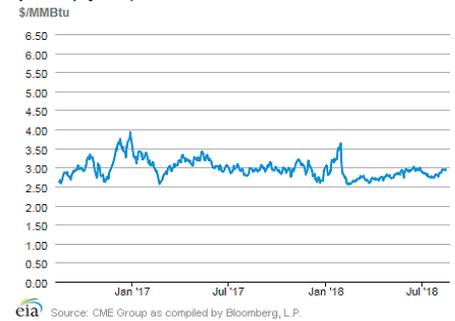


GENERAL UPDATE

- There was minimal price movement on the forward curve for natural gas as the September 2018 NYMEX contract decreased \$0.01 from \$2.949/MMBtu to \$2.940/MMBtu.
- Price movements in the physical gas spot markets were varied, though generally increasing particularly in the East. Boston's Algonquin Citygate increased \$0.88 (27%) to \$4.14/MMBtu, Transco Z6 NYC increased \$0.07 (2.3%) to \$3.14/MMBtu, Tennessee Zone 4 increased \$0.8 (46.2%) to \$2.53/MMBtu, and Dominion South increased \$0.05 (2%) to \$2.64/MMBtu. Chicago Citygate prices decreased \$0.06/MMBtu (2.1%) to \$2.95/MMBtu.
- As temperatures eased down on the West coast, the pressure lifted off the strained southern California gas system, allowing SoCal Citygate prices to decrease \$6.28 (44.3%) to \$7.89/MMBtu. Price at the unconstrained PG&E Citygate experienced a slight increase of \$0.03 (0.9%) to \$3.48/MMBtu.

Near-month natural gas futures prices (Nymex)



POWER

- ERCOT pricing continues its downward trend in the aftermath of its mid-summer run-up last month, though the magnitude of week/week movements has decreased. For the Houston zone, the 12-month ATC strip fell \$0.24 (0.7%) to \$33.47. The 24-month ATC strip saw less movement, losing \$0.08 (0.1%) to end up at \$37.38. The Cal 2019 ATC strip movement was even less, slipping \$0.02 (0.1%) to \$37.38/MWh.
- In PJM, prices generally trended downwards throughout the week, though price movement remained on the smaller side. In the PEP-CO zone, the 12-month ATC strip fell \$0.31 (0.8%) to \$39.39. The 24-month ATC strip fell \$0.11 (0.1%) to \$38.18, while the Cal 2019 ATC strip fell \$0.26 (0.7%) to \$38.03/MWh.
- NYISO forward prices also generally trended downwards. In Zone J, the 12-month ATC strip fell \$0.50 (1.2%) to \$42.45. The 24-month ATC strip fell \$0.46 (1.1%) to \$41.64, while the Cal 2019 month ATC strip fell \$0.50 (1.2%) to \$40.84/MWh.
- ISONE forward prices also trended downwards, with larger price movements observed in the near-term months. For NEMASSBOST, the 12-month ATC strip fell \$0.61 (1.3%) to \$45.90. The 24-month ATC strip fell \$0.42 (0.9%) to \$45.11, while the 24-month strip fell \$0.44 (1%) to \$44.39/MWh.

UTILITY HIGHLIGHT

ISONE

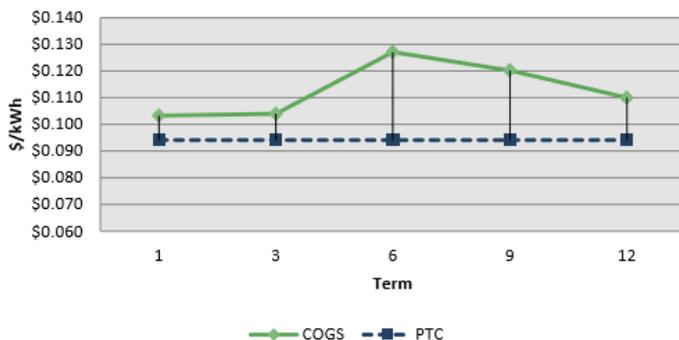


NH

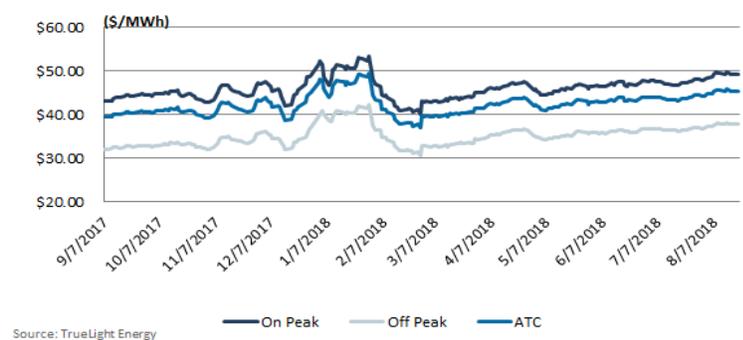


PSNH

PSNH - G



PSNH - 12 MONTH STRIP PRICING

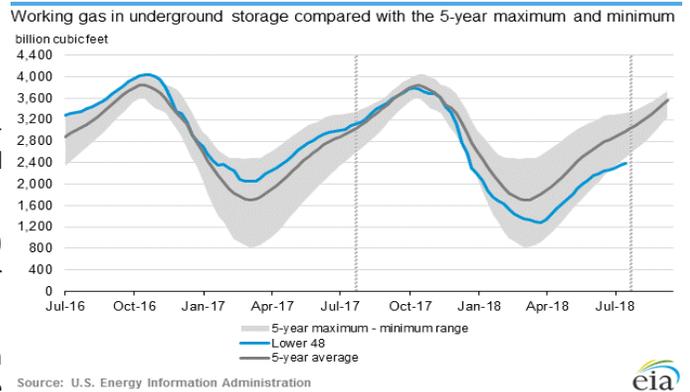


- The Price to Compare (PTC) for Public Service of New Hampshire (PSNH), now Eversource, General Service Commercial rate class (G) is \$0.09412/kWh for the August 1, 2018 through December 31, 2018 price period.

