Mariner East system

The ALJ's ruling was just the latest roadblock for Sunoco, whose interrelated Mariner East system of pipelines has been plagued with environmental problems for a number of months.

Contrary to its notice reassuring investors, Range in a May 31 filing, said it would suffer "substantial harm" if state regulators did not reject the ALJ's ruling and quickly restart operations on Mariner East 1. Range attorneys argued that the interim emergency order by the ALJ "improperly overturns the commission's prior order reinstating service over the Mariner East 1 pipeline."

Market sources told S&P Global Platts that the Mariner East 1 pipeline outage and increased export demand have caused US ethane prices to strengthen. On June 4, US Gulf Coast ethane prices climbed to 30 cents/gal for the first time since 2014.

The halt to construction on the Mariner East 2 project is one of a number of factors, limiting more substantial production increases on Rover Pipeline, which on June 1 received permission from the US Federal Energy Regulatory Commission to bring online the rest of Mainline B and the Supply Connector B Line, Platts Analytics found.

Mariner East 1 is one factor affecting Appalachian production

A meaningful production uplift from Rover will likely be dependent upon, in part, processing plant expansions at MPLX's Majorsville, and Sherwood complex, commencement of service at the Harmon Creek processing complex, and the start-up of ETP's Revolution plant and Mariner East 2 NGL pipeline.

Platts Analytics foresees that incremental production from the Burgettstown Supply Lateral would likely have to wait for the Revolution plant to come online, which is slated for the third quarter, and in-service at Harmon Creek in the fourth quarter. But processing at Revolution could be limited by NGL takeaway capacity — if Mariner East 1 and 2 are not online when Revolution starts service, liquids takeaway could become an issue.

— *Jim Magill, Andrea Salazar, Grant Gunter*

Mexico raises long-term outlook for gas demand from power sector

Mexico has raised its long-term forecast for natural gas demand for power generation based on expected stronger electricity demand.

The country's Energy Secretariat (SENER) earlier this month published its annual long-term planning document for the electricity sector, PRODESEN 2018-2032.

SENER forecast that gas consumption from power generation will reach 1,804 petajoules per year (4.52 Bcf/d) by 2031, this is 8.8% higher than in its previous forecast published in 2017. The report expects gas consumption from power generators will average 1,355 petajoules per year (3.39 Bcf/d) in 2018.

By 2031, Mexico's generation plants will still consume 163 petajoules per year of fuel oil, one-third of what they are expected to burn on average in 2018. Coal is expected to plateau at 505 petajoules per year over 2024-2029 from 474 petajoules that Mexican power plants are expected to consume on average in 2018.

Nuclear capacity additions

SENER also forecast that Mexico will add nuclear generation capacity by 2031, quadrupling its uranium consumption from today to 403 petajoules per year. The secretariat forecasts that overall fuel consumption for power generation will reach 2,960 petajoules per year (7.41 Bcf/d equivalent) by 2031, 7.6% higher than in its previous projection.

Platts Analytics power burn forecast in Mexico is 6.2 Bcf/d by 2031. The bullish case for power sector gas demand comes from uncertainty with nuclear. PRODESEN includes 4.1 GW of incremental nuclear capacity from 2028 to 2032, or roughly 0.7 Bcf/d of gas-equivalent consumption. Additionally, the PRODESEN report's growth for gas consumption from 2018 to 2032 is 1.1 Bcf/d, well short of expected growth based on the report's 25 GW of planned combined-cycle capacity, which would yield 2.2 Bcf/d of gas consumption based on a heat rate of 6 MMBtu/MWh and 60% utilization.

Renewables represented, too

Furthermore, the PRODESEN exhibits a strong scenario for renewable capacity build-out, with wind and solar growing at 10% and 14% compounded annual growth rates, respectively, over the 15-year forecast period.

Mexico's power sector is a major consumer of natural gas, representing close to 60% of the country's natural gas demand, SENER's said. Due to decreasing domestic production from Mexico state oil company Pemex, Mexico has become increasingly dependent on US gas imports.

ANTICIPATED ADDITIONAL COMBINED-CYCLE CAPACITY 2018-32

Source: SENER

MEXICO'S INSTALLED GENERATING CAPACITY BY TECHNOLOGY(GW)

Technology	2016	2017	Annual change (%)	Number of facilities
Conventional generation	52.33	53.35	2.00	526
Combined-cyle	27.27	28.00	3.00	83
Clean generation	21.17	22.32	5.40	271
Renewable generation	18.52	19.46	5.00	239
Hydro	12.58	12.64	0.40	86
Thermal	12.59	12.54	-0.40	59
Coal	5.37	5.37	0.00	3
Gas-fired	5.05	5.13	1.70	131
Wind	3.73	4.19	12.40	45
Internal combustion	1.45	1.63	12.40	248
Nuclear	1.60	1.60	0.00	1
Efficient cogeneration	1.00	1.25	20.70	30
Bioenergy	0.88	1.00	13.30	77
Fluidized bed combustion	0.58	0.58	0.00	2
Geothermal	0.90	0.92	1.90	8
Solar	0.14	0.21	47.40	23
Distributed generation	0.24	0.43	75.30	
Other generation	2.65	2.86	8.00	32
Total generation	**73.51**	**75.68**	**3.00**	**797**

*Numbers don't add up due to rounding

Source: SENER's PRODESEN 2018-2032

SENER forecasts gross domestic electricity demand will grow at an annual rate of 3.1% over the coming 15 years compared with the 2.9% it projected in last year's forecast.

Under this year's projection, Mexico will require 126.3 GW of generation capacity by 2031 to fulfill power demand. This is 13 GW of generation capacity higher than SENER's 2017 forecast.

Mexico will need to increase its power generation capacity by 66.8% from the 75.6 GW it closed 2017 with to fulfill this power demand.

Future electricity demand is based on projections of Mexico's GDP growth, global economic growth as well as expected fuel price increases. The Mexican government expects in the long term, Mexico's GDP will grow at an annual rate of 3.2% compared with 2.9% in its previous forecast.

Fossil fuel generation growing

Fossil fuel generation capacity, according to SENER's latest forecast, is going to reach 69.65 GW by 2031, making this 55.1% of Mexico's total generation fleet, a percentage share 3.5% higher than in the previous forecast published in 2017.

Today, Mexico has 54.5 GW of fossil fuel generation capacity, making it 68.5% of Mexico's total power generation fleet.

By 2031, Mexico will have 52.3 GW of combined-cycle gas turbine (CCGT) capacity, making this 41.4% of Mexico's total generation fleet.

New CCGT additions will make 42% of the total 66.9 GW of new generation capacity Mexico is expected to install by 2032. By 2021, Mexico is expected to have operational a total of 9.2 GW of additional CCGT capacity, SENER projects.

Today, Mexico has 30.12 GW of CCGT capacity installed, representing 37% of Mexico's total generation capacity and producing half of the country's electricity.

Close to 60% of Mexico's CCGT plants are in the states of Tamaulipas, Nuevo Leon, Veracruz, Baja California and Chihuahua, states with the greatest access to natural gas supply. These states also are where most of Mexico's natural gas demand is located.

A major difference between this year's and last year's forecasts is that Mexico will not retire much of its conventional thermoelectric and gas turbine capacity. In its latest projection, conventional capacity will reach 69.65 GW by 2031 compared with 57 GW in its previous projection.

The secretariat now forecasts that Mexico will have 5.3 GW of gas turbine capacity by 2031, 1.41 GW more than its previous forecast. The country today has 5 GW gas turbine capacity.

SENER says gas turbine capacity will be required to fulfill peak power demand periods as well to act as ramp-up capacity.

Mexico's conventional thermoelectric capacity will reach 5.1 GW by 2031, a decrease from 11.7 GW today. This projection is 3.1 GW is higher than SENER's previous forecast.

— *Daniel Rodriguez, John Hilfiker*

'There is no LNG supply glut': Qatar's Sada

The global LNG market is not currently oversupplied and is expected to tighten in the period beyond 2024, Qatar's oil minister Mohammed al-Sada said Monday, coinciding with Qatar's additional 23 million mt/year of export capacity becoming fully operational.

Sada, in an interview with S&P Global Platts, said there could be a small LNG supply surplus in the early 2020s, but the market would remain effectively balanced until 2024.

"There is no LNG supply glut," Sada said. "There may be a surplus of only 10 million mt/year of LNG in the early 2020s [but] in a 350 million mt/year LNG market, this means that the market is practically in balance," he said.

A number of new LNG projects are due online in the coming years, especially from Australia and the US, and some market observers have predicted demand would struggle to keep up with the supply growth.

But strong Asian demand for LNG — especially in China — has seen LNG spot prices rise and the market remain tight in recent months.

