

## News : Arctic blast pushes US Northeast spot gas prices to historic highs

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- Iroquois Zone 2, Iroquois receipts reach record highs
- **Arctic** blast to send **wind** chills below minus 30 F

Multiple spot **gas** prices in the Northeast soared to record highs during Feb. 2 trading, as an incoming arctic blast is expected to send **wind** chills below minus 30 degrees Fahrenheit.

Iroquois Zone 2 traded as high as \$200/MMBtu, while **Tennessee Zone 6** delivered reached \$205/MMBtu before settling at \$132.35/MMBtu and \$79.585/MMBtu, respectively, according to the Platts Preliminary Price Report. The preliminary settlements were the highest level on record for Iroquois Zone 2 since Platts started the assessment in December 1995, while **Tennessee Zone 6** delivered reached a five-year high.

Similarly at the **US -Canadian** border in **New York**, Iroquois receipts jumped to \$90.26/MMBtu, up \$83.35 on the day and the highest on record going back to February 1992 when the index was created. Likewise in the **Boston** area, **Algonquin city-gates** rose to a five-year high \$66.42/MMBtu, up \$54.18 from the previous session.

According to S&P Global Commodity Insights data, temperatures in **Boston** are expected to fall to 2 degrees and below 0 degrees on Feb. 3 and Feb 4, respectively, while the National Weather Service said **wind** chills could reach below negative 30 degrees in **Boston** and **New York**.

Likely due to the cold weather, total Northeast **gas** demand is expected to jump to 33.2 Bcf/d on Feb. 3 and 35.07 Bcf/d on Feb. 4, up from 29.66 Bcf/d on Feb. 2. The 35.07 Bcf/d would be the highest daily demand in the last 12 months, only below 36.16 Bcf/d on Dec. 24 and only the fourth time in over six years for demand to exceed 35 Bcf/d during February.

Despite the higher demand, **gas** production in the region is forecast to remain flat at 33.3 Bcf between Feb. 3-4, down from 34.54 Bcf/d produced in January, likely adding support for prices in the region.

The cold front is not expected to last long, however, as low temperatures in **Boston** are expected to rise to 18 degrees, or 2 degrees above normal, on Feb. 5, and 35 degrees on Feb. 6, or 12 degrees above normal, respectively, according to S&P Global data.

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