

The primary driver of natural gas prices during the winter is the weather with natural gas storage levels coming in second. Forecasters are predicting a strong El Niño may reach historic levels in December or January and will be a major influence into early spring 2027. A potentially historic El Niño is expected to shape this winter, increasing flooding risks across parts of the West and South while favoring warmer, less snowy conditions across much of the Northern U.S. Heavy mountain snow in the West could help water supplies, while significant winter storms can still occur in areas forecast to receive less seasonal snowfall overall. Meteorologists say it has the potential to be the strongest El Niño since 1950.

Winter 2025/2026 Recap

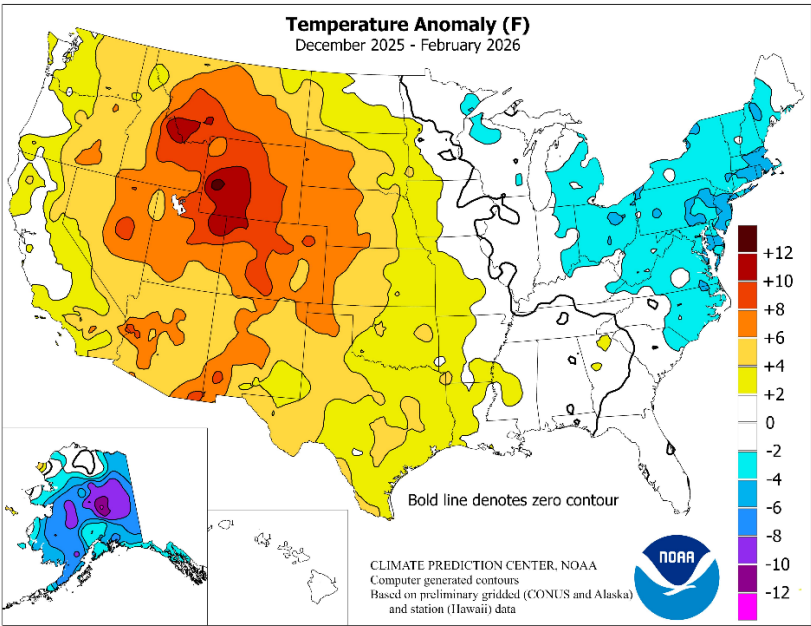
Winter 2025/2026 forecasts were predicting weak La Niña conditions with warmer/drier conditions in the South and wetter/colder conditions in the North. The season began under La Niña conditions before shifting to an ENSO-neutral pattern (neither La Niña nor El Niño) by the January–March 2026 timeframe. In general, our outlook proved to be highly accurate, correctly predicting the severe, stormy winter in the East and the exceptionally dry, warm conditions across the West. Our outlook correctly captured the severe, active storms and extreme cold stretches that hit the Midwest and Northeast into early February 2026 as well as the widespread snow drought, warmer, and drier conditions in the Rockies and the West. However, because La Niña weakened and shifted into an ENSO-neutral phase faster than models originally anticipated, the cold air did not stay locked over the North through February. The late-winter transition caused temperatures to moderate, making the season as a whole wrap up slightly milder than forecasted for the Northern states. Overall, the contiguous United States was about 5.7% warmer-than-normal last winter.

Continental U.S. Gas Weighted HDD vs 30yr Normal

	2025-26	2024-25	2023-24	2022-23	2021-22
November	7.0%	15.3%	5.0%	1.2%	3.2%
December	-0.7%	8.2%	20.4%	-1.2%	19.6%
January	-4.4%	-8.2%	3.7%	16.9%	-6.7%
February	6.8%	-0.8%	17.2%	11.2%	-1.6%
March	21.9%	11.8%	14.3%	8.1%	-5.6%
Total Winter	5.7%	4.9%	12.5%	6.0%	4.3%

Colder than Normal

Warmer than Normal



Precipitation:

The Forecast: Forecasters anticipated a heavy, wet jet stream across the Pacific Northwest and Ohio Valley, with the Desert Southwest and the Gulf Coast remaining highly dry, potentially worsening ongoing Southern drought conditions.

