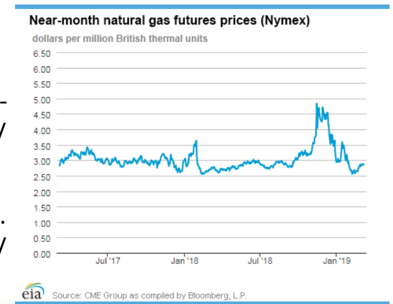
BROKER ONLINE EXCHANGE

Tuesday, March 12, 2019

GENERAL UPDATE



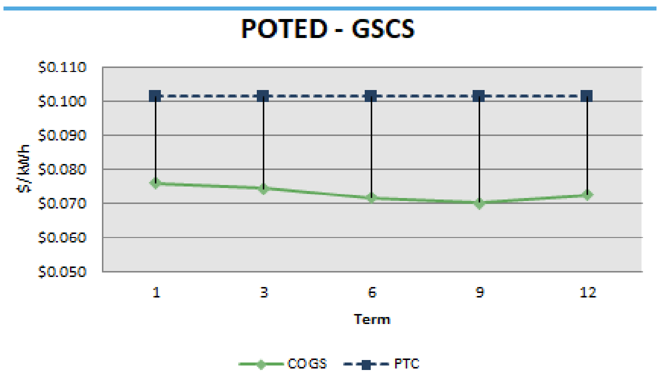
- The April 2019 NYMEX contract increased $0.04 (1.5%) to $2.841/MMBtu last Tuesday. The 12-month strip price averaging April 2019 through March 2020 futures contracts also increased $0.04/MMBtu (1.3%) to $2.976/MMBtu.
- Boston's Algonquin Citygate prices increased $1.28 (22.4%) to $6.99/MMBtu last Wednesday. Transco Zone 6 NYC prices increased $0.18 (6.2%) to $3.10/MMBtu, reaching a high of $4.98/MMBtu last Monday.
- Pennsylvania's Dominion South rose $0.12 (4.4%) to $2.86/MMBtu, reaching a high of $4.12/MMBtu last Monday. Tennessee Zone 4 Marcellus spot prices increased $0.16 (5.9%) to $2.89/MMBtu, with a high of $3.96/MMBtu last Monday.
- Southern California prices were volatile because of forecasted colder temperatures as well as supply constraints on the El Paso Natural Gas South Mainline due to maintenance. SoCal Citygate prices increased $0.22 (4.5%) to $5.13/MMBtu. After a high of $6.07/MMBtu on Friday March 1, 2019, prices at Northern California PG&E Citygate experienced a net decrease of $0.15 (-3.4%) to $4.26/MMBtu last Wednesday.

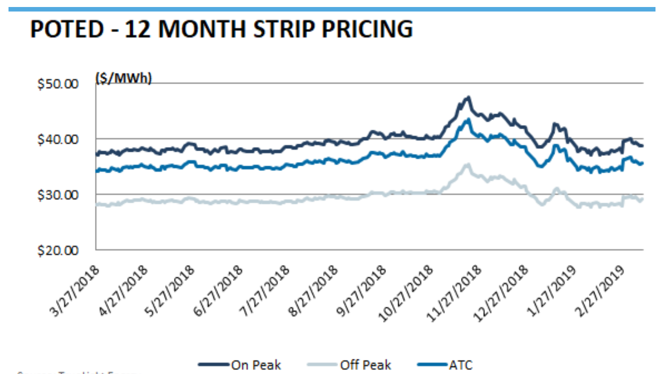
POWER

- For the NEMASSBOST zone in ISONE, the 12 Month ATC strip decreased $1.03 (-2.2%) to $45.56. The 24 Month ATC strip dropped $0.68 (-1.5%) to $45.13, and the Cal 2020 ATC strip decreased $0.45 (-1.0%) to $45.92/MWh yesterday.
- For the NYC zone in NYISO, the 12 Month ATC strip decreased $0.86 (-2.0%) to $41.92. The 24 Month ATC strip dropped $0.74 (-1.7%) to $42.36 and the Cal 2020 ATC strip decreased $0.74 (-1.7%) to $41.92/MWh yesterday.
- For the PEPCO zone in PJM, the 12 Month ATC strip decreased $1.19 (-3.0%) to $38.32. The 24 Month ATC strip decreased $0.83 (-2.1%) to $37.94 and the Cal 2020 ATC strip dropped $0.58 (-1.5%) to $37.71/MWh yesterday.
- For the Houston zone in ERCOT, the 12 Month ATC strip decreased $2.20 (-4.8%) to $43.46. The 24 Month ATC strip decreased $1.66 (-3.88%) to $41.13, and the Cal 2020 ATC strip dropped $1.28 (-3.2%) to $39.19/MWh yesterday.

