

GENERAL UPDATE

- Financial gas markets traded lower with the NYMEX Henry Hub November 2017 futures contract slipping roughly \$0.10, or about 3%, to close the week at \$2.91/MMBtu.
- At the Chicago Citygate, prices fell \$0.05 to \$2.74/MMBtu. Prices at the PG&E Citygate rose \$0.05 to \$3.18/MMBtu. SoCal Citygate prices jumped \$0.86 to \$4.00/MMBtu, mostly due to above average temperatures in Southern California and unplanned pipeline outages.
- Temperatures in the Northeast fell, driving higher home heating demand in Boston and New York City. At the Algonquin Citygate prices rose \$0.40 to \$2.90/MMBtu. At the Transco Zone 6 point prices increased \$0.17 to \$2.79/MMBtu. The Tennessee Zone 4 Marcellus spot price ticked \$0.01 higher to close at \$0.81/MMBtu. Prices at Dominion South rose \$0.09 to \$1.01/MMBtu.

Near-month natural gas futures prices (Nymex)



Source: Natural Gas Intelligence

POWER

- Power curves were lower across all the major ISOs. In New England's NEMASS load zone, the 12-month ATC curve dropped \$0.70/MWh. The 24-month and calendar 2018 strips each fell \$0.40/MWh. Prices in New York's Zone J fell \$0.40 for the 12-month ATC term. The 24-month curve traded \$0.20 lower and the calendar 2018 curve slipped \$0.25/MWh.
- In major PJM Eastern load zones, 12-month ATC curves lost about \$0.25/MWh. 24-month terms moved about \$0.15 lower, while the calendar 2018 strips slipped \$0.05/MWh. In Chicago's COMED zone the 12-month curve lost \$0.35; the 24-month gave up \$0.20, and the calendar 2018 curve dropped \$0.30/MWh.
- In ERCOT's Houston zone, the 12-month curve lost \$0.30, the 24-month term fell \$0.60, and the calendar 2018 term traded \$0.50/MWh lower.

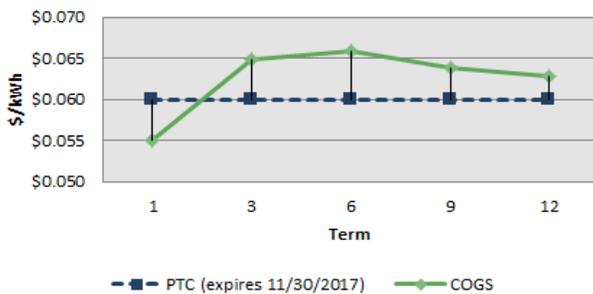
UTILITY HIGHLIGHT

PJM

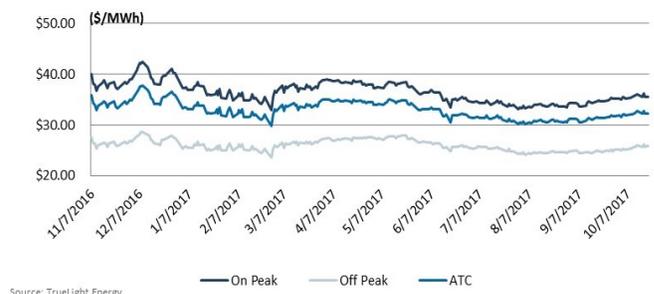
PA

METED

MetEd - RSNH



METED - 12 MONTH STRIP PRICING

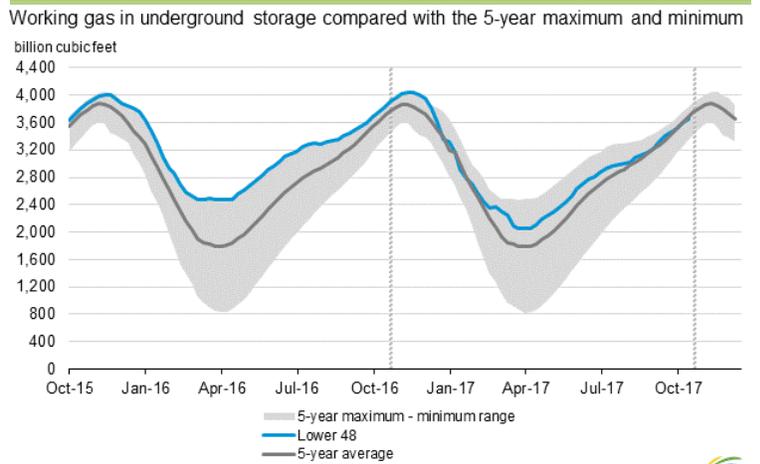


- The current Price to Compare (PTC) for Metropolitan Edison Company (METED) Residential Non-Heating Service rate class is \$0.05995/kWh for the current price period of September 1st, 2017 through November 30, 2017.
- This is an approximate 0.4% decrease from the previous PTC of \$0.06018/kWh for the June 1st, 2017 to August 31, 2017 price period.

