



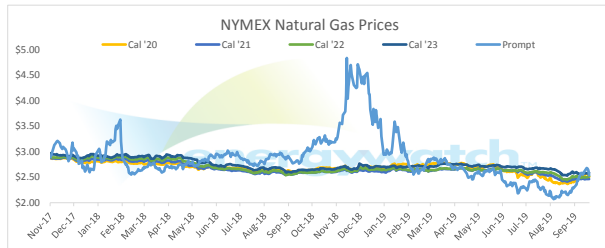
Week Ending: 9/19/2019

Weekly Update:

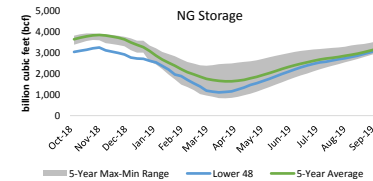
Front month natural gas contract closed yesterday at \$2.538/MMBtu. For the week ending 9/13, storage saw an 84 bcf injection, which was 8 bcf higher than the 76 bcf addition expected by market analysts. The current storage capacity is 71% full with 3,103 bcf. This is 14.5% above last year's 2,710 bcf for the same week, and 2.4% below the five-year average of 3,178 bcf. At the Transco Zone 6 pipeline, which services NYC, natural gas prices fell 29 cents from \$2.30/MMBtu last Wednesday to \$2.01/MMBtu this past Wednesday (EIA). "Widespread heat across the nation including a stronger heat wave for the Midwest and East next week will bring the cooling demand up to the highest level ever recorded in September" (Constellation).

Ohio Governor Mike DeWine signed into law House Bill 6 which is supposed to go into effect on 10/22/2019. This will reduce RFS requirements through 2026 and eliminate them by 2027. This bill will also eliminate the solar curve-out by 2020. However, this new law is being challenged by the Ohioans Against Corporate Bailouts (OACB), which has launched a referendum effort to overturn the legislation. "If the petition is found to be valid by the Secretary of State, the legislation will not go into effect until it has been approved by the voters in the 2020 General Election" (Constellation).

Natural gas pricing plays a key role in electricity power pricing due to the increasing reliance on natural gas fired generators as nuclear, coal, and oil generation is retired and mothballed. As the marginal unit of generation, gas prices are directly correlated to power pricing (more so in some regions such as NYC vs. others such as parts of PJM). We keep an eye on natural gas market fundamentals in order to provide insights into forward power pricing for our clients. Gas production has grown and surpassed any speculation that production would not be able to keep up with demand due to LNG and Mexican exports.

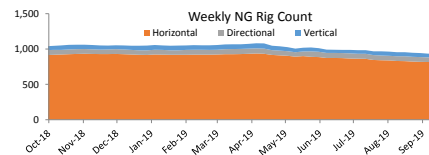


Natural Gas Storage Week Ending 9/13/2019	
Current Week Stocks (bcf)	3,103
Previous Week Stocks (bcf)	3,019
Implied Net Change (bcf)	84
Expected Net Change (bcf)	76
Variance (bcf)	8
Year-Ago Stocks (bcf)	2,710
Variance vs Prev. Year (%)	14.5%
5-Year Average (bcf)	3,178
Variance vs 5-YR Avg (%)	-2.4%

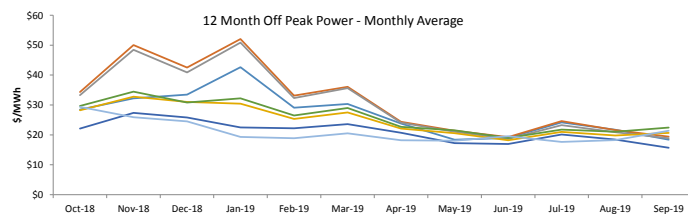
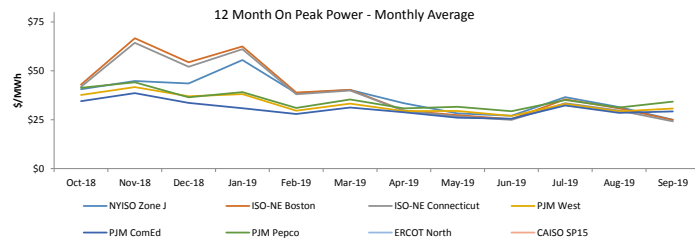