The Actual Performance: The Pacific Northwest and Upper Midwest experienced a very active storm track early on, resulting in high snowfall in the mountains. Meanwhile, the Southern tier suffered from typical dry La Niña constraints, causing drought to expand exactly as projected across southern Texas and the Southwest.

Winter 2026/27 Outlook

A very strong El Niño may reach historic levels in December or January and will be a major influence through winter and into early spring 2027. Meteorologists say it has the potential to be the strongest El Niño since 1950, favoring an active southern storm track and warmer conditions across much of the northern United States.

- A stronger southern jet stream favors frequent storms from California across the southern Plains, Southeast, and mid-Atlantic, with fewer intrusions of Arctic air
 - While higher chances of rain and snow may bring relief to drought-afflicted areas, too much precipitation on dry soil can fuel destructive flash floods and mudslides.
- Warm Pacific waters near Mexico and south and east of Hawaii could shift the West Coast storm track farther north, reducing precipitation in the Southwest
- The 2015-2016 El Niño winter offers a reminder that even a very strong El Niño does not guarantee the same regional impacts as a northerly shift in the jet stream robbed the southwest of its usual El Niño winter moisture. The El Niño-fueled pattern can fluctuate throughout the season as other factors come into play. These influences can temporarily reshape storm tracks and lead to shifts in snowfall and temperatures, including occasional cold snaps in areas otherwise predicted to have a warmer winter.

El Niño Dominant weather pattern



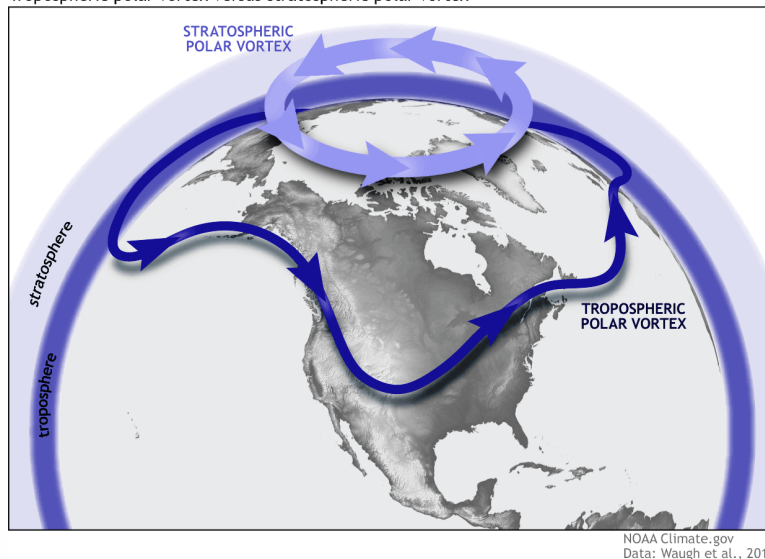
"This has the potential to be the strongest El Niño on record," AccuWeather Long-Range Expert Paul Pastelok said, almost certain to surpass the powerful El Niño events of 1982-83 and 1997-98.

Polar Vortex

The Polar Vortex is currently forming over the North Pole with rapid stratospheric cooling, and a pressure drop indicating it is stronger than last year. Its rotation is slightly slower than normal with a forecasted early November dip, but the chance of a stratospheric disruption is low. Long range forecasts point towards a mid-winter stratospheric slowdown/disruption in January 2027. NOAA notes that a strong Super El Niño and a westerly Quasi-Biennial Oscillation (QBO) are in place. These conditions typically favor a stronger, more stable polar vortex, which can reduce the frequency of prolonged Arctic air breakouts, though temporary cold snaps are still possible.

