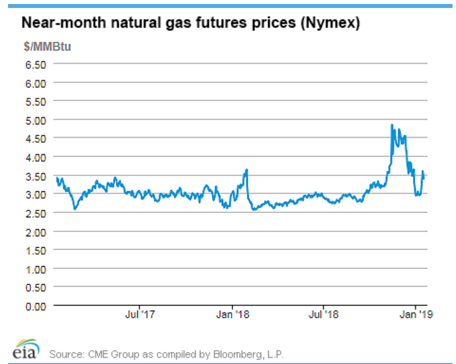
BROKER ONLINE EXCHANGE

Tuesday, January 22, 2019

GENERAL UPDATE



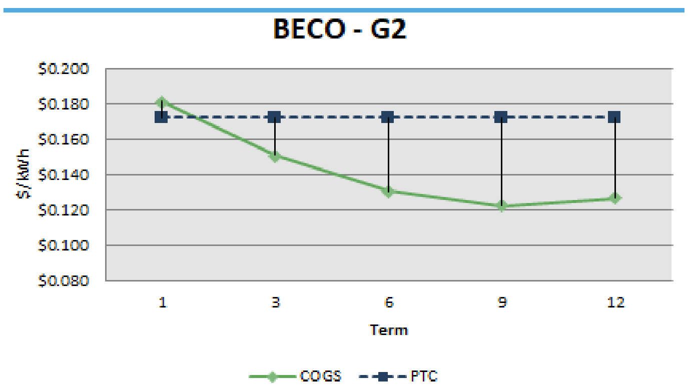
- Financial gas markets trended higher, with the February 2019 NYMEX contract price increasing approximately $0.40/MMBtu (13.4%) to finish the week at $3.384/MMBtu. The 12-month strip price averaging February 2019 through January 2020 futures contracts grew 0.12/MMBtu (0.4%) to $2.965/MMBtu.
- Physical gas spot prices saw mostly increases as below-freezing temperatures swept the Upper Midwest and Northeast. Boston's Algonquin Citygate jumped $4.78 (72.4%) to $11.38/MMBtu last week. Transco Zone 6 NYC prices have gradually dropped since last report's increase to $5.25/MMBtu, falling $1.21 (-23%) to $4.04/MMBtu.
- Pennsylvania's Dominion South rose $0.77 (66.8%) to $4.42/MMBtu. Tennessee Zone 4 Marcellus spot prices increased $0.72 (26.6%) to $3.43/MMBtu.
- SoCal Citygate prices increased $0.71 (15.2%), to $5.37/MMBtu. Prices at Northern California PG&E Citygate increased $1.20 (35.1%) to $4.62/MMBtu.

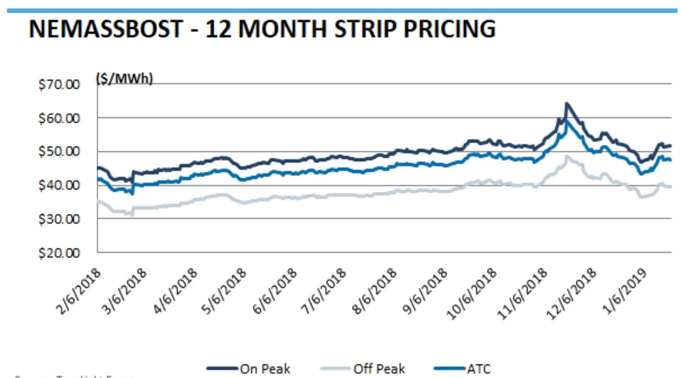
POWER

- For the NEMASSBOST zone in ISONE, the 12 Month ATC strip decreased $0.69 (-1.4%) to $47.52. The 24 Month ATC strip dropped $0.45 (-1.0%) to $46.91, and the Cal 2020 ATC strip dropped $0.22 (-0.5%) to $46.30/MWh today.
- For the NYC zone in NYISO, the 12 Month ATC strip decreased $0.90 (-2%) to $43.49. The 24 Month ATC strip dropped $0.47 (-1.1%) to $42.87 and the Cal 2020 ATC strip dropped $0.02 (0%) to $42.24/MWh.
- For the PEPCO zone in PJM, the 12 Month ATC strip decreased $0.75 (-1.8%) to $41.34. The 24 Month ATC strip dropped $0.44 (-1.1%) to $40.26 and the Cal 2020 ATC strip dropped $0.14 (-0.4%) to $39.18/MWh.
- For the Houston zone in ERCOT, the 12 Month ATC strip dropped $0.81 (-1.7%) to $45.72. The 24 Month ATC strip dropped $0.03 (-0.1%) to $43.36, and the Cal 2020 ATC strip increased $0.75 (1.9%) to $40.25/MWh.

UTILITY HIGHLIGHT

ISONE › MA › NEMASSBOST

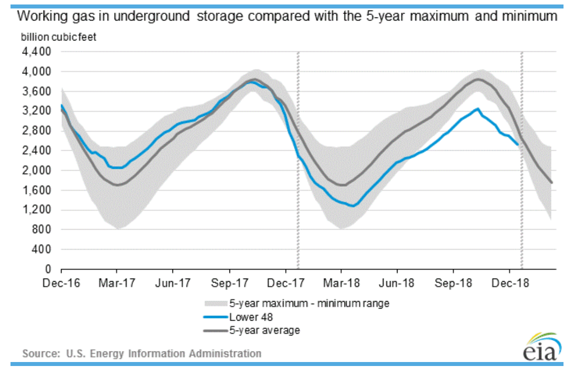




- The current Price to Compare (PTC) for Eversource Energy, previously Boston Edison Company (BECO), General Service Large Commercial NEMA rate class (G2) has increased 30.7% to $0.17265/kWh for the January 1, 2019 to March 31, 2019 price period.
- Headroom is likely for the 3, 6, 9, and 12 month terms, with headroom of $0.02169/kWh expected for the 3 month term and $0.04193/kWh for the 6 month term.

