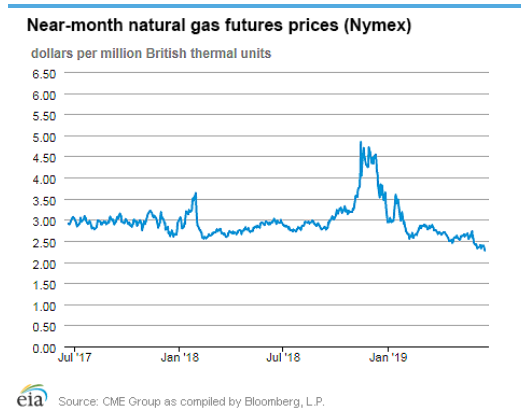
BROKER ONLINE EXCHANGE

Tuesday, June 25, 2019

GENERAL UPDATE



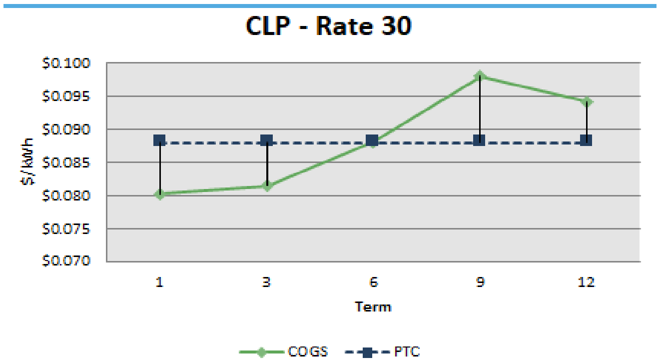
- The July 2019 contract decreased $0.11 (-4.6%) to $2.276/MMBtu last Wednesday. The 12-month strip price averaging July 2019 through June 2020 futures contracts decreased $0.09 (-3.5%) to $2.535/MMBtu.
- Northeast natural gas prices trended upwards in demand markets. Boston's Algonquin Citygate prices increased $0.02 (0.9%) to $2.17/MMBtu last Wednesday. Transco Zone 6 NYC prices rose $0.08 (3.8%) from $2.11/MMBtu to $2.19/MMBtu.
- Pennsylvania's Dominion South increased $0.02 (1%) to $2.04/MMBtu. Tennessee Zone 4 Marcellus spot prices decreased $0.02 (-1%) to $1.98/MMBtu.
- California prices trended downwards due to below-normal temperatures. SoCal Citygate prices tumbled $0.63 (-20.8%) to $2.40/MMBtu last Wednesday. Prices at Northern California PG&E Citygate also decreased, falling $0.18 (-6.3%) to $2.70/MMBtu. Slightly cooler weather in California is expected to linger for the next few days.

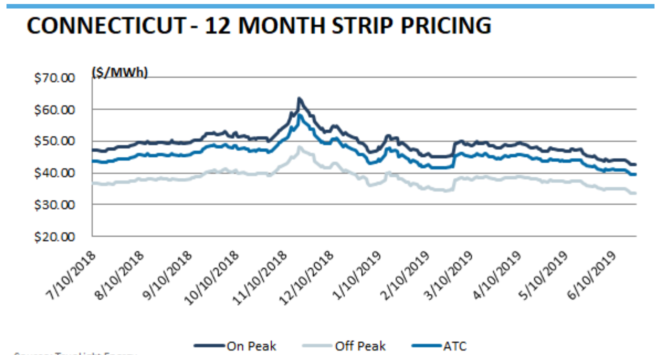
POWER

- For the NEMASSBOST zone in ISONE, the 12 Month ATC strip decreased $1.72 (-4.2%) to $39.71. The 24 Month ATC strip decreased $1.25 (-3%) to $40.91, and the Cal 2020 ATC strip decreased $1.20 (-2.8%) to $41.53/MWh today.
- For the NYC zone in NYISO, the 12 Month ATC strip decreased $1.53 (-4%) to $37.09. The 24 Month ATC strip decreased $1.71 (-4.3%) to $37.76, and the Cal 2020 ATC strip decreased $1.50 (-3.8%) to $38.06/MWh today.
- For the PEPCO zone in PJM, the 12 Month ATC strip decreased $1.18 (-3.4%) to $33.14. The 24 Month ATC strip decreased $1.14 (-3.3%) to $33.08 and the Cal 2020 ATC strip decreased $1.21 (-3.5%) to $33.09/MWh today.
- For the Houston zone in ERCOT, the 12 Month ATC strip decreased $4.89 (-13%) to $32.84. The 24 Month ATC strip decreased $2.87 (-7.6%) to $35.03 and the Cal 2020 ATC strip decreased $1.08 (-2.9%) to $36.80/MWh today.

UTILITY HIGHLIGHT

ISONE › CT › CLP





- The current Price to Compare for Connecticut Light and Power (Eversource) General Service rate class (Rate 30) is $0.08796/kWh, effective July 1, 2019 through December 31, 2019. This is a 19% decrease from the previous PTC of $0.10851/kWh, for the January 1, 2019 through June 30, 2019 price period.
- Headroom in CLP has decreased since last reported on a month ago, with headroom now available for just the 1 and 3 month terms at $0.00763/kWh and $0.00646/kWh, respectively.
- Over the last week, the CLP ATC 12-month strip has experienced a slight decrease, falling 3% to finish at $39.64/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 new low of $39.55/MWh this past Friday, June 21, 2019. This time last year, the strip traded at around $43.22/MWh, about 9% higher than this year.

