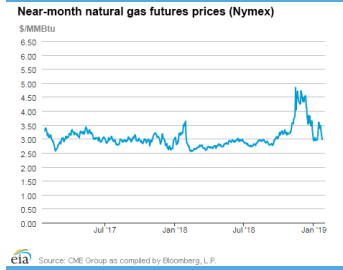




GENERAL UPDATE

- Financial gas markets trended lower this past week, with the February 2019 NYMEX contract price falling back down by \$0.40/MMBtu (-12%) to finish at \$2.98/MMBtu. The 12-month strip price averaging February 2019 through January 2020 futures contracts decreased \$0.05/MMBtu (-0.2%) to \$2.917/MMBtu.
- Physical gas spot prices saw some volatility, particularly in the Northeast due to cold weather events and a few incidents of supply constraints. Boston's Algonquin Citygate decreased \$7.85 (-69%) to \$3.53/MMBtu on Wednesday, January 23, 2019. Prior to the holiday weekend, prices had spiked up to \$13.56/MMBtu on Friday in anticipation of temperature drops over the weekend. Transco Zone 6 NYC prices decreased \$1.06/MMBtu (-26.2%) to \$2.98/MMBtu, with a high of \$18.79/MMBtu on the Friday leading up to MLK weekend as well. In Rhode Island, almost 7,000 National Grid customers experienced a suspension in their natural gas services due supply constraints and subsequent shortages.
- Pennsylvania's Dominion South fell \$0.70 (-20.5%) to \$2.72/MMBtu. Tennessee Zone 4 Marcellus spot prices decreased \$0.67 (-19.5%) to \$2.76/MMBtu. Similar to the upper Northeast, cold temperatures receded over the long weekend and prices have since fallen. The Texas Eastern Transmission line (TETCO), a major route for moving natural gas from the Appalachia to the Gulf Coast, experienced an explosion last Monday in southeast Ohio that resulted in supply constraints.
- SoCal Citygate prices decreased \$1.21 (-22.5%), to \$4.16/MMBtu. Prices at Northern California PG&E Citygate decreased \$1.02 (-22.1%) to \$3.60/MMBtu.



POWER

- For the NEMASSBOST zone in ISONE, the 12 Month ATC strip decreased \$2.21 (-4.7%) to \$45.31. The 24 Month ATC strip dropped \$1.17 (-2.5%) to \$45.74, and the Cal 2020 ATC strip dropped \$0.14 (-0.3%) to \$46.16/MWh yesterday.
- For the NYC zone in NYISO, the 12 Month ATC strip decreased \$2.05 (-4.7%) to \$41.44. The 24 Month ATC strip dropped \$1.06 (-2.5%) to \$41.81, and the Cal 2020 ATC strip dropped \$0.06 (0%) to \$42.18/MWh.
- For the PEPCO zone in PJM, the 12 Month ATC strip decreased \$2.72 (-6.6%) to \$38.62. The 24 Month ATC strip dropped \$1.43 (-3.6%) to \$38.83, and the Cal 2020 ATC strip dropped \$0.15 (-0.4%) to \$39.03/MWh.
- For the Houston zone in ERCOT, the 12 Month ATC strip dropped \$0.11 (-6.6%) to \$38.62. The 24 Month ATC strip dropped \$0.25 (-0.6%) to \$43.61, and the Cal 2020 ATC strip increased \$0.60 (1.5%) to \$41.60/MWh.

UTILITY HIGHLIGHT

PJM

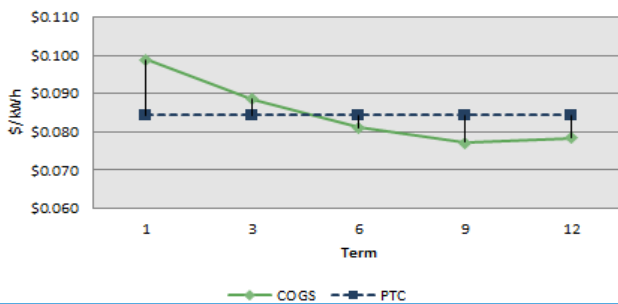


MD

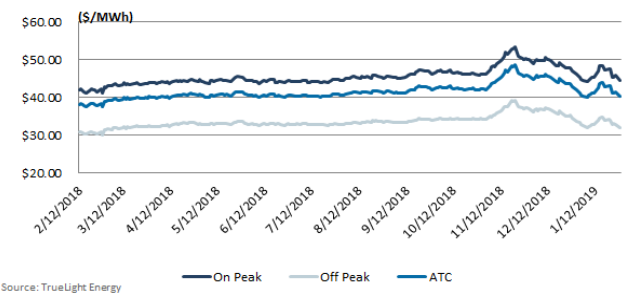


BGE

BGE - GS



BGE - 12 MONTH STRIP PRICING

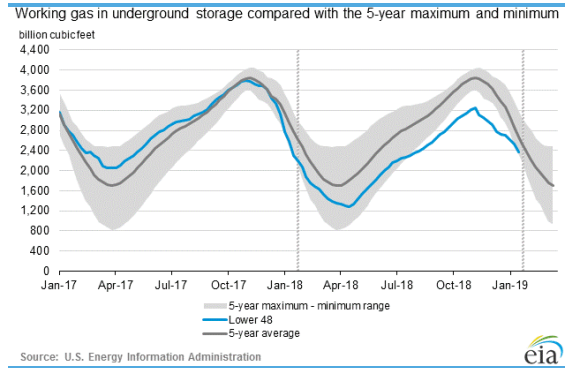


- The current Price to Compare (PTC) for Maryland's Baltimore Gas & Electric (BGE) General Service rate class (GS) is \$0.0801/kWh for the February 1, 2019 to May 31, 2019 price period.
- Headroom has grown for BGE since last reported December 4, 2018, with \$0.00715/kWh and \$0.00592/kWh likely for the 9 and 12 month terms, respectively.
- The BGE ATC 12-month strip has trended upwards since a 3-month low of \$40.15/MWh on January 7, 2019, peaking for the month on Thursday the 17th at \$43.83/MWh. The strip has since come back down, decreasing 6.7% over the past week to \$40.29/MWh yesterday.



