ADVANTAGE ENERGY PARTNERS

Tuesday, April 3rd, 2018

GENERAL UPDATE

- Forward power curves and financial gas futures traded higher for the week. The April 2018 NYMEX contracts rose $0.08/MMBtu, roughly 3%, to close at $2.73/MMBtu. Physical spot gas prices were mostly lower across the country as spring temperatures began to take hold.
- At the Chicago Citygate, prices fell $0.17 to $2.40/MMBtu yesterday. The price at SoCal Citygate dropped $1.40 to $2.42/MMBtu. At PG&E Citygate in Northern California prices slipped $0.13 to $2.56/MMBtu.
- Prices also trended lower in the Northeast. At the Algonquin Citygate prices fell $1.47 to $2.35/MMBtu. Transco Zone 6 prices lost $0.38 to $2.52/MMBtu yesterday. Tennessee Zone 4 prices fell $0.44 to $2.06/MMBtu, and prices at Dominion South traded $0.43 lower to $2.09/MMBtu.

Near-month natural gas futures prices (Nymex)

eia Source: Natural Gas Intelligence

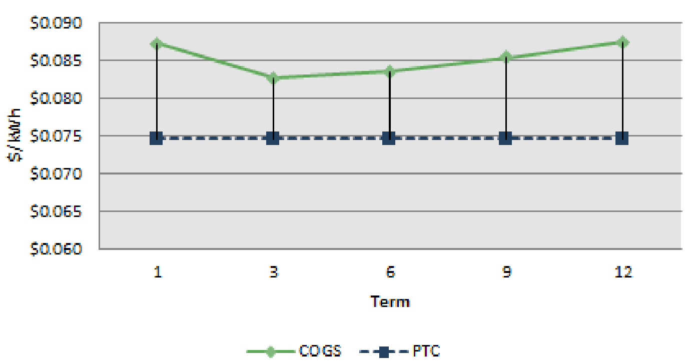
POWER

- ERCOT prices continued to march higher. The 12-month ATC strip in the Houston load zone rose $1.30/MWh; the 24-month added $0.90, while the calendar 2019 curve moved $0.50/MWh higher.
- Northeastern curves also showed strong upside momentum. In the NEMASS zone, the 12-month term increased $1.00; the 24-month curve added $0.75 and the calendar 2019 strip rose $0.25/MWh. NYISO Zone J prices added $0.75 for the 12-month, $0.50 for the 24-month and $0.35 for the calendar 2019 term.
- PJM curves were also higher, In the COMED zone the 12-month strip traded $0.50 higher. The 24-month curve rose $0.35 and the calendar 2019 term added $0.05/MWh. In the major PJM East zones, the 12 and 24 month strips were about $0.20 to $0.25/MWh higher, while calendar 2019 curves were flat.

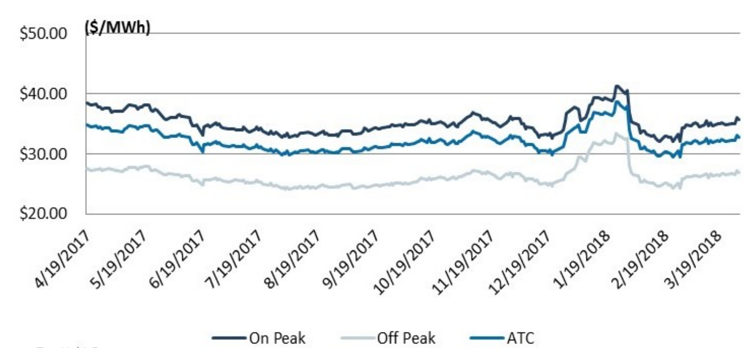
UTILITY HIGHLIGHT

PJM › PA › PPL

PPL - RSNH



PPL - 12 MONTH STRIP PRICING

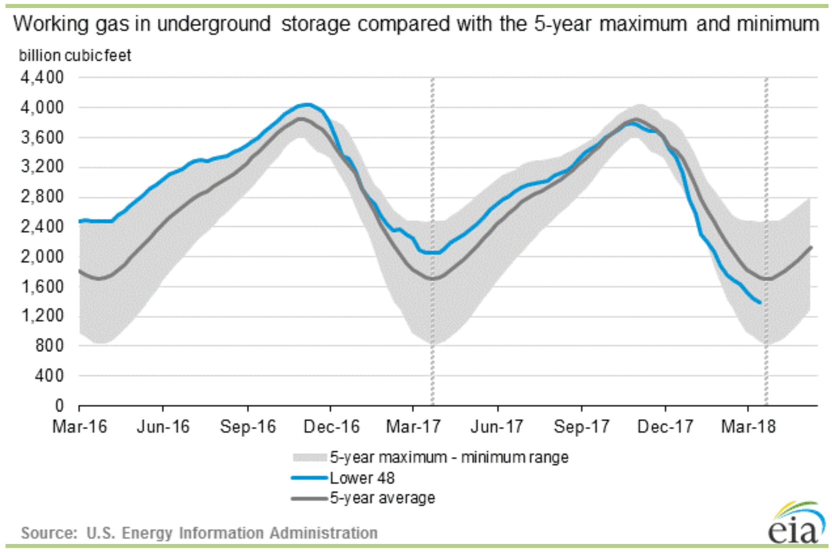


Source: TrueLight Energy

- The current Price to Compare (PTC) for Pennsylvania Power & Light (PPL) Residential Non-Heating Service rate class is $0.07463/kWh for the current price period of December 1, 2017 to May 31, 2018. This is an approximate 12.13% decrease from the previous PTC of $0.08493/kWh for the June 1, 2017 through November 30, 2017 price period.
- In PJM's PPL load zone, the rolling 12-month ATC forward curve added $0.73/MWh, roughly 2%, to close the week at $32.82/MWh. While roughly 4% higher for the month of March, which was unseasonably cold in Pennsylvania, the curve remains down about 1.5% for 2018.

