



GENERAL UPDATE

- The August 2019 NYMEX Henry Hub forward contract expired last Monday, decreasing $-\$0.08$ (-3.6%) from the previous Wednesday, reaching $\$2.141$ /MMBtu. The price of the 12-month strip averaging September 2019 through August 2020 futures contracts increased $\$0.01$ (0.4%) to $\$2.424$ /MMBtu.
- Northeast natural gas prices moved up in demand markets. Boston's Algonquin Citygate prices increased $\$0.15$ (7.3%) to $\$2.22$ /MMBtu last Wednesday, partly due to high electricity demand with warm temperatures. Transco Zone 6 NYC prices rose slightly, increasing $\$0.07$ (3.4%) from $\$2.09$ /MMBtu to $\$2.16$ /MMBtu.
- Pennsylvania's Dominion South decreased $-\$0.01$ (-0.5%) to $\$1.94$ /MMBtu. Tennessee Zone 4 Marcellus spot prices decreased $-\$0.06$ (-3.1%) to $\$1.86$ /MMBtu.
- California prices have been mixed since last week. SoCal Citygate prices decreased $-\$0.63$ (-17.6%) to $\$2.95$ /MMBtu last Wednesday.

Near-month natural gas futures prices (Nymex)

dollars per million British thermal units



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

POWER

- For the NEMASSBOST zone in ISO-NE, the 12-Month ATC strip decreased $-\$0.27$ (-0.7%) to $\$39.20$. The 24-Month ATC strip decreased $-\$0.10$ (-0.2%) to $\$40.18$ and the Cal '20 ATC strip decreased $-\$0.35$ (-0.9%) to $\$40.22$.
- For the NYC (J) zone in NYISO, the 12-Month ATC strip increased $\$0.28$ (0.8%) to $\$36.70$. The 24-Month ATC strip increased $\$0.37$ (1.0%) to $\$37.41$ and the Cal '20 ATC strip increased $\$0.32$ (0.9%) to $\$37.43$.
- For the PEPCO zone in PJM, the 12-Month ATC strip decreased $-\$0.02$ (-0.1%) to $\$32.58$. The 24-Month ATC strip increased $\$0.12$ (0.4%) to $\$32.43$ and the Cal '20 ATC strip increased $\$0.07$ (0.2%) to $\$32.28$.
- For the HOUSTON zone in ERCOT, the 12-Month ATC strip increased $\$1.74$ (5.7%) to $\$32.27$. The 24-Month ATC strip increased $\$0.57$ (1.7%) to $\$33.47$ and the Cal '20 ATC strip decreased $-\$0.28$ (-0.8%) to $\$34.60$.

UTILITY HIGHLIGHT

ISO-NE

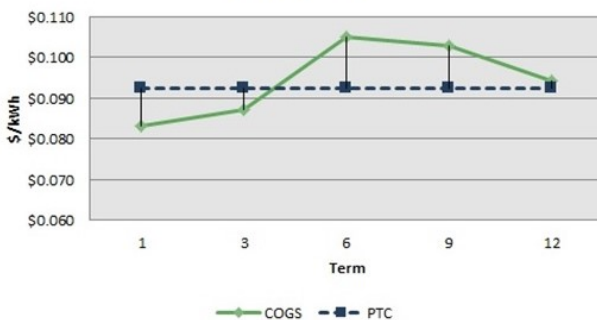


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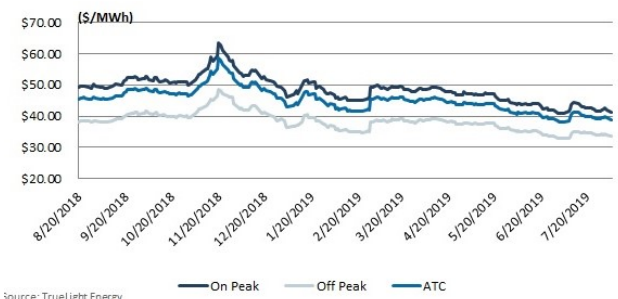


NGRID

NARRAGA16



RHODEISLAND - 12 MONTH STRIP PRICING



- The current Price to Compare for Rhode Island's Narragansett Electric Company (National Grid) Basic Residential Fixed Price rate class (A16) is approximately $\$0.0924$ /kWh, in effect from April 1, 2019 to September 30, 2019. This rate is a -16% decrease from the previous rate of $\$0.1099$ /kWh for the October 1, 2018 to March 31, 2019 price period.
- TRUELight's expert analytics and proprietary models indicate that headroom in Narragansett Electric territory is now available in the 1 and 3 month terms. Headroom of $\$0.00919$ /kWh and $\$0.00543$ /kWh is likely for the 1 and 3 month terms, respectively.
- Over the last week, the RHODEISLAND ATC 12-month strip decreased slightly, slipping -0.7% to finish at $\$38.71$ /MWh yesterday. This time last year, the strip was trading at $\$44.86$ /MWh, which is 15.9% higher than this year.

