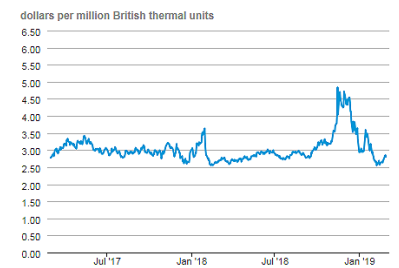




## GENERAL UPDATE

- The March 2019 NYMEX contract expired last Tuesday at \$2.855/MMBtu, \$0.22 (0.7%) higher than the week prior. The April 2019 contract increased \$0.13 (0.5%) to \$2.799/MMBtu last Tuesday. The 12-month strip price averaging April 2019 through March 2020 futures contracts increased \$0.09/MMBtu (0.3%) to \$2.938/MMBtu.
- Boston's Algonquin Citygate prices climbed \$2.77 (94%) to \$5.71/MMBtu last Wednesday due to cold temperatures and increased demand. Transco Zone 6 NYC prices increased \$0.23 (8.5%) to \$2.92/MMBtu.
- Pennsylvania's Dominion South rose \$0.31 (12.8%) to \$2.74/MMBtu. Tennessee Zone 4 Marcellus spot prices increased \$0.21 (8.3%) to \$2.73/MMBtu.
- Southern California prices have come down from the previous week's run up due to cold weather and supply constraints. SoCal Citygate prices decreased \$4.03 (-78%) to \$4.91/MMBtu. Prices at Northern California PG&E Citygate decreased \$4.03 (-47.8%) from the previous week's high of \$8.44/MMBtu to \$4.41/MMBtu.

Near-month natural gas futures prices (Nymex)



Source: CME Group as compiled by Bloomberg, L.P.

## POWER

- For the NEMASSBOST zone in ISONE, the 12 Month ATC strip increased \$4.18 (9.9%) to \$46.59. The 24 Month ATC strip climbed \$2.14 (4.9%) to \$45.81, and the Cal 2020 ATC strip increased \$0.35 (0.8%) to \$45.37/MWh yesterday.
- For the NYC zone in NYISO, the 12 Month ATC strip increased \$3.08 (7.8%) to \$42.78. The 24 Month ATC strip climbed \$1.91 (4.6%) to \$43.10 and the Cal 2020 ATC strip increased \$0.46 (1.1%) to \$42.66/MWh yesterday.
- For the PEPCO zone in PJM, the 12 Month ATC strip increased \$1.46 (3.8%) to \$39.51. The 24 Month ATC strip increased \$0.61 (1.6%) to \$38.77 and the Cal 2020 ATC strip dropped \$0.11 (-0.9%) to \$38.29/MWh yesterday.
- For the Houston zone in ERCOT, the 12 Month ATC strip increased \$1.33 (3.0%) to \$45.66. The 24 Month ATC strip increased \$0.64 (1.5%) to \$42.79, and the Cal 2020 ATC strip rose \$0.32 (0.8%) to \$40.47/MWh yesterday.

## UTILITY HIGHLIGHT

ISONE

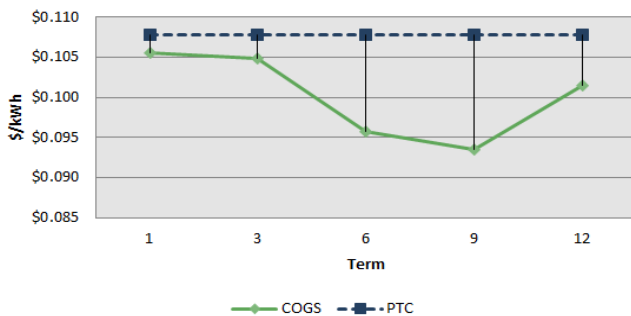


CT

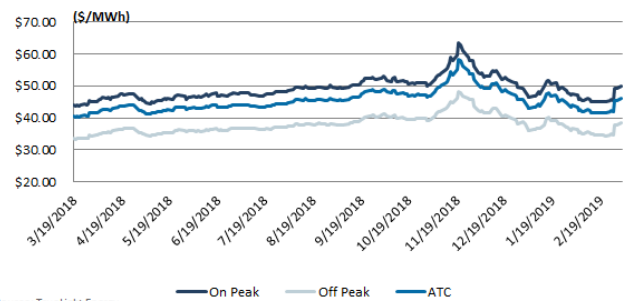


UI

UI - GS



CONNECTICUT - 12 MONTH STRIP PRICING

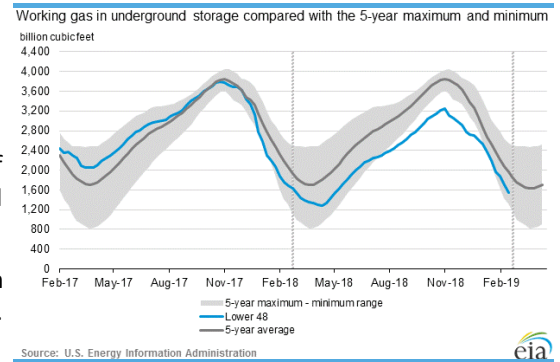


Source: TrueLight Energy

- The current Price to Compare for Connecticut's United Illuminating (UI) General Service rate class is \$0.107754/kWh, in effect from January 1, 2019 to June 30, 2019. This rate is a 19.6% increase from the previous rate of \$0.090065/kWh for the July 1, 2018 to December 31, 2018 price period.
- Headroom in UI is available in all the 1, 3, 6, 9 and 12 month terms. Headroom of \$0.01431/kWh and \$0.00631/kWh is likely for the 9 and 12 month terms, respectively.
- Over the last week, the UI Connecticut ATC 12-month strip has trended upwards, increasing 10% to finish at \$46.05/MWh yesterday.
- Since the beginning of the year, the ATC strip has reached a high of \$47.88/MWh on January 17, 2019 and a low of \$41.47/MWh about a month later on February 19, 2019.