- The rolling 12-month ATC curve in PJM's Metropolitan Edison (METED) load zone, which covers a long urban and rural corridor in Southeast Pennsylvania, slipped roughly \$0.40 this week, or 1.5%, to close at \$32.27/MWh.
- While the curve has moved almost 3% higher on a trailing 30-day basis, it remains 9% lower for 2017, and has fallen roughly 15% since setting its 52-week high on De-

NATURAL GAS

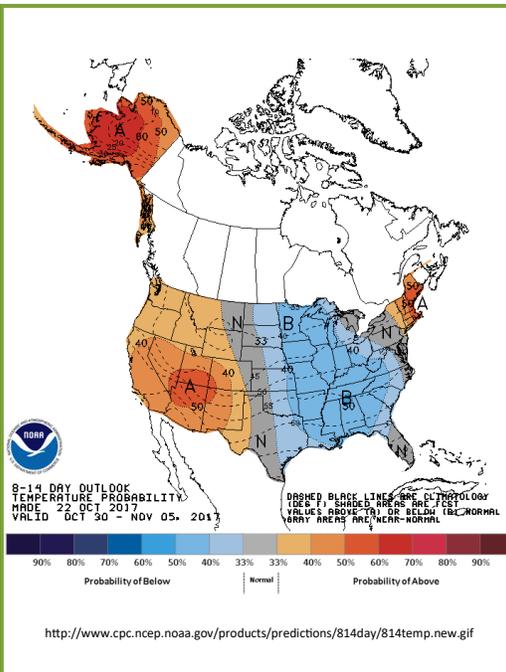
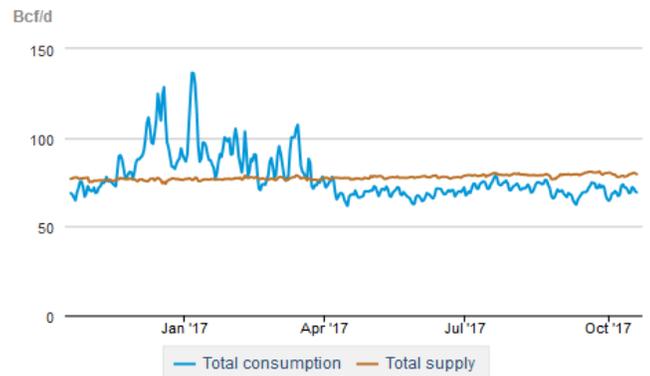
- Net injections into storage totaled +51 Bcf, well below the 5-year average of +78, and last year's fill of +77 Bcf. Higher power demand drove the lower injections. Net injections trailed the 5-year average in all regions except the East and Midwest. The South Central region recorded the largest variance to its 5-year average, with injections of +1 Bcf, which is 29 Bcf lower than the average. Estimates of net injections into working natural gas storage ranged from +42 Bcf to +64 Bcf with a median of +51 Bcf. Working gas stocks sit at 3,646 Bcf, 35 Bcf below the 5-year average and 179 Bcf below last year at
- Working gas stocks are poised to end the season below the 5-year average. Net injections have been running about 16% under the average (+1,595 Bcf for 2017 versus the 5-year average of +1,895 Bcf). At this pace, we can expect storage to close the season on October 31st at 3,781 Bcf.



SUPPLY & DEMAND

- Stronger natural gas production helped push total supply higher for the week. The average total supply of natural gas rose 1%; dry natural gas production grew 2% and average net imports from Canada fell 3%.
- Total consumption of natural gas was unchanged from last week, averaging 57.1 Bcf/day. Power burn demand slipped 12% for the week. Industrial consumption rose 3%, and residential/commercial demand jumped 30%. Natural gas exports to Mexico increased 2%.

Total supply/demand balance (last 365 days)



WEATHER

- Temperatures in the Lower 48 states averaged 66°F, 7° higher than normal and 2° higher than last year at this time. The Mountain Census division was the only region reporting cooler-than-normal temperatures, averaging roughly 55°, 2°F lower than normal and 3° lower than last year.
- Two cold fronts are on the move and will bring an end to the warm and dry conditions that have covered most of the country in the last few weeks. The first wave is moving through the Ohio River valley and will pass into the Southeast with above average rainfall. Temperatures will drop relative to last week, but the trend is closer to normal than below-normal at this point.
- The second front will make the big difference, bringing deeper and more sustained cold. Parts of the East and the Central U.S. can expect hard freeze conditions as we transition from October into November. This second front will not be as severe a rainmaker as the first. To the West, things will stay warm and dry for the 6-10 and 8-15 day window.

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