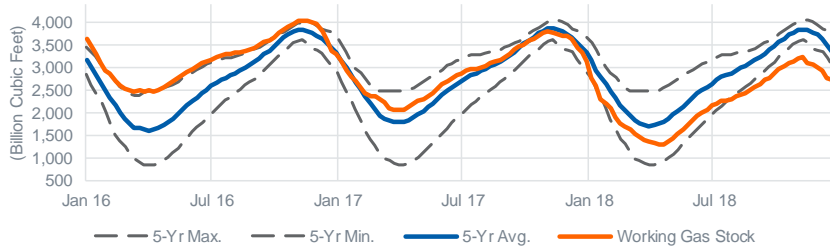


WEEKLY UPDATE

Working Natural Gas Storage

as of 1/11/2019



Balance 2019		Calendar 2020		Calendar 2021	
Price as of 1/18/2019	3.015	Price as of 1/18/2019	2.728	Price as of 1/18/2019	2.646
Min (Occurred 2/25/2016)	2.598	Min (Occurred 8/1/2018)	2.592	Min (Occurred 8/28/2018)	2.541
Max (Occurred 1/2/2015)	4.105	Max (Occurred 1/2/2015)	4.250	Max (Occurred 1/2/2015)	4.376

Summer 2019		Summer 2020		Summer 2021	
Price as of 1/18/2019	2.938	Price as of 1/18/2019	2.599	Price as of 1/18/2019	2.568
Min (Occurred 2/25/2016)	2.521	Min (Occurred 1/3/2019)	2.498	Min (Occurred 8/28/2018)	2.468
Max (Occurred 1/2/2015)	4.026	Max (Occurred 1/2/2015)	4.158	Max (Occurred 1/2/2015)	4.171

Winter 2019		Winter 2020		Winter 2021	
Price as of 1/18/2019	3.482	Price as of 1/18/2019	3.058	Price as of 1/18/2019	2.611
Min (Occurred 2/23/2016)	2.786	Min (Occurred 9/7/2018)	2.794	Min (Occurred 9/6/2018)	2.553
Max (Occurred 11/14/2018)	4.834	Max (Occurred 1/2/2015)	4.394	Max (Occurred 1/2/2015)	3.954

PRICE TRENDS

- Working gas in storage was 2,370 Bcf as of Friday, January 18, 2019, according to EIA estimates. This represents a net decrease of 163 Bcf from the previous week. Stocks were 33 Bcf more than last year at this time and 305 Bcf below the five-year average of 2,675 Bcf. At 2,370 Bcf, total working gas is within the five-year historical range.
- Natural gas spot prices rose at most locations this report week (Wednesday, January 9 to Wednesday, January 16). Henry Hub spot prices rose from \$2.91 per million British thermal units (MMBtu) last Wednesday to \$3.61/MMBtu.
- At the Nymex, the price of the February 2019 contract increased 40¢, from \$2.984/MMBtu last Wednesday to \$3.384/MMBtu. The price of the 12-month strip averaging February 2019 through January 2020 futures contracts climbed 12¢/MMBtu to \$2.965/MMBtu.
- The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 26¢/MMBtu, averaging \$6.46/MMBtu for the week ending January 16. The price of natural gasoline, ethane, propane, butane, and isobutane all rose, by 5%, 1%, 7%, 3%, and 1%, respectively.
- According to Baker Hughes, for the week ending January 11, the natural gas rig count increased by 4 to 202. The number of oil-directed rigs fell by 4 to 873. The total rig count remains unchanged at 1,075.

CONTACT US



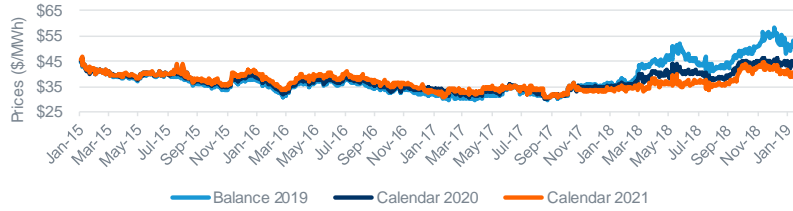
TEXAS STATE POWER PROGRAM
 4545 Post Oak Place, Suite 342
 Houston, TX 77027
 Phone: 713.640.5355
 info@cavallotspp.com
 www.TexasStatePowerProgram.com