A lack of final investment decisions for new projects over the past few years has also meant there could be a supply crunch in the 2020s.

"The global LNG market is expected to tighten up beyond 2024," Sada said.

Capacity expansion

This is the same time frame for Qatar to make its new 23 million mt/year of capacity fully operational.

Qatar announced its plan to increase its LNG export capacity to 100 million mt/year from the current 77 million mt/year in July last year.

Qatar, Sada said, currently supplies about a quarter of the world's total LNG.

"[Qatar] intends to remain the global leader in LNG supplies in the future as well," he said, with the 30% increase to 100 million mt/year "to be fully operational by 2024."

Under the expansion plans, Qatar will add three new 7.8 million mt/year trains.

Sada also said that one of the bigger challenges for the LNG market would be to balance the interests of both consumers and producers.

"With regard to market fundamentals, the challenge for the LNG industry today is to find a balance between buyers' pursuit of competitiveness and flexibility and producers' need to maintain a healthy cash flow out of the exploitation of their natural resources," Sada said.

"The LNG resource holders and investors need to be comfortable with the level and sustainability of future prices to determine the viability of their projects. This will not only soften the boom and bust cycles, but would also prevent supply shortages and price shocks."

— *Staff reports*

Two activist investors push for Sempra review of assets

Two activist investment groups have taken a combined $1.3 billion stake in Sempra Energy and said Monday that a newly formed board of directors should launch a strategic review of what it called Sempra's "disparate businesses," which include two California utilities, electricity transmission in Texas, LNG projects, 2.8 GW of renewables and a growing energy business in Mexico.

The investment groups — Elliott Associates and Bluescape Resources — released a letter and a presentation early Monday that they said outline a $11 billion to $16 billion "readily achievable value creation opportunity" by breaking up what it called a conglomerate structure in which disparate businesses "are grouped together with no compelling strategic or financial rationale."

On Monday, Sempra issued a brief statement that said it is "committed to an open dialogue with all shareholders and considers investor perspectives in the context of the company's existing strategy and opportunities to deliver long-term shareholder value."

The company added, "Our board and management will review their letter and presentation in detail and respond in due course."

Sempra's new CEO, Jeffrey Martin, took the helm May 1, less than two months after Sempra closed on its $9.45 billion acquisition of Oncor, the Texas transmission company. During a first-quarter 2018 earnings call with analysts on May 7, Martin said the company was less interested in power generation than it is in transmission and infrastructure. He focused comments on the company's $10 billion Cameron LNG project in Louisiana and the company's plans to expand its LNG export capacity.

In their letter, Elliott and Bluescape, which have made similar moves on two other large power companies — NRG and FirstEnergy — said, "We believe Jeff Martin and his team have a unique opportunity to create a more sustainable Sempra and achieve $139-$158 per share."

Sempra's stock, which closed Friday, June 8, at $101.43/share, jumped significantly following the release of the letter on Monday and closed the day up 15.5% at $117.19/share.

In a 48-page slide presentation, the investors argued that Sempra has "underperformed because investors don't believe in its strategy."

It calculated Sempra's 2020 price/earnings ratio at 13.3 times, while it said that the median P/E of its gas utility peers is calculated to be 18.9 times and the median P/E of its electric and infrastructure peers is calculated to be 15.8 times.

"Sempra's steep valuation discount to its peers reflects a substantial conglomerate discount," the investors said. "Current Sempra does not fit together."

Sempra portfolio includes eight standalone businesses

The San Diego-based Sempra has eight main businesses in its portfolio. Three are regulated utilities: the Texas electric transmission company Oncor, the California investor-owned utility San Diego Gas & Electric, and Southern California Gas, which operates the Aliso Canyon storage facility north of Los Angeles.

Sempra also owns long-term contracted Sempra LNG & Midstream, whose assets include Cameron LNG trains 1-3, which are 84% complete with a projected 2019 completion date, and two other brownfield sites that have received regulatory permits.

It also owns Sempra Renewables, with 1.6 GW of net wind generation and just over 1.2 GW of solar generation. Among 70 solar wholesale power sellers, Sempra ranks fifth in Platt's Q1 2018 Power Sales Analysis.

The company also has full or majority ownership in three international businesses: IEnova, a long-term contracted natural gas transportation and renewables company based in Mexico City; Luz Del Sur, an electric utility based in Lima, Peru; and Chilquinta Energia, the third-largest electric utility in Chile.

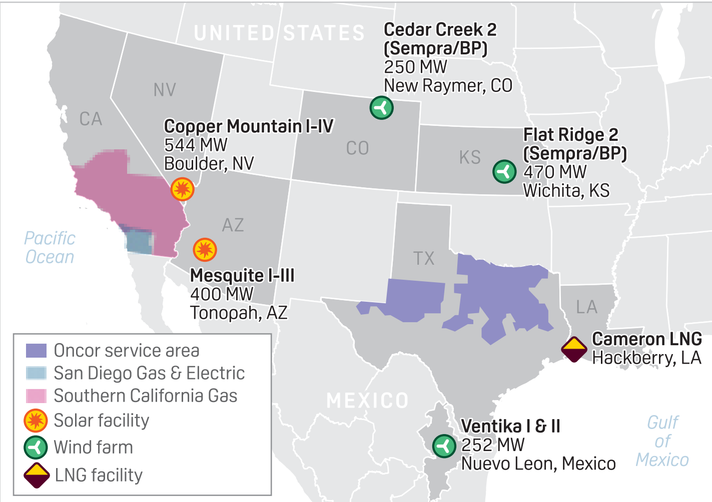
Elliott and Bluescape call for new Sempra board

"Sempra must reset oversight, streamline its portfolio, and improve core operations," the investors said.

They argued that with improved oversight and from the work of a newly formed strategic review committee, "we believe that Sempra can create $11-$16 billion of value."

The investors noted that Sempra has seen its enterprise value increase by nearly $17 billion since January 2015, to total today $57 billion, and suggested that the company has gotten so big that it "relies on siphoning earnings and creditworthiness from its core California utilities and deploying capital into various unrelated

NOTABLE SEMPRA ASSETS



Source: S&P Global Platts

businesses with poor returns and results."

The letter sent to Sempra said that the investors have identified "six independent, highly qualified directors with diverse experience and expertise" whom they would recommend to take seats on a new board of directors that would "oversee the transition to a sustainable Sempra."

The board, they said, should establish a review committee that would conduct a "no stone unturned" portfolio review that would be completed and announced by the end of the year.

— Jeffrey Ryser

Transco pushes back as state regulators target expansion project rates

State regulators are tussling with Transcontinental Gas Pipe Line and the US Federal Energy Regulatory Commission over whether rates allowed for expansions of the pipeline take into account current market conditions and are compatible with consumer protection goals of the Natural Gas Act.

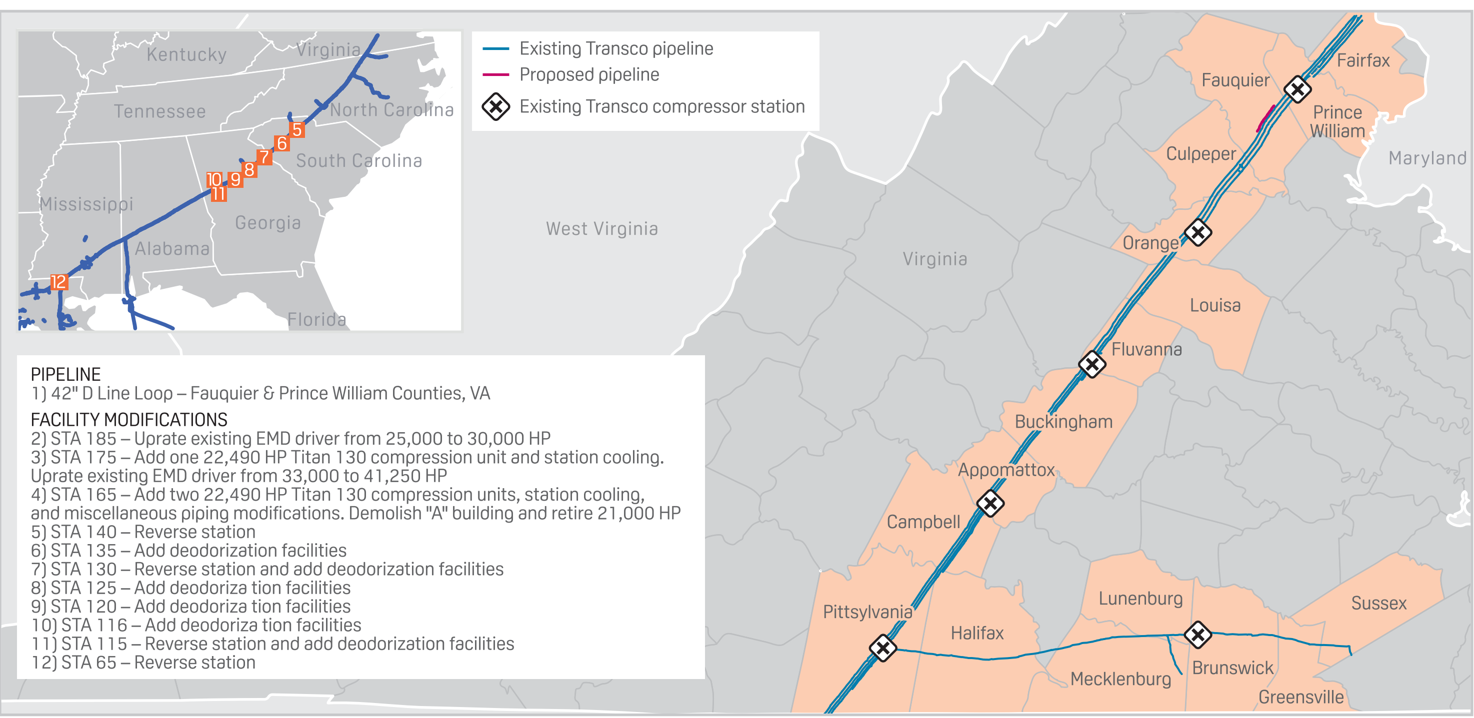
In the latest salvo, Transco late last week answered protests of New York and North Carolina utility regulators in the FERC docket over recourse rates for Transco's Southeastern Trail Project. The states were making a collateral attack on a previously decided issue in prior FERC orders, it contended.

