

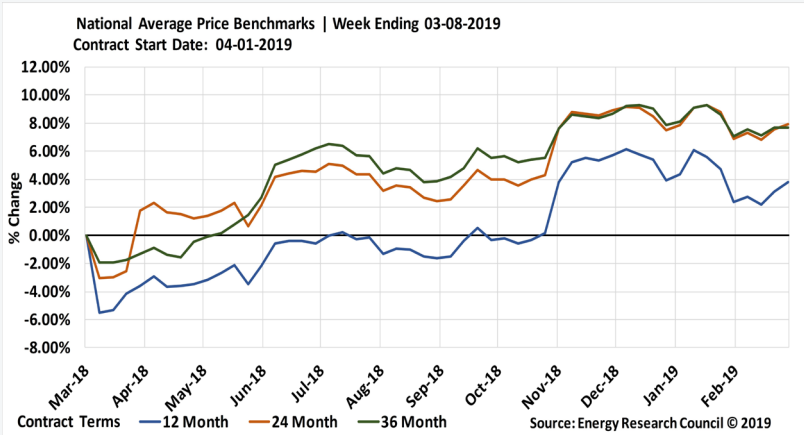
## ELECTRICITY BENCHMARK PRICES & TRENDS

Energy Research Council's (ERC) national average benchmark price for electricity increased week-over-week, ending 3/8 at \$0.0764/kWh. This represents an increase of 0.29%. Prices increased slightly in most deregulated territories, with the largest increase in Pennsylvania (1.2%), followed by Texas (0.8%), and Delaware (0.7%). Prices declined in New Jersey (-0.3%), Maryland (-0.2%), and Ohio (-0.1%). Month-over-month, prices are up 0.7%.

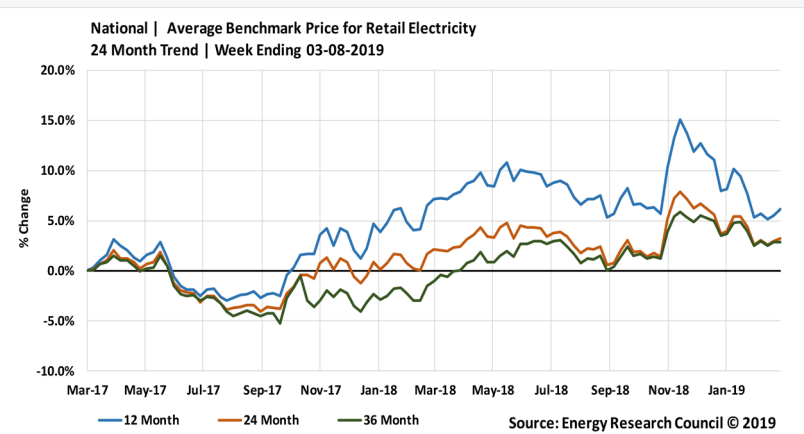
The 11-15 day forecast ended Friday, 3/8, projecting below-normal temperatures across the country, explaining the mildly higher prices for electricity. Despite this, the spot NYMEX futures contract is still unable to breach the psychological \$3/MMBtu level. With spring so close at hand, even cold temperatures are unlikely to convince the market to spike, as they might during the heart of the winter heating season.

The exact impact of the cold is, however, rather pronounced. Total consumption of natural gas increased 11% over the previous report week. Consumption was measured at 100.2 Bcf/d for the week, which is 32% higher than the same time last year. Residential and commercial consumption was 16% higher week-over-week, natural gas consumed for power generation increased 9%, and industrial sector consumption was 5% higher. Natural gas exports to Mexico decreased by 1%. The last time daily demand exceeded 100 Bcf was February 24th.

## COMPETITIVE ELECTRICITY BENCHMARK TRENDS



| Contract Start<br>April 2019 | Week Ending   |               |               | Wk/Wk<br>% Chg. | Mo/Mo<br>% Chg. |
|------------------------------|---------------|---------------|---------------|-----------------|-----------------|
|                              | 2/8/19        | 3/1/19        | 3/8/19        |                 |                 |
| Connecticut                  | 0.0929        | 0.0934        | 0.0934        | 0.08%           | 0.59%           |
| Delaware                     | 0.0686        | 0.0686        | 0.0690        | 0.68%           | 0.56%           |
| District of Columbia         | 0.0751        | 0.0751        | 0.0754        | 0.42%           | 0.44%           |
| Illinois                     | 0.0549        | 0.0555        | 0.0557        | 0.32%           | 1.49%           |
| Maine                        | 0.0866        | 0.0865        | 0.0871        | 0.60%           | 0.53%           |
| Maryland                     | 0.0690        | 0.0696        | 0.0694        | -0.22%          | 0.57%           |
| Massachusetts                | 0.1121        | 0.1126        | 0.1130        | 0.31%           | 0.76%           |
| New Jersey                   | 0.0997        | 0.0996        | 0.0994        | -0.28%          | -0.29%          |
| New York                     | 0.0609        | 0.0615        | 0.0615        | 0.07%           | 1.05%           |
| Ohio                         | 0.0544        | 0.0549        | 0.0549        | -0.06%          | 0.84%           |
| Pennsylvania                 | 0.0640        | 0.0643        | 0.0651        | 1.24%           | 1.80%           |
| Rhode Island                 | 0.0927        | 0.0930        | 0.0932        | 0.18%           | 0.50%           |
| Texas                        | 0.0551        | 0.0555        | 0.0560        | 0.78%           | 1.61%           |
| <b>Nat. Average</b>          | <b>0.0758</b> | <b>0.0762</b> | <b>0.0764</b> | <b>0.29%</b>    | <b>0.72%</b>    |



### Contact APPI Energy

APPI Energy helps businesses reduce and manage energy supply costs.