- As you can see in the image below, the Polar Vortex is divided into two layers that we monitor each winter: the stratosphere and the troposphere. The first is at a higher altitude, and the second is at a lower altitude. The Polar Vortex rises high through both layers, but with different shapes, strengths, and impacts.
- The upper (stratospheric) part of the Polar Vortex is more symmetrical and stronger, as it spins more freely higher above the ground. But the lower structure is much more uneven and “wobbly.” This is due to the influence of terrain and mountains, along with strong pressure systems that act as obstacles in the flow.
- In the Stratosphere, the cooling usually starts in August and increases strongly over September and October. This creates a strong **temperature difference** versus the warmer southern areas, causing the pressure to drop and a cyclonic area (Polar Vortex) to develop over the north.
- **A cold core is the heart of the Polar Vortex, and the colder it gets, the stronger the Polar Vortex can become.**

Tropospheric polar vortex versus stratospheric polar vortex

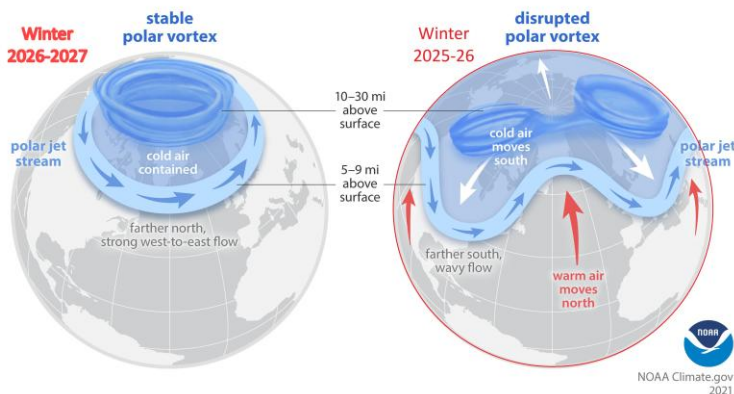


Understanding the polar vortex

The Arctic polar vortex is a strong band of winds in the stratosphere, surrounding the North Pole 10–30 miles above the surface.

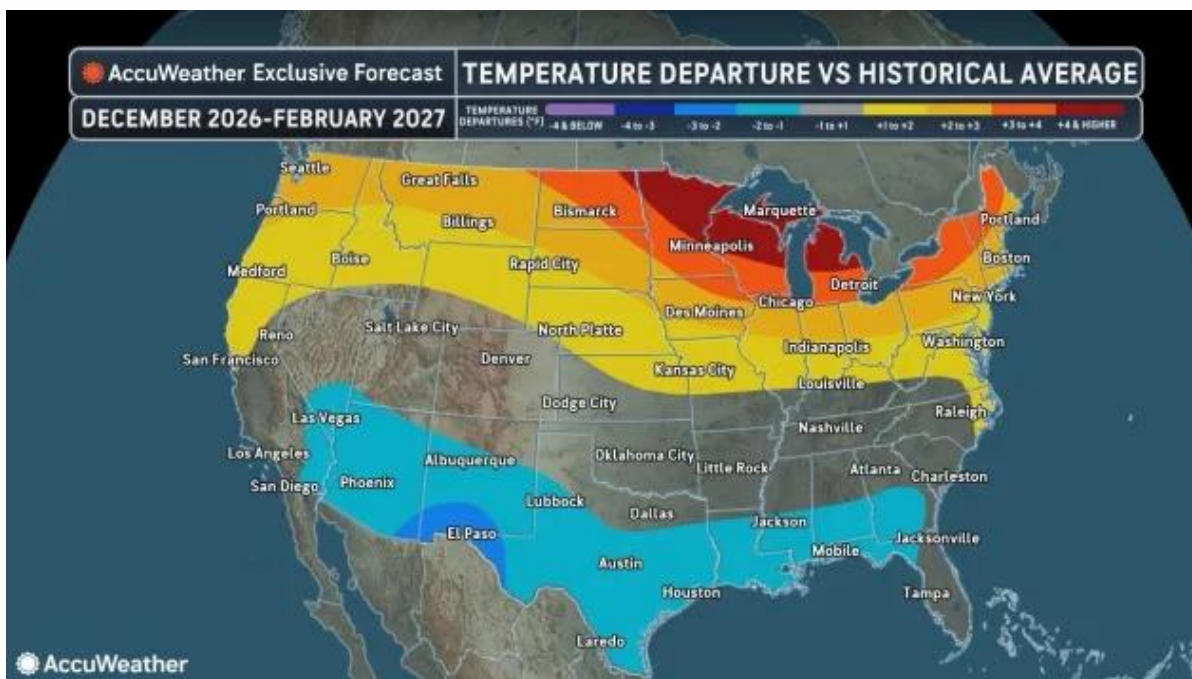
The polar vortex is far above and typically does not interact with the polar jet stream, the flow of winds in the troposphere 5–9 miles above the surface. But when the polar vortex is especially strong and stable, the jet stream stays farther north and has fewer “kinks.” This keeps cold air contained over the Arctic and the mid-latitudes warmer than usual.