The relatively small expansion (CP18-186) would add 7.7 miles of 42-inch-diameter pipeline looping facilities, creating 296,375 Dt/d of additional firm transportation capacity. The project also entails additional compression and other modifications, as well as retirement of 10 compressor units and other modifications.

The dispute over Southeastern Trail is part of a larger legal battle waged by the state agencies. They have previously taken on Transco's rates related to three other projects: Dalton Expansion Project, the Atlantic Sunrise Project and the Southside Expansion Project. After FERC denied their challenges on rehearing in those cases, the state commissions now have petitions in consolidated cases pending in the DC Circuit Court of Appeals, with the latest intervenor brief filed by New York late last week (*North Carolina Utilities Commission v. FERC*, 18-1018).

At issue is Transco's recourse rate, the cost-of-service rate available as a backstop for customers who are unsatisfied with negotiated rates offered by the pipeline.

PROPOSED SOUTHEASTERN TRAIL EXPANSION PROJECT ROUTE



Source: Williams

For Southeastern Trail, recourse rates were calculated using the pre-tax return underlying Transco's approved rates as adjusted for the current federal income tax rate of 21%. Because Transco's two most recent rate settlements were black box settlements that did not specify the rate of return, the last approved pre-tax return was set in a 2002 settlement, according to Transco. It said it used that return for all incremental expansion projects that followed the effective date of the settlement.

In their protest over Southeastern Trail, the New York Public Service Commission and the North Carolina Utilities Commission said FERC must do more to ensure the return used to develop recourse rates reflects market conditions more current than a 15-year-old rate case.

No basis to assume check on market power: states

"Due to the lack of any evidence that the recourse rate reflects current market conditions, there is simply no basis to assume that it provided the necessary check on Transco's possible exercise of market power at the time Transco entered into the negotiated rate agreements underlying the services at issue herein," they said.

They pressed FERC to seek more evidence. "Doing nothing instead of ensuring that the recourse rates provide the necessary check on the possible exercise of market power at the time the negotiated rates are entered into is an abdication of the commission's obligation under the NGA to protect consumers from excessive rates."

The state commissions also brought up FERC's recent position that granting master limited partnerships an income tax allowance allows for double recovery; they argued the project application lacks evidence supporting a finding that Transco, as a limited liability company, is eligible for an income tax allowance underlying its proposed recourse rates.

Transco, in a June 8 filing, pointed out that this marks the fourth time the state agencies have challenged Transco's use of a pre-tax rate of return from a 2002 rate order (RP01-245).

"The state commissions clearly are attempting to challenge the use of the RP01-245 pre-tax rate of return in every applicable certificate application, but "[c]ollateral attacks on final orders and re-litigation of applicable precedent by parties that were active in earlier cases thwart the finality and repose that are essential to administrative (and judicial) efficiency," they said quoting prior FERC precedent.

Three prior cases are binding precedent: Transco

The approach of developing recourse rates from the most recent general rate case has been consistently applied in NGA proceedings "resulting in numerous cases that have precedential value," Transco said. The three prior decisions constitute binding precedent until overturned by a court, they said.

On the tax allowance issue, Transco argued that the dispute should be mooted by the time the project enters service because Williams has announced a corporate restructuring in which it would roll up Williams Partners, Transco's indirect parent, in the fall of 2018.

Further, Transco elaborated on its reasoning for the need to replace the compressor units, asserting that age of the units means many parts are no longer produced and must be manufactured on special order. "Essentially, the mere obsolescence of these units causes operation and maintenance of the units to be challenging and costly," it said. The state regulators had called into question the need to allocate $82 million to existing customers to abandon and replace the compressors.

— *Maya Weber*

PIPELINE MAINTENANCE

Start date	End date	Pipeline	Description
15-Jun	16-Jun	ANR	ANR capacity restriction at Eunice Total could constrain flows to the Gulf
19-Jun	20-Jun	Algonquin	Algonquin conducting one-day reduction at Stony Point Compressor
29-Jul	16-Sep	SOCAL	Topock maintenance extended through summer
04-Jun	29-Jul	Tennessee	Tennessee cutting receipts at Station 114 by 471 MMcf/d

SUBSCRIBER NOTES

Platts to discontinue daily and monthly natural gas locations

Based on a review of historical liquidity and market feedback, S&P Global Platts will discontinue North American natural gas daily and monthly indices for the following Platts locations:

Location:

REX, Clarington, Ohio IGBGO00 (Daily Trade Date) IGBGO03 (Monthly Symbol)

Tennessee, zone 4-Ohio IGBHO00 (Daily Trade Date) IGBHO03 (Monthly Symbol)

The daily prices will be discontinued as of flow date October 1, 2018, and the monthly prices will be discontinued beginning with November 2018 bidweek. Affected publications are Gas Daily, Inside FERC Gas Market Report, Natural Gas Alert pages 1310, 1318, 1350, 1351,1352, 1353, 1354, 1355, 1357, and Market Data categories GI, GD, GJ, and GM.

Associated daily and monthly symbols will also be discontinued.

Please send any comments to the above to gas_survey_comments@platts.com and pricegroup@spglobal.com. For written comments, please provide a clear indication if comments are not intended for publication by Platts for public viewing. Platts will consider all comments received and will make comments not marked as confidential available upon request.

Platts extends feedback for transitioning ICE natural gas locations to Platts locations

S&P Global Platts is extending its feedback period on an original proposal dated March 2 to transition the following daily natural gas ICE locations to Platts locations:

1. The ICE location ICE Iroquois, zone 1 (delivered excl. Waddington) with trade date symbol JAABS00.

2. The ICE location ICE Tennessee, zone 5, 200 Line, dlvd downstream of station 245 with trade date symbol of JAAEV00.

The methodology for these locations would change. Currently only trades executed on ICE are used in final daily indices, the trades are not screened for outliers, and there are no assessments in absence of trading on ICE and no index would be published. As Platts locations, price reporter trades and ICE non-price reporter legs of trades would be included in final daily indices, the trades would be screened for outliers, and there may be assessments in the absence of reported trading activity. In addition, Platts would clearly define the locations in the North American natural gas methodology guide.

Platts has extended the original consultation period and is now seeking feedback on the proposal above until August 31, 2018, to gas_survey_comments@platts.com and pricegroup@spglobal.com.

For written comments, please provide a clear indication if comments are not intended for publication by Platts for public viewing. Platts will consider all comments received and will make comments not marked as confidential available upon request.

Platts proposes to expand use of spreads in natural gas indices

Platts is reviewing the use of spread trades in its North American natural gas daily and monthly indices, and invites feedback on proposals to expand the use of these trades beyond the limited cases, reflected currently.

1. Platts includes NGX transport trades at Platts locations TCPL Alberta, AECO and Dawn, Ontario and excludes spread trades at all other locations. These spread trades, often called "NGX transport trades," are screened for outliers on an outright price basis and may be excluded from the final daily and monthly indices. For consistency, Platts proposes to extend this practice and include location and time spread trades at all locations in its preliminary and final daily and monthly indices. In final daily and monthly indices these spread trades, like all other reported trades, would be screened for outliers and potentially excluded from index calculations.

