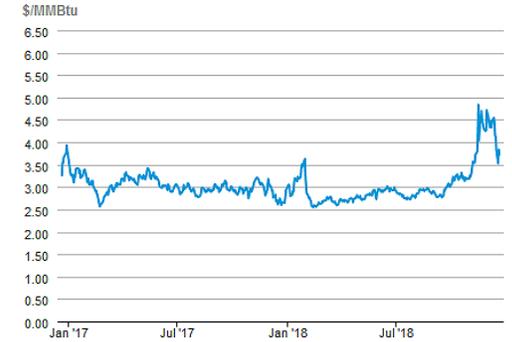


GENERAL UPDATE

- Financial gas markets trended slightly lower, with the February 2019 NYMEX contract price decreasing approximately 3.4% to finish the week at \$3.04/MMBtu.
- Physical gas spot prices also trended lower. New England prices, including Boston's Algonquin Citygate, fell approximately \$0.15 (-4.5%) to \$3.18/MMBtu yesterday. Transco Zone 6 NYC decreased \$0.54 (-17.5%) to \$2.54/MMBtu.
- Mid-Atlantic region spot prices, including Pennsylvania's Dominion South, decreased approximately \$0.47 (-15.5%) to \$2.57/MMBtu. Midwest prices, including Tennessee Zone 4 Marcellus, decreased \$0.49 (-15.9%) to \$2.59/MMBtu.
- SoCal Citygate prices fell \$0.34 (-9.5%), to \$3.25/MMBtu. Prices at Northern California PG&E Citygate also decreased \$0.41 (-10.4%) to \$3.52/MMBtu.

Near-month natural gas futures prices (Nymex)



Source: CME Group as compiled by Bloomberg, L.P.

POWER

- For the NEMASSBOST zone in ISONE, the 12 Month ATC strip decreased \$2.47 (-5.3%) to \$43.86. The 24 Month ATC strip dropped \$1.72 (-3.7%) to \$44.68, and the Cal 2020 ATC strip dropped \$0.98 (-2.1%) to \$45.49/MWh.
- For the NYC zone in NYISO, the 12 Month ATC strip decreased \$2.06 (-4.9%) to \$39.95. The 24 Month ATC strip dropped \$1.60 (-3.8%) to \$40.21 and the Cal 2020 ATC strip dropped \$1.13 (-2.7%) to \$40.47/MWh.
- For the PEPCO zone in PJM, the 12 Month ATC strip decreased \$1.80 (-4.5%) to \$38.43. The 24 Month ATC strip dropped \$1.07 (-2.7%) to \$38.29 and the Cal 2020 ATC strip dropped \$0.35 (-0.9%) to \$38.14/MWh.
- For the Houston zone in ERCOT, the 12 Month ATC strip dropped \$1.85 (-4.1%) to \$43.18. The 24 Month ATC strip dropped \$1.26 (-3.0%) to \$40.97, and the Cal 2020 ATC strip dropped \$0.69 (-1.7%) to \$38.75/MWh.

