



South Jersey Energy

Pennsylvania Division

www.openflowenergy.com

Friday, October 12, 2018

Weekly Natural Gas Newsletter

Current Storage and Market Conditions

10/11/18	Projected Underground Storage Injection (Withdrawal) for:	Week Ending October 5, 2018	82 to 94	Bcf
10/11/18	Actual Underground Storage Injection (Withdrawal) for:	Week Ending October 5, 2018	90	Bcf
10/11/18	Actual Underground Storage for:	Week Ending October 5, 2018	2,956	Bcf

10/12/18	November 2018 NYMEX Natural Gas Settle: The final settlement day for the 11/18 NYMEX contract is 10/29/18.	\$3.161 /Dth	Down	(\$0.061) /Dth
10/12/18	2019 Summer Forward NYMEX Natural Gas Average: (April 19 thru October 19)	\$2.742 /Dth	Down	(\$0.003) /Dth
10/12/18	12 Month NYMEX Natural Gas Average: (November 18 thru October 19)	\$2.935 /Dth	Down	(\$0.021) /Dth
10/12/18	2019 Winter Forward NYMEX Natural Gas Average: (November 18 thru March 19)	\$3.204 /Dth	Down	(\$0.045) /Dth

Note: NYMEX pricing set at Henry Hub, Louisiana. These prices do not include Basis to your market area.

Other Energy Futures

- November 2018 Crude Oil Futures closed today @ \$71.34/bbl.
- November 2018 Unleaded Gasoline Futures closed today @ \$1.942/gal.
- November 2018 Heating Oil Futures closed today @ \$2.321/gal or \$16.479/Dth equivalent (\$2.321 * 7.1).
- November 2018 PJM Electricity Futures last traded @ \$37.27/MWh.

Contact Information

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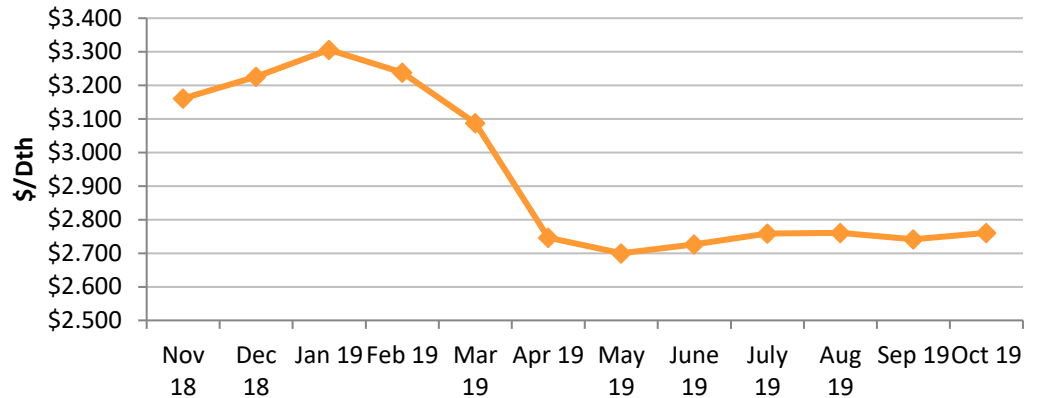
Energy Information Administration (EIA) Weekly Update

For a weekly publication on natural gas conditions from the EIA, follow the link provided. www.eia.gov/naturalgas/weekly/

Forward Looking NYMEX Futures

Month	Price	+/-
Nov 18	\$3.161	(\$0.061)
Dec 18	\$3.226	(\$0.053)
Jan 19	\$3.306	(\$0.046)
Feb 19	\$3.238	(\$0.039)
Mar 19	\$3.088	(\$0.025)
Apr 19	\$2.746	(\$0.009)
May 19	\$2.700	(\$0.005)
June 19	\$2.726	(\$0.003)
July 19	\$2.759	(\$0.002)
Aug 19	\$2.761	(\$0.002)
Sep 19	\$2.742	(\$0.002)
Oct 19	\$2.761	\$0.000