2. Additionally, Platts seeks feedback on a further proposal to include physical basis trades, where the price is expressed as a premium or discount to another location, in all preliminary and final daily and monthly indices. Currently physical basis trades are only used in preliminary and final monthly indices at locations east of the Rocky Mountains. Basis trades, like all other reported trades, would be screened for outliers and potentially excluded from index calculations.

Platts will accept comments on the above proposals through June 29, 2018. Platts invites comments on the merits of these approaches, and potential timelines for making this change to methodology. Please send any comments regarding to gas_survey_comments@platts.com and pricegroup@spglobal.com. For written comments, please provide a clear indication if comments are not intended for publication by Platts for public viewing. Platts will consider all comments received and will make comments not marked as confidential available upon request.

NATURAL GAS FUTURES

July closes at $2.949/MMBtu, up 5.9 cents

The NYMEX July natural gas futures contract rose Monday on concerns about storage tightness.

The front-month contract settled at $2.949/MMBtu, up 5.9 cents, after trading Monday between $2.912/MMBtu and $2.966/MMBtu.

"The market opened on a strong note, but this is not a weather-related push," said Gene McGillian, a senior analyst at Tradition Energy.

The six- to 10-day outlook from the US National Weather Service calls for cooler-than-average weather in the Southwest and Rockies and warmer weather across the rest of the US.

"We are two weeks into June and there is still shortness in storage," McGillian said, adding that there were concerns in the market about the deficit to typical levels.

Inventories sit at 1.817 Tcf, a 30.5% deficit to year-ago levels of 2.616 Tcf and a 22% deficit to the five-year average of 2.329 Tcf, according to US Energy Information Administration data. The 92-Bcf injection that EIA posted during the week that ended June 1 did little to ease those gaps.

McGillian said the tightness makes a "strong case" for gas prices to track above $3/MMBtu.

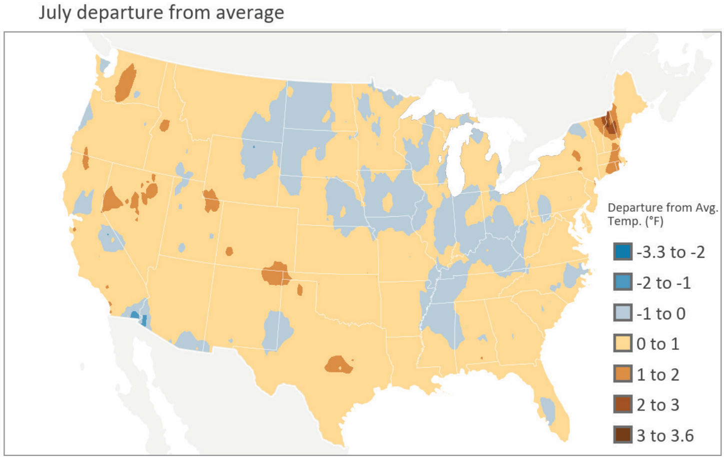
US consumption fell 1.4 Bcf over the weekend to average 69.7 Bcf/d Saturday and Sunday, but it is expected to rise to 71.1 Bcf Monday, according to S&P Global Platts Analytics data. Demand is projected to pick up over the next week, rising to 72.2 Bcf/d as temperatures start to rise.

Total production is expected to be 77.9 Bcf Monday, down 700 MMcf day on day. Platts Analytics projects output will rise to 78.3 Bcf/d over the next seven days.

Month-to-date production is up 6.2 Bcf to 78.4 Bcf/d from 72.2 Bcf/d at the same time in 2017.

MONTH-AHEAD TEMPERATURE FORECAST MAP

July departure from average



Source: S&P Global Platts, Custom Weather

NYMEX HENRY HUB GAS FUTURES CONTRACT, JUN 11

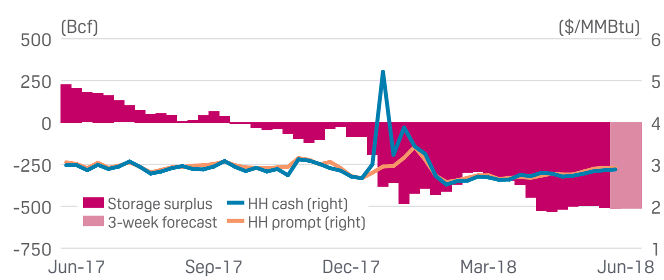
	Settlement	High	Low	+/-	Volume
Jul 2018	2.949	2.966	2.912	0.059	62075
Aug 2018	2.941	2.966	2.917	0.047	11896
Sep 2018	2.911	2.945	2.900	0.035	3956
Oct 2018	2.923	2.955	2.912	0.033	1699
Nov 2018	2.970	3.000	2.959	0.033	689
Dec 2018	3.077	3.105	3.067	0.030	964
Jan 2019	3.162	3.186	3.153	0.029	1290
Feb 2019	3.132	3.151	3.123	0.030	1044
Mar 2019	3.034	3.053	3.024	0.030	1389
Apr 2019	2.652	2.665	2.645	0.015	1576
May 2019	2.609	2.621	2.604	0.014	257
Jun 2019	2.635	2.647	2.631	0.013	80
Jul 2019	2.666	2.677	2.661	0.013	132
Aug 2019	2.674	2.687	2.669	0.012	20
Sep 2019	2.661	2.673	2.656	0.012	34
Oct 2019	2.681	2.695	2.676	0.012	205
Nov 2019	2.733	2.744	2.729	0.012	64
Dec 2019	2.862	2.875	2.858	0.012	35
Jan 2020	2.959	2.972	2.954	0.012	152
Feb 2020	2.921	2.921	2.920	0.010	3
Mar 2020	2.824	2.824	2.822	0.008	41
Apr 2020	2.550	2.553	2.550	0.004	100
May 2020	2.524	2.524	2.524	0.004	0
Jun 2020	2.554	2.554	2.554	0.004	0
Jul 2020	2.587	2.587	2.587	0.004	0
Aug 2020	2.596	2.596	2.596	0.004	0
Sep 2020	2.584	2.584	2.584	0.004	0
Oct 2020	2.606	2.606	2.606	0.004	0
Nov 2020	2.661	2.661	2.661	0.003	0
Dec 2020	2.792	2.792	2.792	0.001	0
Jan 2021	2.891	2.891	2.891	0.000	0
Feb 2021	2.856	2.856	2.856	-0.002	0
Mar 2021	2.766	2.766	2.766	-0.005	0
Apr 2021	2.519	2.519	2.519	-0.005	0
May 2021	2.494	2.792	2.792	-0.005	0
Jun 2021	2.521	2.521	2.521	-0.005	0

Contract data for Friday
Volume of contracts traded: 453,955
Front-months open interest:
Jul, 227,181; Aug, 141,200; Sep, 154.527
Total open interest: 1,533,090
Data is provided by a third-party vendor and is accurate as of 5:30 pm Eastern time.

NYMEX PROMPT MONTH FUTURES CONTINUATION

Note: The entire wick of the candlestick depicts the high and low daily front-month Henry Hub futures price range. The body of the candlestick depicts the price range between the open and close, with a red candlestick indicating a close on the downside and a green candlestick indicating a close on the high end.
Source: S&P Global Platts

US GAS STORAGE SURPLUS vs ROLLING 5-YEAR AVERAGE



NORTHEAST GAS MARKETS

Northeast prices jump higher as demand rises

Northeast natural gas spot prices rose across the board Monday, as demand in the region is forecast to see an uptick from the weekend.

S&P Global Platts Analytics projects total Northeast demand to be 13.88 Bcf Tuesday, up from the 13.52 Bcf/d averaged during the three flow days over the weekend.

Algonquin city-gates, jumped 38.5 cents to $2.565/MMBtu, its largest day-on-day climb since May 29.

Monday's climb in price for Algonquin city-gates strengthens its cash basis against the Henry Hub next-day cash price to minus 35 cents/MMBtu, as the Louisiana benchmark climbed 9 cents on the day.

Producing areas also saw strength, with Dominion South Point rising 14.5 cents to $2.255/MMBtu.

Columbia Gas, Appalachia climbed 6 cents to $2.80/MMBtu, continuing its strength after an explosion on the LXP segment in Marshall County, West Virginia.

Before the explosion, balance-of-the-month pricing for Columbia Gas, Appalachia was 2.6675/MMBtu, jumping to an average of $2.735/MMBtu after the pipeline incident.

Looking ahead, the most recent eight- to 14-day weather outlook from the National Weather Service calls for a high likelihood of warmer-than-average temperatures for the entirety of the Northeast, which could support power demand levels in the coming weeks.

