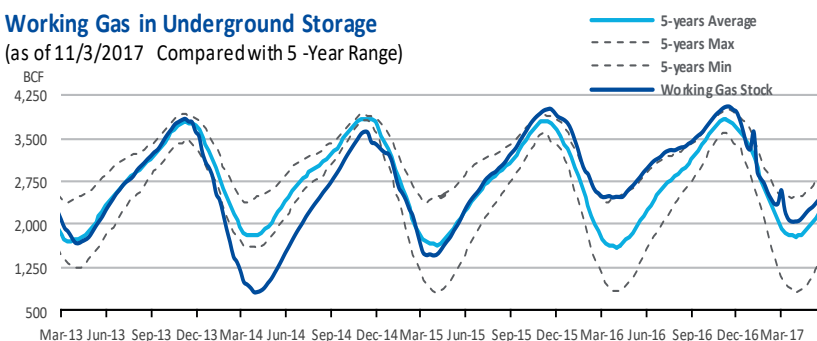


WEEKLY UPDATE

Trade Date 11/10/2017	Balance Yr'17	Calendar Yr '18	Calendar Yr '19
NYMEX NG Current Fixed Price	\$3.210	\$3.096	\$2.918
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 11/3/2017 Compared with 5-Year Range)



Trade Date 11/03/2017 - 11/10/2017	Close	Changes
Balance 17	\$3.210	\$0.230
Calendar 18	\$3.096	\$0.103
Calendar 19	\$2.918	\$0.010
Winter '18	\$3.310	\$0.210
Winter '19	\$3.275	\$0.060
Winter '20	\$3.095	(\$0.005)

MARKET INTELLIGENCE

- Sempra Energy's proposed takeover of Oncor is drawing skepticism from Commissioner Anderson with concurrence by the other two Commissioners at the PUC-T. The Commission is concerned with Sempra's debt to finance the buyout, and risks posed by the California suitor's other projects. Commission approval is required to go through with the deal. Two earlier attempts to sell Oncor failed due to regulatory action in Austin. Berkshire Hathaway Energy Corp. made a third bid which gained support from big power customers, but Berkshire's bid didn't reach the Commission before being preempted by Sempra's higher offer.
- Recent comments filed yesterday by INGAA and the Natural Gas Supply Association indicated interruptions on natural gas pipelines were minimal during the Polar Vortex event in the Northeast during the winter of 2014, suggesting the outage rate at natural gas fired electricity generation plants was the lowest of any type of generation, including coal and nuclear. The issue of gas fired generation outages is key to the Department of Energy's claim for additional rate relief for coal and nuclear power stations that might otherwise retire to ensure grid stability. As this debate continues, market volatility is likely to increase as plant retirements are announced and system operators wrestle with the appropriate response to ensure available capacity and grid resilience.
- As reported by Texas Electric Watch, PUCT staff held a workshop in Project No. 47199, Project to Assess Price-Formation Rules in ERCOT's Energy-Only Market on 10/13/17. The focus was on recommendations described in the FTI Consulting Report and alternative proposals filed in this project by the Independent Market Monitor and other parties. The workshop revealed significant disagreements among the participants, including on whether a problem exists, and if yes, on what is its exact nature. As reported in last week's update, due to the recent announcements by Vistra Energy to retire legacy coal generation units, the PUCT staff, among other things, is asking for comment, "Given the recent retirement announcements, should the Commission defer certain changes to the market design and observe market dynamics over summer 2018 or longer?" On 10/19/17, the PUCT staff filed a memo for the Commission to consider the next steps at the open meeting on 10/26/17.

CONTACT US



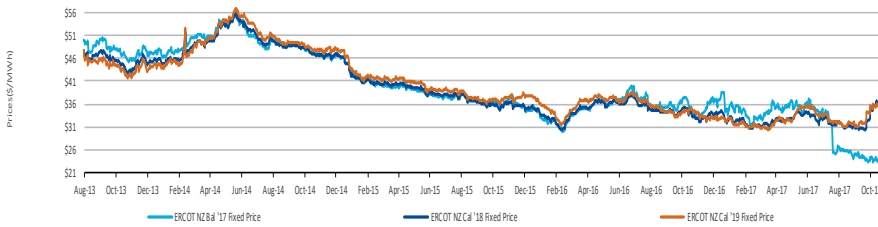
TEXAS STATE POWER PROGRAM
4545 Post Oak Place, Suite 342
Houston, TX 77027
Phone: 713.640.5355
info@cavallotspp.com
www.TexasStatePowerProgram.com

