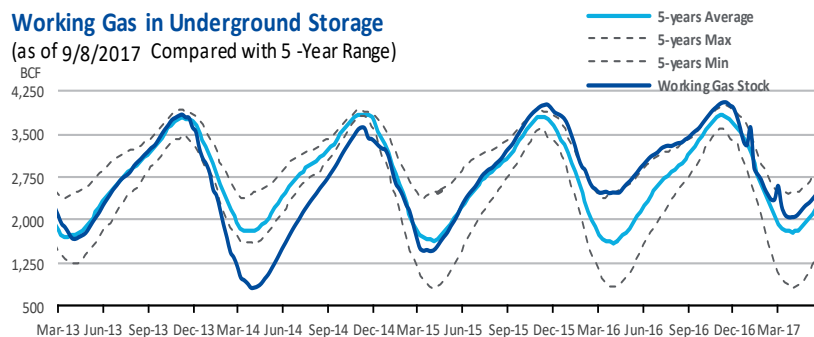


WEEKLY UPDATE

Trade Date 09/15/2017	Balance Yr'17	Calendar Yr '18	Calendar Yr '19
NYMEX NG Current Fixed Price	\$3.115	\$3.075	\$2.912
Min (Occurred 2/25/2016)	\$2.455	\$2.549	\$2.598
Max (Occurred 6/30/2008)	\$11.733	\$8.264	\$8.358

Working Gas in Underground Storage
(as of 9/8/2017 Compared with 5 -Year Range)



Trade Date 09/08/2017 -09/15/2017	Close	Changes
Balance 17	\$3.115	\$0.122
Calendar 18	\$3.075	\$0.066
Calendar 19	\$2.912	\$0.038
Winter '18	\$3.342	\$0.110
Winter '19	\$3.240	\$0.061
Winter '20	\$3.099	\$0.042

MARKET INTELLIGENCE

- Baker Hughes reported the total US rig count decreased last week by 8 rigs to 936. This compares to a count of 506 a year ago. Oil rigs were down 7 to a total of 749. Gas rigs were down one to a total of 186. As a comparison there were 416 oil and 89 gas rigs a year ago.
- Data from PointLogic Energy in the EIA's "Natural Gas Weekly Update" indicated dry gas production increased 0.2 Bcf/d last week to 73.9 Bcf/d. This compares to 72.0 Bcf/d for the prior year.
- Population weighted cooling degree days (PWCCDs) were 23% below the 30 year norm and 39% below last year's level for the week ending last Friday. This was primarily driven by a cool front across the eastern half of the country. This week is projected to be 44% above normal as temperatures shift to above normal across the eastern U.S., however Hurricane Jose may create some cooler temperatures for the Mid-Atlantic and Northeast coast due to precipitation. The week ending September 29 is expected to be 52% above normal as the late summer heat remains in the forecast, thus potentially extending significant power related natural gas demand late in the summer season.

CONTACT US



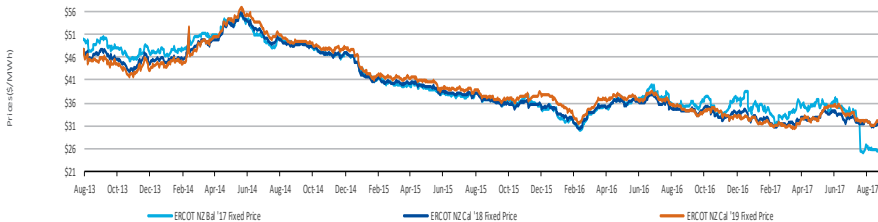
TEXAS STATE POWER PROGRAM
4545 Post Oak Place, Suite 342
Houston, TX 77027
Phone: 713.640.5355
info@cavallotspp.com
www.TexasStatePowerProgram.com

