

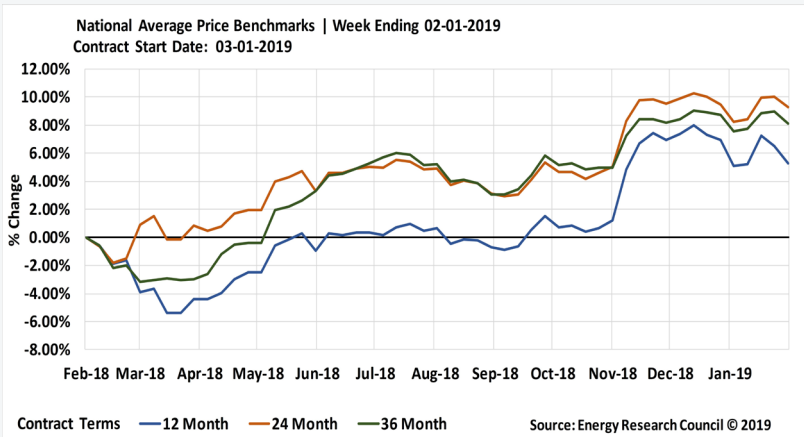
ELECTRICITY BENCHMARK PRICES & TRENDS

Energy Research Council's (ERC) national average benchmark price for electricity declined week-over-week, ending 2/1 at \$0.0773/kWh. This represents a decline of 0.9%. Prices in deregulated territories declined across the board this week, with the largest price drops in Ohio (2.4%), New York (1.4%), and Pennsylvania (1.1%). Month-over-month, prices are 0.36% higher, with the largest increases in Texas (4%), and the District of Columbia (1.8%).

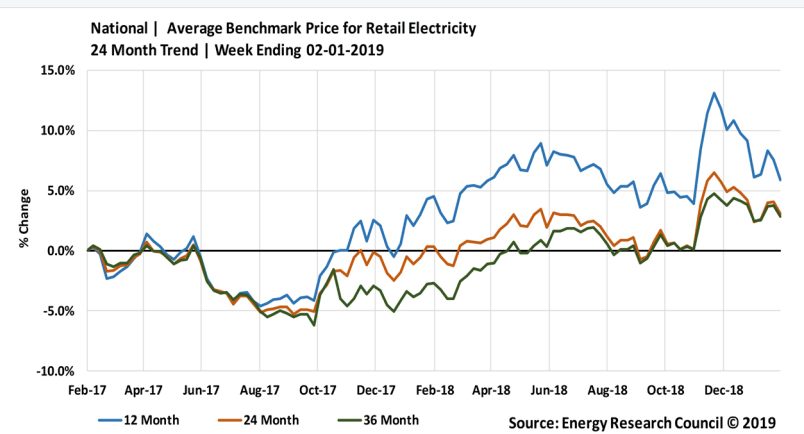
The decline in prices is largely attributable to an easing off of the weather conditions caused by the weak polar vortex over the last week. As warmer-than-average weather spread across the Eastern U.S. and Texas, the demand for natural gas fell significantly week-over-week. The short-term weather outlook, however, is showing a return of cold temperatures across the Western and Central U.S., signifying that winter is not quite over yet.

For the report week ending 1/30, total U.S. consumption of natural gas rose by 8% compared with the previous report week. In the residential and commercial sections, consumption increased by 11% as the report week caught the end of the polar vortex-related weather conditions. This actually approached a new record high consumption of 70.9 Bcf/d, falling just short of the current record of 71.6 Bcf/d from January 2014.

COMPETITIVE ELECTRICITY BENCHMARK TRENDS



Contract Start March 2019	Week Ending			Wk/Wk % Chg.	Mo/Mo % Chg.
	1/4/19	1/25/19	2/1/19		
Connecticut	0.0950	0.0965	0.0951	-1.49%	0.14%
Delaware	0.0706	0.0701	0.0698	-0.46%	-1.23%
District of Columbia	0.0749	0.0769	0.0762	-0.92%	1.84%
Illinois	0.0555	0.0552	0.0550	-0.44%	-0.89%
Maine	0.0893	0.0883	0.0882	-0.06%	-1.20%
Maryland	0.0697	0.0712	0.0706	-0.79%	1.32%
Massachusetts	0.1142	0.1155	0.1145	-0.87%	0.22%
New Jersey	0.1016	0.1023	0.1013	-0.92%	-0.25%
New York	0.0620	0.0627	0.0618	-1.38%	-0.31%
Ohio	0.0549	0.0567	0.0553	-2.43%	0.75%
Pennsylvania	0.0645	0.0657	0.0649	-1.13%	0.73%
Rhode Island	0.0949	0.0965	0.0956	-0.88%	0.75%
Texas	0.0549	0.0571	0.0571	-0.04%	4.00%
Nat. Average	0.0771	0.0780	0.0773	-0.90%	0.36%



