



GENERAL UPDATE

- Financial gas markets were essentially unchanged after trading in a fairly tight range this week. The April 2018 NYMEX Henry Hub futures contract moved between \$2.67 and \$2.79/MMBtu for the week, but closed where it began at \$2.71/MMBtu.
- Physical spot prices were generally higher as winter temperatures hung on in the East. At the Chicago Citygate prices rose \$0.24 to \$2.64/MMBtu. Prices at PG&E Citygate added \$0.09 to \$2.86/MMBtu. The price at SoCal Citygate jumped \$0.41 to \$2.97/MMBtu.
- At the Algonquin Citygate prices traded \$1.88 higher to \$4.20/MMBtu. A combination of colder than normal temperatures and an unscheduled outage at the Pilgrim nuclear plant in Plymouth, Massachusetts drove the increase. At the Transco Zone 6 point in New York prices rose \$0.39 to \$3.09/MMBtu. Tennessee Zone 4 prices increased \$0.28 to \$2.26/MMBtu, while prices at Dominion South rose \$0.20 to \$2.30/MMBtu.

Near-month natural gas futures prices (Nymex)



Source: Natural Gas Intelligence

POWER

- The 12-month ATC strip in ERCOT's Houston zone rose \$1.75/MWh; the 24-month curve added \$1.30, and the calendar 2019 term rose \$1.00/MWh.
- In New York's Zone J, the 12 and 24 month strip each dropped \$0.10, while the calendar 2019 curve rose \$0.10/MWh. In the NEMASS zone, the 12 and 24 month curves were unchanged, while the calendar 2019 strip dropped \$0.05/MWh.
- Major PJM curves, including COMED and urban Eastern zones saw no change for their 12-month curves. 24-month curves dropped about \$0.05/MWh, while calendar 2019 strips lost roughly \$0.10/MWh.

UTILITY HIGHLIGHT

PJM

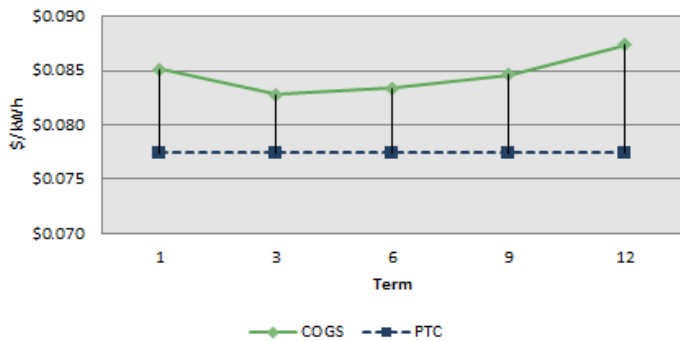


MD

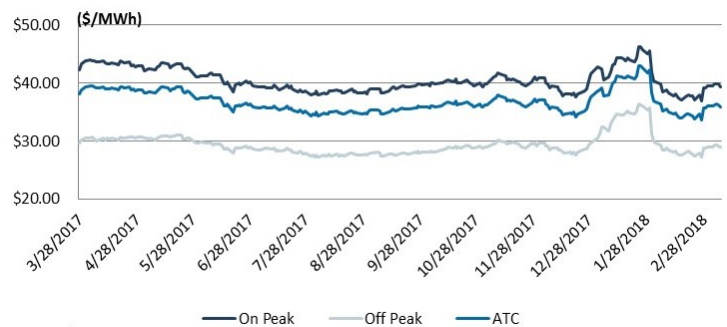


DPL

DPL - MD MDDRS



DPL - 12 MONTH STRIP PRICING



Source: TrueLight Energy

- The current Price to Compare (PTC) for Maryland's Delmarva Power & Light (DPL) Residential Non-Heating Service rate class is \$0.07899/kWh for this past month's price period, starting March 1st, 2018. This is an approximate 0.45% decrease from the previous PTC of \$0.07935/kWh for the previous month's price period, starting February 1st, 2018. Headroom is unlikely at the 1, 3, 6, 9, and 12 month terms.
- The rolling 12-month ATC curve in the DPL load zone slipped \$0.15/MWh, less than half of one percent, to close the week at \$35.93/MWh. Since setting a new 52-week high of \$42.54 at the end of January, the curve has dropped more than 15%, and is trading roughly 7% above its 52-week low of \$33.65 (set on February 27th of this year).