ERCOT – ISO MARKET TRENDS

24 JANUARY 2019

ERCOT NZ 5x16 Fixed Prices

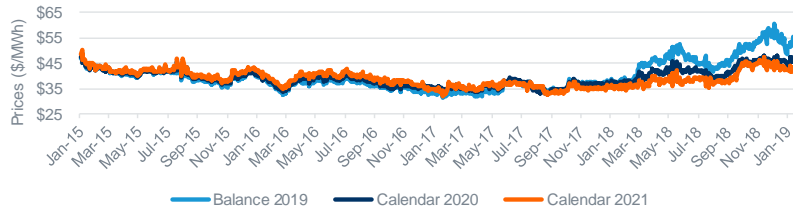
Trade Dates: 1/2/2015 - 1/18/2019



Balance 2019	Calendar 2020	Calendar 2021			
Price as of 1/18/2019	53.20	44.87	Price as of 1/18/2019	39.76	
Min (Occurred 2/2/2017)	29.48	Min (Occurred 8/22/2017)	30.00	Min (Occurred 1/19/2017)	30.45
Max (Occurred 12/7/2018)	58.30	Max (Occurred 11/15/2018)	46.39	Max (Occurred 1/5/2015)	46.74

ERCOT HZ 5x16 Fixed Prices

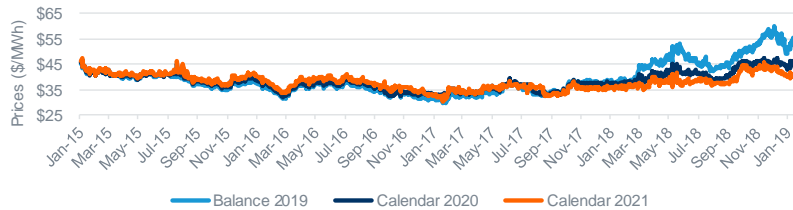
Trade Dates: 1/2/2015 - 1/18/2019



Balance 2019	Calendar 2020	Calendar 2021			
Price as of 1/18/2019	53.15	Price as of 1/18/2019	45.82	Price as of 1/18/2019	41.41
Min (Occurred 1/19/2017)	31.50	Min (Occurred 1/19/2017)	32.77	Min (Occurred 1/19/2017)	31.95
Max (Occurred 12/7/2018)	60.34	Max (Occurred 1/5/2015)	48.80	Max (Occurred 1/5/2015)	49.91

ERCOT SZ 5x16 Fixed Prices

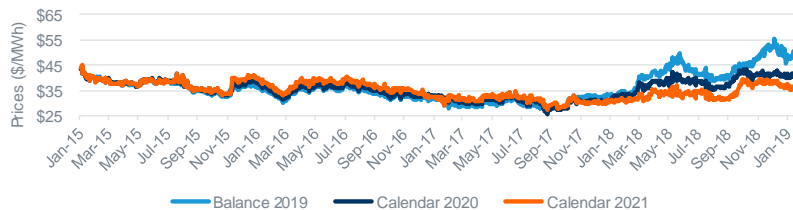
Trade Dates: 1/2/2015 - 1/18/2019



Balance 2019	Calendar 2020	Calendar 2021			
Price as of 1/18/2019	54.47	Price as of 1/18/2019	45.91	Price as of 1/18/2019	40.55
Min (Occurred 1/19/2017)	29.64	Min (Occurred 1/19/2017)	30.64	Min (Occurred 1/19/2017)	30.19
Max (Occurred 12/7/2018)	59.77	Max (Occurred 11/15/2018)	47.51	Max (Occurred 1/5/2015)	47.27

ERCOT WZ 5x16 Fixed Prices

Trade Dates: 1/2/2015 - 1/18/2019



Balance 2019	Calendar 2020	Calendar 2021			
Price as of 1/18/2019	50.36	Price as of 1/18/2019	41.60	Price as of 1/18/2019	35.82
Min (Occurred 8/23/2017)	25.89	Min (Occurred 8/23/2017)	25.45	Min (Occurred 8/23/2017)	27.55
Max (Occurred 12/7/2018)	55.22	Max (Occurred 1/5/2015)	44.27	Max (Occurred 1/5/2015)	44.82