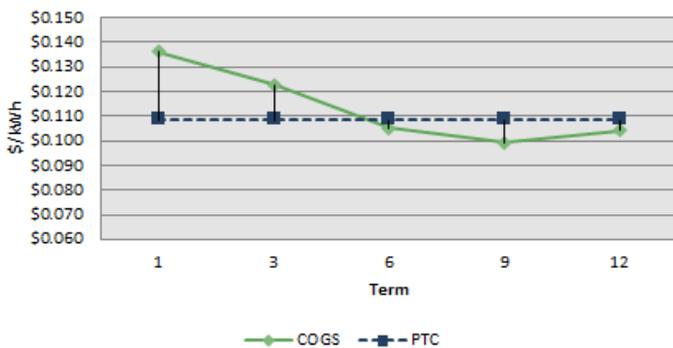
UTILITY HIGHLIGHT

ISONE

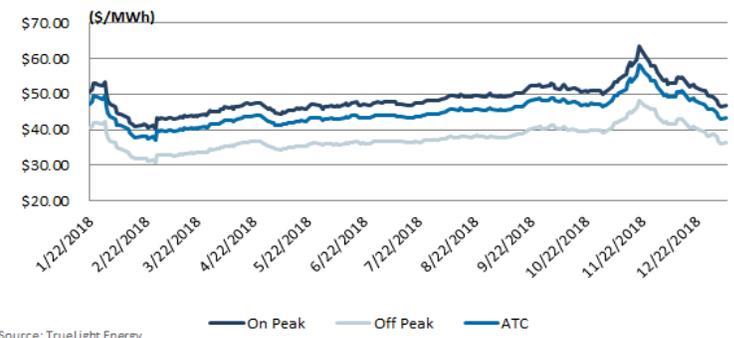
CT

CONNECTICUT

CLP - Rate 30



CONNECTICUT - 12 MONTH STRIP PRICING



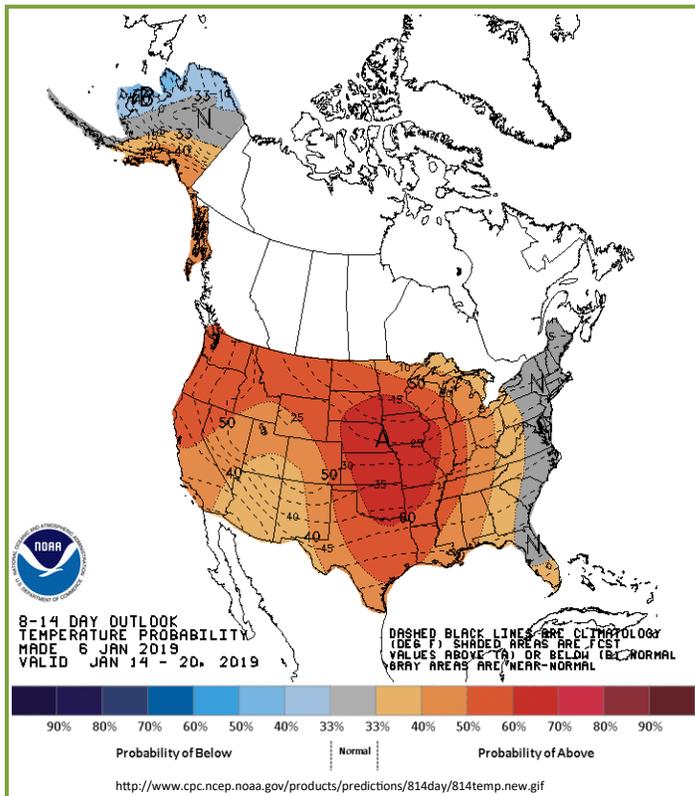
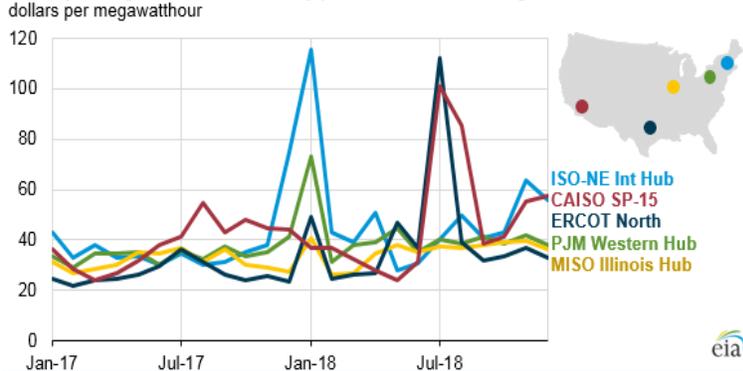
- The current Price to Compare (PTC) for Connecticut Light & Power (CLP), now Eversource, Small Commercial rate class (Rate 30) is \$0.10851/kWh, effective January 1, 2019 through June 30, 2019. This is a 15.2% increase from the previous PTC of \$0.09422/kWh for July 1, 2018 to December 31, 2018.

- Over the last week, the CLP ATC 12-month strip has begun to slow up after a notable downward trend throughout the tail end of November and much of December, decreasing 5.4% to finish at \$43.30/MWh.
- In the past 3 months, the ATC strip has reached a high of \$58.43/MWh on November 20, 2018 and a low of \$42.87/MWh this past Friday, January 4, 2019. This time last year, the strip traded at around \$39.98/MWh, which is approximately 7.6% lower than this year.

MARKET INTELLIGENCE

- Duquesne Light (DUQ/DQE) has filed with the Pennsylvania PUC for a new default service supply rate for the Medium Commercial & Industrial customer class (>25 kW GS/GM and GMH rate classes) for the March 1, 2019 to May 31, 2019 price period. This default service rate is to decrease approximately 4% from the current \$0.06681/kWh to \$0.064268/kWh starting March. DUQ's Price-To-Compare for Medium C&I's is projected to decrease in March as well, by about 3.3% for the GM and GMH >25 kW rate classes.
- Pennsylvania's PECO has also released new Price-To-Compare rates, which have been adjusted in the wake of a change in the working capital factor that resulted from a recent rate case. Residential (R and RH) rate classes for the January 1, 2019 to February 28, 2019 price period have been posted at \$0.06821/kWh, while estimated rates for March 1, 2019 through May 31, 2019 are expected to be \$0.07126/kWh. New PTC for General Service (GS) Small Commercial & Industrial rate class for January through February are posted at \$0.0664/kWh, while estimated rates for March through May are \$0.06612/kWh.
- SLS Las Vegas and Grand Sierra Resort (GSR) have both applied at the Nevada PUC to switch to competitive electric service provider Tenaska Power Services Co. rather than NV Energy utility. The maximum number of megawatts to be delivered is about 8 MW, and the peak annual energy consumption is approximately 45,000 MWh.
- Wholesale electricity prices in all major trading hubs were overall higher for 2018 than 2017, ranging from 14% higher in areas served by the Midwest Independent System Operator (MISO) to 60% higher in areas served by the Electric Reliability Council of Texas (ERCOT). 2018 was particularly notable for its winter and summer price spikes, as well as price run ups towards the end of the year due to record-breaking cold temperatures. According to the EIA, natural gas fueled an estimated 35% of total US electricity generation for 2018, up from 32% in 2017. The share of total generation from coal, on the other hand, declined from 30% in 2017 to 27% in 2018. Generation from wind and solar power plants grew from a combined share of 8% in 2017 to 9% in 2018. The share of US hydroelectric generation remained about the same, contributing about 7% of total electricity generation.

Monthly average wholesale electricity prices at selected trading hubs, 2017-2018



WEATHER

- Normal temperatures finally return to the east coast, providing a taste of true January after the month's warm start. Interior portions of the east extending into the Ohio River Valley begin to see more risk for above normal temperatures – anomalous warmth persists across the rest of the lower 48 with the greatest concentration of warmth over the Great Plains extending down into Texas.
- Above normal precipitation risk continues for most of the US, particularly out west including the entirety of the Pacific coast line. Back east, southern portions of the mid-Atlantic should see more moisture than normal, while all of New England is downgraded to neutral precipitation risk.

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