

## Market Commentary : US Northeast cash gas prices soar on winter storm, higher demand

By Tyler Godwin

Published on - Fri, 12 Jan 2024 15:04:45 EST | Modified on - Fri, 12 Jan 2024 19:43:50 EST

US Northeast spot gas prices jumped across the board during Jan. 12 trading, as a winter storm is expected to boost demand during the holiday weekend.

Algonquin city-gates climbed \$12.63 on the day to \$15.845/MMBtu for Jan. 13-16 flows, while Transco Zone 5 North jumped \$18.14 to \$21.455/MMBtu.

In the Appalachia region, Columbia Gas and Eastern Gas South rose \$11.28 and \$6.46, respectively, to \$13.935/MMBtu and \$8.93/MMBtu.

Basis prices mostly weakened in the February forwards market, as Transco Zone 6 NY slid 60 cents to \$3.40/MMBtu above Henry Hub, while TETCO-M3 fell 15 cents to a \$2.55 premium.

### Demand to jump

Total Northeast demand was forecast by S&P Global Commodity Insights to average 33.13 Bcf/d over Jan. 13-16, up from 27.49 Bcf/d Jan. 12.

A winter storm is expected to drop temperatures in the Northeast to average 31 F over Jan. 13-16, or 1.6 F below normal, compared with 39.9 F, or 6.3 F above normal, Jan. 12. Residential-commercial demand is estimated to average 16.69 Bcf/d over the four-day span, up from 11.98 Bcf/d Jan. 12.

Looking ahead, temperatures are expected to drop to 19.2 F, or 12.2 F below normal, Jan. 17. The lower temperatures are forecast to boost total demand to 45.21 Bcf/d Jan. 17, which would be the fourth-highest level on record.

### Production climbs on day

Along with the higher demand, Northeast production rose to an estimated 36.55 Bcf/d Jan. 12, up from 36.15 Bcf/d the prior day, according to S&P Global data.

Month-to-date production has averaged 35.94 Bcf/d, up from 35.32 Bcf/d averaged in the first 12 days of January 2023.

S&P Global  
Platts

Market Center

For internal use only. Not for reproduction or further distribution. Platts' standard terms and conditions apply to all use of this article/excerpt. Read Platts' Terms & Conditions at <https://pmc.platts.com/Public/TermsConditions.aspx>.

© 2023 by S&P Global Inc. All rights reserved.

Please contact us to learn more about Platts products and services at +1-800-PLATTS-8 / 1-800-752-8878 (Toll-free in U.S. and Canada) or by email at [support@platts.com](mailto:support@platts.com)