Contact us and speak with our team of dedicated consultants, or send an email to [info@appienergy.com](mailto:info@appienergy.com)

[Click here to subscribe to Advisor](#)

## MARKET DRIVERS

Net withdrawals from storage totaled 149 Bcf this week, compared with the five-year average net withdrawals of 109 Bcf, and last year's net withdrawals of 60 Bcf during the same week. Total gas stocks are 1,390 Bcf, 464 lower than the five-year average and 243 Bcf lower than last year at this time. Estimates ranged from 124 to 155 Bcf, so net withdrawals were fairly in-line with the median estimate of 146.

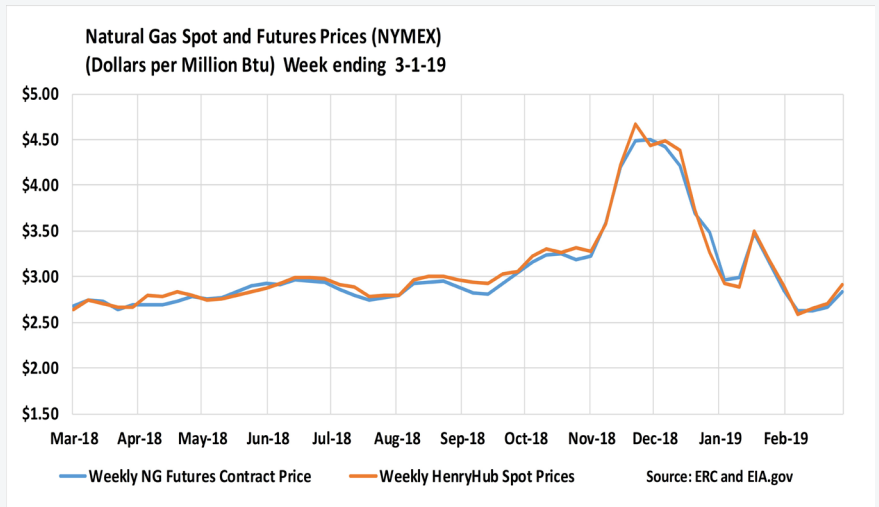
The average rate of net withdrawals from storage is 8% lower than the five-year average so far in the withdrawal season. If the rate of withdrawals from storage matched the five-year average of 7.3 Bcf/d for the remainder of the withdrawal season, total inventories would be only 1172 Bcf at the conclusion of the season. Looking ahead, we should start to see weather finally lose some relevance as a driver for prices as we enter the spring injection season. However, we should be watchful for winter temperatures extending into April as they did last year.

### HH SPOT PRICE & NG FUTURES CONTRACTS

| Week Ending 3-8-19 |         | HH Spot Price |        | NG Futures Contract |        |
|--------------------|---------|---------------|--------|---------------------|--------|
|                    |         | \$/MMBUT      | % Chg. | \$/MMBUT            | %Chg.  |
| 6 months           | 9/7/18  | \$2.94        | 3.89%  | \$2.82              | 1.29%  |
| Last Quarter       | 12/7/18 | \$4.49        | 58.66% | \$4.42              | 58.85% |
| Last Month         | 2/1/19  | \$2.90        | 2.47%  | \$2.85              | 2.63%  |
| Prev. Week         | 2/22/19 | \$2.71        | -4.24% | \$2.67              | -4.06% |
| Last Week          | 3/1/19  | \$2.83        |        | \$2.78              |        |

### NATURAL GAS INJECTION & STORAGE LEVELS

| Week Ending 3-8-19 | Net Injections |        | Storage |        |
|--------------------|----------------|--------|---------|--------|
|                    | Bcf            | % Chg. | Bcf     | %Chg.  |
| 3/1/2019           | -149           |        | 1,390   |        |
| Previous Week      | -166           | -10.2% | 1,539   | -9.68% |
| Last year          | -60            | 148.3% | 1,633   | -14.9% |
| 5 Yr Avg           | -109           | 36.7%  | 1,854   | -25.0% |



## 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 lead to higher prices in some ISOs, namely ERCOT.

### BEARS: Moving prices downward

- Production continues at record highs.
- Despite the polar vortex-related weather events, January 2019 was the 3rd warmest January since record-keeping began 140 years ago.
- We are entering the spring injection season shortly, diminishing the pronounced effect weather volatility has on prices.