ERCOT – ISO MARKET TRENDS

SEPTEMBER 19, 2017

ERCOT NZ 5x16 Fixed Prices

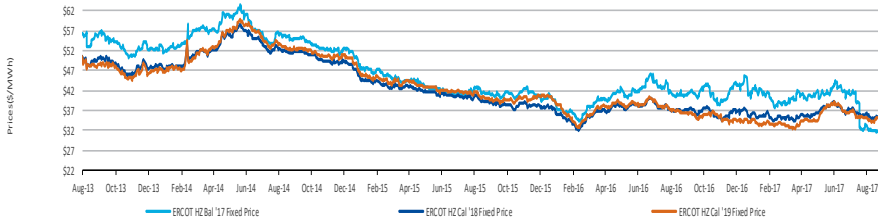
as of close business day 9/15/2017



Trade Date 03/10/2008 - 09/15/2017	Balance Yr '17	Calendar Yr '18	Calendar Yr '19
ERCOT NZ Current Fixed Price	\$24.87	\$31.70	\$31.70
Min (Occurred 9/8/2017)	\$24.14	Min (Occurred 2/23/2016) \$30.26	Min (Occurred 3/31/2017) \$30.53
Max (Occurred 6/24/2008)	\$100.60	Max (Occurred 10/16/2009) \$78.43	Max (Occurred 5/12/2010) \$81.41

ERCOT HZ 5x16 Fixed Prices

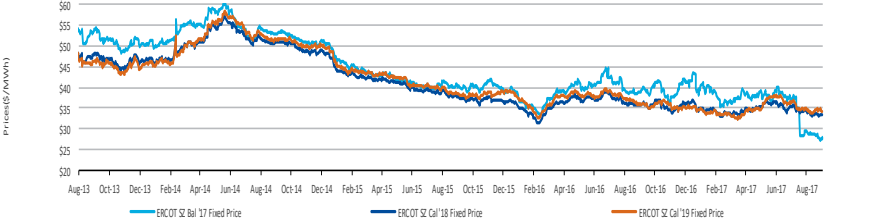
as of close business day 9/15/2017



Trade Date 03/10/2008 - 09/15/2017	Balance Yr '17	Calendar Yr '18	Calendar Yr '19
ERCOT HZ Current Fixed Price	\$31.10	\$34.70	\$34.14
Min (Occurred 9/8/2017)	\$30.35	Min (Occurred 2/23/2016) \$32.12	Min (Occurred 3/29/2017) \$32.30
Max (Occurred 6/26/2008)	\$116.20	Max (Occurred 10/16/2009) \$86.64	Max (Occurred 3/29/2017) \$85.74

ERCOT SZ 5x16 Fixed Prices

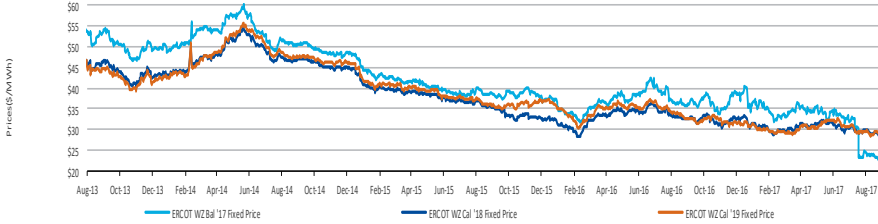
as of close business day 9/15/2017



Trade Date 03/10/2008 - 09/15/2017	Balance Yr '17	Calendar Yr '18	Calendar Yr '19
ERCOT SZ Current Fixed Price	\$27.81	\$33.33	\$34.10
Min (Occurred 9/8/2017)	\$27.27	Min (Occurred 2/23/2016) \$31.34	Min (Occurred 3/29/2017) \$32.29
Max (Occurred 6/16/2008)	\$79.61	Max (Occurred 10/16/2009) \$78.57	Max (Occurred 5/12/2010) \$77.15

ERCOT WZ 5x16 Fixed Prices

as of close business day 9/15/2017



Trade Date 03/10/2008 - 09/15/2017	Balance Yr '17	Calendar Yr '18	Calendar Yr '19
ERCOT WZ Current Fixed Price	\$22.38	\$28.62	\$28.83
Min (Occurred 1/0/1900)	\$21.94	Min (Occurred 2/23/2016) \$28.30	Min (Occurred 8/23/2017) \$28.50
Max (Occurred 7/3/2008)	\$102.24	Max (Occurred 6/9/2009) \$75.69	Max (Occurred 12/7/2009) \$76.47

