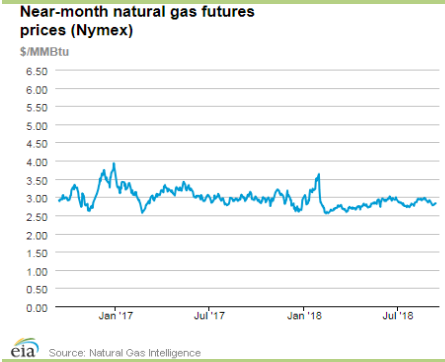


GENERAL UPDATE

- Financial gas markets continue to trade lower. The October 2018 NYMEX contract price rose \$0.03 (1.2%) to finish at \$2.829/MMBtu on Wednesday September 12, 2018.
- Price movements in the physical gas spot markets saw widespread decreases. Boston's Algonquin Citygate decreased \$0.36 (11.6%) to \$2.75/MMBtu. Transco Zone 6 NYC decreased \$0.15 (5%) to \$2.91/MMBtu, with a weekly low of \$2.50/MMBtu on Friday.
- Tennessee Zone 4 decreased \$0.30 (12%) to \$2.19/MMBtu, with a weekly low of \$2.16/MMBtu on Friday. Dominion South decreased \$0.35 (13.6%) to \$2.23/MMBtu. Chicago Citygate prices decreased \$0.15/MMBtu (5.2%) to \$2.72/MMBtu.
- SoCal Citygate prices fell \$0.71 (16.6%) to \$3.55/MMBtu. As of Tuesday September 12, inventories reached 78.2 Bcf, the highest recorded this year and up 2% from 76.5 Bcf last week. Prices at Northern California PG&E Citygate fell \$0.12 (3.7%) to \$3.09/MMBtu.



POWER

- NYISO forward curves erased last week's losses and posted notable gains week/week. For the NYC zone, the 12 Month ATC strip increased \$0.81 (1.9%) to \$43.39. The 24 Month ATC strip increased \$0.63 (1.5%) to \$42.29 and the Cal 2019 ATC strip increased \$0.90 (2.2%) to \$41.91/MWh.
- For ISONE, the NEMASSBOST zone continued posting gains week/week. The 12 Month ATC strip increased \$0.53 (1.1%) to \$46.82 and the 24 Month ATC strip increased \$0.39 (0.9%) to \$45.85. The Cal 2019 ATC strip also increased, moving up \$0.49 (1.1%) to \$45.86/MWh.
- In PJM, eastern zones saw notable price gains throughout the week. For the PEPCO zone, the 12 Month ATC strip increased \$0.79 (2%) to \$40.26. The 24 Month ATC strip increased \$0.55 (1.4%) to \$38.82, while the Cal 2019 ATC strip increased \$0.43 (1.1%) to \$38.81/MWh.
- While forward curves in ERCOT continue to move up, price gains last week were larger than normal. For the Houston zone, the 12 Month ATC strip increased \$1.27 (3.3%) to \$40.15. The 24 Month ATC strip increased \$1.16 (3.1%) to \$38.27, and the Cal 2019 ATC strip increased \$1.36 (3.5%) to \$39.68/MWh.

UTILITY HIGHLIGHT

PJM

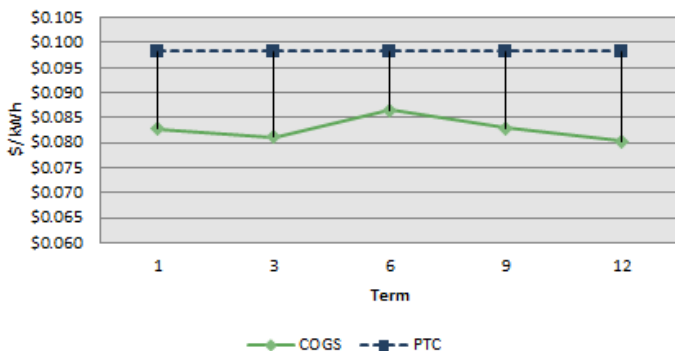


MD



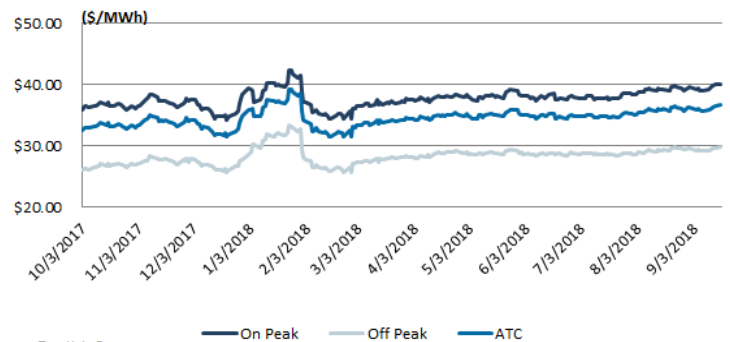
POTED

POTED - GSCS



- The current Price to Compare (PTC) for Maryland's Potomac Edison (POTED), General Service Small Commercial Type I 0-700 kWh and >700 kWh calculated blend rate class (GSCS) is \$0.09820/kWh for the upcoming price period starting October 1, 2018. This PTC is projected to decrease 1.2% to \$0.09706/kWh starting on the 1st of November, 2018.