	\$/MMBtu	W-o-W Δ	Y-o-Y Δ
Prompt Month	\$2.538	-3.8%	-15.8%
12-Month	\$2.523	-2.8%	-11.3%
24-Month	\$2.494	-1.7%	-9.5%
Cal 19	\$2.655	-1.0%	-4.3%
Cal 20	\$2.497	-2.2%	-5.3%
Cal 21	\$2.462	-0.1%	-5.0%
Cal 22	\$2.514	0.5%	-3.0%

Week Ending:	9/13/2019	W-o-W Δ
Oil Rigs	733	-0.7%
Gas Rigs	153	-4.4%
Vertical	53	10.4%
Horizontal	776	-0.9%
Directional	57	-14.9%

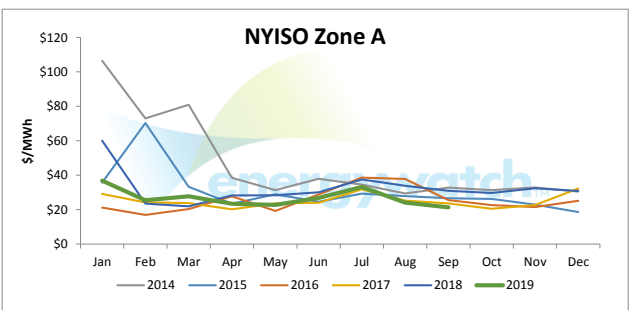
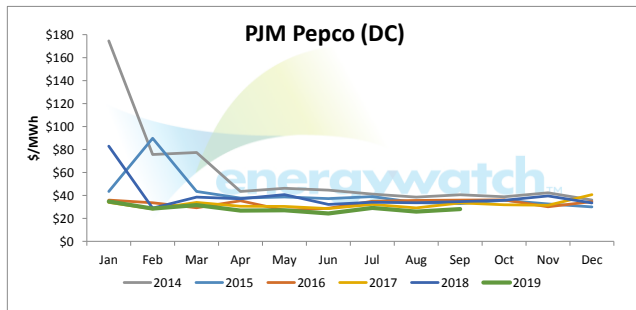
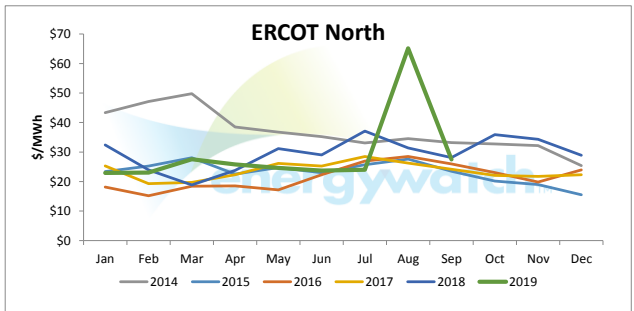
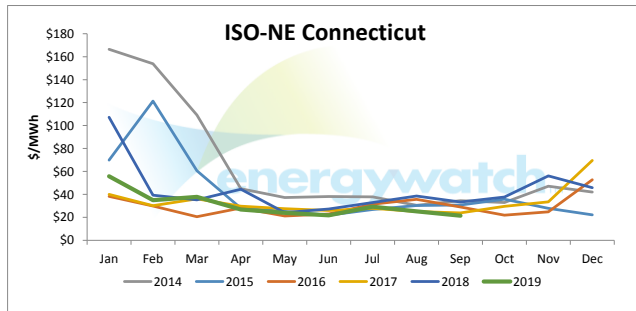
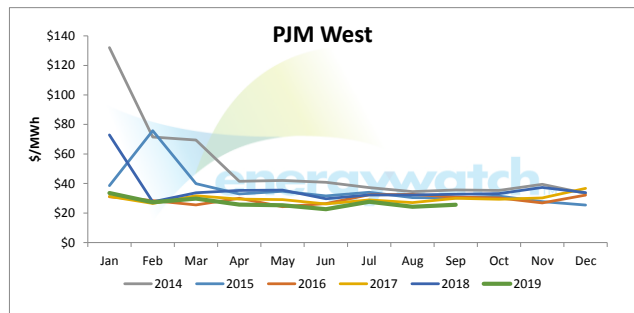
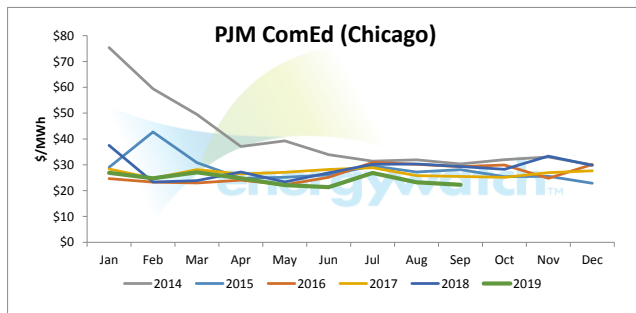
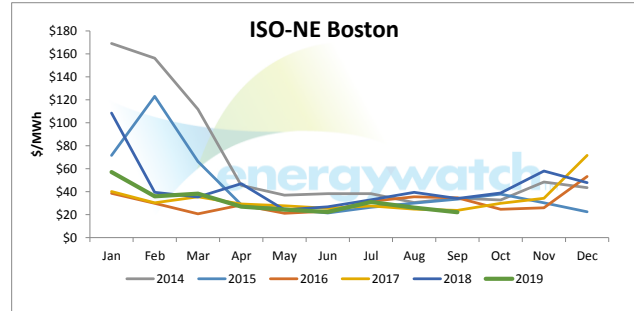
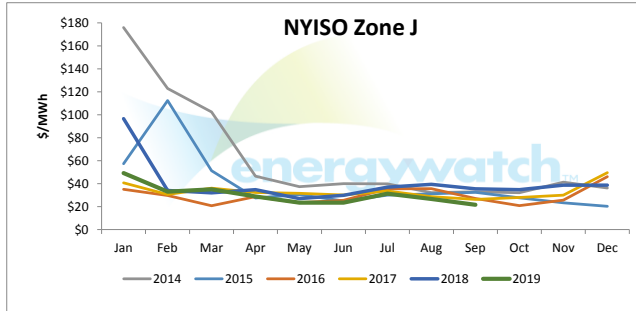


	Avg. Temp	Past 10 Weeks	Departure From Normal	CDD	HDD
Boston	58		-6	0	7
Chicago	73		9	8	0
Columbus	69		5	5	0
Dallas	81		4	16	0
Denver	66		4	1	0
Detroit	68		7	3	0
Hartford	56		0	0	9
Houston	79		-1	14	0
Indianapolis	75		9	10	0
Las Vegas	82		-1	18	0
Los Angeles	72		3	7	0
Miami	84		1	20	0
Minneapolis	73		12	8	0
New York City	63		-5	0	2
Philadelphia	65		-4	1	1
Phoenix	91		3	27	0
Salt Lake City	65		0	1	1
San Diego	70		-1	5	0
San Francisco	68		4	4	0
Seattle	61		1	0	4
St. Louis	80		10	15	0
Washington D.C.	64		-3	1	2



Week Ending: 9/19/2019

2014 - 2019 YTD Locational Marginal Pricing (LMPs)



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