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MARKET DRIVERS

Natural gas consumption for power generation climbed 6% week-over-week. Industrial consumption increased 4% over the same period, and natural gas exports to Mexico increased 3%, a new record weekly high. Storage sits at 2,197 Bcf, which is 13% lower than the five-year average and 0.6% lower than last year at this time. The net withdrawal was 173 Bcf, which was higher than the five-year average of 150 Bcf and last year's withdrawal of 126 Bcf at this time. This was lower than analyst predictions, who estimated a range from 180 Bcf to 202 Bcf.

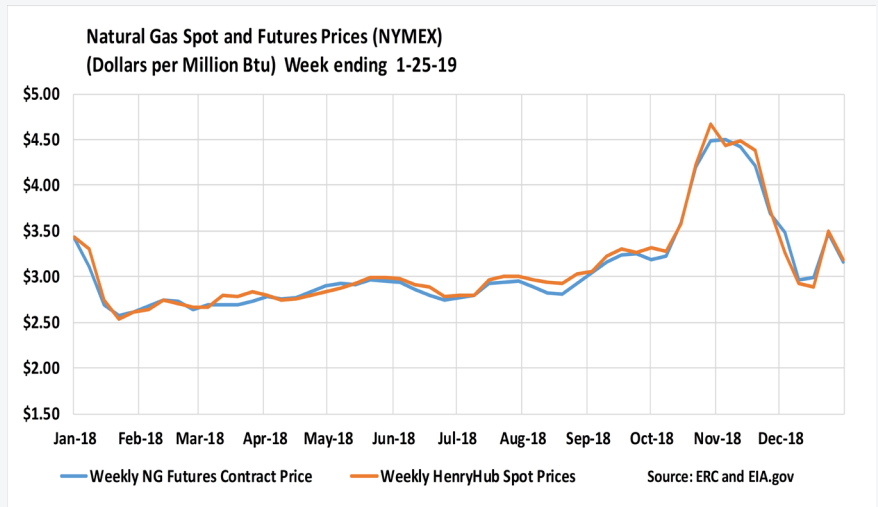
The average rate of net withdrawals from storage is 23% lower than the five-year average so far, this withdrawal season. If net withdrawals kept pace with the five-year average for the remainder of the winter, we'd end March 31 at 1,308 Bcf, 328 Bcf lower than the five-year average. Analysts do not predict we will run into any storage issues this winter season, despite the lower-than-normal storage we've operated under during this winter. Looking toward the future, it should be interesting to see what this week's storage report brings.

HH SPOT PRICE & NG FUTURES CONTRACTS

Week Ending 2-1-19		HH Spot Price		NG Futures Contract	
		\$/MMBUT	% Chg.	\$/MMBUT	%Chg.
6 months	8/3/18	\$2.80	10.24%	\$2.80	5.30%
Last Quarter	11/2/18	\$3.28	29.13%	\$3.23	21.47%
Last Month	12/28/18	\$3.26	28.35%	\$3.48	30.98%
Prev. Week	1/25/19	\$3.19	25.59%	\$3.16	18.80%
Last Week	2/1/19	\$2.54		\$2.66	

NATURAL GAS INJECTION & STORAGE LEVELS

Week Ending 2-1-19	Net Injections		Storage	
	Bcf	% Chg.	Bcf	%Chg.
1/30/2019	-173		2,197	
Previous Week	-163	6.1%	2,370	-7.30%
Last year	-126	37.3%	2,211	-0.6%
5 Yr Avg	-150	15.3%	2,525	-13.0%



BULLS & BEARS

BULLS: *Moving prices upward*

- LNG exports are expected to increase from 3.6 Bcf/d to 9.6 Bcf/d by the end of 2019.
- Delays in new power generation projects have led to higher prices in some ISOs, namely ERCOT.

BEARS: *Moving prices downward*

- The storage deficit to the five-year average has declined to 11%, compared to the 20% at the beginning of winter.
- Production continues at record highs.