Every other year or so, the Arctic polar vortex dramatically weakens. The vortex can be pushed off the pole or split into two. Sometimes the polar jet stream mirrors this stratospheric upheaval, becoming weaker or wavy. At the surface, cold air is pushed southward to the mid-latitudes, and warm air is drawn up into the Arctic.

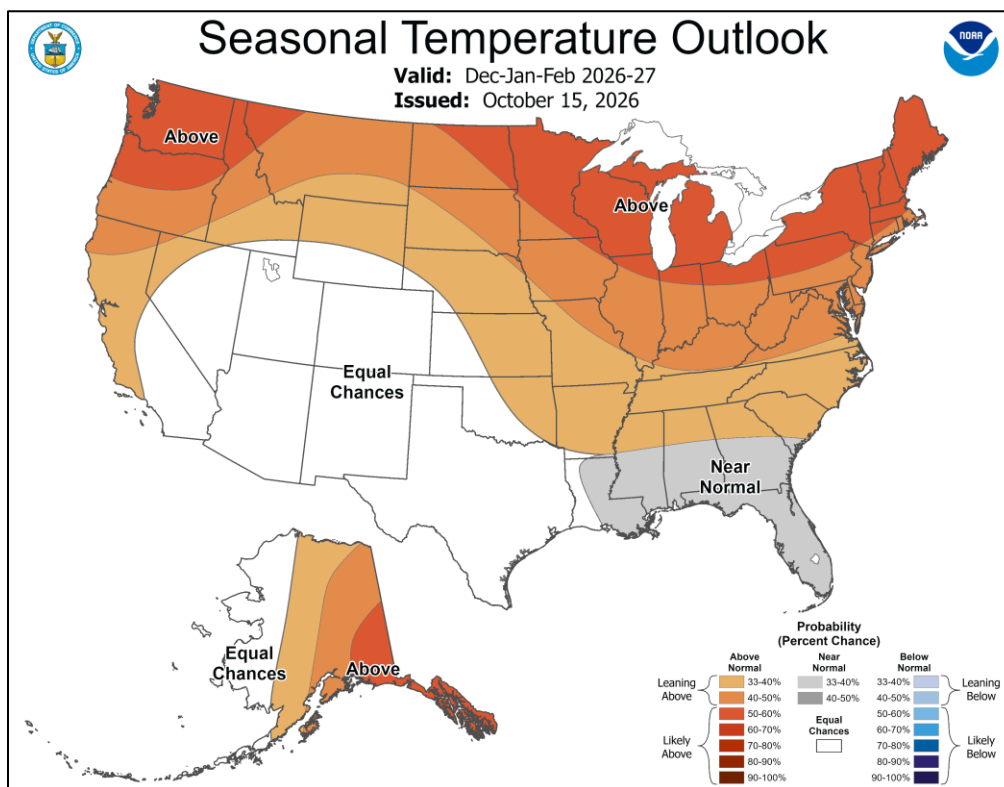


Temperature Outlook

December is expected to start on a warm note across the Upper Midwest and Great Lakes, limiting opportunities for lake-effect snow. Shots of colder air may still dive south from Canada as the season progresses, but average temperatures throughout the winter season are predicted to run above normal.

