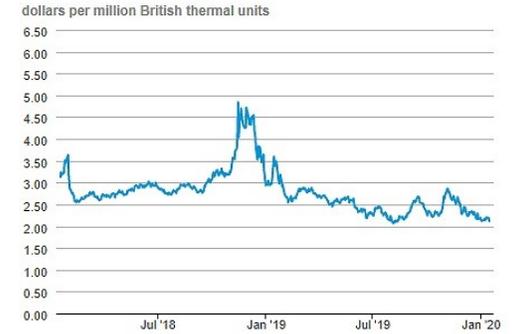


## GENERAL UPDATE

- The February 2020 NYMEX Henry Hub forward contract decreased to \$2.120/MMBtu, a \$0.02 (-1.0%) decrease from the previous Wednesday. The price of the 12-month strip averaging February 2020 through January 2021 futures contracts decreased \$0.03 (-1.3%) to \$2.290/MMBtu.
- Natural gas prices in the Northeast ticked up week over week with cold temperatures and snow forecast for last weekend. Boston's Algonquin Citygate prices rose \$1.55 (53.3%) to \$4.46/MMBtu last Wednesday. Transco Zone 6 NYC prices decreased \$0.01 (-0.5%) from \$2.17/MMBtu to \$2.16/MMBtu.
- Pennsylvania's Dominion South increased \$0.08 (4.7%) to \$1.79/MMBtu. Tennessee Zone 4 Marcellus spot prices increased \$0.13 (7.6%) from \$1.70/MMBtu to \$1.83/MMBtu.
- California prices trended down since last week. SoCal Citygate prices decreased \$0.39 (-8.1%) to \$4.41/MMBtu last Wednesday. Prices at Northern California PG&E Citygate decreased \$0.18 (-5.4%) to \$3.14/MMBtu week over week.

Near-month natural gas futures prices (Nymex)



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

## POWER

- For the NYC zone (J) in NYISO, the 12 Month ATC strip decreased \$1.44 (-4.4%) to \$31.29. The 24 Month ATC strip decreased \$1.00 (-3.0%) to \$32.63 and the Cal 2021 ATC strip decreased \$2.03 (-6.4%) to \$29.65.
- For the NEMASSBOST zone in ISONE, the 12 Month ATC strip decreased \$1.60 (-4.3%) to \$35.93. The 24 Month ATC strip decreased \$1.15 (-3.0%) to \$36.96 and the Cal 2021 ATC strip decreased \$2.28 (-6.3%) to \$33.97.
- For the PEPCO zone in PJM, the 12 Month ATC strip decreased \$1.24 (-4.0%) to \$29.63. The 24 Month ATC strip decreased \$0.90 (-2.9%) to \$29.75 and the Cal 2021 ATC strip decreased \$1.56 (-5.1%) to \$28.81.
- For the Houston zone in ERCOT, the 12 Month ATC strip decreased \$2.05 (-5.5%) to \$35.46. The 24 Month ATC strip decreased \$1.45 (-4.1%) to \$34.02 and the Cal 2021 ATC strip decreased \$2.21 (-5.9%) to \$35.06.