MARKET INTELLIGENCE

- (EIA) – EIA released its Annual Energy Outlook with energy market projections through 2050. Comparing the 2018 projections to the most recent, the average price of natural gas through 2050 averages only \$3.93 MMBtu falling \$0.48 MMBtu versus last year’s projections.
- The two main changes are forecast increases in dry gas production and delays in LNG exports, which combined reduce/ease the supply/demand balance nearly 3.3 Bcfd in the 2021-2025 timeframe.
- ERCOT reported 30% of 2018 electricity produced in the ISO was carbon-free, a new record for the State of Texas. Surging wind and natural gas output dramatically reduced coal based generation. The report also forecast significant demand growth and rapid expansion of wind and solar resources for the ISO.

CONTACT US



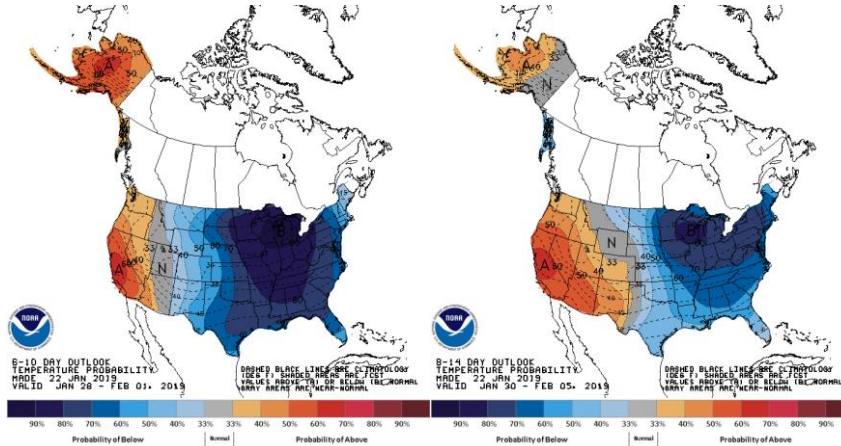
TEXAS STATE POWER PROGRAM
 4545 Post Oak Place, Suite 342
 Houston, TX 77027
 Phone: 713.640.5355
 info@cavallotsp.com
 www.TexasStatePowerProgram.com

ERCOT – ISO MARKET TRENDS

24 JANUARY 2019

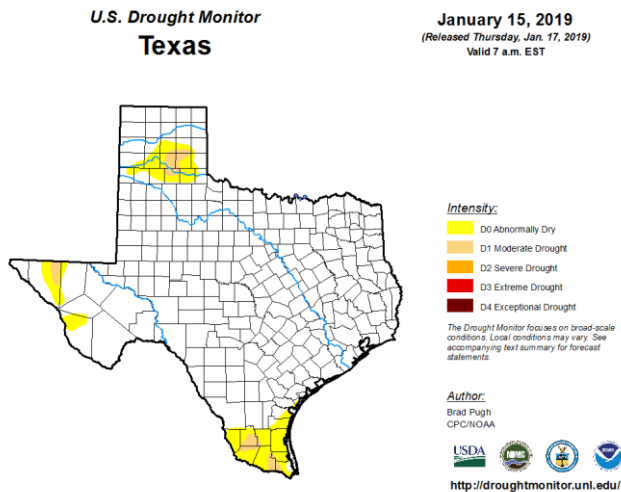
ERCOT WEATHER OUTLOOK

COLDER PATTERN IS HERE BUT ITS NOT SUSTAINED FOR TEXAS. VARIABLE BUT COLD BIASED. ONLY A FEW HIGHER IMPACT DAYS.



- An unsettled pattern thru next week with a couple good cold pushes
- A weak rebound early next week but another good mid-week punch southward
- Late period carries some warmer risks Central and West Texas but falling confidence as the pattern looks to be changing late period.

DROUGHT MONITOR



- Drought is basically unchanged
- Still a wet pattern and the rain from Tuesday keeps the major cities drenched
- Look for a late spring between SAT, HOU and DFW given the wet ground

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