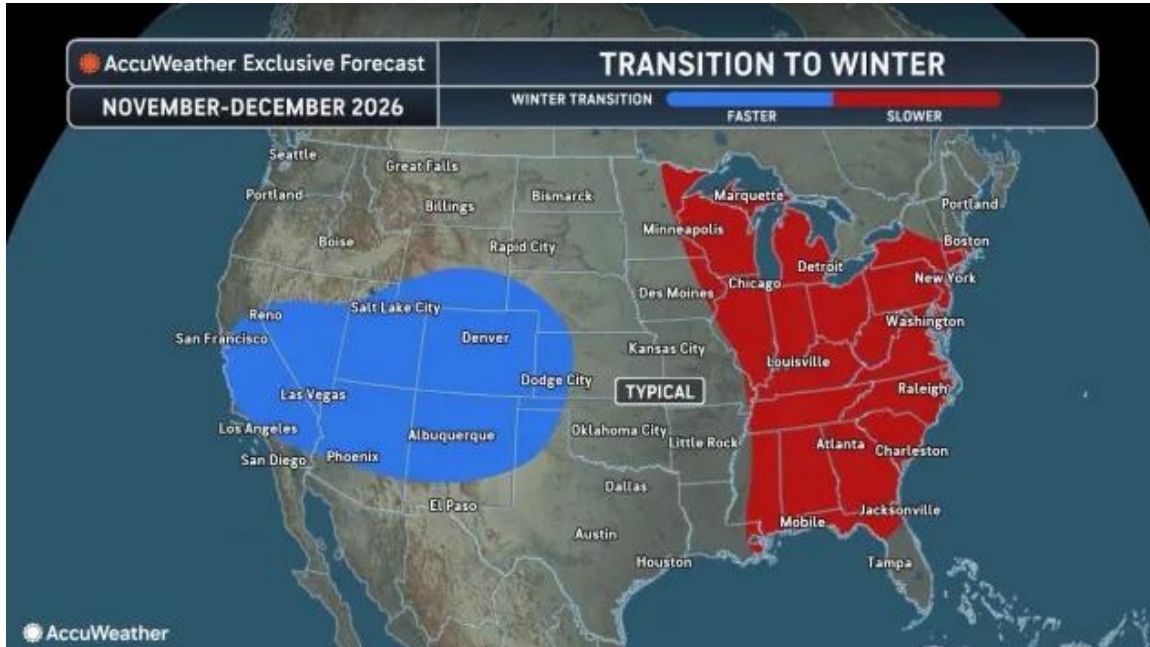


- Warmer-than-average temperatures are favored for northern California, the Pacific Northwest, Midwest, Mississippi Valley, much of the East, Alaska and for Puerto Rico / U.S. Virgin Islands.
- Near-normal temperatures are most likely for parts of the Southeast including Florida.
- Hawaii and much of the Southwest have equal chances of below-average, near-average or above-average seasonal mean temperatures.



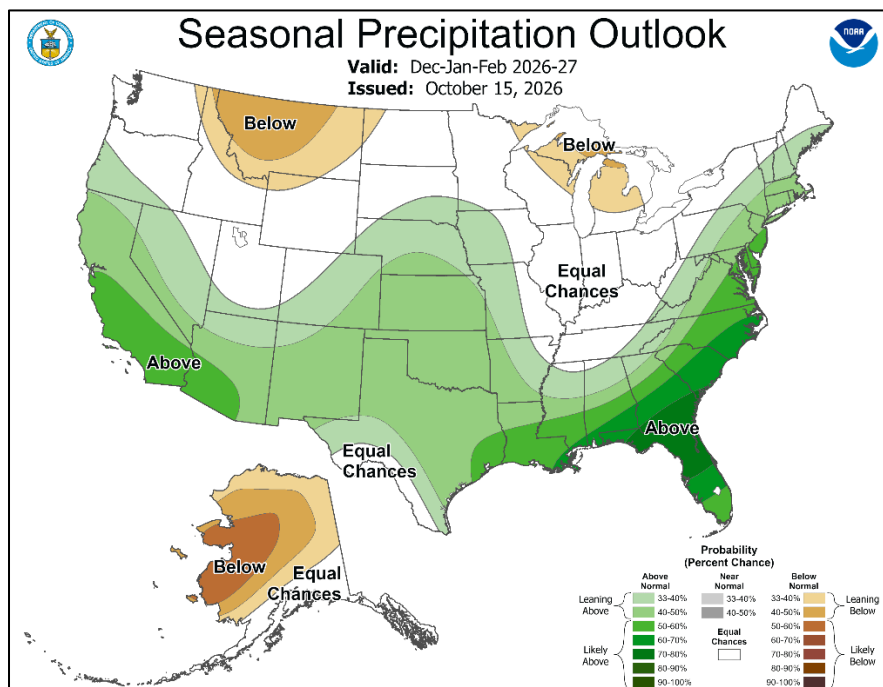
Some of the more persistent colder-than-average conditions are forecast across the Four Corners region and parts of the south-central Plains, with cooler periods occasionally reaching the Gulf Coast. Storms, rain and widespread cloud cover across this region will help hold temperatures down, while also raising the risk of dangerous weather.

