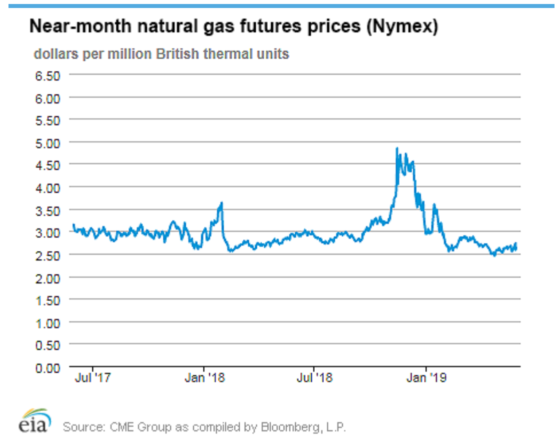
BROKER ONLINE EXCHANGE

Tuesday, June 4, 2019

GENERAL UPDATE



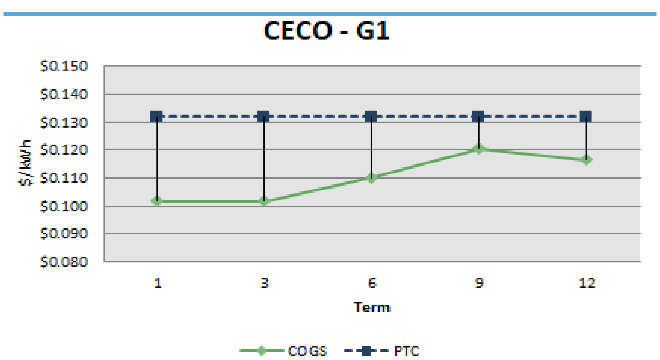
- The June 2019 contract expired last Wednesday at $2.633/MMBtu, a $0.09/MMBtu (3.5%) increase from the previous Wednesday. The July 2019 contract rose $0.06 (2.3%) to $2.624/MMBtu last Wednesday. The 12-month strip price averaging July 2019 through June 2020 futures contracts increased $0.03 (1.1%) to $2.716/MMBtu.
- Northeast prices are trending back upwards. Boston's Algonquin Citygate prices climbed $0.07 (3.1%) to $2.32/MMBtu last Wednesday. Transco Zone 6 NYC prices increased $0.06 (2.6%) to a weekly high of $2.33/MMBtu.
- Pennsylvania's Dominion South increased $0.05 (2.3%) to $2.21/MMBtu. Tennessee Zone 4 Marcellus spot prices rose $0.06 (2.8%) to $2.19/MMBtu.
- California prices were mixed due to below normal temperatures. SoCal Citygate prices decreased $0.24 (-8.8%) to a low of $2.50/MMBtu last Wednesday. Prices at Northern California PG&E Citygate increased $0.03 (0.9%) to $3.26/MMBtu.

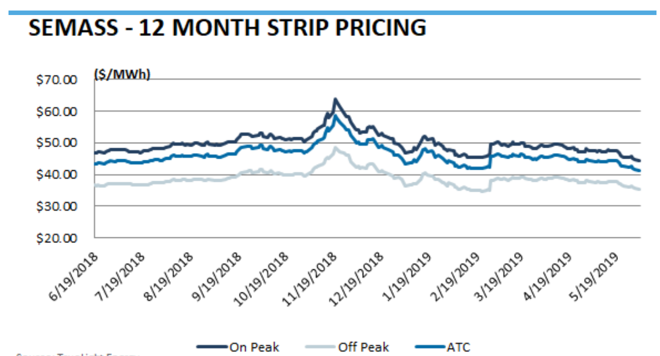
POWER

- For the NEMASSBOST zone in ISONE, the 12 Month ATC strip decreased $0.98 (-2.3%) to $41.48. The 24 Month ATC strip decreased $0.86 (-2%) to $42.13, and the Cal 2020 ATC strip decreased $0.56 (-1.3%) to $42.50/MWh yesterday.
- For the NYC zone in NYISO, the 12 Month ATC strip decreased $0.89 (-2.2%) to $38.78. The 24 Month ATC strip decreased $1.17 (-2.9%) to $39.55, and the Cal 2020 ATC strip decreased $1.18 (-2.9%) to $39.48/MWh yesterday.
- For the PEPCO zone in PJM, the 12 Month ATC strip decreased $0.71 (-2%) to $35.01. The 24 Month ATC strip decreased $0.64 (-1.8%) to $34.90, and the Cal 2020 ATC strip decreased $0.69 (-1.9%) to $34.88/MWh yesterday.
- For the Houston zone in ERCOT, the 12 Month ATC strip decreased $1.49 (-4%) to $36.19. The 24 Month ATC strip decreased $1.18 (-3%) to $36.99, and the Cal 2020 ATC strip decreased $0.93 (-2.4%) to $37.61/MWh yesterday.

UTILITY HIGHLIGHT

ISONE > MA > SEMASS





- The current Price to Compare (PTC) for Southern Massachusetts Eversource (CECO) General Service Small Commercial/Industrial rate class (G1) for January 1, 2019 to June 30, 2019 is $0.13185/kWh, which is 15.6% higher than the previous price period's PTC of $0.11403/kWh.
- Headroom is likely for all the 1, 3, 6, 9 and 12 month terms, with $0.01125/kWh and $0.01531/kWh of headroom expected for the 9 and 12 month terms, respectively.

