



GENERAL UPDATE

- Financial gas markets increased week over week. The August 2019 NYMEX Henry Hub forward contract increased \$0.15 (6.5%) from the previous Wednesday, reaching \$2.444/MMBtu. The price of the 12-month strip averaging August 2019 through July 2020 futures contracts increased slightly, rising \$0.14 (5.7%) to \$2.575/MMBtu.
- Northeast natural gas prices climbed in demand markets, as warming temperatures increased cooling demand. Boston's Algonquin Citygate prices increased \$0.35 (17%) to \$2.44/MMBtu last Wednesday. Transco Zone 6 NYC prices rose \$0.40 (20%) from \$1.98/MMBtu to \$2.38/MMBtu.
- Pennsylvania's Dominion South increased \$0.30 (16%) to \$2.20/MMBtu. Tennessee Zone 4 Marcellus spot prices increased \$0.37 (20%) to \$2.21/MMBtu.
- California prices increased sharply. SoCal Citygate prices increased \$0.66 (35%) to \$2.53/MMBtu last Wednesday. Prices at Northern California PG&E Citygate also increased, rising \$0.97 (50%) to \$2.92/MMBtu. The recent earthquakes in Southern California drove some price volatility, but SoCal Gas transmission and distribution lines are unaffected.

Near-month natural gas futures prices (Nymex)



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

POWER

- For the NEMASS BOST zone in ISO-NE, the 12-Month ATC strip increased \$2.02 (5.4%) to \$39.43. The 24-Month ATC strip increased \$2.00 (5.3%) to \$39.84 and the Cal '20 ATC strip increased \$2.08 (5.5%) to \$40.06.
- For the NYC (J) zone in NYISO, the 12-Month ATC strip increased \$1.88 (5.5%) to \$36.21. The 24-Month ATC strip increased \$1.99 (5.8%) to \$36.32 and the Cal '20 ATC strip increased \$2.07 (6.0%) to \$36.41.
- For the PEPCO zone in PJM, the 12-Month ATC strip increased \$1.05 (3.4%) to \$31.90. The 24-Month ATC strip increased \$1.23 (4.1%) to \$31.46 and the Cal '20 ATC strip increased \$1.22 (4.0%) to \$31.43.
- For the HOUSTON zone in ERCOT, the 12-Month ATC strip increased \$0.68 (2.1%) to \$32.93. The 24-Month ATC strip increased \$0.43 (1.3%) to \$32.51 and the Cal '20 ATC strip increased \$0.48 (1.5%) to \$33.03.

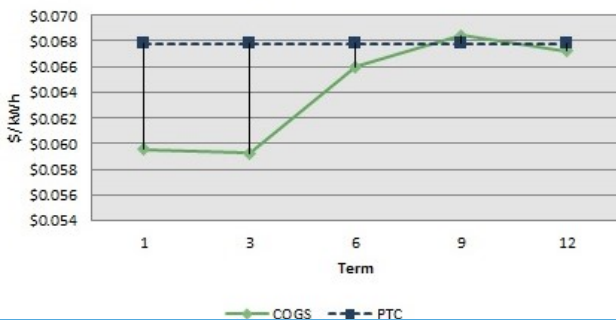
UTILITY HIGHLIGHT

PJM

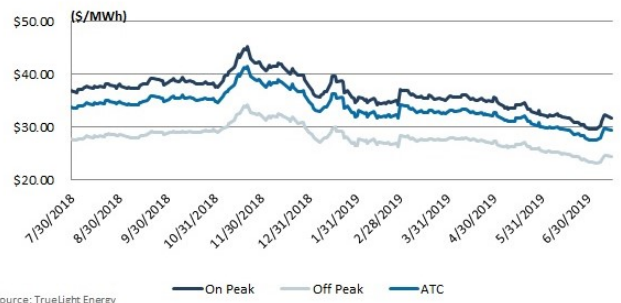
PA

PECO

PECO - R 112



PECO - 12 MONTH STRIP PRICING



- The upcoming Price to Compare for PECO's Residential rate class (R112) is approximately \$0.06781/kWh, in effect from June 1, 2019 to August 31, 2019. This rate is a 4.5% decrease from the previous rate of \$0.07106/kWh for the March 1, 2019 to May 31, 2019 price period.
- Headroom is now available in the 1, 3 and 6 month terms. Headroom of \$0.00856/kWh and \$0.00183/kWh is likely for the 3 and 6 month terms, respectively.
- Over the last week, the PECO ATC 12-month strip increased, rising 4.7% to finish at \$29.31/MWh yesterday. This time last year, the strip was trading at \$33.33/MWh, which is approximately 12% higher than this year.
- Since the beginning of the year, the ATC strip has reached a high of \$36.37/MWh on January 17, 2019 and a new low of \$27.44/MWh this past Friday, July 5, 2019.