UTILITY HIGHLIGHT

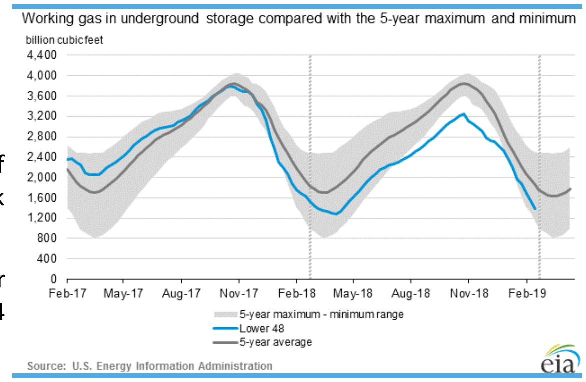
PJM › MD › POTED





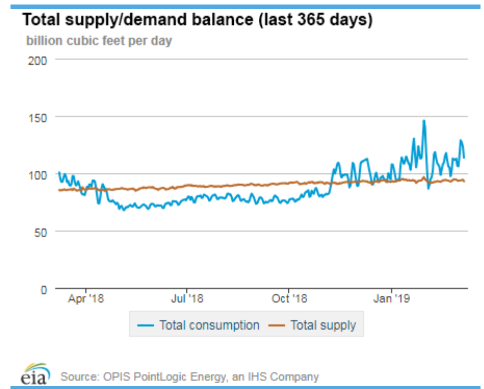
- The current Price to Compare (PTC) for Maryland's Potomac Edison (POTED) General Service Small Commercial Type I 0-700 kWh and >700 kWh calculated blend rate class (GSCS) is $0.10147/kWh for the price period starting April 1, 2019.
- POTED Headroom is likely for all the 1, 3, 6, 9, and 12 month terms, with $0.03124/kWh and $0.02898/kWh of headroom likely for the 9 and 12 month terms, respectively.
- Over the last week, the POTED ATC 12-month strip has traded $1.02/MWh lower, a loss of about 2.7%, to finish at $35.62/MWh.
- Since the beginning of the year, the ATC strip has reached a high of $38.76/MWh on January 17, 2019 and a low of $33.97/MWh on February 13, 2019. This time last year, the strip traded at $33.72/MWh, which is 5.6% lower than this year.

NATURAL GAS



- For the week ending March 1, the EIA reported net withdrawals from storage of 149 Bcf, which is higher than last year's net withdrawals of 60 Bcf for this week and the 5-year (2014–18) average net withdrawals of 109 Bcf.
- Working natural gas in storage totaled 1,390 Bcf, which is 243 Bcf (-15%) lower than last year's level and 464 Bcf (-25%) lower than the five year average of 1,854 Bcf. Total working gas is back within the five-year historical range.

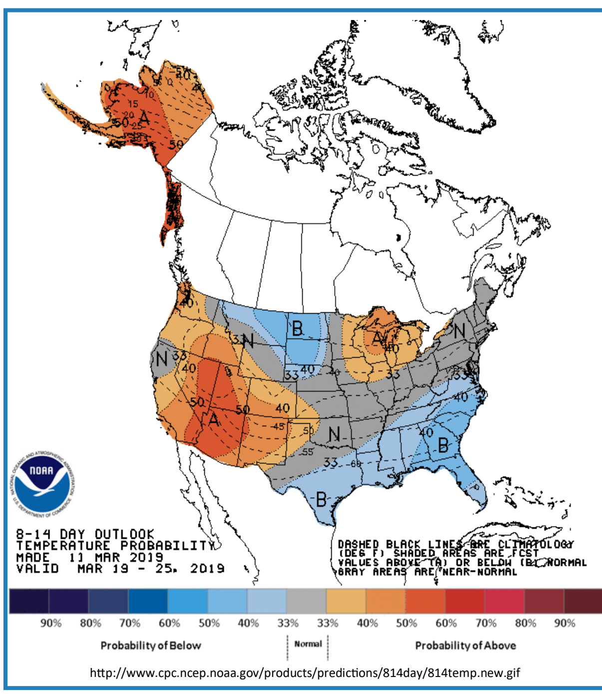
SUPPLY & DEMAND



- Average total supply of natural gas was flat compared with the previous week, averaging 93.9 Bcf/day. Dry natural gas production decreased by 1% while net imports from Canada decreased by 17%.
- Total US consumption of natural gas grew by 11%. Consumption for power generation climbed by 9% week/week, industrial sector consumption dropped by 5%, residential-commercial consumption increased by 16%, and exports to Mexico decreased by 1%.
- US LNG exports remained the same week/week, with eight vessels departing US ports for a combined 28.8 Bcf.

MARKET INTELLIGENCE

- The Public Utilities Commission of Ohio (PUCO) has approved of the results from the March 2019 auction for a portion of AEP Ohio default service supplies for the June 1, 2019 through May 31, 2020 period, which resulted in a $46.63/MWh clearing price. The auction had 6 winning bidders, with 17 tranches procured.
- As debate continues in Massachusetts around whether or not the state should continue retail electric choice, the Massachusetts Office of the Attorney General (AGO) has released additional data on net losses for MA residential customers on competitive supply. The AGO's original report noted that from July 2015 to June 2017, residential customers paid $176.8 million more than they would have if they remained with the utility. The AGO has since added to this analysis, reporting an additional $76.2 million in losses from July 2017 – June 2018. The AGO, which is supporting legislation to ban residential electric choice, is also recommending that the DPU provide all historical rates actually charged by suppliers on the DPU shopping website to provide more "transparency and accountability," as stated by the AGO.



WEATHER

- The western United States will face rain, snow and another cold blast before a welcome dry break arrives later this week. The cold blast will stretch from Colorado to North Dakota, and is expected to start with snow before sparking an outbreak of severe weather across the South Central states.
- The snow and an accompanying push of cold air will plunge into Salt Lake City, Utah, prior to midweek.
- The cold air will travel south across the interior West around midweek, sending temperatures 10-15 degrees Fahrenheit below mid-March averages. Average highs range from 48 in Billings, Montana, to 60 in Albuquerque, New Mexico, and 70 in Las Vegas. The second half of the week will be the start of a storm-free period of time. Little if any precipitation is expected well into next week. Milder air will finally make it feel more like spring as we head into the weekend.