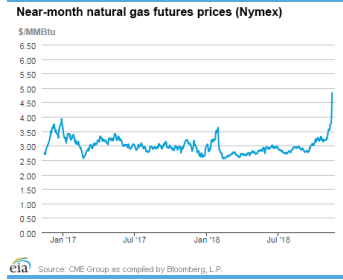




GENERAL UPDATE

- The December 2018 NYMEX contract dropped \$0.53 (-10.9%) to \$4.31/MMBtu yesterday, November 26, 2018.
- Most physical gas spot prices have settled back down since last week's pricing spikes. Boston's Algonquin Citygate prices fell \$3.16 (-31.1%) to approximately \$7.00/MMBtu yesterday. Transco Zone 6 NYC decreased \$0.12 (-2.3%) to about \$5.00/MMBtu.
- Mid-Atlantic prices, including Pennsylvania's Dominion South, increased to \$5.51/MMBtu yesterday. Midwest prices, including Tennessee Zone 4 Marcellus and Chicago Citygate, decreased to \$4.60/MMBtu yesterday.
- SoCal Citygate prices decreased \$2.62 (-30.9%) to \$5.87/MMBtu. Prices at Northern California PG&E Citygate have increased \$0.87 (16.5%) to \$6.15/MMBtu.



POWER

- ISONE prices surged in the beginning of the week, as short-term weather forecasts indicated record cold in New England for the long Thanksgiving weekend. Trading on the prompt month (December 2018) for the Masshub DA On-Peak package traded over \$100, but has since plummeted down to under \$80. Both Henry Hub and Algonquin basis trended lower throughout the week, leading to lower pricing in New England.
- Despite the intense intra-week volatility, the starting points week over week do not show large price changes. For the NEMASSBOST zone, the 12 Month ATC strip dropped \$0.25 (0.4%) from the beginning of the week to \$55.36. The 24 Month ATC strip lost \$0.14 (0.3%) to \$51.75 and the Cal 2019 ATC strip dropped \$1.14 (2.2%) to \$51.41/MWh.
- For the NYC zone in NYISO, the 12 Month ATC strip dropped \$2.29 (4.6%) to \$47.17. The 24 Month ATC strip dropped \$1.16 (2.5%) to \$44.80 and the Cal 2019 ATC strip dropped \$1.32 (2.8%) to \$45.87/MWh.
- For the PSEG zone in PJM, the 12 Month ATC strip lost \$2.24 (5.3%), falling to \$40.37. The 24 Month ATC strip dropped \$1.22 (3.1%) to \$37.67, and the Cal 2019 ATC strip dropped \$1.66 (4.1%) to \$38.47/MWh.
- Prices trended downwards in ERCOT throughout the week as well. The 12 Month ATC strip lost \$1.80 (3.6%), falling to \$47.87. The 24 Month ATC strip dropped \$0.89 (2.0%) to \$42.95, while the Cal 2019 ATC strip dropped \$0.39 (0.8%) to \$46.33/MWh.

UTILITY HIGHLIGHT

ISONE

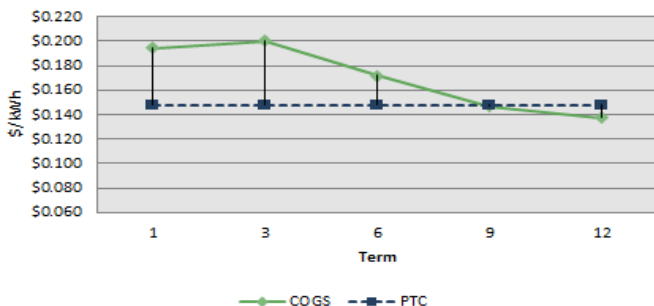


MA

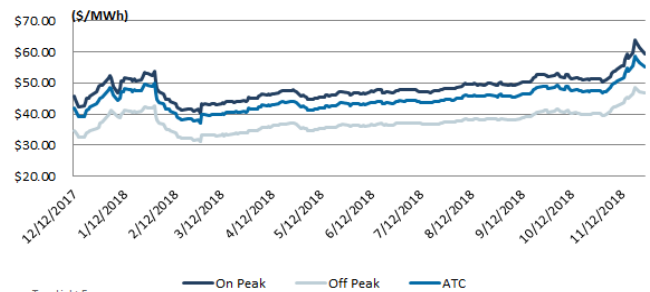


SEMASS

NECO - G2



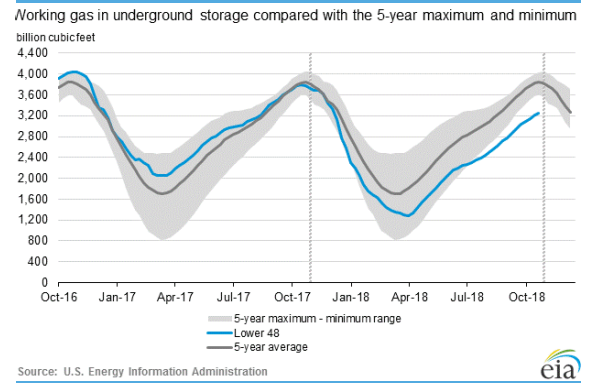
SEMASS - 12 MONTH STRIP PRICING



- The current Price to Compare (PTC) for Nantucket Electric Co (NECO), d/b/a National Grid, General Service Large Commercial SEMASS rate class (G2) is \$0.14761/kWh for the November 1, 2018 to January 31, 2019 price period.
- Headroom is only likely for the 9 and 12 month terms, with \$0.001/kWh headroom available for the 9 month term and \$0.01037/kWh for the 12 month term.
- The NECO ATC 12-month strip has declined since last week's pricing spike, falling 6% since last week's peak of \$58.75/MWh on Tuesday, November 20, 2018.
- Since June 1, 2018, the strip has traded between \$43.03/MWh and \$58.75/MWh, a new high that well surpasses the strip's previous high of \$51.65/MWh when last reported on November 13, 2018.

