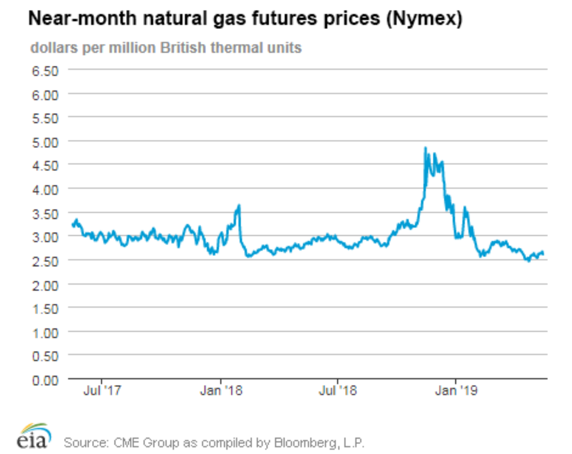
BROKER ONLINE EXCHANGE

Tuesday, May 21, 2019

GENERAL UPDATE



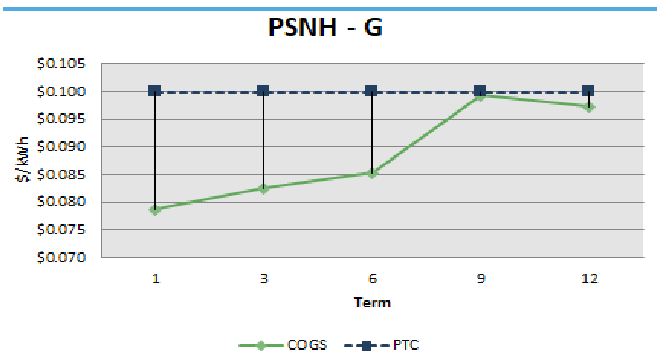
- The June 2019 contract decreased $0.01 (-0.4%) to $2.60/MMBtu last Wednesday. The 12-month strip price averaging June 2019 through May 2020 futures contracts decreased $0.01 (-0.3%) to $2.738/MMBtu.
- Northeast prices continue to trend downwards. Boston's Algonquin Citygate prices decreased $0.04 (-1.7%) to $2.32/MMBtu last Wednesday. Transco Zone 6 NYC prices fell $0.02 (-0.8%) to $2.33/MMBtu.
- Pennsylvania's Dominion South increased just $0.02 (0.9%) to $2.23/MMBtu. Tennessee Zone 4 Marcellus spot prices decreased $0.01 (-0.5%) to $2.13/MMBtu.
- California prices trend upwards. SoCal Citygate prices increased $0.10 (3.5%) to $2.95/MMBtu. Prices at Northern California PG&E Citygate rose $0.20 (6.2%) from $3.25/MMBtu the previous Wednesday to a weekly high of $3.45/MMBtu last Wednesday.

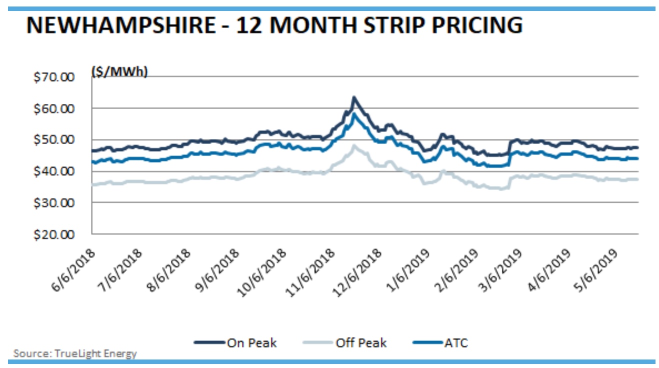
POWER

- For the NEMASSBOST zone in ISONE, the 12 Month ATC strip increased $0.33 (0.8%) to $44.53. The 24 Month ATC strip increased $0.26 (0.6%) to $44.66, and the Cal 2020 ATC strip increased $0.25 (0.6%) to $44.74/MWh yesterday.
- For the NYC zone in NYISO, the 12 Month ATC strip increased $0.51 (1.2%) to $41.61. The 24 Month ATC strip increased $0.14 (0.3%) to $42.16 and the Cal 2020 ATC strip increased $0.24 (0.6%) to $42.00/MWh yesterday.
- For the PEPCO zone in PJM, the 12 Month ATC strip increased $0.96 (2.6%) to $37.43. The 24 Month ATC strip increased $0.60 (1.7%) to $36.88 and the Cal 2020 ATC strip increased $0.32 (0.9%) to $36.68/MWh yesterday.
- For the Houston zone in ERCOT, the 12 Month ATC strip increased $0.97 (2.6%) to $38.93. The 24 Month ATC strip increased $0.80 (2.1%) to $38.89, and the Cal 2020 ATC strip increased $0.62 (1.6%) to $39.21/MWh yesterday.

UTILITY HIGHLIGHT

ISONE › NH › PSNH





- The current Price to Compare for New Hampshire's PSNH (Eversource) General Service rate class (G) is $0.09985/kWh, in effect from February 1, 2019 to July 31, 2019. This is a 6% increase from the previous rate of $0.09412/kWh for August 1, 2018 to January 31, 2019.
- Headroom in PSNH is available for the 1, 3, 6, 9 and 12 month terms. Headroom of $0.01739/kWh and $0.01458/kWh is likely for the 3 and 6 month terms, respectively.
- Over the last week, the New Hampshire ATC 12-month strip has remained virtually unchanged, increasing 0.07% to finish at $44.12/MWh yesterday.
- Since the beginning of the year, the ATC strip has reached a high of $47.91/MWh on January 17, 2019 and a low of $41.52/MWh about a month later on February 19, 2019. The strip has remained relatively flat for the past month.