NATURAL GAS

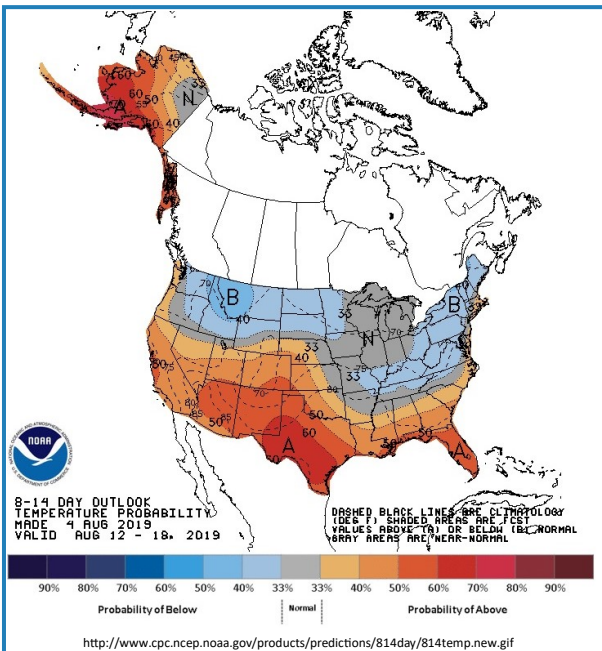
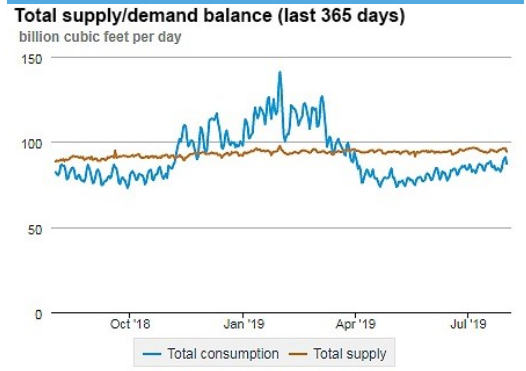
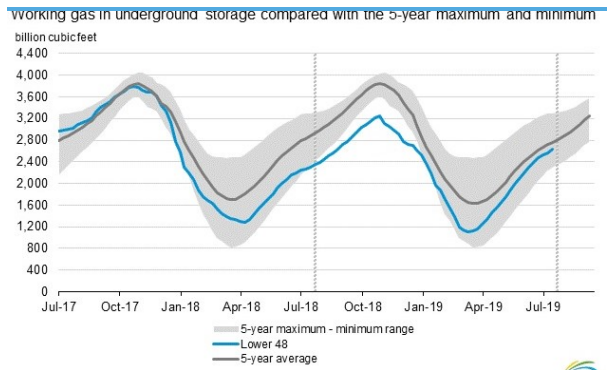
- For the week ending July 26, the EIA reported net injections from storage of 65 Bcf, which is much higher than last year's net injections of 31 Bcf for this week and lower than the 5-year (2014–18) average net injections of 37 Bcf.
- Working natural gas in storage totaled 2,634 Bcf, which is 334 Bcf (14.5%) more than last year's working gas totals of 2,300 Bcf at the same time and 123 Bcf (-4.5%) lower than the 5-year (2014-2018) average of 2,757 Bcf. Total working gas is within the five-year historical range.

SUPPLY & DEMAND

- Average total supply of natural gas increased 1% week/week. Dry natural gas production increased 1%, while net imports with Canada decreased 1% week/week.
- Total US consumption of natural gas increased 1% week/week. Consumption for power generation was down 1% week/week, industrial sector consumption increased 4%, residential-commercial consumption increased 1%, and exports to Mexico increased 1%.
- US LNG exports increased week/week, with eleven vessels departing US ports for a combined 39 Bcf.

MARKET INTELLIGENCE

- Virginia's Dominion Energy utility has been moving to further restrict retail electric competition in the state, as they stopped accepting retail suppliers' interconnection applications to provide 100% renewable energy as of July 15th. This move comes after the utility filed a tariff with Virginia's State Corporation Commission in May that would prohibit retail suppliers from providing 100% renewable options. Dominion's efforts to constrict the market for retail suppliers come in a state where retail supply is only offered for loads greater than five megawatts and for any customer buying 100% renewable products.
- In the midst of last month's heat wave, total electricity demand in the continental US hit its highest level in two years on July 19th. Extreme heat from the Midwest to the East Coast drove up demand for cooling, which helped push the peak demand to 704 gigawatts (GW), the highest demand in the lower 48 since July 2017 when it reached 718 GW. The actual peak demands in the New England Independent System Operator (ISO-NE) and the Electric Reliability Council of Texas (ERCOT) regions fell short of summer forecasted peaks, while actual demand surpassed forecasts in the PJM Interconnection, which spans from Chicago to the Mid-Atlantic.



WEATHER

- Cooler than average temperatures are expected from the Northwest all the way to the Northeast, as well as further south into the Ohio River Valley. Forecasts predict that in these regions the colder than normal temperatures will be coupled with higher than average precipitation.
- The southern portion of the country is expected to see above average temperatures, with the most bullish forecast in Texas. Precipitation expectations are mixed in the southern US, with lower than average forecasts in Arizona and up into the Rockies and higher than average precipitation from Oklahoma east into Georgia.
- As in last week's market update, ERCOT could see ripe conditions for high electricity demand again. Lower than average precipitation is projected in Texas along with hotter than average temperatures, which could raise cooling demand and therefore ERCOT load.

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