



GENERAL UPDATE

- The December 2018 NYMEX contract expired Wednesday, November 28, 2018 at \$4.72/MMBtu. The January 2019 contract price rose \$0.22 (5%) to finish the week at \$4.70/MMBtu.
- All physical gas spot prices saw substantial increases this past week. Boston's Algonquin Citygate prices dropped \$3.04 (-33.7%) to \$5.98/MMBtu. Transco Zone 6 NYC decreased \$0.54 (-10.6%) to \$4.53/MMBtu.
- Tennessee Zone 4 Marcellus prices decreased \$0.12 (-2.7%) to \$4.27/MMBtu. Dominion South, serving southwest Pennsylvania, fell just \$0.03 (-0.7%) to \$4.21/MMBtu.
- SoCal Citygate prices increased \$0.11 (1.5%), to \$7.34/MMBtu. Prices at Northern California PG&E Citygate increased \$0.54 (8.7%) to \$6.71/MMBtu. Approximately 16,000 PG&E customers are still without power and 12,000 without natural gas in the aftermath of the Camp Fire, which was finally 100% contained this past Sunday, November 25.

Near-month natural gas futures prices (Nymex)



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

POWER

- For the NEMASSBOST zone, the 12 Month ATC strip dropped \$4.03 (-7.4%) week/week to \$50.24. The 24 Month ATC strip lost \$2.39 (-4.7%) to \$48.75 and the Cal 2019 ATC strip dropped \$2.51 (-4.8%) to \$50.09/MWh.
- For the NYC zone in NYISO, the 12 Month ATC strip dropped \$1.12 (-2.4%) to \$45.65. The 24 Month ATC strip dropped \$0.78 (-1.8%) to \$43.56 and the Cal 2019 ATC strip dropped \$0.90 (-1.9%) to \$45.33/MWh.
- For the PEPCO zone in PJM, the 12 Month ATC strip lost \$0.81 (-1.8%) falling to \$43.41. The 24 Month ATC strip dropped \$0.56 (-1.3%) to \$41.07, and the Cal 2019 ATC strip dropped \$0.82 (-1.9%) to \$42.77/MWh.
- Prices trended downwards in ERCOT throughout the week as well. The 12 Month ATC strip lost \$0.18 (-0.4%), falling to \$48.68. The 24 Month ATC strip dropped \$0.08 (-0.2%) to \$43.50, while the Cal 2019 ATC strip dropped \$0.67 (-1.4%) to \$47.58/MWh.

UTILITY HIGHLIGHT

PJM

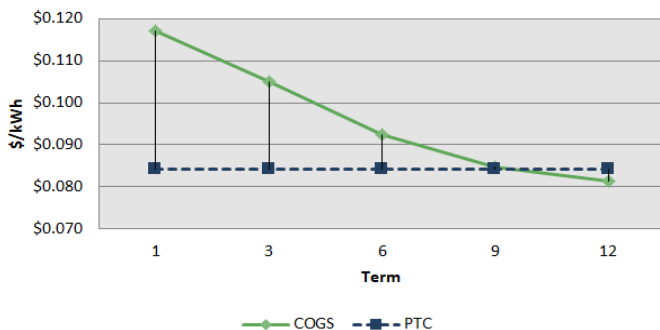


MD

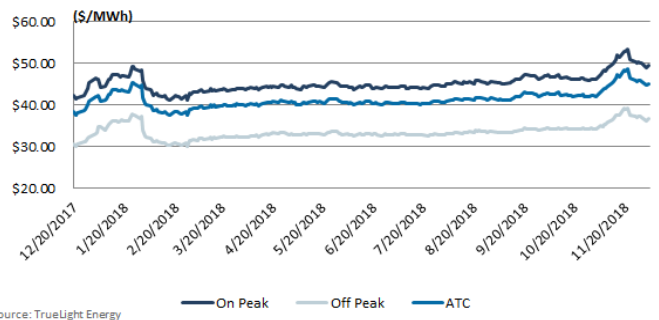


BGE

BGE - GS



BGE - 12 MONTH STRIP PRICING

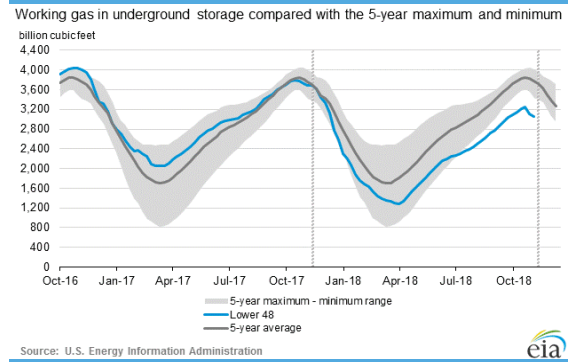


Source: TrueLight Energy

- The current Price to Compare (PTC) for Maryland's Baltimore Gas & Electric (BGE) General Service rate class (GS) is \$0.07988/kWh for the October 1, 2018 through January 31, 2019 price period.
- The likelihood of headroom in BGE is increasing for longer term lengths, with a probable headroom of \$0.00273/kWh for the 12 month term.
- The BGE ATC 12-month strip has been on a steady increase throughout the year, but has experienced an especially significant run up for the month of November. The strip has since come back down for early December, decreasing 1.2% over the past week to \$45.12/MWh today.
- Since June 1, 2018, the strip has traded between \$40.04/MWh and \$48.65/MWh, an all-time high in the past year which was reached Wednesday November 21, 2018.