PRICE TRENDS

- Working gas in storage was 3,311 Bcf as of Friday, September 8, 2017, according to EIA estimates. This represents a net increase of 91 Bcf from the previous week. Stocks were 179 Bcf less than last year at this time and 43 Bcf above the five-year average of 3,268 Bcf. At 3,311 Bcf, total working gas is within the five-year historical range.
- Natural gas spot prices rose at most locations this report week (Wednesday, September 6 to Wednesday, September 13). The Henry Hub spot price rose from \$2.93 per million British thermal units (MMBtu) last Wednesday to \$2.99/MMBtu.
- At the New York Mercantile Exchange (Nymex), the October 2017 contract price rose 6¢ from \$3.00/MMBtu last Wednesday to \$3.058/MMBtu yesterday. The October contract rally continued this morning with prices hitting a seasonal high of \$3.144/MMBtu.
- According to data from PointLogic Energy, the average total supply of natural gas remained the same as the previous report week, averaging 79.2 Bcf/d. Total U.S. consumption of natural gas fell by 7% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation declined by 14% week over week, driven by cool weather and demand destruction from Hurricane Irma. Industrial sector consumption decreased by 1% week over week.

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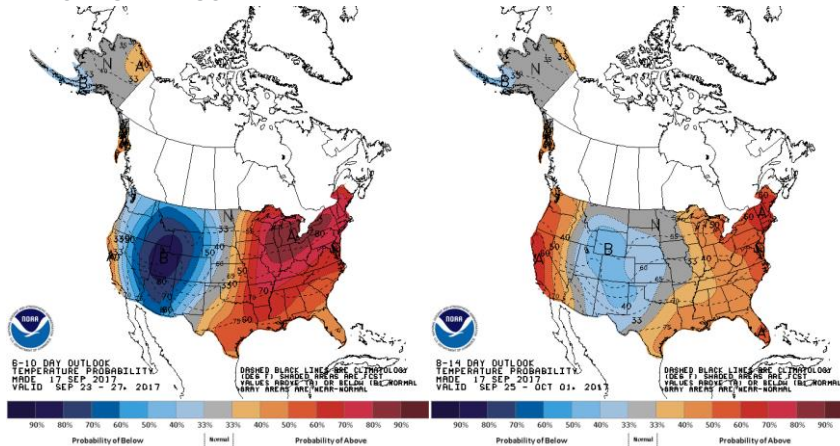
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ERCOT – ISO MARKET TRENDS

SEPTEMBER 19, 2017

ERCOT WEATHER OUTLOOK

A DEEP TROUGH IN THE WEST WILL WEAKEN AND SHIFT EASTWARD BRINGING COOLER TEMPS INTO EARLY OCT

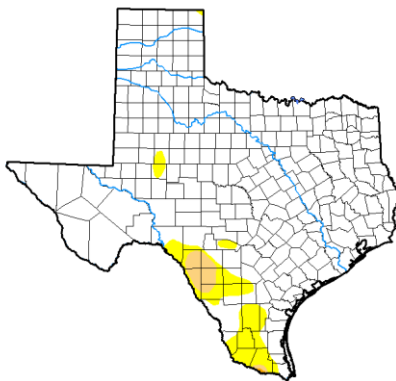


- Some hot days in Central and North Texas this week with mid to upper 90's in Dallas and San Antonio/Austin
- A deep trough across the Western US driving a warm and windy pattern will fade thru next week
- Trough shifts eastward as ridging rebuilds in the Western US
- This will cool the pattern and bring about a less windy flow as well

DROUGHT MONITOR

U.S. Drought Monitor Texas

September 12, 2017
(Released Thursday, Sep. 14, 2017)
Valid 8 a.m. EDT



- Intensity:**
- D0 Abnormally Dry
 - D1 Moderate Drought
 - D2 Severe Drought
 - D3 Extreme Drought
 - D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:

Richard Tinker
CPC/NWARR/WSNCEP



- Hard to believe that weak drought conditions will be spreading into East Texas shortly if we don't see meaningful rain shortly
- Weak drought continues across the Rio Grande Valley and continued dryness this week supports expansion

The 6-10 and 8-14 day forecasts courtesy of the [National Weather Service/CPC](#)

The U.S. Drought Monitor is jointly produced by the National Drought Mitigation Center at the University of Nebraska-Lincoln, the United States Department of Agriculture, and the National Oceanic and Atmospheric Administration. Map courtesy of [NDMC-UNL](#).

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