

GENERAL UPDATE

- Financial gas markets traded higher with the June 2018 NYMEX Henry Hub forward contract adding \$0.07, or about 2.2%, to close the week at \$2.77/MMBtu.
- Physical gas spot prices trended lower as spring temperatures continued to warm up around the country. At the Chicago Citygate, prices fell \$0.55 (17%) to \$2.61/MMBtu. Prices at PG&E Citygate dropped \$0.22 (7.5%) to \$2.70/MMBtu. SoCal Citygate prices slipped \$0.13 (7.5%) to \$2.94/MMBtu.
- At the Algonquin Citygate prices plunged \$5.62 (67%) to \$2.72/MMBtu as temperatures warmed up considerably and the Algonquin Gas Transmission Pipeline returned from scheduled maintenance. At New York's Transco Zone 6 point, prices dropped \$0.61 (20%) to \$2.44/MMBtu.
- The Tennessee Zone 4 Marcellus spot price ticked \$0.06 (3%) lower to \$1.93/MMBtu. Prices at the Dominion South point fell \$0.33 (12.5%) to \$2.32/MMBtu.

Near-month natural gas futures prices (Nymex)



eia Source: Natural Gas Intelligence

POWER

- Most forward power curves showed price declines with the exception of Texas where curves ticked higher. In ERCOT's Houston zone, the 12-month ATC strip rose \$0.10 (about 0.5%) to close at \$43.08/MWh. The 24-month strip added \$0.25 (0.6%) to \$41.17/MWh, and the calendar 2019 term rose \$0.40 (1%) to end the week at \$39.28/MWh.
- PJM East curves were lower. The 12-month ATC strip dropped \$0.35 (.9%) to \$38.58/MWh. The 24-month curve fell \$0.20 (<0.5%) to \$37.74/MWh, and the calendar 2019 term gave up \$0.10 (<0.5%) to close at \$37.12/MWh.
- In the NEMASS load zone (for the greater Boston area) the 12-month ATC curve lost \$0.60 (1.3%) to end the week at \$42.71; the 24-month term fell \$0.85 (2%) to finish at \$42.83. The calendar 2019 term was unchanged at \$42.64/MWh.
- The NYISO Zone J 12-month ATC strip dropped \$0.40 (1%) to close at \$40.20/MWh. The 24-month term slipped \$0.25 (0.6%) to \$39.64, and the calendar 2019 curve lost \$0.10 (<0.5%) to finish the week at \$39.16/MWh.

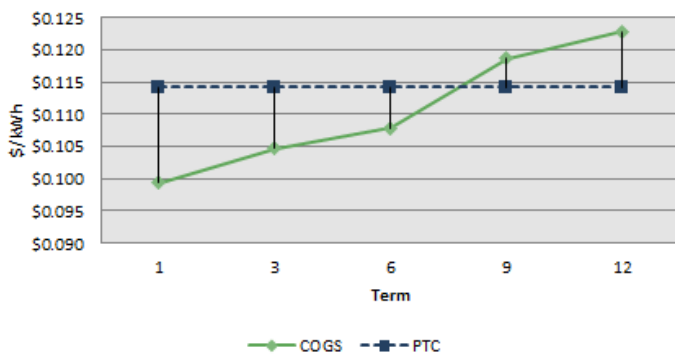
UTILITY HIGHLIGHT

ISONE >

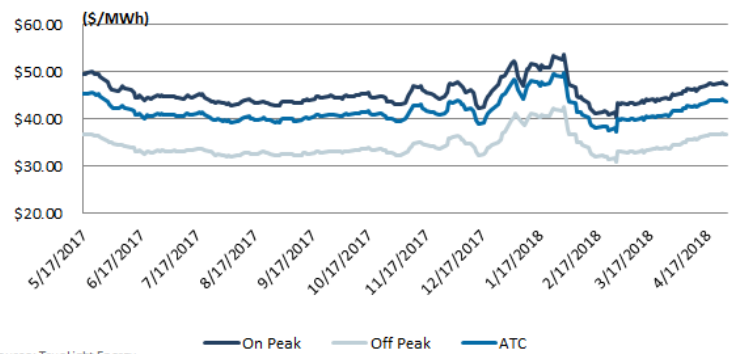
MA >

WMECO

WMECO - G0



WMECO - 12 MONTH STRIP PRICING

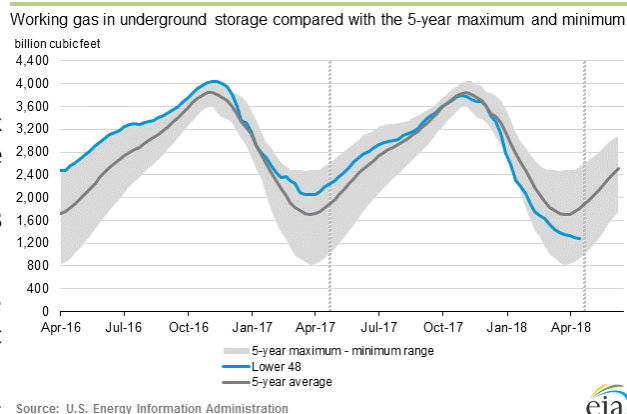


Source: TrueLight Energy

- The current Price to Compare (PTC) for Eversource Western MA's (WMECO) Small Business (G0) rate class is \$0.11421/kWh for the month, through June 30, 2018. This PTC went into effect February 1 as a slight adjustment (0.15%) from the previous rate. The PTC that will go into effect July 1 is not yet available. Headroom is likely available at the 1, 3, and 6 month terms.
- Over the last week the WMECO ATC 12-Month Strip traded \$0.24/MWh lower, a loss of about -0.55%, to finish the week at \$43.74.
- Since hitting a 52-Week low of \$37.23/MWh on February 27, 2018 the strip has steadily increased in price \$6.51/MWh or 16% to present.