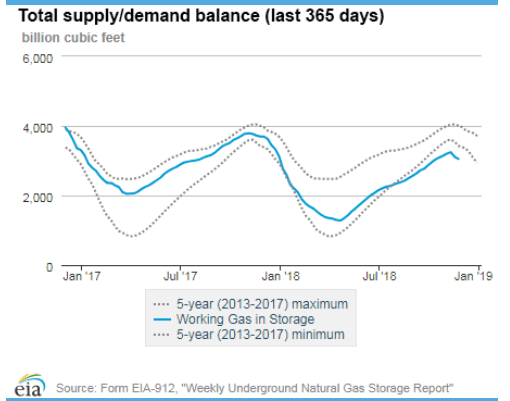
NATURAL GAS

- For the week ending November 23, the EIA reported net withdrawals from storage of 59 Bcf, which is higher than last year's net withdrawals of 35 Bcf for this week and higher than the 2013-2017 average net withdrawals of 49 Bcf.
- Working natural gas stocks totaled 3,054 Bcf, which is 644 Bcf (-17.4%) lower than last year's level and 720 Bcf (-19.1%) lower than the five year average of 3,774 Bcf.
- The January 2019 futures contract price is trading at a discount to the average spot price, creating an incentive for withdrawals. NYMEX future prices averaged at \$4.50/MMBtu which is \$0.06/MMBtu lower than the spot price. Last year at this time, the January 2019 contract was \$0.10/MMBtu higher than the spot price.



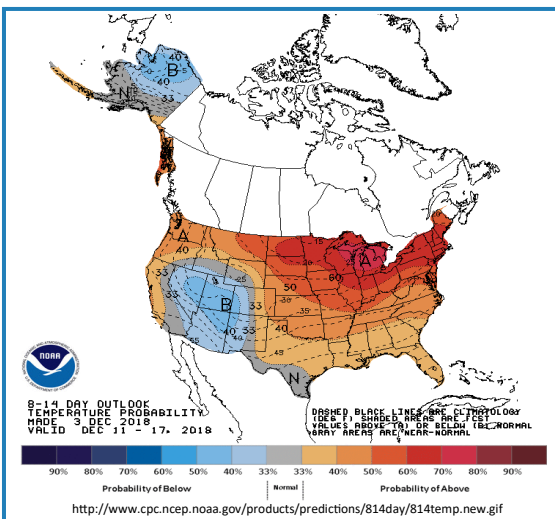
SUPPLY & DEMAND

- The EIA reported that the average total supply of natural gas increased 1% week/week, averaging 92.9 Bcf/day. Dry natural gas production increased by 1%, while net imports from Canada decreased by 1%.
- Total US consumption of natural gas went unchanged week/week, holding at 84.2 Bcf/day. Consumption for power generation decreased 4%, industrial consumption went unchanged, residential-commercial consumption increased by 4%, and exports to Mexico decreased 1%.
- LNG exports were flat week/week with a combined 24.4 Bcf across seven LNG vessels departing US ports.



MARKET INTELLIGENCE

- Pennsylvania's declining number of residential electric customers using competitive supply has eased up across the state for the late October to late November time period. The net decline from late September to late October was 8,500 accounts, which has seen marginal improvements for this past month of November with a decline of just 7,200 customers. Duquesne Light (DUQ) was the only one of the seven major PA EDCs to experience a net increase in residential customers; however, this improvement of 1,300 customers month/month is a good sign for competitive supply in Pennsylvania.
- Duquesne Light (DUQ) new Default Service Supply rates for the December 1, 2018 to May 31, 2019 price period have been approved by the Pennsylvania PUC. The Default Service Supply charge, not to be confused with the official Prices to Compare, only reflect generation supply. For residential customers, the Default Service Supply rate is to decrease 1% to \$0.060654/kWh, with a total PTC of \$0.0745/kWh. For small C&I customers (<25kW), the Default Service Supply rate is to decrease 0.6% to \$0.057642/kWh, with a total PTC of \$0.0649/kWh for the GS rate class. Medium C&I customers (>25 kW, <300 kW) will increase 20% to \$0.06681/kWh for the new Default Service Supply rate beginning December 1, 2018 through February 28, 2019. Total PTC will increase to \$0.0761/kWh.



WEATHER

- There are above normal temperatures forecasted broadly across the northern US, particularly in the Great Lakes region as the Alaskan ridge driving early December cold breaks down for a period of warming beginning on 12/13.
- Storms will be in place to limit the extent of the warming, providing above normal precipitation probability across most of the country.

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