



## GENERAL UPDATE

- The February 2018 NYMEX Henry Hub futures contract rose \$0.35, or 11%, to close the week at \$3.52/MMBtu as the market focused on the next wave of frigid temperatures due in early February.
- Spot gas basis prices were mixed. At the Chicago Citygate, prices fell \$0.05 to \$3.27/MMBtu. The price at SoCal Citygate dropped \$0.13 to \$3.48/MMBtu yesterday. While demand has been strong, a series of pipeline maintenance and repairs were completed last week, which helps improve the supply situation. Prices at PG&E Citygate rose \$0.03 to \$3.02/MMBtu.
- At the Algonquin Citygate prices jumped \$1.18 to \$14.98/MMBtu. Transco Zone 6 prices plunged \$4.14 to \$5.12/MMBtu. Marcellus area prices were also lower. Tennessee Zone prices fell \$0.32 to \$2.55/MMBtu. Prices at Dominion South dropped \$0.14 to \$2.78/MMBtu.

Near-month natural gas futures prices (Nymex)



Source: Natural Gas Intelligence

## POWER

- Power forward curves moved higher on rising temperature forecasts for February. In ERCOT's Houston zone, the 12-month ATC strip rose \$1.70; the 24-month curve added \$1.00 and the calendar 2019 term increased \$0.40/MWh.
- PJM Eastern zones saw 12-month ATC strips add \$0.65/MWh; 24-month strips rose \$0.40, while calendar 2019 terms traded \$0.25 higher. In the COMED zone, the 12-month ATC strip rose \$0.35/MWh; the 24-month was up about \$0.30, and the calendar 2019 term increased by \$0.25/MWh.
- New York's Zone J 12-month and 24-month ATC curves each rose roughly \$0.35/MWh, while the 2019 term added \$0.40/MWh. In the NEMASS load zone, the 12-month curve added \$0.65; the 24-month rose \$0.60, and the calendar 2018 curve traded \$0.55 higher.

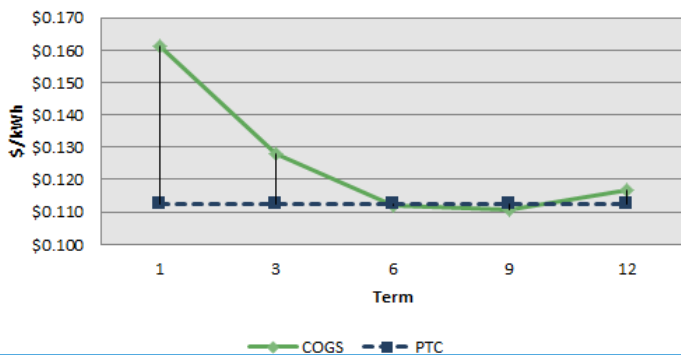
## UTILITY HIGHLIGHT

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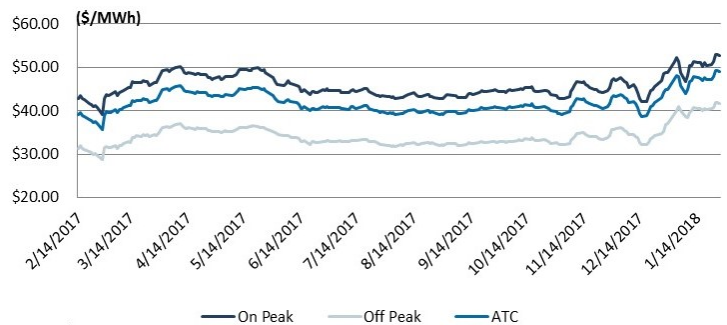
NH

PSNH

### PSNH - R



### PSNH - 12 MONTH STRIP PRICING



Source: TrueLight Energy

- The current Price to Compare (PTC) for Public Service of New Hampshire (PSNH, now Eversource) Residential Non-Heating Service rate class is \$0.1125/kWh for the current price period of January 1st, 2018 through June 30th, 2018. This is an approximate 3.52% decrease from the previous PTC of \$0.1166/kWh for the July 1st, 2017 to December 31st, 2017 price period.
- Headroom is unlikely at the 1, 3, and 12 month terms, but likely at the 6 and 9 month terms.

- The rolling 12-month ATC curve in NEPOOL's PSNH load zone rose \$1.96, or more than 4%, to close the week at \$49.06/MWh.
- The curve's impressive rally in recent weeks puts it up 14% for the last 30 days, and up more than 9% for 2018. In fact, the curve is just \$0.25 below its 52-week high of \$49.31, which it set last week on January 24<sup>th</sup>.

