

## GENERAL UPDATE

- Financial gas markets slipped \$0.08/MMBtu, roughly 2.5%, to close the week at \$2.94/MMBtu. Physical spot gas markets were mixed. At the Chicago Citygate, prices rose \$0.04 (1.5%) to \$2.77/MMBtu.
- Prices at the SoCal Citygate in Southern California jumped \$0.43 (almost 13%) to \$3.79/MMBtu, largely due to unseasonably warm temperatures.
- At Boston's Algonquin Citygate prices rose \$0.22 (9%) to \$2.72/MMBtu. At New York's Transco Zone 6 point prices ticked just \$0.01 higher to \$2.80/MMBtu.
- Prices in the Marcellus basin (Mid-Atlantic) continued to move higher. At the Tennessee Zone 4 point prices rose \$0.16 (8%) to \$2.19/MMBtu. Prices at Dominion South added \$0.02 (<0.5%) to \$2.31/MMBtu.

Near-month natural gas futures prices (Nymex)



eia Source: Natural Gas Intelligence

## POWER

- Power curves drifted generally lower, with modest losses in most ISOs. ERCOT prices are still dropping, but at a slower pace. The 12-month ATC strip in ERCOT's Houston zone fell \$1.00 (2.5%) to \$39.61/MWh. The 24-month slipped \$0.75 (1.8%) to \$39.68/MWh, and the calendar 2019 term fell \$0.90 (2.2%) to \$39.05/MWh.
- In New York's Zone J, the 12-month ATC strip dropped \$0.15 to \$40.78; the 24-month curve added \$0.05 to \$40.95; each of these changes was less than 0.5%. The calendar 2019 term was unchanged at \$40.49/MWh. NEMASS curves were also relatively flat. The 12 and 24-month strips each slipped \$0.05 to \$43.69 and \$43.51, respectively. The calendar 2019 term fell \$0.10 to \$42.80/MWh. Again, each of these changes was less than 0.5%.
- PJM curves also experienced minor changes. In the COMED zone, the 12-month ATC strip dropped \$0.10 to \$29.49/MWh; the 24-month was unchanged and the calendar 2019 term slipped \$0.05 to \$28.49/MWh. The percentage changes were less than 0.5%.

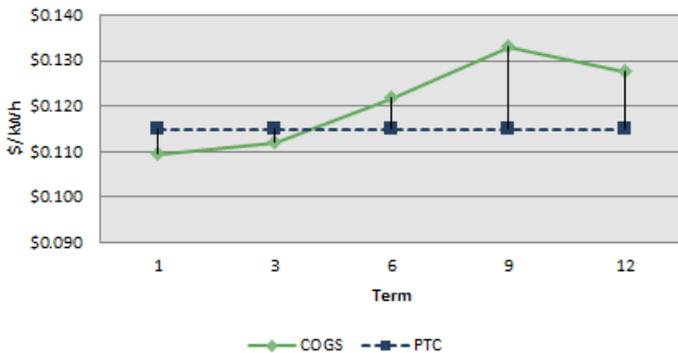
## UTILITY HIGHLIGHT

ISONE >

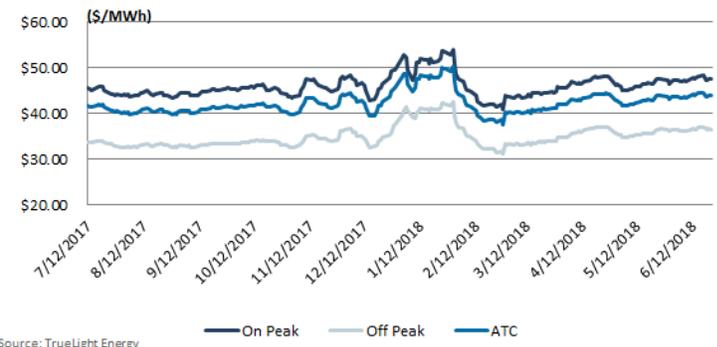
MA >

NEMASS

### CELCO - G2



### NEMASSBOST - 12 MONTH STRIP PRICING

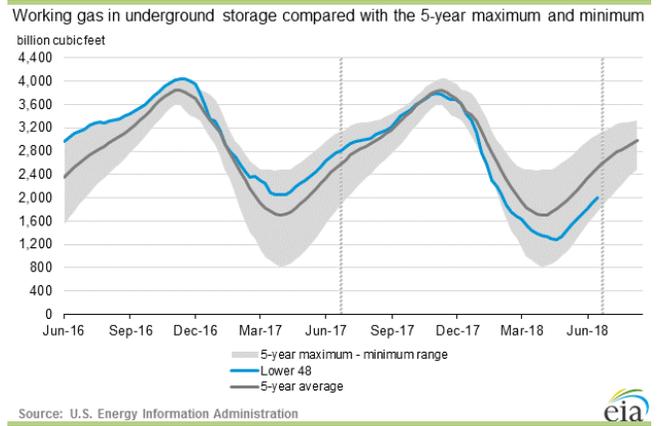


- The current Price to Compare (PTC) for Eversource Eastern MA, previously Cambridge Electric Co (CELCO), General Service Large Commercial rate class (G2) is \$0.11498/kWh starting July 1, 2018 and effective through September 30, 2018. This PTC is a 0.05% decrease from the previous PTC of \$0.11492/kWh, effective for the April 1, 2018 to June 30, 2018 price period.

