



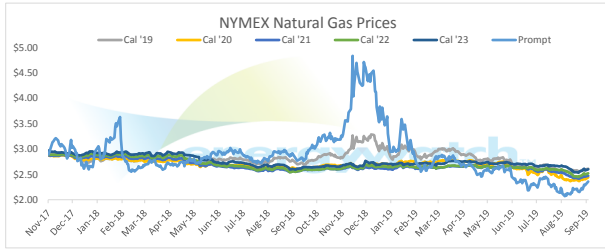
Week Ending: 9/5/2019

Weekly Update:

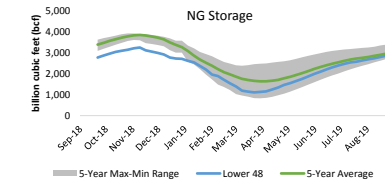
Front month natural gas closed on Thursday at \$2.435/MMBtu. Natural gas storage levels increased by 84 bcf which was 9.09% higher than the 77 bcf injection expected by market analysts. With 8 weeks left in the traditional injection season, the total 2,941 bcf in storage is only 67.3% of its total capacity. The current levels are also 15% higher than last year's level, and 2.7% below the five-year average. The five-year average storage increase for this same week is 66 bcf and last year saw a 64 bcf increase. Prices at the Transco Zone 6 hub, which services NYC, increased 11 cents from \$1.79/MMBtu last Wednesday to \$1.90/MMBtu this past Wednesday (EIA).

Four coal power plants in Illinois are scheduled for retirement by the end of 2019. "EIA power generation data indicate that coal generation in the state fell by 36% between 2010 and 2018. During the same period, generation by natural gas fired plants more than tripled, from 5.7 GWh in 2010 to 17 GWh in 2018, while generation by renewable sources more than doubled to 12.6 GWh in 2018" (EIA). A total of 3.7 GWh of coal capacity was retired between 2010 and 2018.

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 is expected to continue to grow, however, there is speculation that demand growth will outpace supply primarily due to LNG and Mexican exports and increased power burn, presenting upside risk to power pricing in the future.

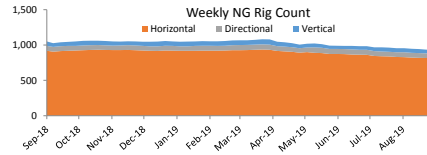


Natural Gas Storage	
Week Ending 8/30/2019	
Current Week Stocks (bcf)	2,941
Previous Week Stocks (bcf)	2,857
Implied Net Change (bcf)	84
Expected Net Change (bcf)	77
Variance (bcf)	7
Year-Ago Stocks (bcf)	2,558
Variance vs Prev. Year (%)	15.0%
5-Year Average (bcf)	3,023
Variance vs 5-YR Avg (%)	-2.7%

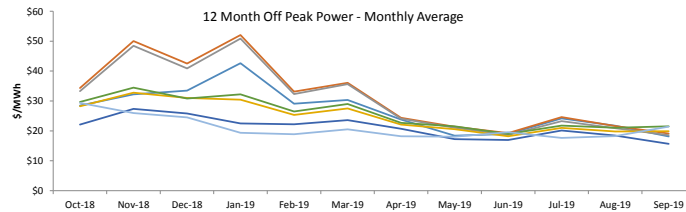
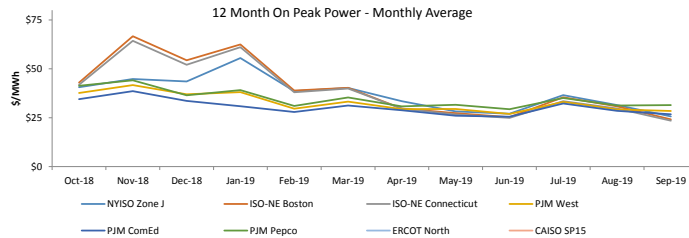


	\$/MMBtu	W-o-W Δ	Y-o-Y Δ
Prompt Month	\$2.435	4.2%	-13.0%
12-Month	\$2.488	3.0%	-9.3%
24-Month	\$2.479	1.8%	-7.8%
Cal 19	\$2.635	1.1%	-2.8%
Cal 20	\$2.480	2.1%	-4.9%
Cal 21	\$2.474	0.3%	-3.7%
Cal 22	\$2.507	-0.1%	-2.4%

Week Ending:	8/30/2019	W-o-W Δ
Oil Rigs	742	-1.6%
Gas Rigs	162	0.0%
Vertical	50	0.0%
Horizontal	784	-1.6%
Directional	70	1.4%