Platts Analytics projects total Northeast demand to average 14.56 Bcf/d over the next eight to 14 days, with power demand accounting for 7.7 Bcf/d of that total.

Increased demand in the Northeast could hinder the ability of East stocks to dwindle the deficit it has accrued to the five-year average.

Currently, East stocks sit at an estimated 351 Bcf, a 23.7% deficit to the five year average, according to US Energy Information Administration data.

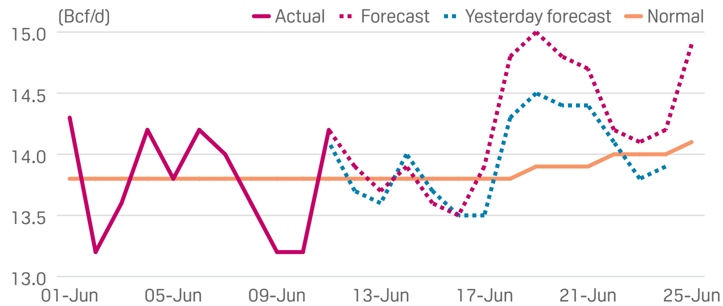
June production in the Northeast continues to pace above year-ago numbers, averaging 27.5 Bcf/d month to date, a 15% increase from the 24 Bcf/d seen this time last June, according to Platts Analytics data.

NORTHEAST SPOT AND FORWARD BASIS ($/MMBtu)

	Spot basis						Prompt forward basis		
	11-Jun	08-Jun	Chg	MTD Avg.	MTD last year	Chg	11-Jun	08-Jun	Chg
Henry Hub	2.95	2.86	0.09	2.89	2.92	-0.03	2.95	2.89	0.06
Northeast region									
Algonquin CG	-0.39	-0.65	0.27	-0.41	-0.65	+0.23	-0.34	-0.30	-0.04
Iroquois Zn2	-0.17	-0.41	0.24	-0.26	-0.60	+0.34	-0.06	-0.06	0.00
Tenn Zn6 Dlvd	-0.18	-0.33	0.16	-0.25	-0.58	+0.33	-0.17	-0.13	-0.04
Transco Zn 6 NY	-0.11	-0.54	0.44	-0.25	-0.69	+0.43	-0.15	-0.19	0.04
Transco Zn5 Dlvd	0.02	0.05	-0.04	0.03	0.01	+0.02	0.00	0.01	-0.01
Transco Zn6 Non-NY	-0.13	-0.55	0.43	-0.27	-0.62	+0.35	-0.18	-0.17	-0.01
TX Eastern M-3	-0.67	-0.72	0.05	-0.52	-0.86	+0.35	-0.63	-0.54	-0.10
Appalachia									
Col Gas Appal	-0.15	-0.12	-0.03	-0.18	-0.15	-0.03	-0.17	-0.19	0.02
Dominion N Pt	-0.71	-0.75	0.04	-0.58	-0.91	+0.33	-0.82	-0.73	-0.09
Dominion S Pt	-0.70	-0.75	0.06	-0.57	-0.90	+0.33	-0.73	-0.64	-0.09
Lebanon Hub	-0.25	-0.26	0.01	-0.25	-0.93	+0.68	-0.32	-0.31	-0.01
Millennium East Receipts	-0.87	-0.84	-0.03	-1.01	-0.95	-0.06	-0.93	-0.89	-0.04
Tenn Zn4-200 Leg	-0.37	-0.39	0.02	-0.35	-0.80	+0.45	-0.57	-0.51	-0.06
Tennessee zone 4-300 leg	-0.94	-0.94	0.00	-1.09	-1.00	-0.09	-1.04	-0.98	-0.06
Texas Eastern M-2 receipts	-0.77	-0.80	0.03	-0.60	-0.95	+0.36	-0.75	-0.66	-0.10
Transco Leidy Line receipts	-0.90	-0.88	-0.03	-1.08	-0.95	-0.14	-0.93	-0.89	-0.04
Other locations									
Dracut MA	—	—	—	0.80	—	—	0.04	0.07	-0.03
Iroquois Receipts	-0.17	-0.29	0.12	-0.23	-0.58	+0.35	-0.17	-0.17	0.00
Niagara	-0.50	-0.37	-0.14	-0.35	—	—	-0.26	-0.26	-0.01

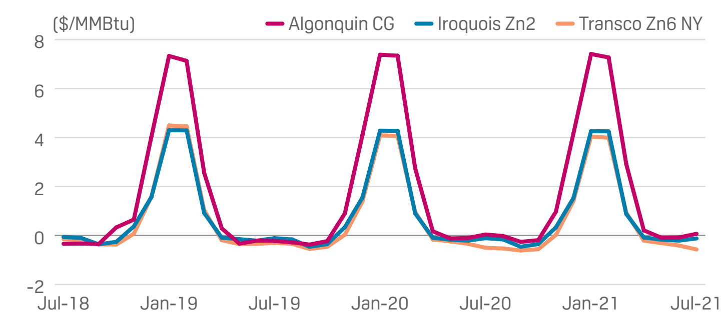
Source: Platts M2M data

NORTHEAST DEMAND FORECAST



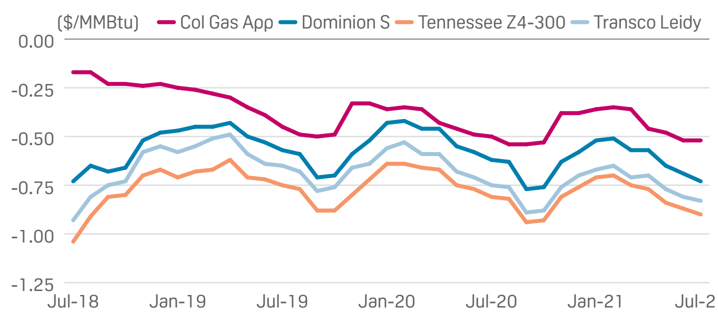
Source: S&P Global Platts

NORTHEAST FORWARD BASIS



Source: S&P Global Platts

APPALACHIA FORWARD BASIS



Source: S&P Global Platts

SOUTHEAST GAS MARKETS

Looming demand growth props cash market

Southeast cash prices have continued to seesaw in recent sessions, with Monday experiencing an upward swing across the region as demand levels are expected to eclipse 20 Bcf/d towards the end of the week.

S&P Global Platts Analytics projects demand levels to continue to trend higher throughout the week, ultimately tacking on more than 800 MMcf/d by Friday to hit just over 20 Bcf/d.

Henry Hub moved 9 cents higher to $2.95/MMBtu during trading Monday, more than erasing Friday's decline of 7 cents.

Strengthening prices have come as the supply-demand balance continues to tighten from a weekend peak of 2.4 Bcf/d in net oversupply, reaching 1.9 Bcf/d on Monday, with expectations of continued tightening in the coming days as demand swings higher.

So far in June, power burn levels in the Southeast have been averaging just under 10 Bcf/d, one of the highest levels for June since 2005, and more on par with peak levels in July, Platts Analytics data shows.

Outside of premium locations, Columbia Gulf Mainline increased 7 cents to $2.84/MMBtu, the highest trading level of the last 30 days as a combination of strong regional demand and a drop in flows along Columbia Gulf Transmission due to the Leach Xpress explosion boosts the Louisiana point.

Platts Analytics data shows that flows along CGT from the Northeast have dropped nearly 1 Bcf/d from pre-explosion levels, hovering at a net inflow of 490 MMcf/d Monday, down from last week's peak of 1.4 Bcf/d.

In order to offset the decline in flows, gas supplies from the Midcontinent, Northeast Texas and Southeast Texas have increased by nearly 430 MMcf/d from levels last Tuesday, with the bulk of the increase moving from the Midcontinent production region.

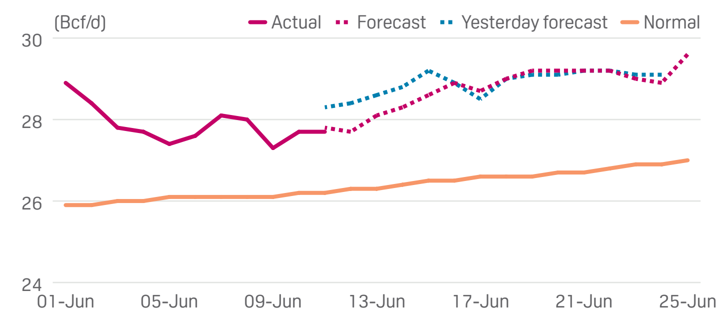
In future trading, balance of the month trading for Houston Ship Channel shows the package hovering at $3.05/MMBtu, a few cents above current cash trading level of $3/MMBtu, signaling that elevated demand levels will keep support under prices into the end of June.