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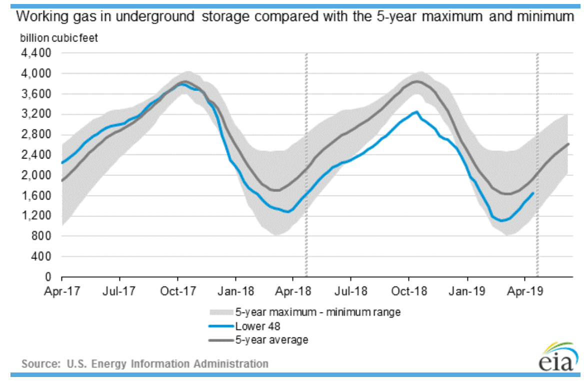
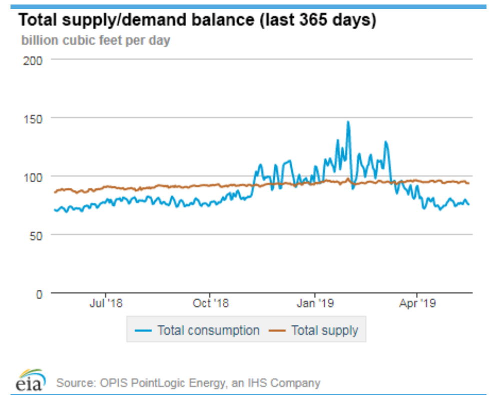
NATURAL GAS



- For the week ending May 10, the EIA reported net injections from storage of 106 Bcf, which is higher than last year's net injections of 104 Bcf for this week and higher than the 5-year (2014–18) average net injections of 89 Bcf.
- Working natural gas in storage totaled 1,653 Bcf, which is 130 Bcf (8.5%) higher than last year's level and 286 Bcf (-14.7%) lower than the five-year average of 1,939 Bcf. Total working gas is within the five-year historical range.

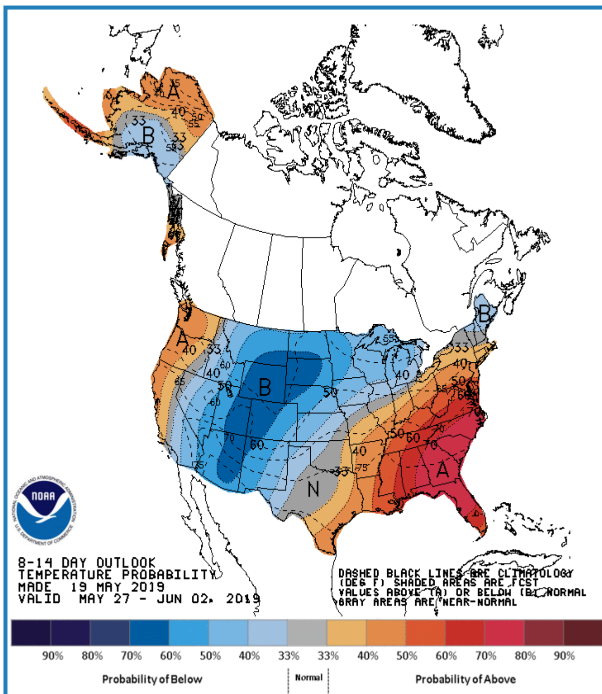
SUPPLY & DEMAND



- Average total supply of natural gas was the same as the previous report week, averaging 94.4 Bcf/day. Dry natural gas production remained constant week over week while net imports from Canada declined by 4%.
- Total US consumption of natural gas rose by 1% from the previous week. Consumption for power generation dropped by 3%, industrial sector consumption increased by 1%, residential-commercial consumption grew by 9%, and exports to Mexico increased by 3%.
- US LNG exports increased week/week, with eleven vessels departing US ports for a combined 38 Bcf.

MARKET INTELLIGENCE

- Finalized Price to Compare (PTC) rates, including transmission charges, have been posted in Pennsylvania's PECO utility for the June 1, 2019 to August 31, 2019 price period. Residential rate class (R, RH) PTC will decrease 4.5% from $0.07106/kWh to $0.06781/kWh, and General Service (GS) ≤100 kW rate class PTC will decrease nearly 4% from $0.06708/kWh to $0.06456/kWh.
- The EIA has reported an expected 12.7 gigawatts (GW) in total US wind capacity additions for 2019, the largest annual wind capacity additions since 2012. This trend parallels the anticipated end-of-2019 phase out of the US production tax credit (PTC), a tax credit provided per kilowatt-hour of renewable electricity generation for the first 10 years of operation.



http://www.cpc.ncep.noaa.gov/products/predictions/814day/814temp.new.gif

WEATHER

- Another severe weather event will be taking place in the central US this week, with violent thunderstorms and large hail. The hardest hit areas look to be western and central Texas, Oklahoma and southern Kansas.
- A brief cooldown is anticipated early this week across the southeast. A storm will bring rounds of thunderstorms through the northeast, as well as a cold front through parts of the south. The cooling off will be short lived, and temperatures will rebound very quickly well into the 90s by midweek. A summer pattern later in the week will bring mostly dry, sunny days. Some locations could see temperatures nearing 100, close to record breaking levels.
- There is also a possibility that an area of showers and thunderstorms north of the Bahamas will grow more organized and become the first named tropical system of the 2019 Atlantic hurricane season.

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