Forward Price Curve



NYMEX Front Month Trading

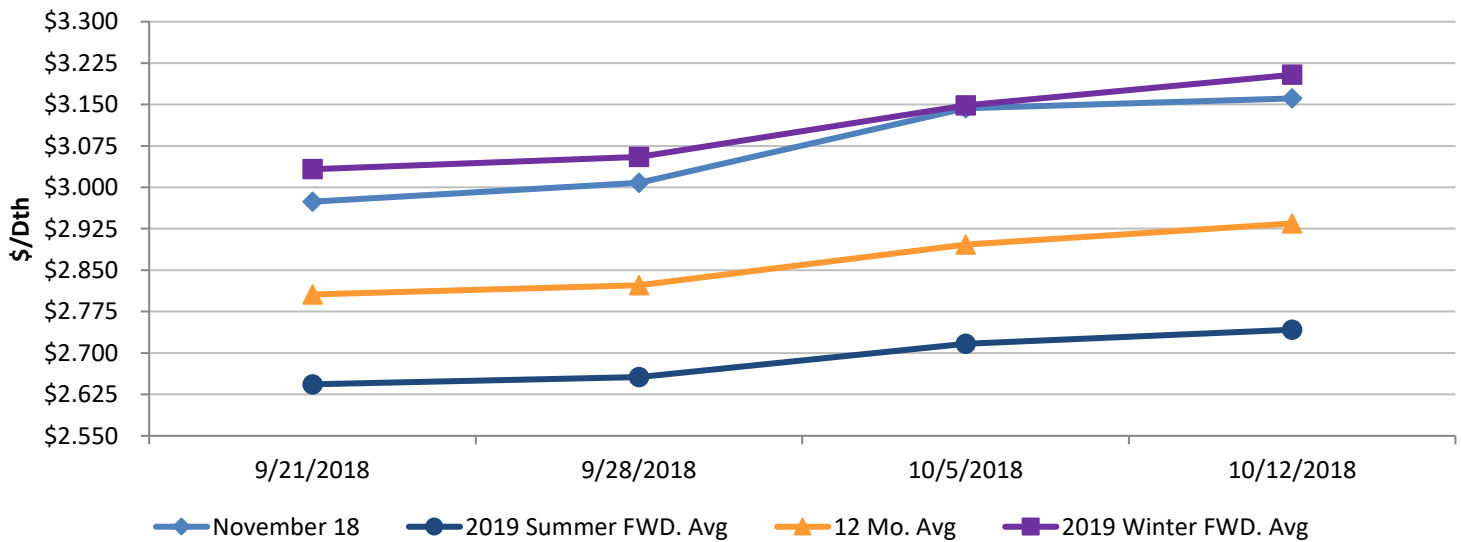
Month	Low	High
Nov 18	\$3.138	\$3.270

November 2018 NYMEX Final Trading Date: 10/29/18

Note: Prices do not include basis.