SOUTHEAST SPOT AND FORWARD BASIS ($/MMBtu)

	Spot basis						Prompt forward basis		
	11-Jun	08-Jun	Chg	MTD Avg.	MTD last year	Chg	11-Jun	08-Jun	Chg
Henry Hub	2.95	2.86	0.09	2.89	2.92	-0.03	2.95	2.89	0.06
Southeast									
ANR LA	-0.18	-0.22	0.04	-0.17	-0.09	-0.09	-0.16	-0.16	0.00
Col Gulf LA	-0.10	-0.06	-0.04	-0.10	-0.09	-0.01	-0.14	-0.14	0.00
Col Gulf-Mainline	-0.11	-0.09	-0.02	-0.14	-0.09	-0.04	-0.14	-0.15	0.01
FL Gas Zn1	-0.08	-0.08	0.01	-0.07	-0.07	+0.00	-0.04	-0.04	0.00
FL Gas Zn2	-0.08	-0.08	0.00	-0.07	-0.05	-0.03	-0.04	-0.04	0.00
FL Gas Zn3	-0.04	-0.01	-0.03	-0.01	-0.03	+0.02	0.01	0.01	0.00
Florida CG	0.15	0.19	-0.04	0.15	0.43	-0.28	0.30	0.30	0.00
SoNat LA	-0.06	-0.05	-0.02	-0.05	-0.06	+0.02	-0.07	-0.07	0.00
Tenn LA 500 Leg	-0.09	-0.06	-0.03	-0.06	-0.08	+0.02	-0.07	-0.07	0.00
Tenn LA 800 Leg	-0.12	-0.09	-0.03	-0.11	-0.08	-0.03	-0.06	-0.07	0.01
TETCO-M1	-0.11	-0.08	-0.03	-0.11	-0.11	+0.01	-0.07	-0.07	0.00
Texas Gas Zn SL	—	—	—	-0.17	-0.12	-0.05	-0.17	-0.16	-0.01
Texas Gas Zn1	-0.18	-0.13	-0.05	-0.16	-0.12	-0.04	-0.17	-0.16	-0.01
Transco Zn2	-0.11	-0.02	-0.10	-0.01	-0.08	+0.07	-0.06	-0.06	0.00
Transco Zn3	-0.10	-0.07	-0.03	-0.08	-0.06	-0.02	-0.04	-0.04	0.00
Transco Zn4	-0.05	-0.04	-0.02	-0.04	-0.05	+0.00	-0.03	-0.04	0.00
Trunkline E LA	-0.11	0.04	-0.15	-0.10	-0.12	+0.02	-0.10	-0.11	0.01
Trunkline WLA	—	—	—	—	-0.02	—	-0.06	-0.06	0.00
Tx Eastern E LA	-0.17	-0.12	-0.05	-0.13	-0.10	-0.03	-0.09	-0.09	0.00
TX Eastern W LA	-0.11	-0.07	-0.05	-0.10	-0.06	-0.04	-0.07	-0.07	0.00
East & South Texas									
Agua Dulce	—	—	—	0.16	0.06	+0.09	0.09	0.09	0.00
Carthage Hub	-0.16	-0.11	-0.05	-0.13	-0.08	-0.04	-0.09	-0.09	0.00
Houston Ship Channel	0.05	0.09	-0.04	0.10	0.13	-0.03	0.08	0.08	0.00
Katy	0.05	0.08	-0.03	0.09	0.12	-0.03	0.08	0.08	0.00
NGPL S TX	0.01	-0.01	0.02	-0.02	-0.08	+0.06	0.03	0.03	-0.01
NGPL Texok Zn	-0.19	-0.16	-0.03	-0.17	-0.11	-0.06	-0.18	-0.17	-0.01
Tenn Zn0	-0.23	-0.16	-0.07	-0.16	-0.17	+0.01	-0.13	-0.13	0.00
Transco Zn1	-0.13	-0.07	-0.06	-0.09	-0.11	+0.02	-0.05	-0.06	0.01
TX Eastern E Tx	-0.16	-0.18	0.02	-0.11	-0.09	-0.02	-0.07	-0.07	0.00
TX Eastern S TX	0.03	0.06	-0.03	0.07	0.00	+0.07	0.03	0.03	0.00

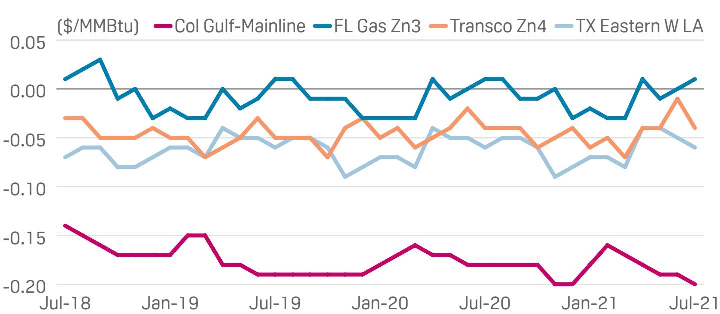
Source: Platts M2M data

SOUTHEAST & TEXAS DEMAND FORECAST



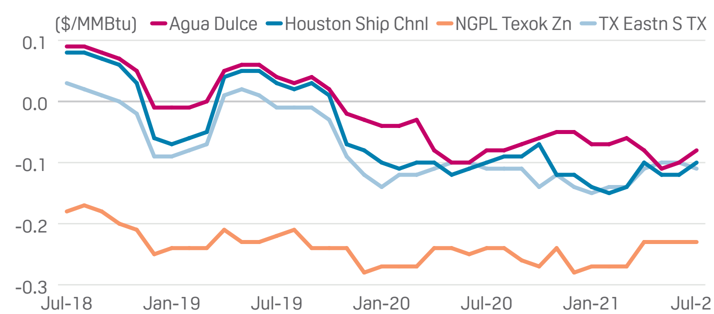
Source: S&P Global Platts

SOUTHEAST FORWARD BASIS



Source: S&P Global Platts

EAST AND SOUTH TEXAS FORWARD BASIS



Source: S&P Global Platts

CENTRAL GAS MARKETS

Central prices diverge on explosion-induced shift

Cash basis prices outside of the Chicago area rallied Monday, with some of the largest gains seen in the Midcontinent. The divergent price trends come as the recent explosion on Columbia Gas' Leech XPress continues to shift flow dynamics, driving a surge of flows into the Upper Midwest, and creating space for additional Central flows into the Southeast.

Cash basis prices at NGPL Midcontinent rose to a seven-week high on Monday, gaining nearly 25 cents to trade at 35.5 cents/MMBtu behind Henry Hub.

The gains come as prices in the Southeast continue moving significantly higher, with Southeast benchmark Henry Hub cash exchanging hands at $2.95/MMBtu on Monday, its highest level since early February.

The Southeast surge follows constraints in Northeast-to-Southeast flows due to last week's explosion on Columbia's Leach Xpress.

Since the explosion Thursday, Southeast markets have called on more gas from the Midcontinent, roughly to the tune of 200 MMcf/d, in turn providing support to prices in the producing region. These inflows have, in part, made up part of the 500 MMcf/d drop in Northeast to Southeast flows.

The explosion's impact on Central markets has not been all bullish though, with markets in the Upper Midwest pressured lower by an influx of rerouted Northeast gas.

Cash basis at Michcon was trading 3 cents lower Monday, at about 20.5 cents/MMBtu behind Henry Hub. Since the explosion, Michcon basis has averaged 5 cents/MMBtu lower than the previous two weeks.

This movement, which is divergent from the remainder of the Central US, comes as Northeast gas that would have otherwise flowed to the Southeast has been rerouted toward the Midwest due to explosion-induced constraints.

The bulk of this rerouting has shown up as east-to-west flows on Rover and Rockies Express, which have picked up a combined 300 MMcf/d since the explosion.

The uptick in Rover receipts is largely findings its way onto ANR Pipeline, with deliveries into the Westrick interconnect rising about 150 MMcf/d above recent average.

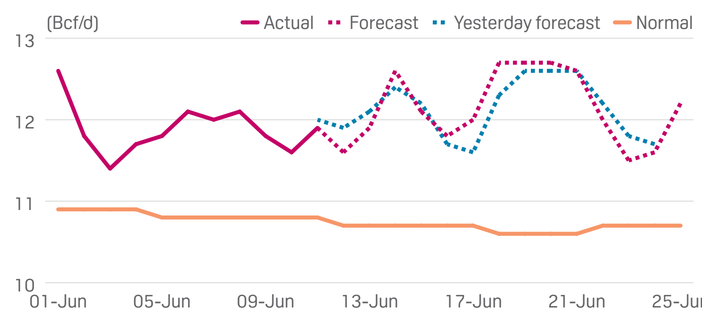
Interestingly, cash basis prices on ANR Southwest also rose to a seven-week high Monday, gaining over 20 cents to trade at minus 39 cents/MMBtu, potentially highlighting the demand for gas to flow gas from the Northeast to ANR and then into Southeast markets.