NATURAL GAS

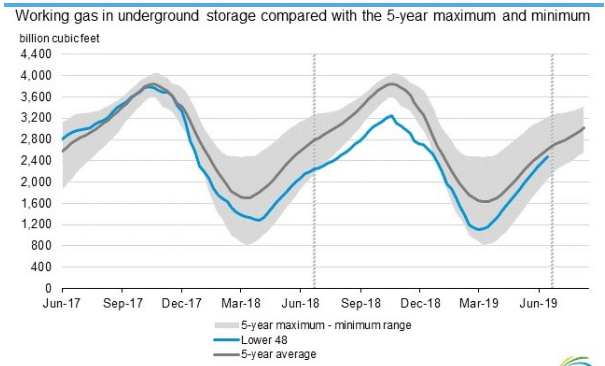
- For the week ending July 5, the EIA reported net injections from storage of 81 Bcf, which is approximately 9% lower than last week's report in which 89 Bcf was injected.
- Working natural gas in storage totaled 2,471 Bcf, which is 275 Bcf (12.5%) higher than last year's working gas totals of 2,196 Bcf and 142 Bcf (-5.4%) lower than the 5-year (2014-2018) average of 2,613 Bcf. Total working gas is within the five-year historical range.

SUPPLY & DEMAND

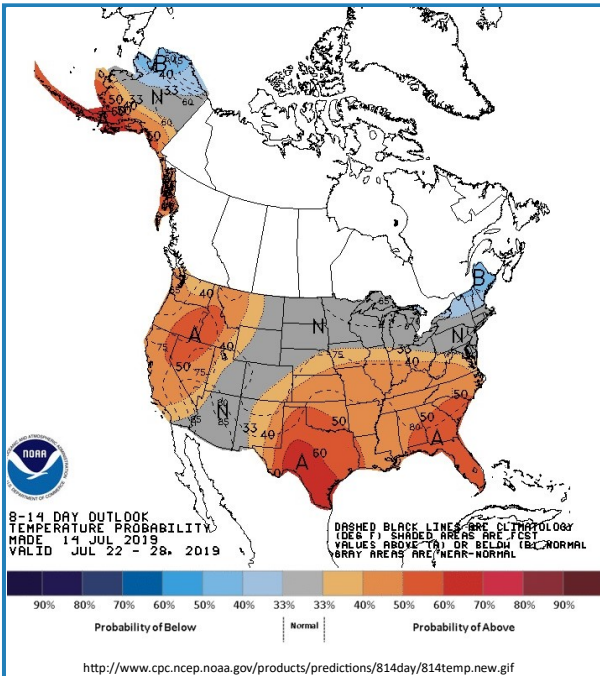
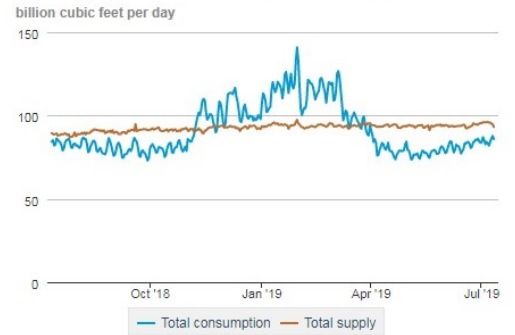
- Average total supply of natural gas did not change week/week, averaging 95.7 Bcf/day. Dry natural gas production increased 1%, while net imports with Canada decreased 4%.
- Total US consumption of natural gas decreased 1%. Consumption for power generation was up 1% week/week, industrial sector consumption decreased 5%, residential-commercial consumption decreased 4%, and exports to Mexico increased 1%.
- US LNG exports increased week/week, with twelve vessels departing US ports for a combined 44 Bcf.

MARKET INTELLIGENCE

- The Ohio utility, Dayton Power and Light (DP&L), advocated for an amendment to a corporate separation regulation to allow electric distribution utilities (EDUs) to offer innovative energy products. In its proposal DP&L claimed that utilities should be able to cater to customers' changing appetites for electric offerings by providing a regulated option for services such as community solar and electric vehicle infrastructure. The specific language suggested by DP&L would categorize products like this as "noncompetitive retail electric service under section 4928.01(B) of the Revised Code, eliminating the need to file a corporate separation plan".
- Retail electric suppliers in Arizona voiced opposition to the Arizona Corporation Commission's (ACC) proposed change to its retail electric competition regulations. Currently, the rules would limit electric choice to 20% of peak load at the beginning of the transition to retail choice. The ACC released a draft that would reduce this cap to 10%, prompting the Arizonans for Electric Choice and Competition (AEC) to reply that imposing the lower cap could hinder retail suppliers from entering the market and thus weaken it.



Total supply/demand balance (last 365 days)



WEATHER

- Above normal temperatures are forecasted to concentrate around the southern/southeastern portions of the country, leaving Texas with a high degree of hot summer temperatures that aligns with higher precipitation risk for coastal load centers in the region.
- Drier conditions are found further north into the northeast and New England, where temperatures are expected to be normal for this time of year with even cooler than normal conditions in northern New England.

The information contained herein, including any pricing, is for informational purposes only, and is subject to change at any time without notice. This information is provided by Broker Online Exchange, LLC ("BOX"), and while BOX believes the information to be reliable as of the date and time of publication, energy markets are dynamic and specific outcomes can vary widely based on a variety of factors. Therefore, neither BOX nor any of its members or affiliates is responsible for errors, omissions or misstatements of any kind, nor makes any warranty or representation, whether express or implied, including without limitation the implied warranties of merchantability and fitness for a particular purpose. BOX accepts no liability for any direct, indirect or other consequential loss arising out of any use of the information contained herein or any inaccuracy, error or omission in any of its content. This content is made possible by TrueLight Energy, LLC.