"A few severe weather events can occur across parts of the Southeast and mid-Atlantic with the potential for tornadoes," Pastelok said.

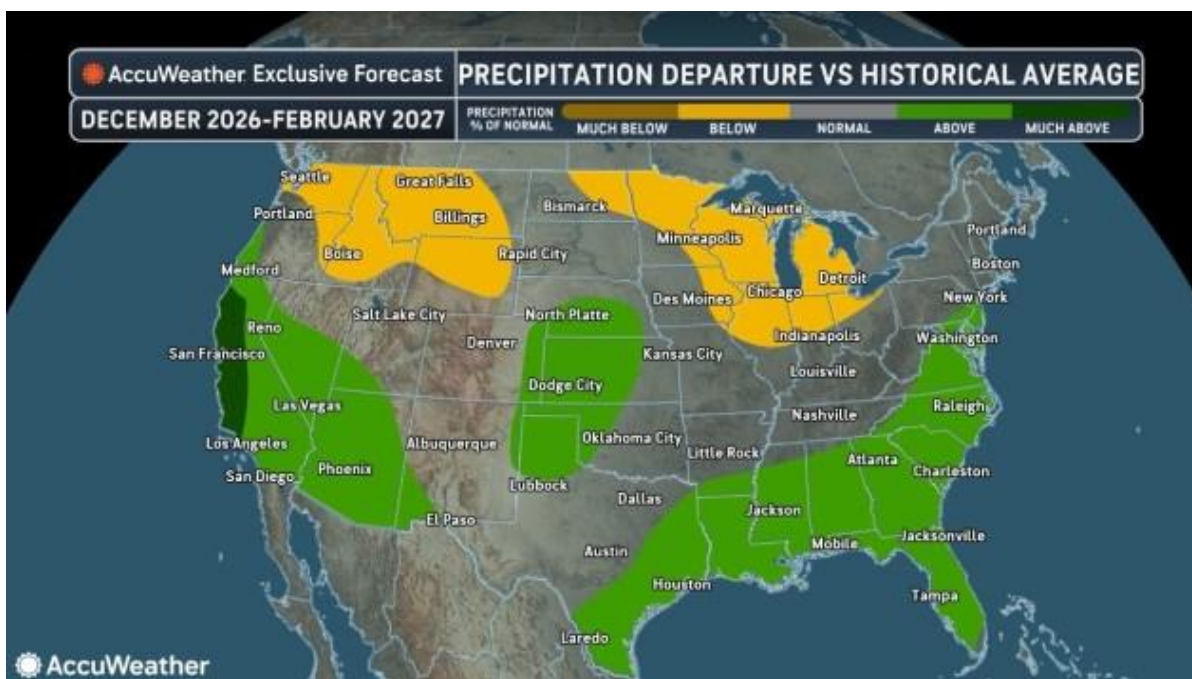


Precipitation Outlook

- Wetter-than-average conditions are most likely across the southern tier, from the Southwest to the Southeast, and along the East Coast.
- Elevated odds for drier-than-average conditions for Hawaii, much of Alaska, the northern Mountain West, some areas in the Great Lakes and the western Pacific Islands.
- Areas in the Intermountain West, northern Plains, Ohio Valley and Puerto Rico / U.S. Virgin Islands have equal chances of below-average, near-average or above-average seasonal total precipitation amounts.