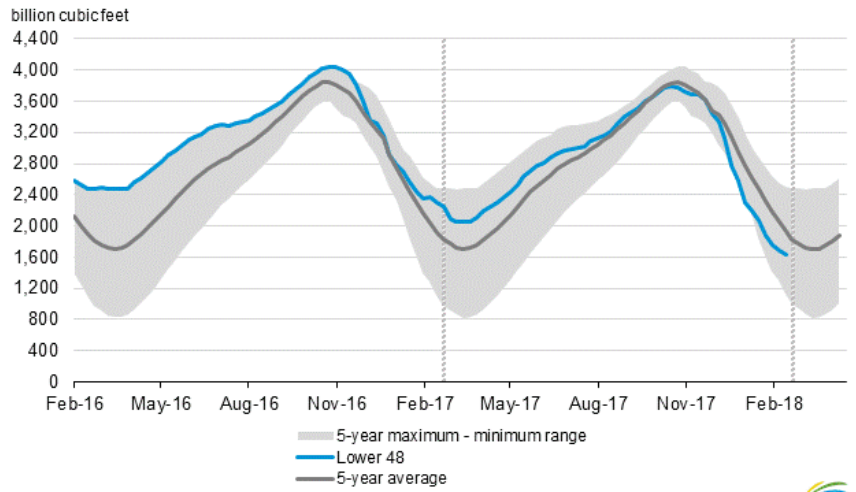
NATURAL GAS

- Net withdrawals from storage were -57 Bcf for the week ending March 2, well below the 5-year average of -129 and last week's -78 Bcf, but in line with last year's report of -57 Bcf. Market estimates ranged from -49 to -64 Bcf, with a median of -58 Bcf. Working gas stocks are now 1,625 Bcf, which is 300 Bcf (16%) less than the 5-year average and 680 Bcf (30%) less than last year at this time. Working gas stocks in all regions in the Lower 48 states are lower than the prior year's levels.
- Working gas stocks have recovered since dropping 59 Bcf below the 5-year minimum range and 486 Bcf below the 5-year average, a level it reached in mid-January. If withdrawals continue at the 5-year average pace for the balance of the withdrawal season, inventories will reach 1,402 Bcf by March 31, 2018, 18% below the 5-year average.

SUPPLY & DEMAND

- The EIA reported that the total supply of natural gas held steady for the week at roughly 84.4 Bcf/day. Dry gas production was unchanged while net imports from Canada rose 8%.
- Total U.S. consumption of natural gas rose 2%. Power burn demand fell 5%; industrial consumption rose 1%, while in the residential and commercial sector consumption jumped 10% due to colder temperatures in the East. Mexican exports were steady at 4.3 Bcf/day.

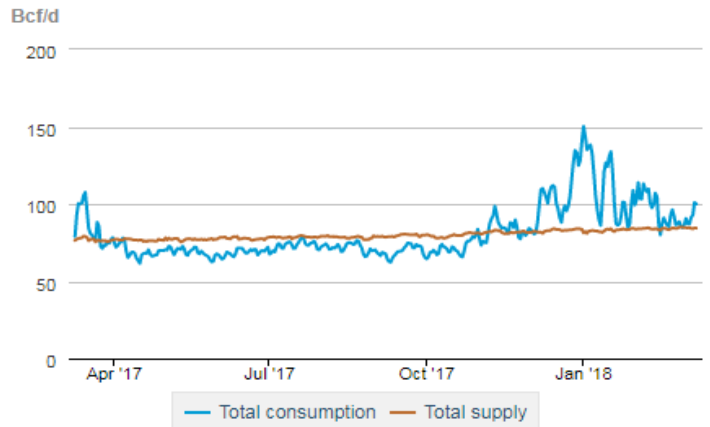
Working gas in underground storage compared with the 5-year maximum and minimum



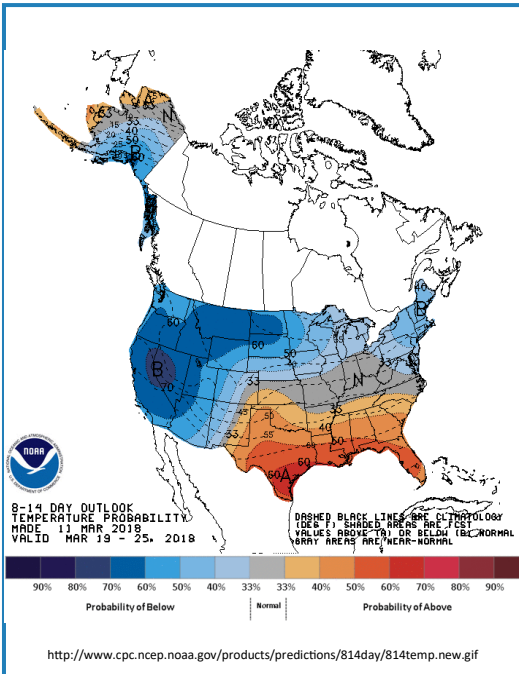
Source: U.S. Energy Information Administration



Total supply/demand balance (last 365 days)



Source: OPIS PointLogic Energy, an IHS Company



WEATHER

- Temperatures were higher than normal for most of the country East of the Rocky Mountains. Temperatures in the Lower 48 states averaged 45°F, 5° above normal, 2° below the same week last year, and 1° higher than last week.
- Winter seems to be hanging on with a vengeance in some parts of the country, especially in the Northeast where three consecutive Nor-Easters have punished a wide stretch of territory from Kentucky to Maine. The cold air will outlast the rain and snow for the balance of the week in the East. The West gets in on the act with a period of below normal temperatures, and above average precipitation.
- As we get into the back half of March, the East continues to warm up and the West will cool down. Models disagree about intensity and duration, but the trend seems steady for now.

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