ERCOT – ISO MARKET TRENDS

13 NOVEMBER 2017

ERCOT NZ 5x16 Fixed Prices

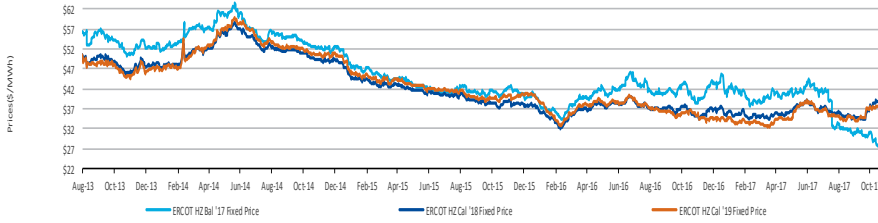
as of close business day 11/10/2017



Trade Date 03/10/2008 - 11/10/2017	Balance Yr '17	Calendar Yr '18	Calendar Yr '19
ERCOT NZ Current Fixed Price	\$25.84	\$34.25	\$34.25
Min (Occurred 11/1/2017)	\$22.88	\$30.20	\$30.53
Max (Occurred 6/24/2008)	\$100.60	\$78.43	\$81.41

ERCOT HZ 5x16 Fixed Prices

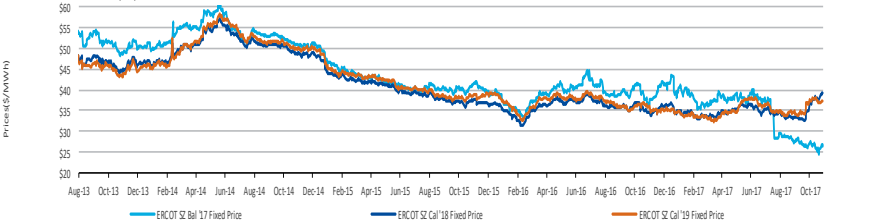
as of close business day 11/10/2017



Trade Date 03/10/2008 - 11/10/2017	Balance Yr '17	Calendar Yr '18	Calendar Yr '19
ERCOT HZ Current Fixed Price	\$28.34	\$40.01	\$37.50
Min (Occurred 10/27/2017)	\$27.40	\$32.12	\$32.30
Max (Occurred 6/26/2008)	\$116.20	\$86.64	\$85.74

ERCOT SZ 5x16 Fixed Prices

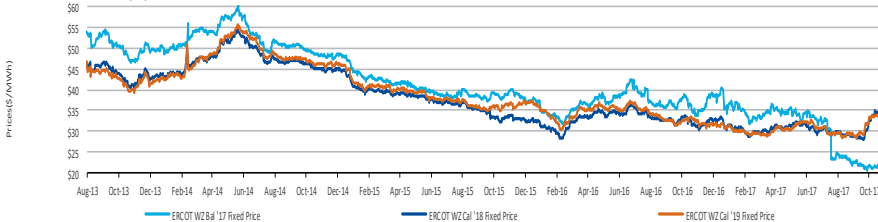
as of close business day 11/10/2017



Trade Date 03/10/2008 - 11/10/2017	Balance Yr '17	Calendar Yr '18	Calendar Yr '19
ERCOT SZ Current Fixed Price	\$26.84	\$39.44	\$37.28
Min (Occurred 11/1/2017)	\$24.59	\$31.34	\$32.29
Max (Occurred 6/16/2008)	\$79.61	\$78.57	\$77.15

ERCOT WZ 5x16 Fixed Prices

as of close business day 11/10/2017



Trade Date 03/31/2008 - 11/10/2017	Balance Yr '17	Calendar Yr '18	Calendar Yr '19
ERCOT WZ Current Fixed Price	\$24.59	\$36.13	\$33.93
Min (Occurred 10/18/2017)	\$20.68	\$27.98	\$28.50
Max (Occurred 7/3/2008)	\$102.24	\$75.69	\$76.47