- Over the last week, the SEMASS ATC 12-Month Strip traded $0.98/MWh lower, falling 2.3%, to finish the week at $41.27/MWh, the lowest the strip has been in 2019 so far.
- Since the beginning of the year, the strip has traded between $41.27/MWh and $48.24/MWh. This time last year, the strip traded at $42.48/MWh, which is 2.9% higher than this year.

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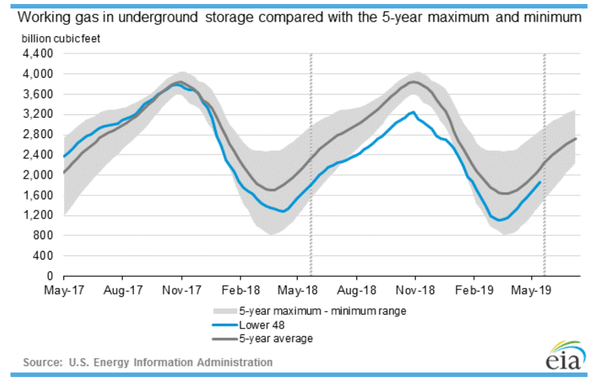
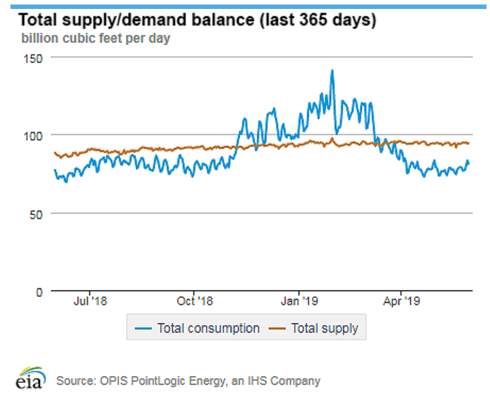
NATURAL GAS

- For the week ending May 24, the EIA reported net injections from storage of 114 Bcf, which is higher than last year's net injections of 95 Bcf for this week and higher than the 5-year (2014–18) average net injections of 97 Bcf.
- Working natural gas in storage totaled 1,867 Bcf, which is 156 Bcf (9.1%) higher than last year's level and 257 Bcf (-12.1%) lower than the five-year average of 2,124 Bcf. Total working gas is within the five-year historical range.



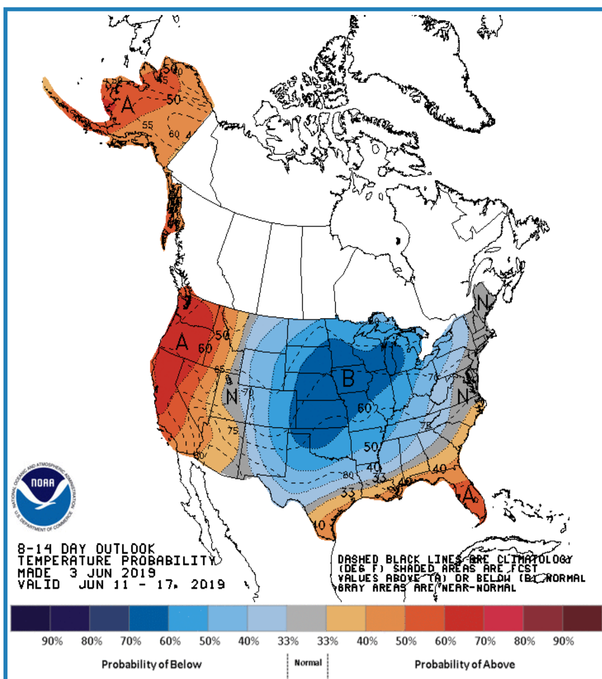
SUPPLY & DEMAND

- Average total supply of natural gas rose 1% from the previous report week. Dry natural gas production increased by 1% week over week while net imports from Canada fell by 2%.
- Total US consumption of natural gas increased by 2% from the previous week. Consumption for power generation increased by 12% in parallel with an increased cooling demand, industrial sector consumption decreased by 2%, residential-commercial consumption fell by 10%, and exports to Mexico increased by 5%.
- US LNG exports remained flat week/week, with eleven vessels departing US ports for a combined 41.4 Bcf.



MARKET INTELLIGENCE

- Illinois state senate is in agreement on version SB0651 passed by the House, which forbids retail energy suppliers from submitting an enrollment to change a customer's electric supply service if the utility's records show that the customer has received financial assistance from either Low Income Home Energy Assistance Program or the Percentage of Income Payment Plan in the past 12 months. This bill, beginning January 1, 2020, requires suppliers to report all rates to the Commission and the Office of the Attorney General starting May 31, 2020 and every May 31st thereafter. The bill also requires a disclosure of utility price to compare on marketing materials and supplier bills.



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

WEATHER

- In the 8-14 day window, expect to see mild temperatures along the East Coast. Above normal rain probability is likely due to frontal activity as the trough pushes through the eastern US.
- The Mid-Atlantic up through New England is likely to see normal temperatures through this period, while interior regions, from the plains into Midwest, are set up to see below normal temperatures.
- In Texas, there is prevailing warmth in coastal areas, while inland load centers are on the blue side of temperature anomalies alongside the plains and Midwest. Temperatures will continue to trend warmer in the West, a sharp contrast from the record-breaking chill that swept through just a few weeks prior.