



GENERAL UPDATE

- Financial gas markets moved sharply higher, with the January 2018 NY-MEX Henry Hub futures contract rising \$0.16/MMBtu, or almost 6%, to close the week at \$3.08/MMBtu.
- At the Chicago Citygate, spot prices rose \$0.16 to \$2.99/MMBtu. Prices at PG&E Citygate jumped \$0.22 to \$3.19/MMBtu. The price at SoCal Citygate spiked \$2.23 to \$5.26/MMBtu; Southern California continues to face serious pipeline and storage constraints.
- At the Algonquin Citygate prices fell \$0.19 to \$3.07/MMBtu. At the Transco Zone 6 point, prices moved \$0.04 higher to \$3.04/MMBtu. Tennessee Zone 4 spot prices added \$0.10 to \$2.40/MMBtu. Prices at Dominion South rose \$0.14 to \$2.56/MMBtu.

Near-month natural gas futures prices (Nymex)



Source: Natural Gas Intelligence

POWER

- Northeast power curves moved sharply higher as the Mid-Atlantic and Northeast brace for the first major cold snap of winter. In the NEMASS load zone, the 12-month ATC curve rose \$2.25/MWh. The 24-month ATC curve added \$1.50, and the calendar 2018 term traded \$1.90/MWh higher. In New York's Zone J, the 12-month ATC strip rose \$1.50; the 24-month ATC term moved \$0.70 higher and the calendar 2018 curve added \$1.25/MWh.
- PJM curves were mixed. In the major Eastern zones, the 12-month ATC curves rose about \$0.25/MWh; 24-month terms were unchanged, while the calendar 2018 strips rose \$0.10/MWh.
- In ERCOT's Houston zone, the 12-month ATC strip added \$0.25/MWh, while the 24-month and calendar 2018 terms were each about \$0.15/MWh lower.

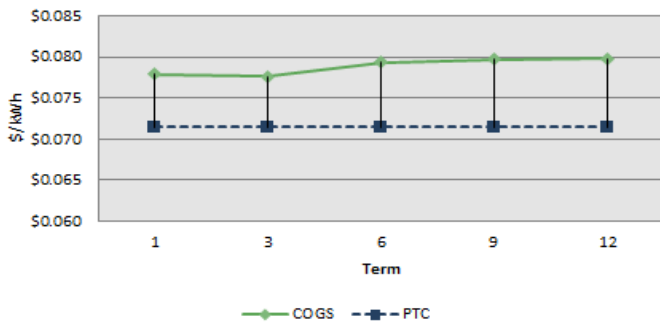
UTILITY HIGHLIGHT

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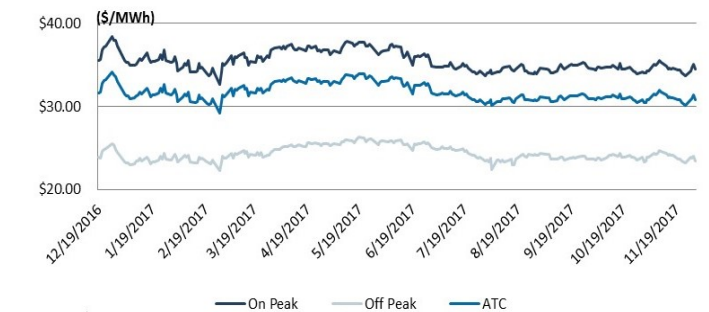
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COMED

ComEd - Rate C23



COMED - 12 MONTH STRIP PRICING



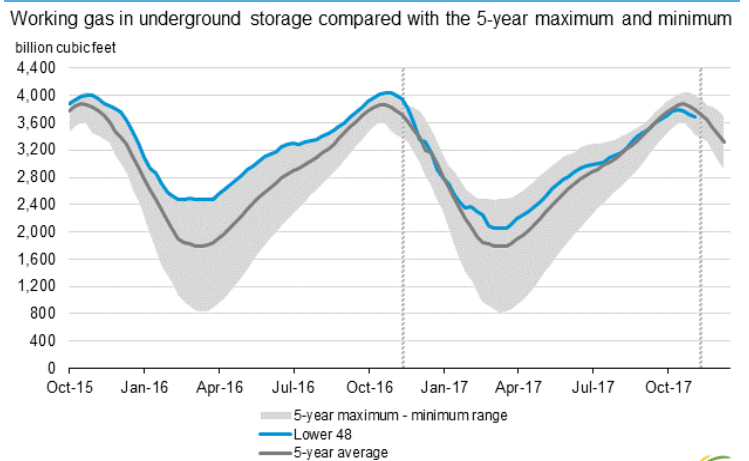
Source: TrueLight Energy

- The current Price to Compare (PTC) for Commonwealth Edison Co (COMED) Residential Non-Heating Service rate class is \$0.07149/kWh for the current price period of December 1, 2017 through the end of the year. This is an approximate 7.52% increase from the previous PTC of \$ 0.06649/kWh for the months of October and November 2017.
- Headroom is unlikely at the 1, 3, 6, 9 and 12 month terms.