- Over the last week, the PSNH ATC 12-month strip has tapered off slightly from its steady upward climb, decreasing 0.33% to end the week at \$45.32/MWh.
- Since the beginning of the year, the ATC strip has reached a high of \$49.61/MWh on Jan 30, 2018 and a low of \$36.96/MWh on Feb 27, 2018. Since March 1, 2018, the strip has traded between \$39.39/MWh and \$45.93/MWh, which was reached this past Tuesday August 14, 2018.

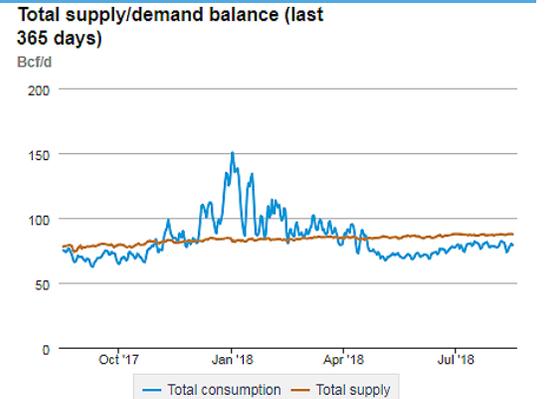
NATURAL GAS

- For the week ending August 10, the EIA reported net injections into storage of +33 Bcf which is lower than the five-year average of +56 Bcf and last year's injection of +49 Bcf for the same week.
- Working natural gas stocks totaled 2,387 Bcf, which is 687 Bcf (22.3%) lower than last year's level and 595 Bcf (20%) lower than the five year average for the same week.
- With working natural gas stocks trailing below the five year range in both inventory levels and rate of injections, inventories are on track to end the season well below the five year low. Despite historically low storage inventories, the average January 2019 futures contract continues to trade at a lower premium (\$0.21/MMBtu), to the average spot price than last year at this time (\$0.41/MMBtu).



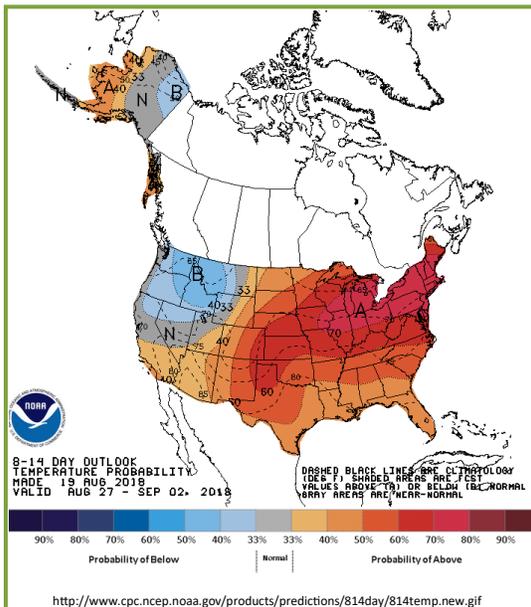
SUPPLY & DEMAND

- The EIA reported that the average total supply of natural gas was 87.3 Bcf/day. Week-over-week gains in dry gas production (1%) were offset by a net 6% decrease in Canadian imports.
- Total U.S. consumption of natural gas fell by 3%, chiefly driven by a drop in burn for power generation which fell 4% lower week/week amid lower temperatures across most of the Gulf Coast and southern border. Industrial sector consumption remained constant at an average of 19.7 Bcf/day, while res-com demand fell 1% and exports to Mexico decreased 3%.
- LNG exports increased week/week as six vessels left US ports throughout the week and two additional tankers were in the process of loading by the end of the period.



MARKET INTELLIGENCE

- The Pennsylvania PUC recently published statistics showing a notable decline in the number of residential customers on retail supply. From May 2018 to July 2018, the number of accounts on retail supply decreased by 22,000, which matches with the downwards trend noted in preceding months. Utilities on the eastern side of the state held the majority of the losses, while Duquesne Light was the only utility zone to see a slight increase.
- The Maine PUC recently set Central Maine Power and Bangor Hydro-Electric Standard Offer rates for large non-residential classes for September 2018. The total Standard Offer energy prices, respectively, are \$0.0424769/kWh and \$0.048306/kWh. Both CMP and BHE rates will include a \$13.08/kW-month capacity charge.



WEATHER

- The ridge that has sat in the western US for most of the summer shifts east to set up directly over the Midwest, bringing above normal temperatures to most of the eastern half of the US. The heart of the anomalies begins in northern Illinois and stretches east all the way to the Atlantic coast, resulting in above normal conditions for the mid-Atlantic and Northeast. Conditions remain generally above normal in Texas with the only areas of below normal air concentrated in the interior Northwest.
- The shift in the ridge also brings some drier air east, with southern portions of the coast seeing below normal precipitation while the rest of the coast line is expected to experience more normal precipitation risks. Wedged in between this and a large mass of below normal air in western south central are some above normal precipitation anomalies which may keep the Midwest generally wet throughout the week.

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