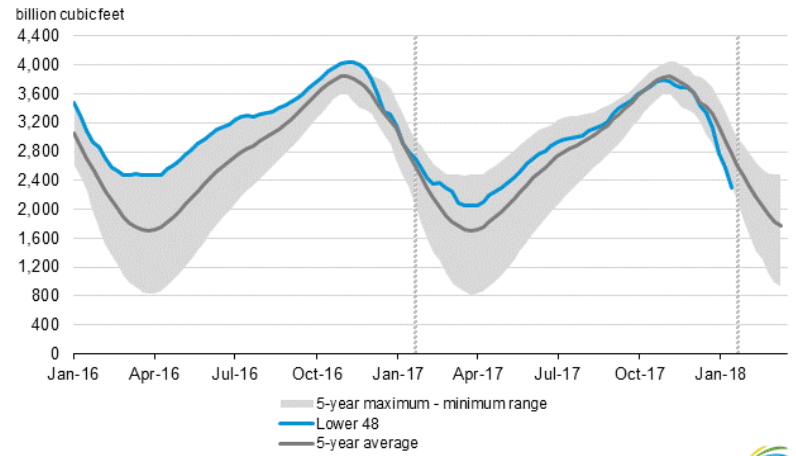
# NATURAL GAS

- The EIA reported net withdrawals from storage totaled -288 Bcf for the week ending January 19, a bullish report compared to historical data points. The 5-year average was -164, while last year's report was -137 Bcf. Working gas stocks total 2,296 Bcf, -486 Bcf less than the 5-year average and -519 Bcf less than last year at this time. Market estimates ranged from -259 to -290 with a median of -274 Bcf.
- Total withdrawals for the last four weeks reached a new record of -1,036 Bcf, topping the previous record of -980 Bcf which we saw during the winter of 2014. Also of note, the two largest weekly net withdrawals in history occurred in the last three weeks.

# SUPPLY & DEMAND

- The average total supply of natural gas held steady at 83 Bcf/day for the week. Dry gas production rose 1%, while average Canadian imports fell 8% from 6.5 to 6 Bcf/day.
- Total U.S. consumption of natural gas fell 19% for the week as temperatures rose from the prior week. Power burn demand dropped 18%, industrial consumption fell 6%, and residential/commercial demand declined 25%. Mexican exports slipped 1%.
- LNG exports were also down week over week. Three vessels (total capacity 11.5 Bcf) departed Sabine Pass last week.

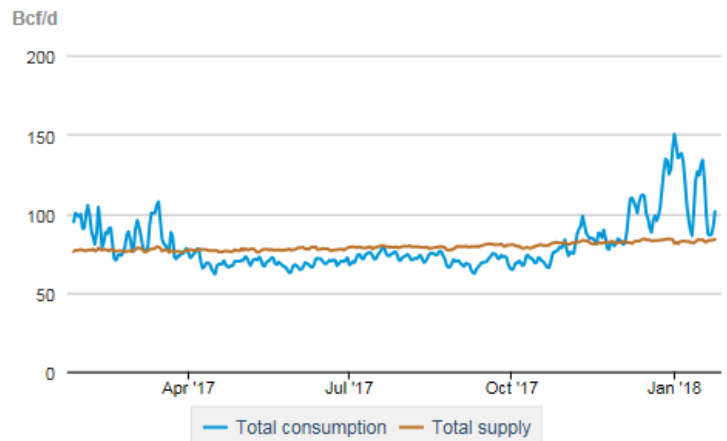
Working gas in underground storage compared with the 5-year maximum and minimum



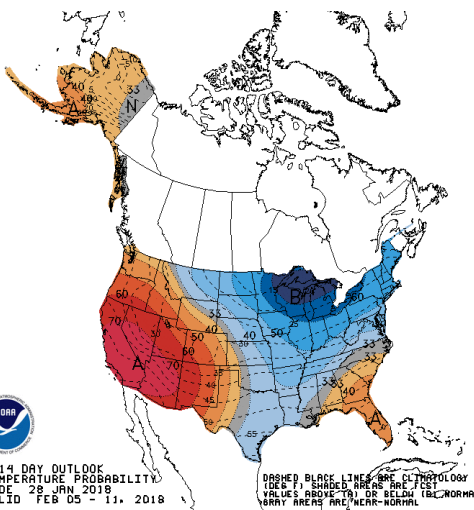
Source: U.S. Energy Information Administration



Total supply/demand balance (last 365 days)



Source: OPIS PointLogic Energy, an IHS Company



8-14 DAY OUTLOOK TEMPERATURE PROBABILITY MADE 28 JAN 2018 VALID FEB 05 - 11, 2018

## WEATHER

- Temperatures in the Lower 48 states averaged 30°F, 3° lower than normal and 10° lower than last year at this time. Conditions remained well below normal in the Midwest and the South.
- Conditions will tend to trend below normal for the Eastern part of the country, but not as severe as some models suggested last week. A pair of storm systems are on the move this week. Parts of the Northern Plains and Northeast may see some snow, but the chances of a major winter storm remain relatively remote. Conditions remain stable in the West, with warmer than normal temperatures, and very little precipitation on deck.
- As we look into the middle of February, the cold air expands its scope and intensity, but models suggest the coldest air will likely remain in Canada or stick close to the border. Chances of snow are there, but again a major storm seems unlikely at this point. The West will stay warmer and drier as the dominant high pressure system stays in place.

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