Near Term Natural Gas Strips

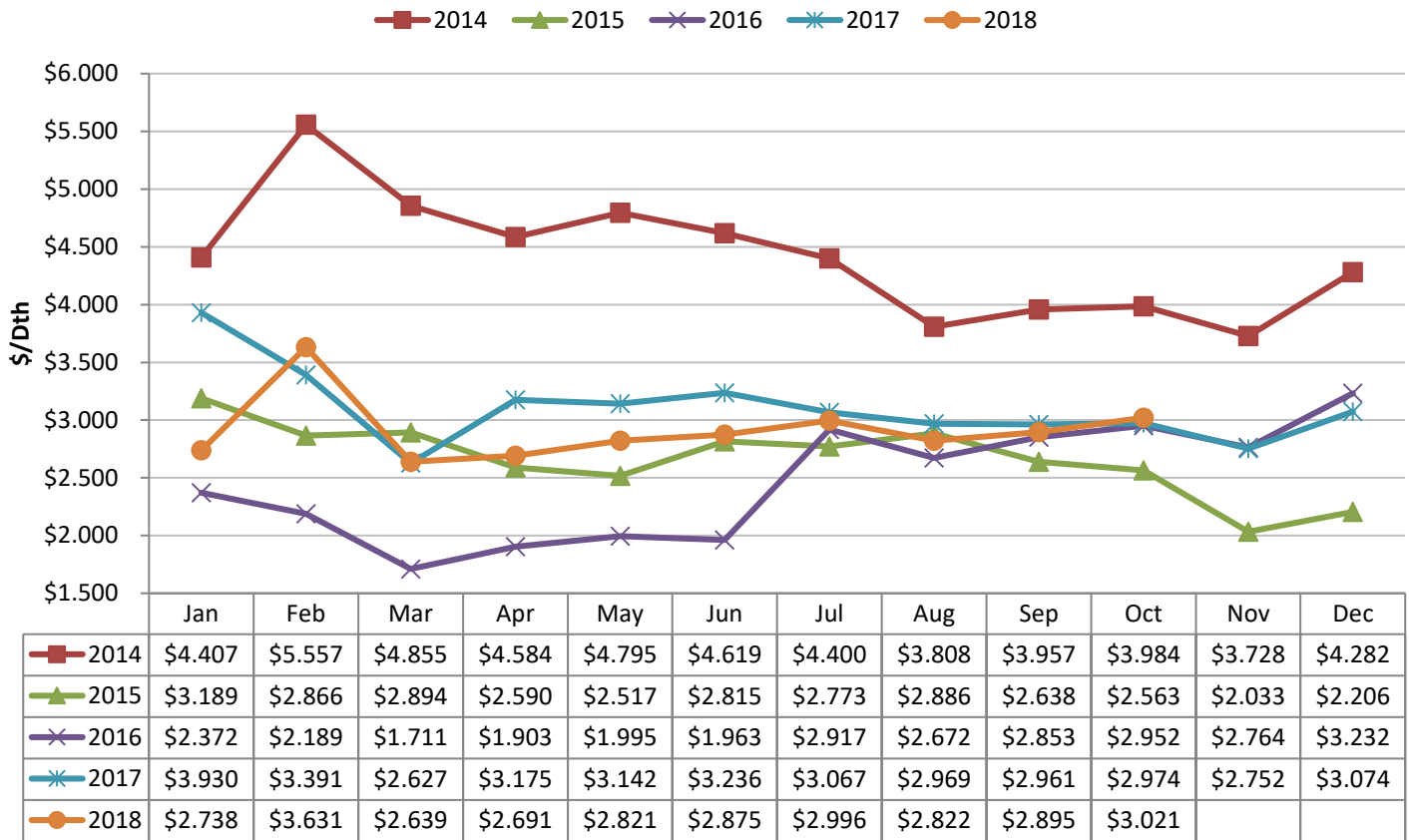
Near Term NYMEX



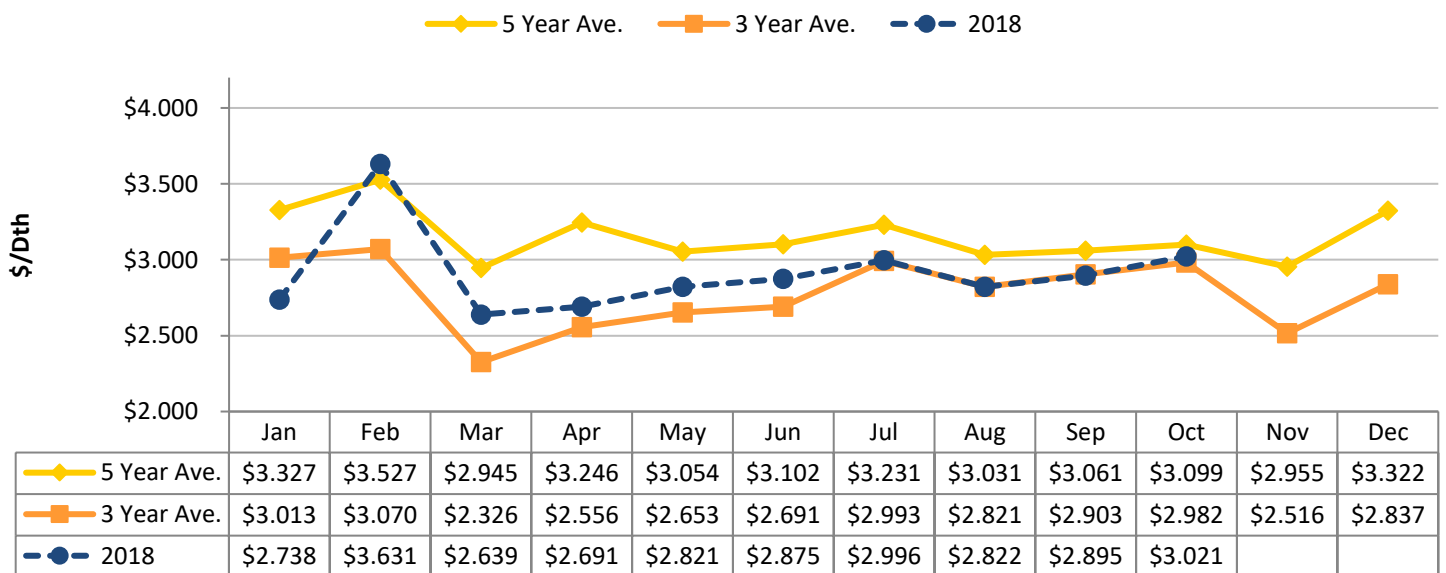
- 7 Month 2019 Summer Forward Average is comprised of April 2019 through October 2019.
- ▲ 12 Month Average is comprised of November 2018 through October 2019.
- 5 Month 2018/2019 Winter Forward Average is comprised of November 2018 through March 2019.

Historical NYMEX Settlements