CENTRAL SPOT AND FORWARD BASIS ($/MMBtu)

	Spot basis						Prompt forward basis		
	11-Jun	08-Jun	Chg	MTD Avg.	MTD last year	Chg	11-Jun	08-Jun	Chg
Henry Hub	2.95	2.86	0.09	2.89	2.92	-0.03	2.95	2.89	0.06
Midwest/East Canada									
ANR ML 7	—	—	—	-0.22	-0.11	-0.10	-0.20	-0.20	0.00
Chicago CG	-0.22	-0.22	0.00	-0.20	-0.14	-0.06	-0.25	-0.25	0.00
Consumers Energy CG	-0.21	-0.17	-0.04	-0.17	-0.04	-0.12	-0.21	-0.20	-0.01
Dawn Ontario	-0.21	-0.18	-0.04	-0.17	-0.01	-0.16	-0.21	-0.21	-0.01
Mich Con CG	-0.21	-0.18	-0.03	-0.17	-0.05	-0.12	-0.23	-0.22	-0.01
Northern Ventura	-0.33	-0.41	0.09	-0.32	-0.27	-0.05	-0.36	-0.35	-0.01
Viking-Emerson	-0.41	-0.46	0.06	-0.44	-0.37	-0.06	-0.46	-0.46	0.00
Midcontinent									
ANR OK	-0.39	-0.60	0.21	-0.51	-0.33	-0.18	-0.65	-0.63	-0.02
Enable Gas East	-0.18	-0.16	-0.02	-0.20	-0.16	-0.03	-0.26	-0.26	-0.01
NGPL Midcontinent	-0.36	-0.59	0.23	-0.45	-0.33	-0.13	-0.61	-0.59	-0.02
Northern NG Demarc	-0.33	-0.42	0.10	-0.33	-0.27	-0.06	-0.40	-0.38	-0.02
Oneok OK	-0.89	-0.96	0.08	-0.87	-0.40	-0.47	-1.08	-1.06	-0.02
Panhandle TX-OK	-0.51	-0.66	0.15	-0.54	-0.34	-0.20	-0.68	-0.66	-0.02
Southern Star TxOkKs	-0.39	-0.59	0.20	-0.49	-0.36	-0.12	-0.66	-0.64	-0.02

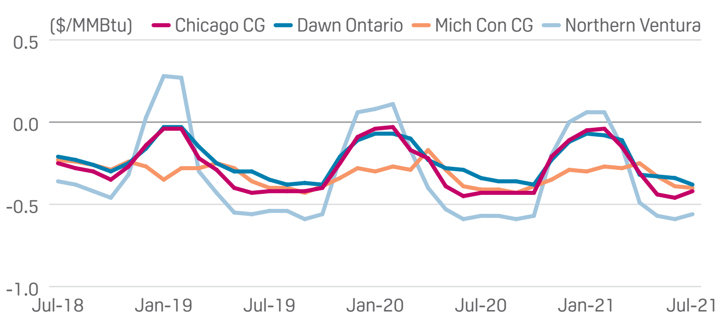
Source: Platts M2M data

MIDWEST & MIDCONTINENT DEMAND FORECAST



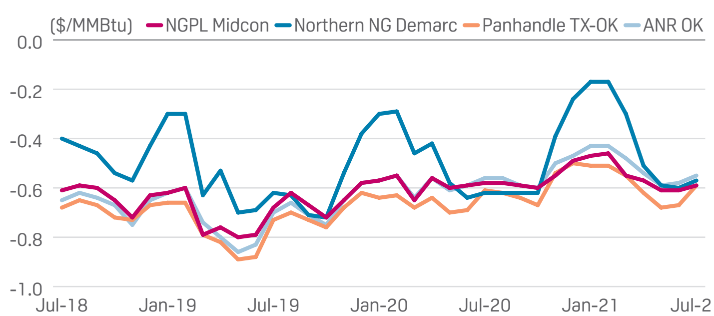
Source: S&P Global Platts

MIDWEST FORWARD BASIS



Source: S&P Global Platts

MIDCONTINENT FORWARD BASIS



Source: S&P Global Platts

WEST GAS MARKETS

With production down, Rockies market rises

With production sliding to its lowest level in a week, the Rockies market strengthened Monday.

The Cheyenne pricing point was being traded at $2.575/MMBtu, after rising 37 cents. Meanwhile, the Colorado Interstate Gas Mainline location was up 47 cents $2.52/MMBtu.

S&P Global Platts Analytics saw production at 7.99 Bcf/d Monday, a 415-MMcf/d drop from Sunday's level of 8.405 Bcf/d.

Monday's extraction from wells was 361 MMcf/d behind the month-to-date average of 8.351 Bcf/d.

The drop in production comes at a time when scorching weather is in the forecast.

The National Weather Service forecast for Monday and Tuesday showed temperatures in the mid-80s Fahrenheit. The outlook for Wednesday and Thursday had temperatures rising to the mid-90s.

On Monday, Platts Analytics forecast gas needed for thermal power generation to total 432 MMcf/d, but with the bullish forecast, consumption will likely rise as air conditioners start running full bore.

Overall demand in California was also rising Monday, giving a boost to prices there.

The Pacific Gas and Electric city-gate location was being traded at $3.005/MMBtu, showing a 13-cent increase. Down the coast, the Southern California Gas city-gate pricing point saw deals at $3.385/MMBtu after increasing 97.5 cents.

Platts Analytics data showed PG&E system demand at 1.55 Bcf/d Monday, which was an increase of 230 MMcf/d from Sunday's consumption of 1.32 Bcf/d.

Monday's level was also the first time in five days that demand topped the 1.5 Bcf/d mark.

Month to date, PG&E consumption has averaged 1.42 Bcf/d. At this time in 2017, June demand averaged 1.385 Bcf/d.

The SoCal Gas demand also appeared robust Monday, with consumption at 2.86 Bcf/d after rising some 436 MMcf/d from Sunday's demand level of 2.424 Bcf/d.

Monday's consumption also was the highest seen in a week.

Over the course of June, SoCal Gas has averaged 2.575 Bcf/d in consumption.

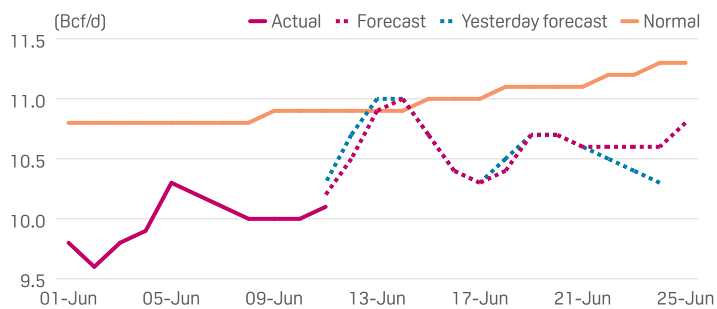
The SoCal Gas futures outlook was also trending downward, but not as dratically as seen on the cash market.

WEST SPOT AND FORWARD BASIS ($/MMBtu)