PRICE TRENDS

- Working gas in storage was 3,790 Bcf as of Friday, November 3, 2017, according to EIA estimates. This represents a net increase of 15 Bcf from the previous week. Stocks were 219 Bcf less than last year at this time and 71 Bcf below the five-year average of 3,861 Bcf. At 3,790 Bcf, total working gas is within the five-year historical range.
- Natural gas spot prices rose at most locations this report week (Wednesday, November 1 to Wednesday, November 8). The Henry Hub spot price rose from \$2.64/MMBtu last Wednesday to \$3.15/MMBtu on 8 November.
- At the New York Mercantile Exchange (Nymex), the December 2017 contract price rose 28c from \$2.893/MMBtu last Wednesday to \$3.175/MMBtu in the report period.
- According to data from PointLogic Energy, the average total supply of natural gas remained the same as the previous report week, averaging 81.3 Bcf/d. Dry natural gas production remained constant week over week. Average net imports from Canada decreased by 5% from last week.
- Overall demand up. Total U.S. consumption of natural gas rose by 2% compared with the previous report week, according to data from PointLogic Energy. Despite the relatively cold weather in the North, parts of the Gulf Coast experienced temperatures averaging in the high 70 degree Fahrenheit range. As a result, natural gas consumed for power generation climbed by 7% week over week. Industrial sector consumption decreased by 2% week over week. With warm weather in the South offsetting cold weather in the North, consumption in the residential and commercial sectors remained flat, averaging 21.7 Bcf/d. Natural gas exports to Mexico increased 4%.

CONTACT US



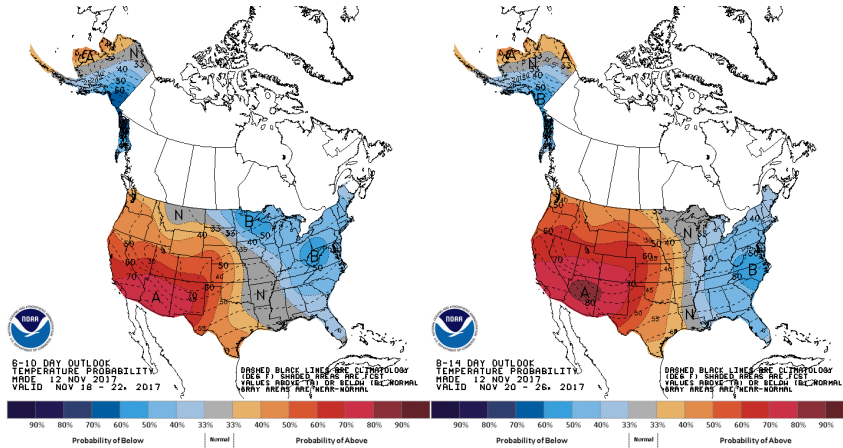
TEXAS STATE POWER PROGRAM
 4545 Post Oak Place, Suite 342
 Houston, TX 77027
 Phone: 713.640.5355
 info@cavallotsp.com
 www.TexasStatePowerProgram.com

ERCOT – ISO MARKET TRENDS

13 NOVEMBER 2017

ERCOT WEATHER OUTLOOK

ROCKIES RIDGING SHOULD KEEP MOST OF TEXAS SLIGHTLY WARMER IN A VOLATILE PATTERN

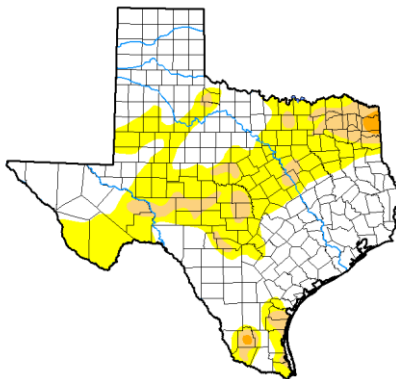


- Texas will see a few cool pushes over the coming weeks but warmer averages dominate the pattern
- Short lived cool events vs 3-4 day warm events
- Warmest day looks to be Friday but offset by 8-13GW of wind.
- Generally dry pattern as well.

DROUGHT MONITOR

U.S. Drought Monitor Texas

November 7, 2017
(Released Thursday, Nov. 9, 2017)
Valid 7 a.m. EST



- 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:

David Miskus
NOAA/NWS/NCEP/CPC



- Drought continues to advance across Texas
- Hill country and the Red River Valley focus of the drier changes
- Dry pattern continues into December and drought should continue to expand.

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](#).

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