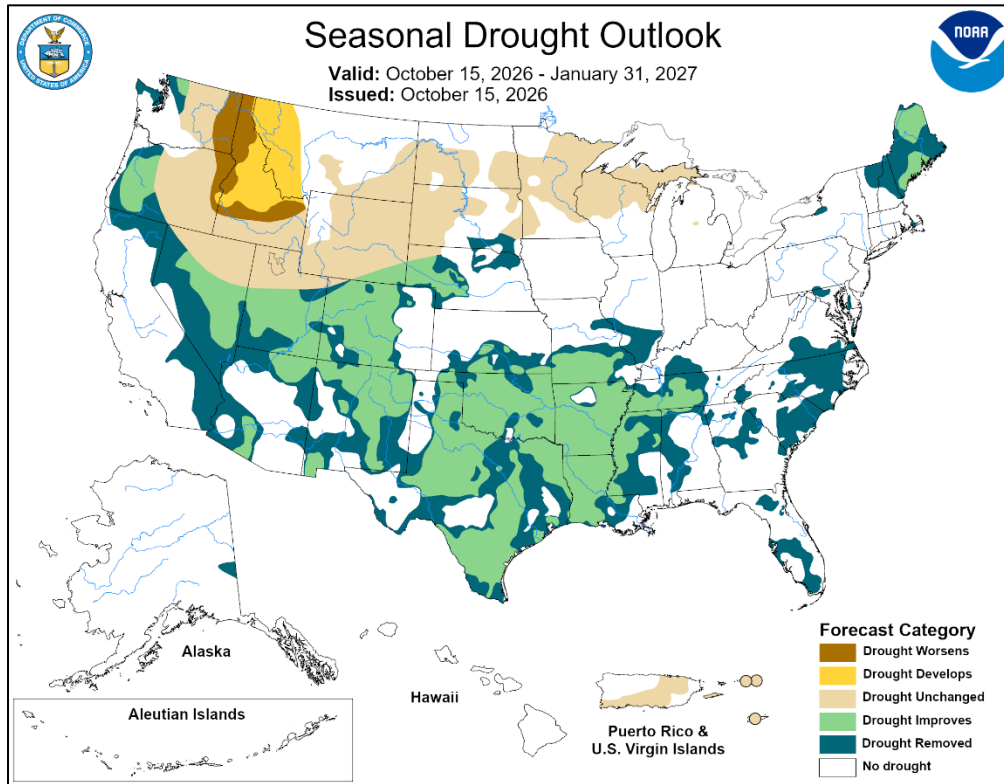


- The West may experience some of the most consequential weather of the winter as a parade of storms, including atmospheric rivers, moves in from the Pacific Ocean.
- "The southern storm track is generally stronger, more active and can produce flooding rain, landslides and heavy mountain snow for parts of the nation.
- The wet pattern could also bring much-needed precipitation after an exceptionally poor 2025-2026 snow season across much of the Southwest and Rocky Mountains. The Bureau of Reclamation said the Colorado River Basin experienced record-low snowpack last winter, and combined water storage in Lake Powell and Lake Mead fell below levels seen since before Lake Powell began filling in 1963.
- Frequent storms are forecast to bring heavier snow than last winter across the interior West, including the Sierra Nevada and central and southern Rockies. By February, the Four Corners region is expected to trend cooler than average with above-average precipitation, helping support additional mountain snow.
- Even a stormy winter would not erase the region's long-term water concerns, with several wet and snowy winters needed to replenish major reservoirs depleted over years of drought.



Drought Outlook

- Drought conditions are forecast to improve or end in the Southwest, Southern Great Plains, Southeast and parts of the East Coast.
- Drought conditions are favored to develop or worsen in across the Pacific Northwest (specifically northeastern Oregon and eastern Washington), and parts of the northern Rockies.



Winter Snow Outlook

The 2026-27 winter snow forecast is almost the opposite of what unfolded last winter across the country, with some of the heaviest snow expected in areas that largely missed out on snowstorms last year.