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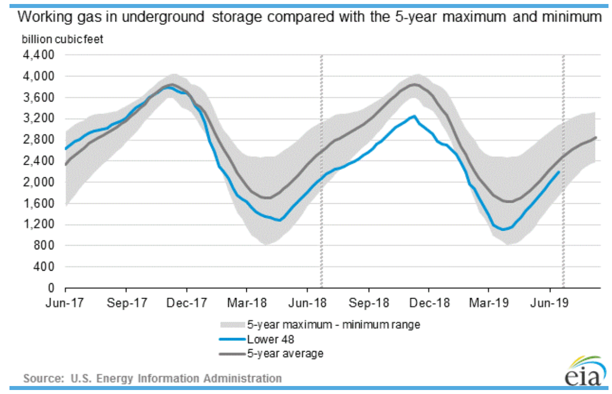
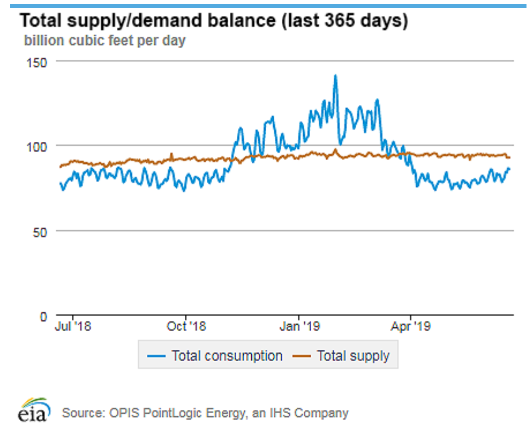
NATURAL GAS



- For the week ending June 14, the EIA reported net injections from storage of 115 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 84 Bcf.
- Working natural gas in storage totaled 2,203 Bcf, which is 209 Bcf (10.5%) higher than last year's level and 199 Bcf (-8.3%) lower than the five-year average of 2,402 Bcf. Total working gas is within the five-year historical range.

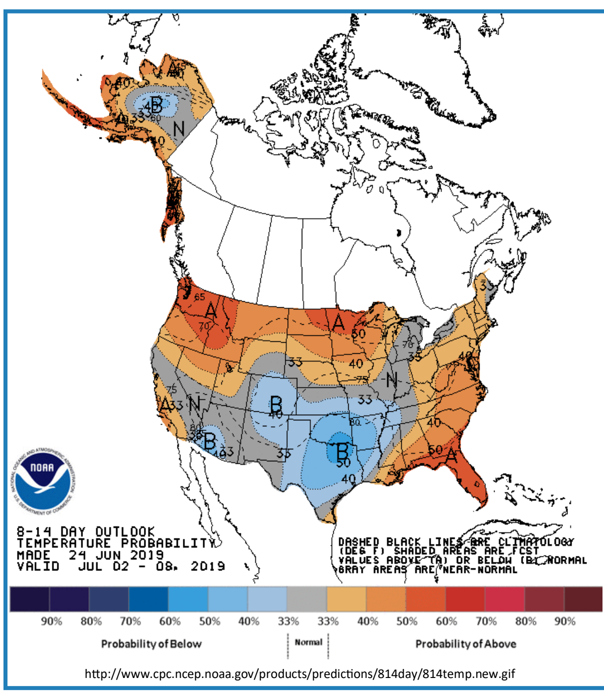
SUPPLY & DEMAND



- Average total supply of natural gas did not change week/week, averaging 93.8 Bcf/day. Dry natural gas production was constant, while net imports with Canada decreased 9%.
- Total US consumption of natural gas decreased 1%. Consumption for power generation was down 1% week/week, industrial sector consumption decreased 2%, residential-commercial consumption increased 3%, and exports to Mexico increased 2%.
- US LNG exports increased week/week, with eleven vessels departing US ports for a combined 39.1 Bcf.

MARKET INTELLIGENCE

- Maryland's Potomac Electric Power Company (PEPCO) has recently filed new Type II SOS rates with the Maryland PSC for the September 1, 2019 to November 30, 2019 price period. The new rates, which do not include transmission or reconciliations, are $0.05153/kWh for MGT LV II rate class and $0.05111/kWh for MGT 3A II rate class.
- New Mexico, Washington, Nevada, and Maryland have all updated their renewable portfolio standards targets since the start of 2019, highlighting the prevalence of RPS policies as states increase their commitment to sourcing energy from renewables. As of the end of 2018, 30 states (counting DC) had adopted policies requiring suppliers to generate a certain portion of electricity from renewable sources and technologies.



WEATHER

- Above normal temperatures are expected up and down most of the Atlantic coast, with greater anomalies occurring further south towards FL. Rain risk through most of this stretch is normal, with risk increasing further inland. Eastern portions of the Midwest are also likely to experience warmth while more interior portions should expect normal early July temperatures.
- Expect to see below normal temperatures across the majority of Texas and South Central US, coupled with above normal precipitation risk to provide a weak demand setup to start the month in the ERCOT market.