



GENERAL UPDATE

- The NYMEX Henry Hub forward contract for March 2018 traded in a tight range for the week, dropping \$0.04, or roughly 1.5%, to close at \$2.54/MMBtu.
- Physical gas basis prices were mixed. At the Chicago Citygate, prices dropped \$0.23 to \$2.44/MMBtu. Prices at PG&E Citygate rose \$0.25 to \$2.79/MMBtu. SoCal Citygate prices rose \$1.85 to \$4.43/MMBtu, mostly due to unseasonably cool temperatures.
- Prices in the Northeast fell as temperatures rose. At the Algonquin Citygate prices fell \$5.68 to \$2.42/MMBtu. At the Transco Zone 6 point prices declined \$2.36 to \$2.45/MMBtu. Tennessee Zone 4 Marcellus fell \$0.55 to \$1.85/MMBtu, while prices at Dominion South dropped \$0.49 to \$1.98/MMBtu.

Near-month natural gas futures prices (Nymex)



Source: Natural Gas Intelligence

POWER

- Power prices rose in Texas, but were steady to slightly lower for other ISOs. In ERCOT's Houston zone the 12 month ATC curve rose \$1.70/MWh; the 24 month moved \$1.10 higher and the calendar 2019 strip added \$1.00/MWh.
- Northeast strips fell. In the NEMASS load zone the 12-month ATC term fell \$0.90; the 24 month dropped \$0.75 and the calendar 2019 term lost \$0.85/MWh. The New York Zone J 12 month ATC strip dropped \$0.20/MWh, while the 24-month and calendar 2019 terms each fell \$0.50/MWh.
- PJM East curves fell \$0.90/MWh for the 12-month ATC term, while the 24-month and calendar 2019 strips were unchanged.

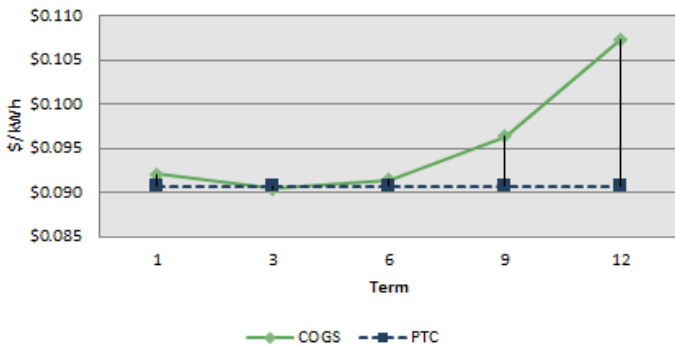
UTILITY HIGHLIGHT

ISONE

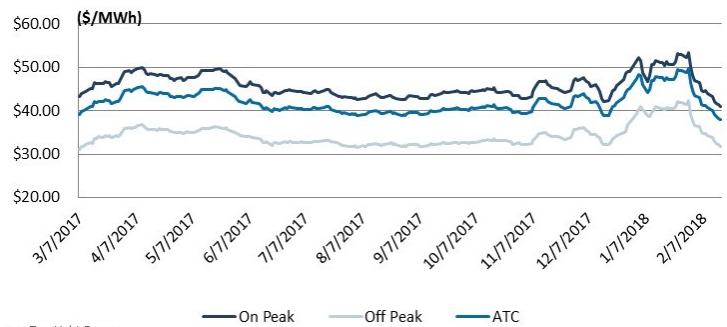
CT

CLP

CLP - Rate 1



CONNECTICUT - 12 MONTH STRIP PRICING



Source: TrueLight Energy

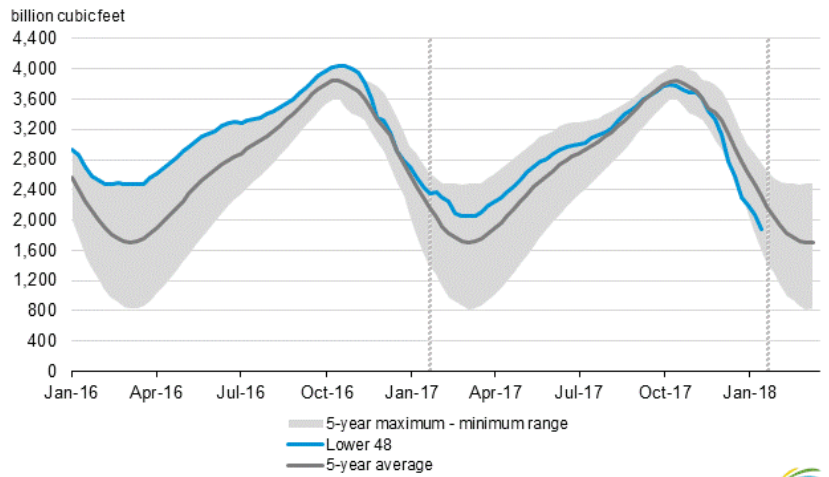
- The current Price to Compare (PTC) for Connecticut Light and Power (now Eversource) Residential Non-Heating Service rate class is \$0.09078/kWh for the current price period of January 1, 2018 to June 30, 2018. This is an approximate 13.28% increase from the previous PTC of \$0.08014/kWh for the previous July 1, 2017 to December 31, 2017.
- Headroom is unlikely at the 1, 6, 9, and 12 month terms, however slight headroom of approximately \$0.00029 is likely for the 3 month period.
- The CLP rolling 12-month ATC curve dropped 7% to close at \$37.91/MWh, setting a new 52-week low. The curve has been under considerable pressure since setting its 52-week high of \$49.72 on January 30th and has fallen almost 25% since then.