	Spot basis						Prompt forward basis		
	11-Jun	08-Jun	Chg	MTD Avg.	MTD last year	Chg	11-Jun	08-Jun	Chg
Henry Hub	2.95	2.86	0.09	2.89	2.92	-0.03	2.95	2.89	0.06
Northwest									
GTN Kingsgate	-1.00	-0.97	-0.03	-0.92	-0.67	-0.25	-0.95	-0.91	-0.04
Northwest Sumas	-1.21	-1.47	0.27	-1.65	-0.55	-1.10	-0.97	-0.95	-0.03
Northwest Stanfield	-0.58	-0.80	0.22	-0.74	-0.50	-0.24	-0.75	-0.71	-0.03
Rockies									
Cheyenne Hub	-0.38	-0.66	0.28	-0.51	-0.39	-0.13	-0.75	-0.70	-0.05
CIG Rockies	-0.43	-0.81	0.38	-0.59	-0.42	-0.17	-0.75	-0.70	-0.05
Kern River Opal	-0.41	-0.67	0.27	-0.52	-0.37	-0.16	-0.69	-0.64	-0.05
NW WY Pool	-0.41	-0.68	0.27	-0.53	-0.40	-0.13	-0.69	-0.64	-0.05
Questar Rky	-0.48	-0.73	0.25	-0.58	-0.43	-0.15	-0.70	-0.66	-0.05
Southwest									
El Paso Permian	-0.76	-0.82	0.06	-0.76	-0.39	-0.36	-0.96	-0.88	-0.08
El Paso San Juan	-0.51	-0.77	0.26	-0.60	-0.40	-0.20	-0.73	-0.65	-0.08
Kern River Dlvd	-0.10	-0.59	0.50	-0.28	-0.29	+0.01	-0.29	-0.28	-0.01
PG&E CG	0.06	0.02	0.04	0.08	0.17	-0.10	0.10	0.11	-0.02
PG&E Malin	-0.35	-0.62	0.27	-0.47	-0.32	-0.15	-0.60	-0.57	-0.03
PG&E South	-0.35	-0.71	0.37	-0.49	-0.30	-0.19	-0.61	-0.53	-0.08
SoCal Gas	-0.25	-0.64	0.39	-0.35	-0.30	-0.06	-0.29	-0.29	-0.01
SoCal Gas Citygate	0.44	-0.45	0.89	0.18	0.05	+0.13	0.71	0.71	0.00
Transwestern Permian	-0.75	-0.84	0.09	-0.70	-0.39	-0.31	-0.90	-0.82	-0.07
Waha	-0.75	-0.80	0.05	-0.71	-0.35	-0.36	-0.90	-0.83	-0.08
West Canada									
AECO-C	-2.40	-2.15	-0.25	-2.14	-0.31	-1.84	-1.75	-1.74	-0.02

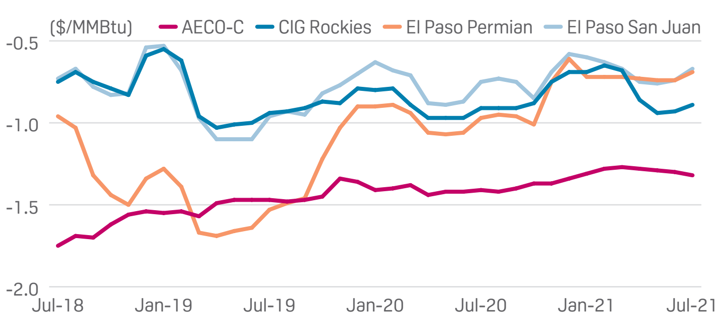
Source: Platts M2M data

SOUTHWEST, NORTHWEST, ROCKIES DEMAND FORECAST



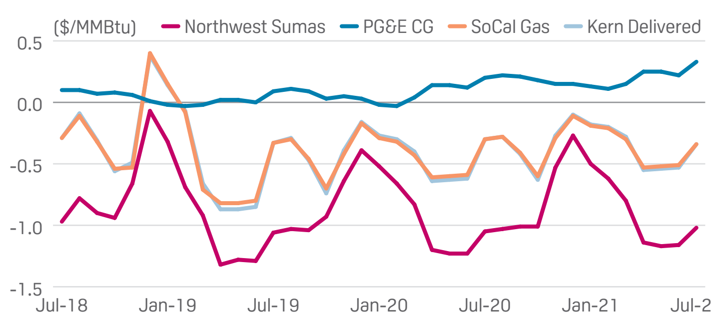
Source: S&P Global Platts

WEST SUPPLY LOCATIONS FORWARD BASIS



Source: S&P Global Platts

WEST DEMAND LOCATIONS FORWARD BASIS



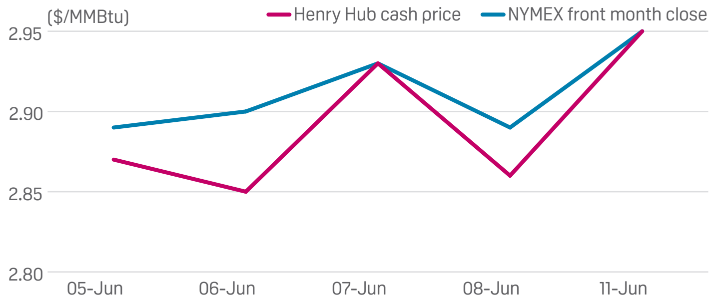
Source: S&P Global Platts

TOTAL NET PIPELINE FLOWS BY REGION (MMcf/d*)

	10-Jun	11-Jun	Change	MTD avg.	MTD last year	Change
Supply regions – net pipeline outflows						
Texas	8,685	8,779	-94	8,378	8,107	271
West Canada	9,323	8,893	430	9,017	8,514	503
Rockies	6,439	6,310	129	6,485	5,141	1,344
Midcontinent	3,288	3,470	-182	3,292	2,798	494
Northeast	7,836	7,528	308	8,204	6,598	1,606
Demand regions – net pipeline inflows						
Southwest	3,944	4,111	167	4,121	4,096	25
Southeast	9,795	9,610	-185	10,004	8,642	1,362
Northwest	1,593	1,438	-155	1,322	914	408
Midwest	11,774	11,574	-200	11,703	10,562	1,141
East Canada	4,032	3,826	-206	3,783	3,408	375

* Net pipeline flows by region are the aggregated total interstate pipeline flows across the regional border. Net supply regions are those that historically have had more supply than demand within the region and have been net suppliers of gas to other regions. Net demand regions historically have had more demand than supply and have been net receivers of pipeline gas from other regions.

HENRY HUB/NYMEX SPREAD



GAS DAILY SUPPLEMENTS

To access the latest issue of the Gas Daily supplements, click below.

Gas Daily Market Fundamentals (pdf)

Gas Daily Market Fundamentals Data (xls)

Gas Daily Monthly Price Guide (pdf)

*Links require PMC login. For login help, contact support@platts.com.

SHALE VALUE CHAIN ASSESSMENTS, JUN 11

	$/MMBtu	+/-
Gulf Coast ethane fractionation spread	1.793	0.081
Gulf Coast E/P mix fractionation spread	1.643	0.082
E/P mix Midcontinent to Rockies fractionation spread	-1.454	-0.677
E/P mix Midcontinent fractionation spread	-1.524	-0.527
National raw NGL basket price	8.783	0.041
National composite fractionation spread	5.783	-0.009

The methodology for these assessments is available at:
www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/shale-value-chain.pdf

PLATTS OIL PRICES, JUN 11

	($/b)	($/MMBtu)
Gulf Coast spot		
1% Resid (1)	65.34-65.36	10.46
HSFO (1)	64.34-64.36	10.30
Crude spot		
WTI (Jul) (2)	66.09-66.11	11.40
New York spot		
No.2 (1)	84.95-85.00	13.60
0.3% Resid LP (3)	76.31-76.33	12.21
0.3% Resid HP (3)	76.31-76.33	12.21
0.7% Resid (3)	68.31-68.33	10.93
1% Resid (3)	66.31-66.33	10.61

1= barge delivery; 2= pipeline delivery; 3= cargo delivery

S&P Global
Platts

GAS DAILY

Volume 35 / Issue 112 / Tuesday, June 12, 2018

ISSN: 0885-5935

Gas Daily Questions? Email:
NAGas&Power@spglobal.com

Managers North America Gas and Power Content
Rocco Canonica, +1-720-264-6626
Matthew Eversman, +1-713-655-2238
Joe Fisher, +1-713-658-3290
Chris Newkumet, +1-202-383-2141
Anne Swedberg, +1-720-264-6728

Editors
Jared Anderson, +1-212-904-2002
Brandon Evans, +1-720-264-6671
Jim Magill, +1-713-658-3229
Jasmin Melvin, +1-202-383-2135
J. Robinson, +1-720-264-6657
Mark Watson, +1-713-658-3214
Harry Weber, +1-713-658-3257
Maya Weber, +1-202-383-2244
Kate Winston, +1-202-383-2012

Spot Market Editors
John DeLapp, +1-713-655-2279
Eric Janssen, +1-713-655-2261
Samer Mosis, +1-713-655-2271
Ryan Ouwerkerk, +1-713-655-2202

Analysts
Eric Brooks
Richard Frey
John Hilfiker
Luke Jackson
Tyler Jubert
Liz McFarland
Mason McLean
John McManus
Ross Wyeno

Director, Americas Generating Fuels and Electric Power Pricing
Mark Callahan

Director, Americas Energy News
James O'Connell

Global Director of Generating Fuels
Simon Thorne

Platts President
Martin Fraenkel

Advertising
Tel: +1-720-264-6618

Manager, Advertisement Sales
Bob Botelho

To reach Platts: E-mail:support@platts.com; North America: Tel:800-PLATTS-8; Latin America: Tel:+54-11-4121-4810; Europe & Middle East: Tel:+44-20-7176-6111; Asia Pacific: Tel:+65-6530-6430