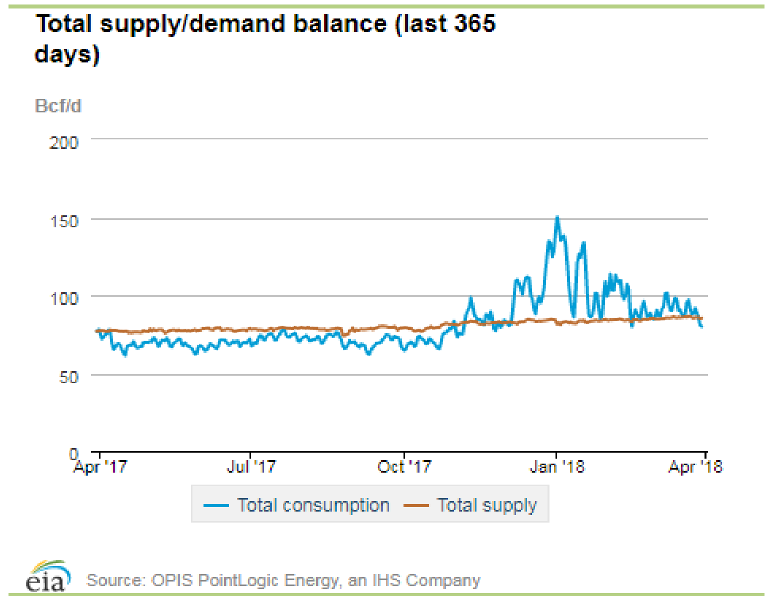
NATURAL GAS

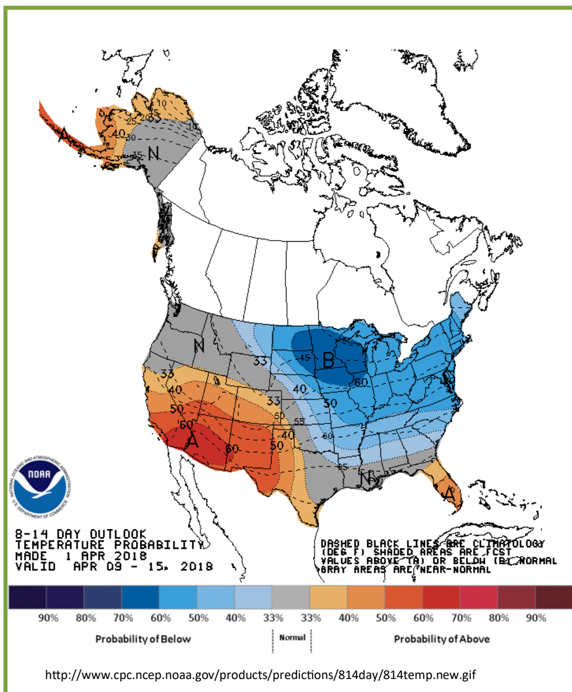
- Net withdrawals from storage reached -63 Bcf for the week ending March 23, compared with the 5-year withdrawal of -46 Bcf and last year's draw of -58 Bcf. Estimates of the weekly net change in working natural gas storage ranged from 61 Bcf to 82 Bcf, with a median of 68 Bcf.
- At 1,383 Bcf, gas stocks are 346 Bcf less than the 5-year average and 672 Bcf below last year's level. If they match the 5-year pace, working gas stocks will fall to 1,356 Bcf by March 31, 2018. This falls 17% under the 5-year average, or the 3rd lowest reported level since 2010.



SUPPLY & DEMAND

- According to the EIA, the average total supply of natural gas was unchanged for the week, averaging almost 86 Bcf/day. Dry gas production was steady for the week, while Canadian imports fell 6%.
- Demand fell as warmer temperatures spread across most of the country. Total consumption dropped 4% compared with last week. Power burn demand was steady at 23.2 Bcf/day; industrial consumption slipped 1%, and residential/commercial demand fell 9%. Mexican exports were unchanged at 4.3 Bcf/day.
- LNG exports rose for the week; five vessels carrying about 18 Bcf left the Sabine Pass last week.





WEATHER

- Temperatures in the Lower 48 states averaged 44°F, 2° lower than normal and 3° lower than last year; average temperatures were slightly higher than last week.
- Winter stubbornly hangs on for the Northern Rocky Mountains where winter storm warnings are in affect. We could also see heavy snow in the Northern Plains and Western edge of the Great Lakes, and freeze warnings extend as far South as Arkansas. Spring conditions dominate along the Gulf Coast. As the warm air moves North we will see active storms in the Central Plains and Ohio Valley.
- The models suggest this Cold North/Warm South pattern has some staying power into the 7-10 day window; look for heavy storm activity where the dominant weather patterns meet.