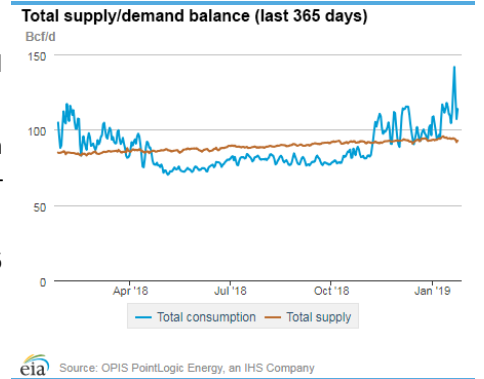
NATURAL GAS

- For the week ending January 18, the EIA reported net withdrawals from storage of 163 Bcf, which is lower than last year's net withdrawals of 273 Bcf for this week and lower than the 5-year (2014–18) average net withdrawals of 185 Bcf.
- Working natural gas in storage totaled 2,370 Bcf, which is 33 Bcf (1.4%) higher than last year's level and 305 Bcf (-11.4%) lower than the five year average of 2,860 Bcf. Total working gas is back within the five-year historical range.



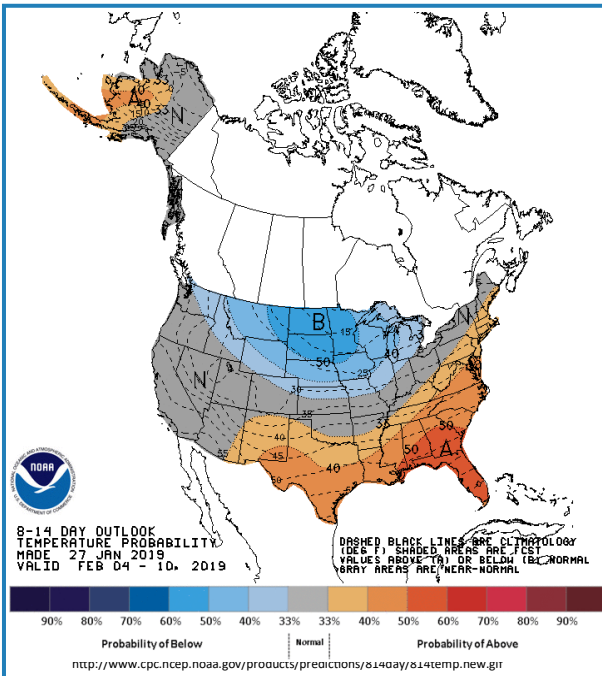
SUPPLY & DEMAND

- Average total supply of natural gas decreased 1%. Dry natural gas production decreased 1%, while net imports with Canada decreased 6%.
- Total US consumption of natural gas increased 4%. Consumption for power generation went unchanged – industrial sector consumption gained 1%, residential-commercial consumption increased 8%, and exports to Mexico increased 1%.
- US LNG exports dropped week/week with six vessels departing US ports, a combined 21.6 Bcf.



MARKET INTELLIGENCE

- Potomac Edison (POTED) has filed new SOS Residential (Schedule R) and General Service (G Type II) rates with the Maryland PSC for the June 1, 2019 – September 30, 2019 price period. The new Residential Electric Supply Charge is to decrease about 14% from last year's summer rate, \$0.05997/kWh, to \$0.05216/kWh (this charge does not include transmission or reconciliations). General Service Type II Energy Charge for the March 1, 2019 – May 31, 2019 would decrease 13.5% to \$0.09182/kWh for First Block (0 -700 kWh) and \$0.04252/kWh for Second Block (>700 kWh). The Capacity Charge for this rate class and price period would decrease to \$6.97 per kW >7.5.
- PEPCO has filed with the Maryland PSC new Type II SOS rates for the March 1, 2019 – May 31, 2019 price period. New generation charges for Schedule MGT LV II rates would be \$0.07036/kWh for On Peak, \$0.06989/kWh for Intermediate, and \$0.0657/kWh for Off Peak. New generation charges for Schedule MGT 3A II rates would be \$0.06976/kWh for On Peak, \$0.06929/kWh for Intermediate, and \$0.06515/kWh for Off Peak. These rates do not include transmission or reconciliations.



WEATHER

- The polar vortex that is rocking the Midwest in the final week of January will be pushed out by the weekend, setting up a warmer than normal start to the month of February for most of the US, particularly along the eastern coast. Progressing forward into the 8-14 window, arctic air begins to dip back into the Midwest, resulting in below normal temperatures for the northern Rockies and interior Midwest.
- Normal temperature risk wraps around the perimeter of this protrusion, with warmer than normal temperature risk setting up south of the air mass from Texas all the way up along the East Coast into New England. Above normal precipitation risk sets up across most of the lower 48.

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