NATURAL GAS

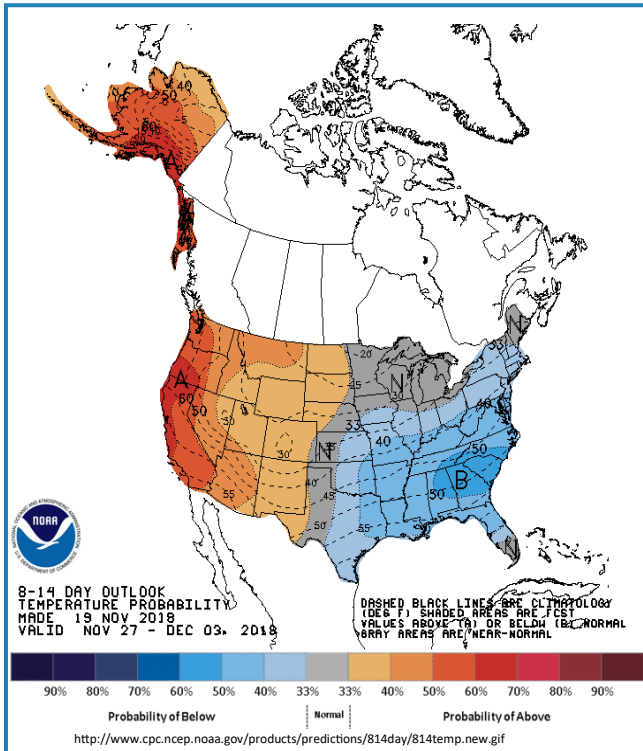
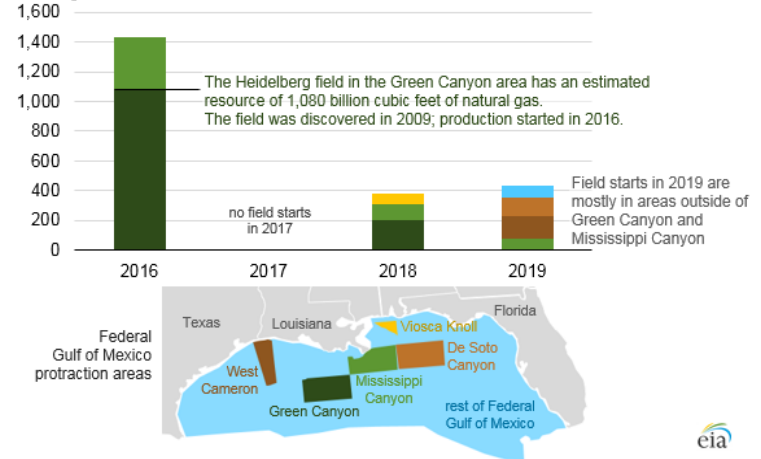
- For the week ending November 16, working natural gas stocks totaled 3,113 Bcf, which is 620 Bcf (-16.6%) lower than last year's level and 710 Bcf (-18.6%) lower than the five year average of 3,823 Bcf. This week's total working natural gas stocks has dropped 134 Bcf (-4%) compared to last week's 3,247 Bcf.
- For the January 2019 futures contract, working gas stocks continue to trade at a lower premium to the average spot price compared to last year.



MARKET INTELLIGENCE

- Natural gas production in the Gulf of Mexico has been on the decline for almost 2 decades, however, 16 new projects planned for the end of 2018 and 2019 are expected to slow or even reverse this trend. According to the US Department of Interior's Bureau of Safety and Environmental Enforcement, these are the first new projects in the GOM since 2016 and will have a total natural gas resource estimate of approximately 836 Bcf. Natural gas production in the Gulf accounted for 26% of total US production in 1997, which has since declined to 4% as of August 2018 due to the expensive and specialized equipment necessary to safely extract from seabed.
- Multiple ESCOs have requested that New York's Consolidated Edison (ConEd) hold a stakeholder meeting to address a significant increase in NYISO Zone J Unaccounted For Electricity (UFE) rates for April through June 2018, which are two to three times higher than last year's rates for the same months. Inquiring ESCOs suspect that the rates are incorrect and have proposed that this meeting be held in early December 2018, as it is a time sensitive matter. The issue has remained unresolved despite independent inquiries to ConEd, NYISO, and the Department of Public Service, but the recent formalized request on account of multiple ESCOs will hopefully result in a resolution.

Federal Gulf of Mexico field starts by protraction area (2016-2019) natural gas resource, billion cubic feet



WEATHER

- With November well on its way to ending the month as one of the coldest of the 2000s, December is poised to see a generally cold start as the weakened Alaskan ridge holds on for at least the first third of the month.
- There is a fair probability for below normal temperatures to consume the interior Midwest, stretching east through Texas, the Rockies, and into the eastern reaches of California. The eastern portion of the Midwest along with the Mid-Atlantic and most of New England is slated to experience neutral temperatures with no high degree of probability for a shift in either direction. Slivers of above normal temperatures are more likely to occur in Florida and along the Pacific coast.
- The majority of the lower 48 is expected to see above normal precipitation risk, a continuance of what has been a very wet fall in the east, with a lone dry spot in central Texas.

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