NATURAL GAS

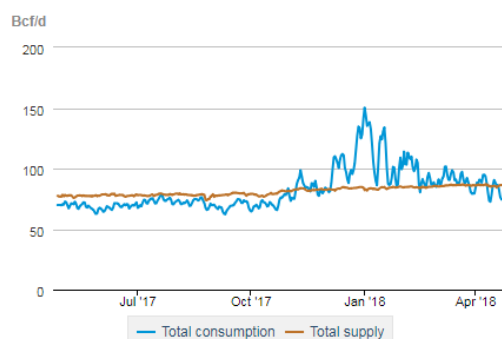
- The EIA reported another net withdrawal from storage (-18 Bcf) for the week ending April 20. This report remains bullish compared to the 5-year average (+60) and the prior year's report for the same week (+71). Estimates ranged from net withdrawals of -25 to net injections of +2 Bcf with a median of -13 Bcf.
- Colder-than-normal temperatures across the majority of the Lower 48 have given us withdrawals for the full month of April so far despite the fact that the injection season typically starts on April 1st. We are in new territory with this situation; we have not had three consecutive April draws since the EIA began tracking weekly storage reports in 1994.
- Working gas stocks now total 1,281 Bcf, 527 Bcf (29%) lower than the 5-year average and 897 Bcf (41%) lower than last year. If net injections match the five-year average of 101 Bcf for the remainder of April, then we can expect to end the month with a total net injection of +30 Bcf.



SUPPLY & DEMAND

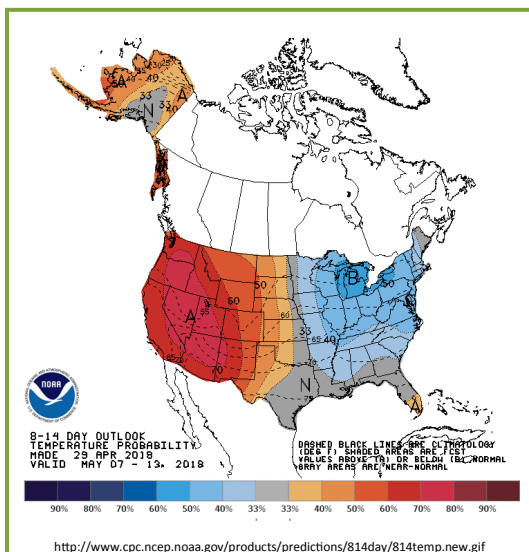
- The EIA announced that the total supply of natural gas in the U.S. rose 1% compared to last week. Dry gas production added 1%, while Canadian imports increased 2%.
- Demand fell as temperatures rose around the country. Total U.S. consumption of natural gas dropped 6% versus last week. Residential and commercial use fell 14%. Power burn demand and industrial consumption each dropped 2%, while Mexican exports slipped 1%.
- U.S. LNG exports were unchanged for the week. A total of six vessels (total capacity of 15 Bcf) left the Sabine Pass and Dominion Energy Cove Point terminals last week.

Total supply/demand balance (last 365 days)



MARKET INTELLIGENCE

- The National Oceanic and Atmospheric Administration (NOAA) is currently forecasting above normal heat for the summer in the eastern US and TX. ISONE and ERCOT appear to be the markets where the heat is most likely to show up, while PJM and NYISO are said to have 40% probability of having above normal temperature this summer. Eastern markets also face above normal precipitation risks which may present demand-forecasting challenges to those ISOs.
- The New York State Energy Research and Development Authority announced plans to increase the state's energy efficiency goals by another 40%. More funding and investment into energy efficiency training and technology will help fuel the drive. Electricity demand sources from space cooling/heating, lighting, and water heating will be the top sources of efficiency. Overall electricity sales between 2019-2025 are expected to decrease due to the savings.



WEATHER

- Temperatures definitely eased into more moderate territory last week, but remained below normal, especially in the Midwest and on the East coast. Temperatures in the Lower 48 averaged 49°F, 4° lower than normal and 11° lower than last year.
- The chilly conditions will continue to fade this week, but are not going without a fight. We have freeze warnings in the Appalachian Mountains and the Ohio River Valley, and the East coast will remain noticeably frigid. Much of the rest of the country is well on the way to much warmer conditions.
- A strong high-pressure system from the Atlantic will bring warm and moist air to the Eastern two-thirds of the country in the next 7 days. It's a slow moving system, however, and will eventually bring rain to the Southeast and Southern Plains.
- Texas will trend normal to slightly below normal, and East of the Mississippi will also likely show more normal temperatures. West of the Mississippi we can expect most areas to be above normal.

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