- The snow season is expected to get off to an early start from the Sierra Nevada through the Great Basin and into the central and southern Rockies will leave many areas in the Plains void of snow, but will be a boon for ski resorts following a poor season last winter.
- A shift in the storm track will also bring opportunities for snow across the Plains in January and February, making up for infrequent snowfall during the first part of winter.
- This storm track will also lead to opportunities for snowflakes across the Southeast and into the southern Appalachians. Snowfall is expected to run below to well below average across much of the Northwest, Upper Midwest, Great Lakes, Ohio Valley, and Northeast.

"While we are forecasting below-average snow, it only takes one storm to flip the script, especially for the East Coast cities. So that is something we have to watch, especially as we get into late January and February." -Paul Pastelok, AccuWeather

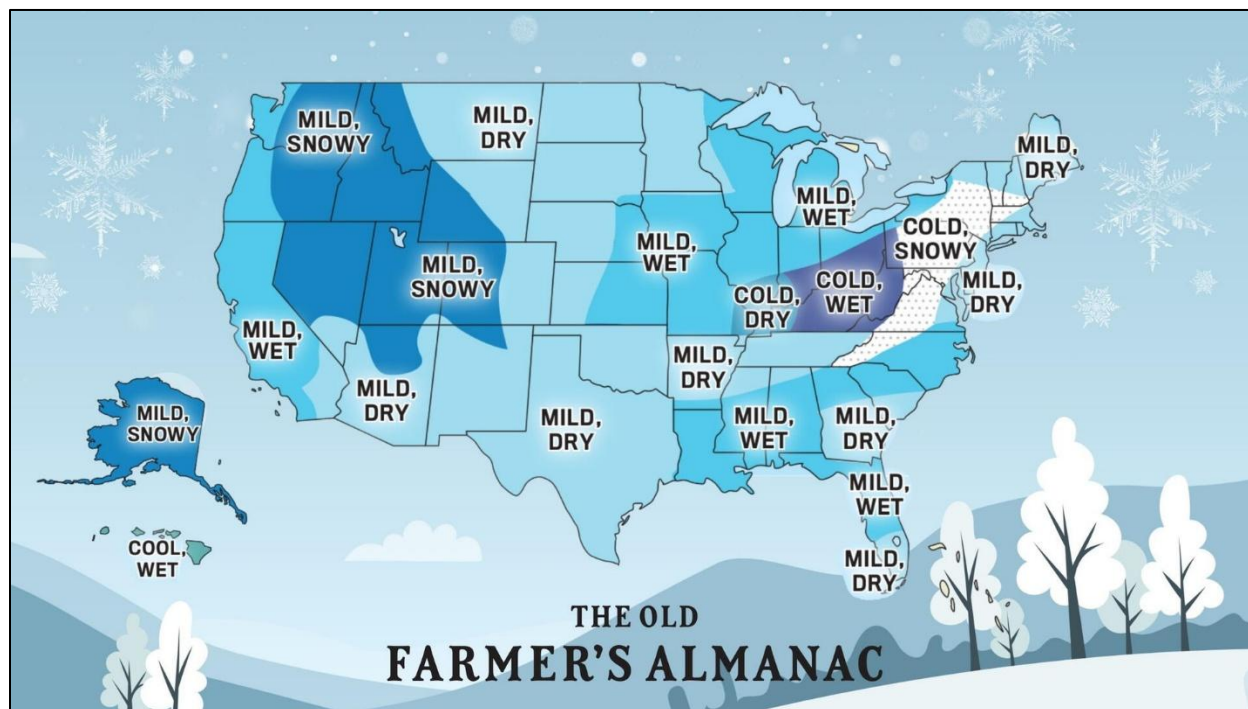


The city forecasts show substantially less snow than last winter in Boston, New York, Philadelphia, Pittsburgh, Buffalo and Chicago, while Denver and Salt Lake City are forecast to rebound from last year's lower snowfall.



Supporting Graphical Images and Forecasts

The following pages show supporting graphical images from The Farmer's Almanac, and the Old Farmer's Almanac for comparison.



Regardless of how the winter unfolds, Encore Energy will be on guard and diligently watch over our customers' gas needs to ensure timely and adequate gas deliveries. We appreciate your business!