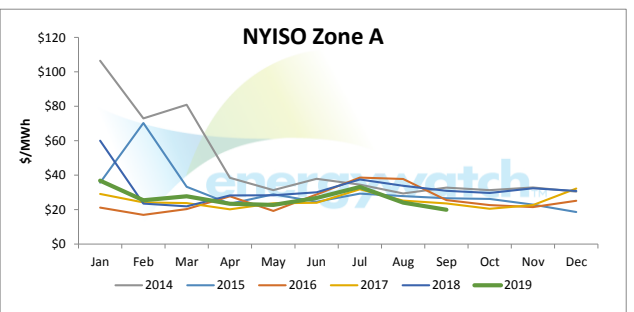
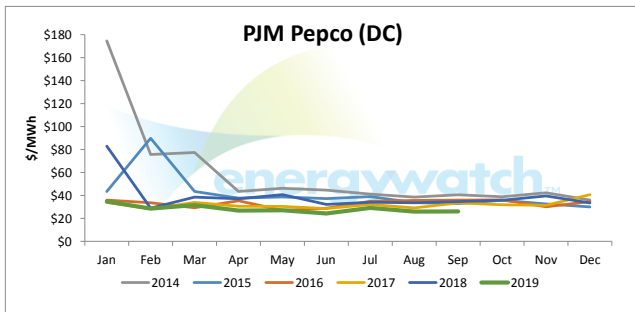
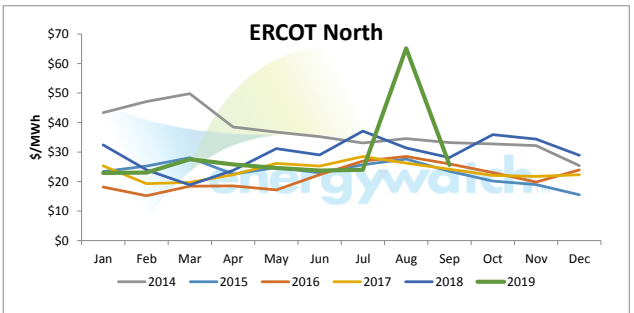
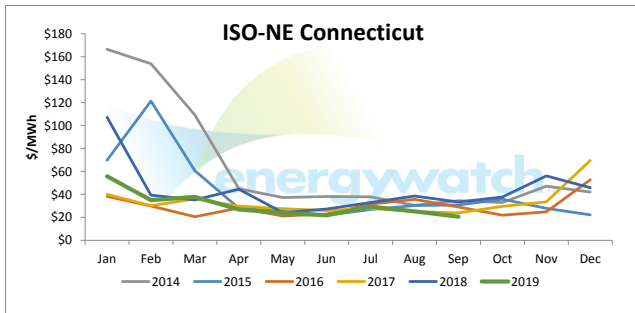
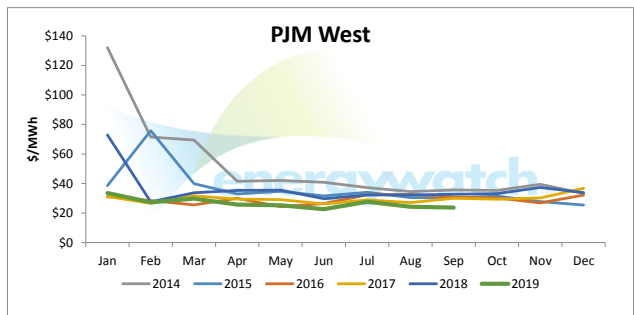
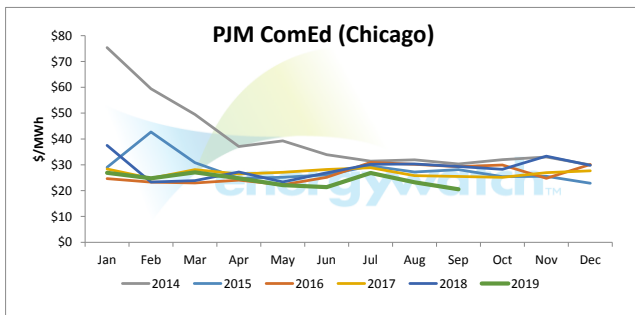
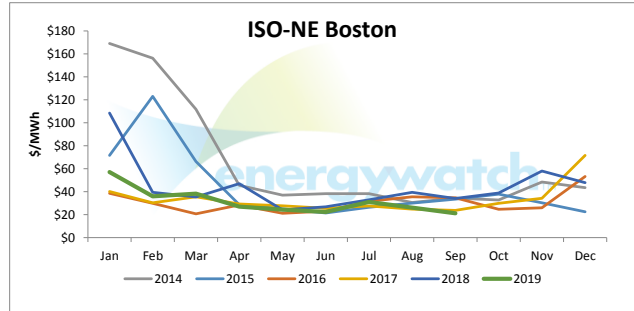
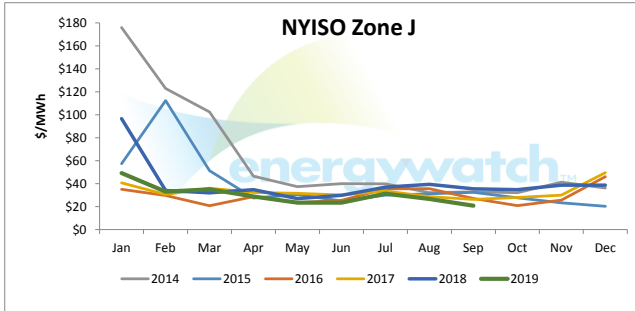
	Avg. Temp	Past 10 Weeks	Departure From Normal		CDD	HDD
			Weeks	Normal		
Boston	71		7	6	0	0
Chicago	65		-5	4	1	0
Columbus	68		1	4	0	0
Dallas	87		5	22	0	0
Denver	73		6	9	0	0
Detroit	65		-3	0	0	0
Hartford	69			5	1	1
Houston	87		5	23	0	0
Indianapolis	69		0	4	0	0
Las Vegas	96		9	31	0	0
Los Angeles	79		9	14	0	0
Miami	87		4	23	0	0
Minneapolis	65		-4	1	1	1
New York City	75		7	10	0	0
Philadelphia	76		7	12	0	0
Phoenix	100		8	35	0	0
Salt Lake City	84		13	19	0	0
San Diego	79		7	14	0	0
San Francisco	66		1	1	0	0
Seattle	68		4	4	0	0
St. Louis	74		0	9	0	0
Washington D.C.	77		8	12	0	0



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2014 - 2019 YTD Locational Marginal Pricing (LMPs)



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