- The rolling 12-month ATC curve in Chicago's COMED load zone rose about \$0.70, or 2.5%, to close the week at \$30.86/MWh. The curve is relatively flat for the month, just \$0.08/MWh, or 0.3%, higher. On a year-to-date basis, the rolling 12-month ATC curve is down more than \$2.00/MWh, or roughly 6.5%.

NATURAL GAS

- Net withdrawals from storage totaled -33 Bcf for the week ending November 24, compared with the 5-year average of -47 and last year's net withdrawals of -43 Bcf. Relatively mild temperatures pushed demand lower, particularly in the residential/commercial and electric power sectors. Estimates of net withdrawals from working natural gas storage ranged from -28 to -51 Bcf with a median of -37 Bcf.
- Gas inventories ended the week at 3,693 Bcf, 107 Bcf lower than the 5-year average and 309 Bcf lower than last year at this time. Most of the deficit to the 5-year average occurred in the South Central and Pacific regions, where gas stocks were 38 Bcf and 45 Bcf below their 5-year average levels, respectively. Gas storage levels in the East and Midwest regions were 24 Bcf and 4 Bcf above the 5-year average, respectively.



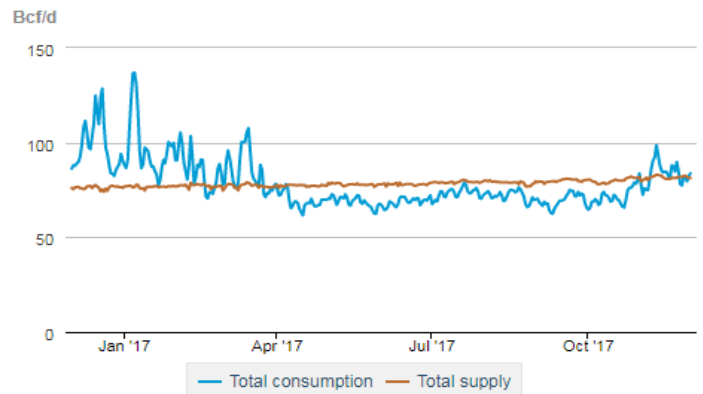
Source: U.S. Energy Information Administration



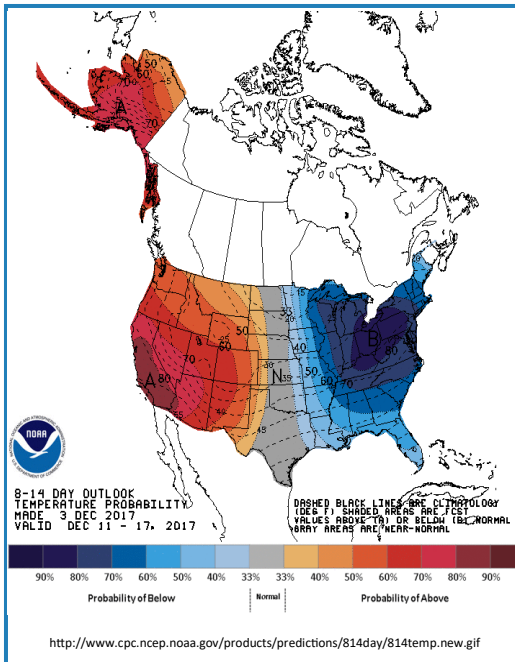
SUPPLY & DEMAND

- Total U.S. consumption of natural gas fell 6% for the week. Power burn demand fell 5%, while industrial consumption slipped 1%. In the residential and commercial sectors, demand dropped 10% as temperatures rose above normal for most of the country. Exports to Mexico fell 1%.
- The average total supply of natural gas rose 1% compared with the prior week. Natural gas production and Canadian imports each grew by 1%. LNG exports were also higher for the week. Four vessels (total capacity of 14.9 Bcf) left the Sabine Pass liquefaction facility. At the current pace, it is likely that LNG exports will set a new record for November (23 LNG cargoes loaded with roughly 81 Bcf of total LNG).

Total supply/demand balance (last 365 days)



Source: OPIS PointLogic Energy, an IHS Company



WEATHER

- Temperatures in the Lower 48 states averaged 46 degrees °F, 2° higher than normal and 1° lower than last year. Temperatures were close to normal for most of the country East of the Rockies. In the Rockies and the West, things were considerably above normal.
- The looming cold front is forming in the Plains, and will push East by the middle of the week, bringing the coldest temperatures of the season to the Eastern part of the country. Some parts of the Ohio valley could reach as much as 20 degrees below normal. In the second half of the week a deep upper low system settles in over the Lakes and the East in a blocking pattern that will lock the cold in place for the 6-15 day window.
- The models agree with high confidence for much colder than normal air East of the Mississippi and generally above normal temperatures from the Plains to the West. Chances are good for snow in the Great Lakes, and we can see some of it move South as well. The current view shows very little activity in the Pacific, and the Northwest should trend warmer than normal.

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