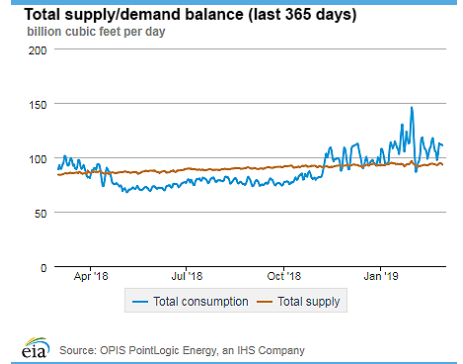
# NATURAL GAS

- For the week ending February 22, the EIA reported net withdrawals from storage of 166 Bcf, which is higher than last year's net withdrawals of 85 Bcf for this week and the 5-year (2014–18) average net withdrawals of 104 Bcf.
- Working natural gas in storage totaled 1,539 Bcf, which is 154 Bcf (-9%) lower than last year's level and 424 Bcf (-21.6%) lower than the five year average of 1,963 Bcf. Total working gas is back within the five-year historical range.



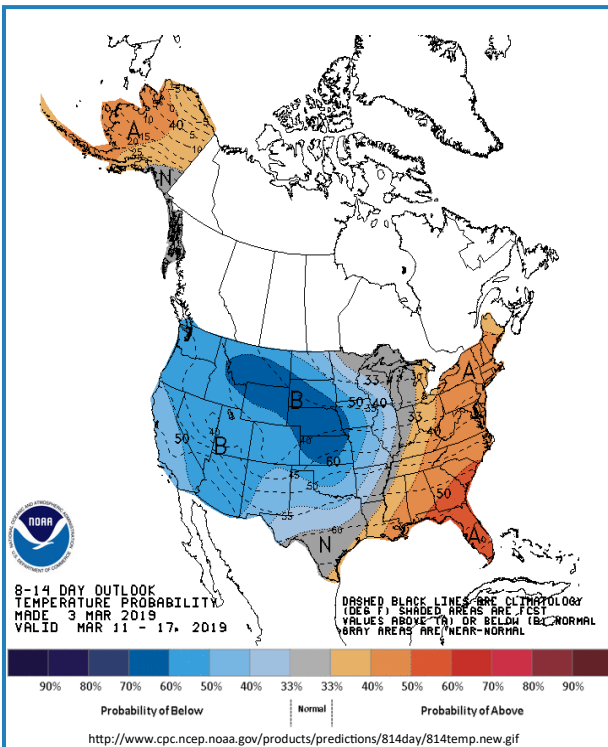
# SUPPLY & DEMAND

- Average total supply of natural gas was flat compared with the previous week, averaging 93.7 Bcf/day. Dry natural gas production remained constant while net imports from Canada increased by 2%.
- Total US consumption of natural gas fell by 3%. Consumption for power generation declined by 3% week/week, industrial sector consumption dropped by 1%, residential-commercial consumption decreased by 3%, and exports to Mexico increased by 2%.
- US LNG exports declined week/week, with eight vessels departing US ports for a combined 27.9 Bcf.



# MARKET INTELLIGENCE

- The Pennsylvania PUC has issued a proposed policy statement to place a statewide price cap on Customer Assistance Program (CAP) customers serviced by retail suppliers. These price caps have already been established in PPL and the FirstEnergy EDCs, where CAP customers have reportedly paid millions of dollars more with EDCs than the applicable PTC rates. This proposed policy would require the CAP shopping product to be at a rate always at or lower than the applicable PTCs over the duration of the contract, with no early termination or cancellation fees. The policy also includes a provision that, at the end of the contract, the CAP customer may elect to re-enroll in a product with the same EDC that meets the requirements, switch to another EDC product that meets the requirements, or opt for the default service. The effects of current EDC product rates on both CAP and non-CAP participants is still under review, and a decision is yet to be made on the proposed policy statement.



## WEATHER

- Arctic air will continue to dive into the Midwest and Northeast following the snowstorm this past weekend. The coldest March temperatures since 2014 are expected in several areas, particularly the northern Midwest states. As a winter storm exited the Northeast yesterday, frigid air currently trapped in Canada is expected to expand across the United States behind it. An arctic blast has already plunged across the Plains, dropping to below zero temperatures in Chicago for the first time since January. This week will begin with sub-zero temperatures as far south as Denver and Kansas City. Brisk winds will add to the cold.
- Temperatures are trending downward in the Northeast through Wednesday, which is expected to be the coldest day of the week in the Northeast.
- By the second week of March, more normal temperatures for this time of year will return as a west-to-east flow of air will set up across the United States, which will keep the coldest air locked up over Canada for most days.

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