NATURAL GAS

- Net withdrawals from storage totaled -194 Bcf for the week ending February 9, compared with the 5-year average of -154 Bcf and last year's withdrawal of -120 Bcf during the same week.
- Working gas stocks totaled 1,884 Bcf, which is 433 Bcf less than the 5-year average and 577 Bcf less than last year at this time. Estimates ranged from -174 Bcf to -202 Bcf, with a median of -185 Bcf. All regions in the Lower 48 states except for the Pacific region remain lower than prior year levels.

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



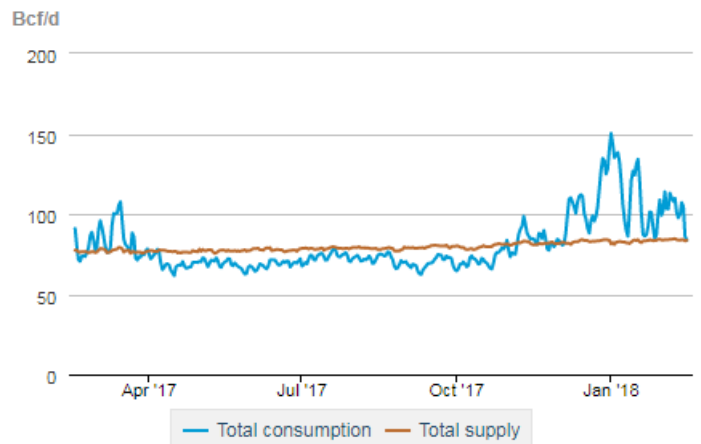
Source: U.S. Energy Information Administration



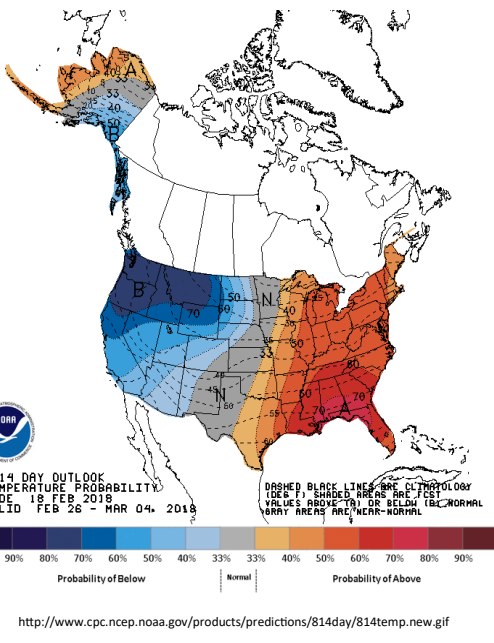
SUPPLY & DEMAND

- The EIA reported that the average total supply of natural gas remained the same as in the previous report week, averaging 83.9 Bcf/day. Dry gas production was steady week over week. Average net imports from Canada fell 4% for the week, but are a small part of U.S. supply.
- Demand for natural gas fell 7% for the week. Power burn demand rose 2%, but consumption in the residential/commercial sector fell almost 15%. Industrial sector consumption slipped 2% week over week, while exports to Mexico dropped 1%.
- U.S. LNG exports fell for the week. Five vessels with more than 17 Bcf left Sabine Pass.

Total supply/demand balance (last 365 days)



Source: OPIS PointLogic Energy, an IHS Company



WEATHER

- Temperatures in the Lower 48 states averaged 34°F, 1° lower than normal, 6° lower than last year and 6° lower than the average.
- A strong Southeast ridge combines with a healthy Western upper low this week. In the short term, three distinct storm systems bring rain to the East and snow to the far North, but accumulations will be light. We can expect some flooding in the Tennessee and Ohio Valleys. Temperatures will trend well above normal East of the Mississippi River, but some cooler air may slip in behind the front later in the week.
- The pattern will hold steady in the 8-14 day window with storms being fairly constant. The systems will push warm and wet conditions East as they transition. Seriously cold air will stay well North of the Canadian border.

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