- Over the last week, the CELCO ATC 12-month strip experienced a slight decrease of 1.46%, finishing at \$43.86/MWh.
- Since the beginning of the year, the ATC strip has reached a high of \$50.26/MWh on Jan 30, 2018 and a low of \$37.58/MWh on Feb 27, 2018 and has traded between \$40.01/MWh and \$44.51/MWh since March 1, 2018.

# NATURAL GAS

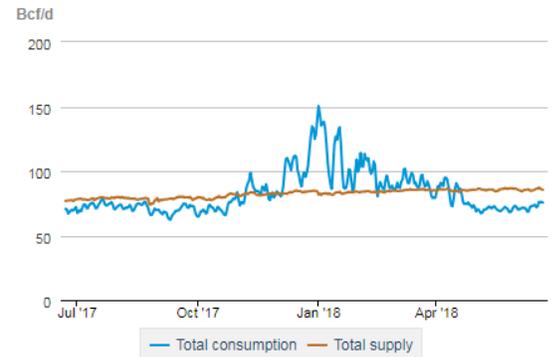
- Net injections into storage reached +91 Bcf for the week ending June 15, bearish compared to the 5-year average (+83) and last year's fill (+63), but relatively bullish versus last week, when 96 Bcf was injected. The report also surpassed market expectations; estimates ranged from +81 to +91 Bcf, with a median estimate of +86 Bcf.
- Working gas stocks now sit at 2,004 Bcf. That is 499 Bcf (20%) lower than the 5-year average and 757 Bcf (27%) less than last year at this time.



# SUPPLY & DEMAND

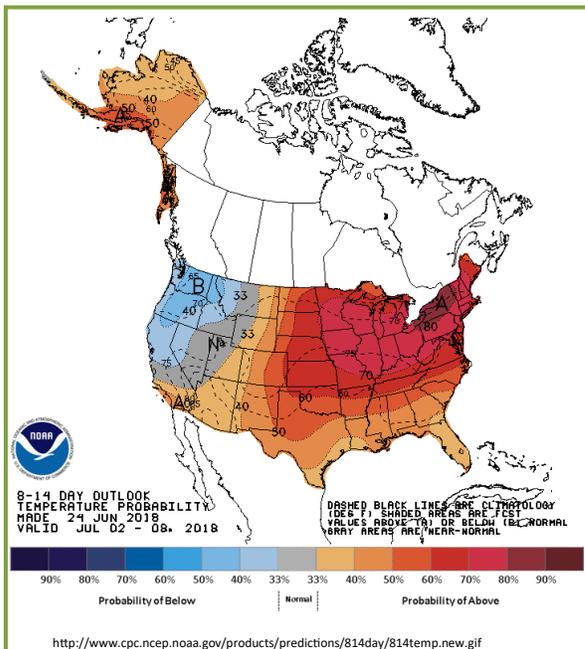
- The average total supply of natural gas grew 1% week over week. Dry gas production rose 1%, while Canadian imports added 7%.
- Demand growth outpaced supply for the week, adding 4%. Warmer weather drove power burn demand 12% higher. Industrial consumption slipped 1%, while residential/commercial demand fell 11%. Mexican exports were unchanged at 4.4 Bcf/day.
- LNG exports rose week over week. Five LNG vessels (18.7 Bcf total capacity) departed the United States from June 14 through June 20.

Total supply/demand balance (last 365 days)



# MARKET INTELLIGENCE

- Nine states, mostly in the northeast, jointly announced aggressive hikes in zero-emission vehicles policies. These policies, including a large investment in electric vehicle charging infrastructure and along with ZEV production requirements for car manufactures, are likely to increase electric vehicle adoption in eastern PJM, NYISO, and ISONE load centers. This will pose a challenge to the ISOs as demand forecasts already struggle to account for increased energy efficiency technology and behind the meter solar generation.
- PJM is considering accounting for peak shaving in compiling its capacity market demand curve going forward. Presently, as the demand curve does not factor peak shaving, the capacity market likely procures slightly more generation than is necessary for reliability. While successfully implanting this initiative would reduce costs for consumers, this change would not occur until at least beyond 2022.



## WEATHER

- Temperatures averaged 72°F in the Lower 48 states, 2° higher than normal and unchanged from last year.
- In the short-term a large upper-low system over the Central Plains will push rain and some heavy flooding into the Midwest. As the system drifts East, the warm temperatures and rain goes with it. Well organized higher pressure ridges in the Southeast and Southwest keep the heat well contained on that side, but the above average air will likely spread into the North.
- The above normal air spreads in the 8-14 day time frame, dominating most of the map. Some models indicate triple digit temperatures from Chicago to Boston. Rain is most probable in the Plains and Upper Rockies, where the temperatures will trend towards the normal pattern.

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