## UTILITY HIGHLIGHT

PJM

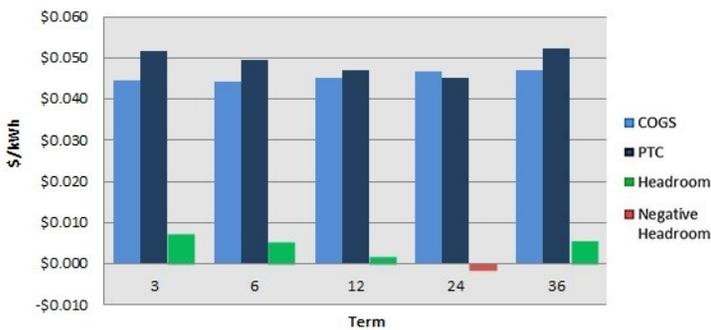


OH

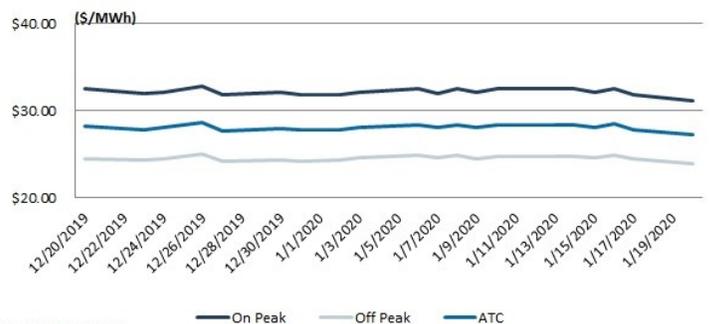


OPC

OPC - GS1



AEP - 12 MONTH STRIP PRICING



Source: TrueLight Energy

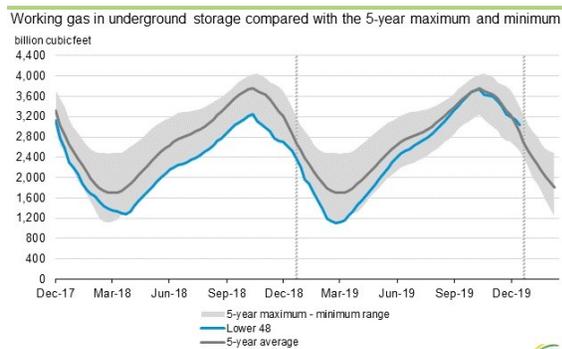
- The current Price to Compare for Ohio Power Company's (OPC) General Service, Non-Demand Metered rate class (GS1) is \$0.05243/kWh, in effect from January 1, 2020 to March 31, 2020. This rate is a -2.0% decrease from the previous rate of \$0.05348/kWh for the October 1, 2019 to December 31, 2019 price period.
- Headroom in the OPC territory is now available in the 3, 6, 12 and 36 month terms. Headroom of \$0.00169/kWh and \$0.00542/kWh is likely for the 12 and 36 month terms, respectively.
- Over the last week, the AEP ATC 12-month strip decreased, falling -3.8% to finish at \$27.30/MWh yesterday. This time last month, the strip was trading at \$28.24/MWh, which is 3.5% higher than this year.
- Since the beginning of the year, the ATC strip has reached a high of \$28.43/MWh on January 16, 2020 and a low of \$24.60/MWh yesterday on January 20, 2020.

# NATURAL GAS

- For the week ending January 10, the EIA reported net withdrawals from storage of 109 Bcf, which is higher than last year's net withdrawals of 82 Bcf for this week and lower than the 5-year (2014–18) average net withdrawals of 184 Bcf.
- Working natural gas in storage totaled 3,039 Bcf, which is 494 Bcf (19.4%) higher than last year's working gas totals of 2,545 Bcf at the same time and 149 Bcf (5.2%) higher than the 5-year (2014-2018) average of 2,890 Bcf. Total working gas is within the five-year historical range.

# SUPPLY & DEMAND

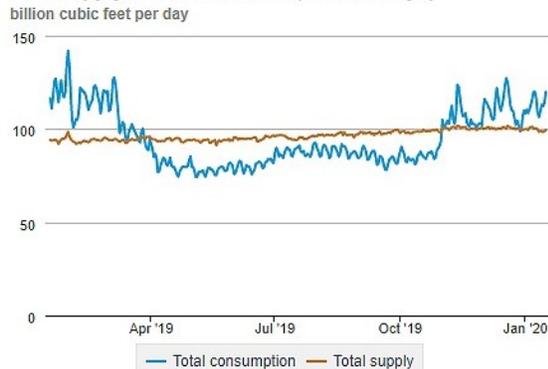
- Average total supply of natural gas decreased 1% week/week. Dry natural gas production remained constant while net imports with Canada decreased 25% compared with the previous week due to reduced demand in Northeast and Midwest markets amidst above average temperatures.
- Total US consumption of natural gas decreased by 3% since last week. Consumption for power generation decreased 3%, industrial sector consumption decreased 1%, residential-commercial consumption decreased 4%, and exports to Mexico increased 5%.
- US LNG exports decreased week/week, with fourteen vessels departing US ports for a combined 51 Bcf.



Source: U.S. Energy Information Administration



## Total supply/demand balance (last 365 days)

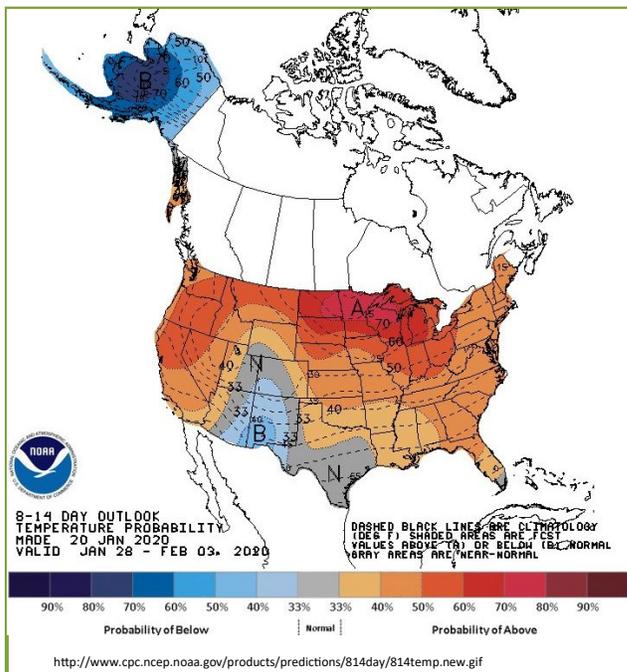


Source: IHS Markit



# MARKET INTELLIGENCE

- PECO filed proposed default service Generation Supply Adjustment (GSA) rates effective March 1, 2020 through May 31, 2020. Although not equivalent to the price to compare (PTC), the GSA makes up most of the PTC, which also includes yet-to-be posted transmission charges. The proposed GSA for residential customers under rate class R and RH is 5.972 cents/kWh, a 2.3% decrease from the current rate of 6.114 cents/kWh. The GSA for Small commercial customers at or under 100 kW served under the General Service (GS) rate class will be 5.453 cents/kWh, a 6.9% decrease from the current rate of 5.856 cents/kWh.



## WEATHER

- The 8-14 day forecast beginning January 28 is predicting warmth for most of the continental U.S. A pocket in the Southwest is expected to be cooler than usual, but the rest of the country should expect warm temperature anomalies. The greatest chances for warm anomalies are centered in the Great Lakes region.
- Wetter than average conditions are forecast for most regions of the country in the 8-14 day window. California is one exception with drier than average weather expected, and New England is predicted to have about average precipitation. The chances for wetter than normal weather are highest in Texas and the Plains region.
- Winter has been warmer than average thus far, and with more warm weather in the forecast expect a bearish finish to the season for electricity prices. With strong gas storage numbers bolstering confidence in supply, the natural gas and electricity prices continue to trend downward, and more warmth should further that trend.

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