POTED - 12 MONTH STRIP PRICING



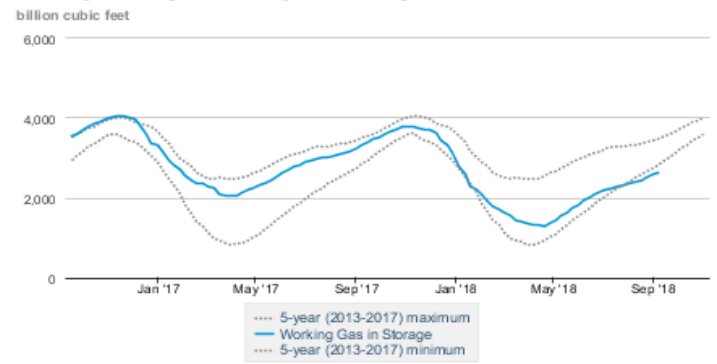
Source: TrueLight Energy

- Over the last week, the POTED ATC 12-month strip has been steady, increasing 2.2% to finish at \$36.67/MWh.
- Since the beginning of the year, the ATC strip has reached a high of \$39.29/MWh on Jan 24, 2018 and a low of \$31.50/MWh on Feb 16, 2018. Since June 1, 2018, the strip has traded between \$34.36/MWh and \$36.67/MWh, which was hit this Monday September 17, 2018.

NATURAL GAS

- For the week ending September 7, the EIA reported net injections into storage of +69 Bcf, which is higher than last report's +63 Bcf for the week ending August 31.
- Working natural gas stocks totaled 2,636 Bcf, which is 662 Bcf (20%) lower than last year's level and 596 Bcf (18.4%) lower than the five year average for the same week.
- For the January 2019 futures contract, working gas stocks continue to trade at a lower premium, averaging \$3.03/MMBtu which is \$0.10/MMBtu higher than the spot price. Last year at this time, the January 2019 contract was \$0.42/MMBtu higher than the spot price.

Working natural gas in underground storage

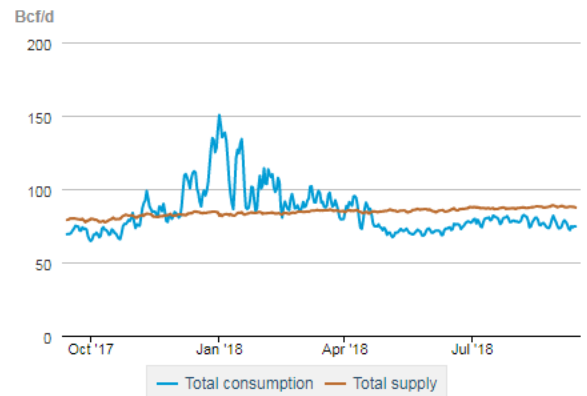


Source: Form EIA-912, "Weekly Underground Natural Gas Storage Report"

SUPPLY & DEMAND

- The EIA reported that the average total supply of natural gas remained flat for the third week in a row, averaging 87.8 Bcf/day. Dry natural gas production increased 0.4% week/week, while average net imports from Canada decreased by 11%.
- Total U.S. consumption of natural gas decreased by 1% week/week. Losses in demand for power generation (-8%) and exports to Mexico (-7%) offset gains in industrial sector (+1%) and residential-commercial sector (+26%) demand.
- LNG exports increased week/week with six LNG vessels, totaling 21.2 Bcf, departing from US ports throughout the week.

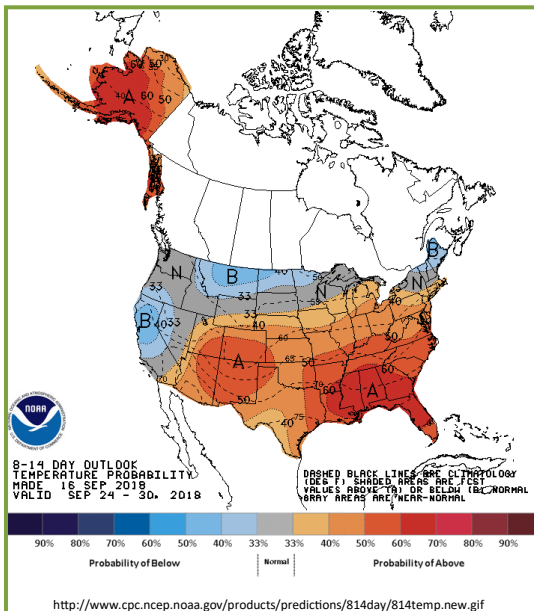
Total supply/demand balance (last 365 days)



Source: OPIS PointLogic Energy, an IHS Company

MARKET INTELLIGENCE

- Due to petitions from consumer advocates, the Public Utilities Commission of Ohio has issued a procedural order to consider terminating the monthly variable rate (MVR) program for certain non-shopping customers at Dominion Energy Ohio due to "unreasonably high" prices.
- The Oyster Creek Nuclear Generating Station, which is the oldest commercially operated nuclear plant in America, was scheduled to retire this past Monday September 17th. The plant, located in Forked River, New Jersey, was originally supposed to retire in December of 2019 but has been rescheduled to better correspond with fuel and maintenance cycles.



WEATHER

- Neutral-below normal air creeps down from Canada into New England and most of New York, coupled with about normal precipitation risk and characterizing fall-like conditions. The Mid-Atlantic region is still expected to see above normal temperatures as high pressure remains in place across most of the US, continuing the trend of the last several weeks, which will be accompanied by above normal precipitation.
- Texas is expected to see above normal temperatures across the state, with a greater chance for warmer weather in the eastern side of the state which is situated closer to the high pressure ridge formed over the Southeast US. Precipitation is forecasted to be above normal, particularly along the coastline of the state. Other pockets of below-normal air are in northern California and the northern Rockies.

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