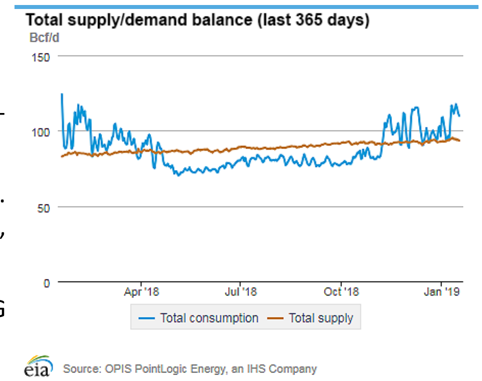
- Over the last week, the NEMASSBOST ATC 12-month strip has remained relatively steady, decreasing just 1.2% to finish the week at $47.52/MWh.
- In the past 3 months, the strip has traded between $43.43/MWh, a low that was reached January 4, 2018, and $58.95/MWh, a high reached during the late November pricing run-up.

NATURAL GAS



- For the week ending January 11, the EIA reported net withdrawals from storage of 81 Bcf, which is lower than last year's net withdrawals of 208 Bcf for this week and lower than the 2014-2018 average net withdrawals of 218 Bcf.
- Working natural gas in storage totaled 2,533 Bcf, which is 77 Bcf (-7.2%) lower than last year's level and 327 Bcf (-15.1%) lower than the five year average of 2,860 Bcf. Total working gas is finally back within the five-year historical range after months of below-average lows due to delays in the 2018 natural gas storage refill season along with heavy withdrawals in January 2018.

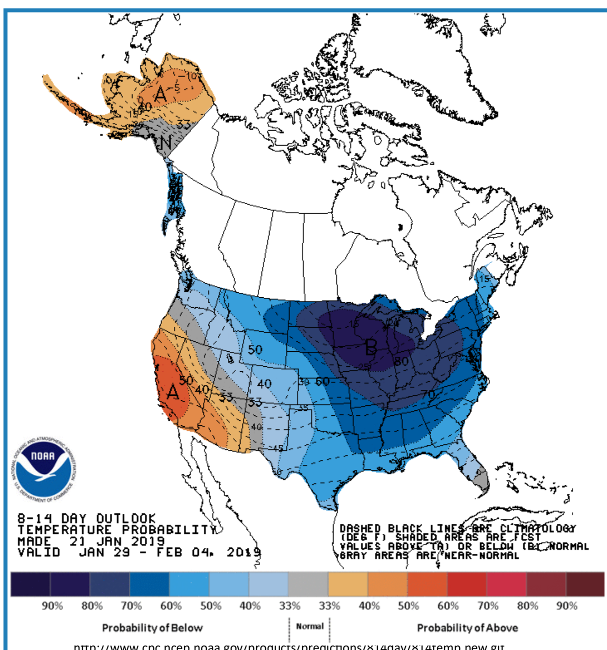
SUPPLY & DEMAND



- Average total supply of natural gas increased 1% to 94.4 Bcf/day. Dry natural gas production increased 1% to 88 Bcf/day while net imports with Canada increased 5%.
- Total US consumption of natural gas increased 18% on the back of recent colder weather. Consumption for power generation rose 14%, industrial sector consumption gained 5%, residential-commercial consumption increased 30%, and exports to Mexico decreased 1%.
- US LNG exports dropped week/week, as eight vessels depart US ports with a combined LNG -carrying capacity of 28.4 Bcf.

MARKET INTELLIGENCE

- Ameren Illinois has filed at the Illinois Commerce Commission for a proposed Price-To-Compare message to be displayed on all residential and commercial customer bills for accounts receiving service at secondary delivery voltage under Rate DS-2 with 15,000 kWh or less annual usage (excluding those utilizing Single Bill Option or summary bill option). This Price-To-Compare information on utility electric bills is intended for customer education purposes.
- According to the EIA's January 2019 Short-Term Energy Outlook report, non-hydroelectric renewable energy sources, i.e. wind and solar, are projected to be the fastest growing sources of electricity generation in the US for the next two years. EIA forecasts that generation from utility-scale solar will grow by 10% in 2019 and 17% in 2020, and wind generation will grow by 12% in 2019 and 14% in 2020. Overall electricity generation across fuels is expected to decrease by 2% this year, with little growth projected for 2020.



WEATHER

- A firm Alaskan ridge has established itself in the 8-14 day window, driving Arctic air deep into the interior Midwest and resulting in well below normal temperatures across most of the country. While the epicenter of the anomalies are centered around the Great Lakes, major cities along the Atlantic coast, extending into the Southeast and Texas, should experience below normal temperatures. California and the Southwest are the only portions of the country where warmer temperatures are forecasted.
- For most of the country, this cold event is accompanied by drier air, though northern reaches of the lower-48, including NY and NE, are likely to experience above normal precipitation through this period.