Historical NYMEX Natural Gas Futures Final Settlement Prices



Average Historical Settlement Comparison



Current Storage Conditions

Underground Injection/Withdrawal for:

Time Frame	+/-	
Current Week	90	Bcf
Prior Year	81	Bcf
Five Year Average	90	Bcf

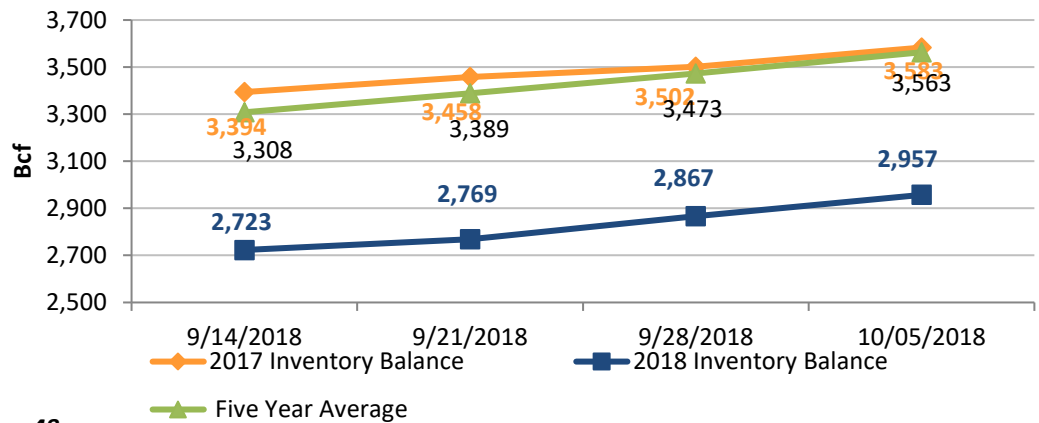
Regional Breakdown for Storage:

Region	10/5	9/28	+/-	
East	790	763	27	Bcf
Midwest	871	836	35	Bcf
Mountain	180	177	3	Bcf
Pacific	262	262	0	Bcf
South Central	854	829	25	Bcf
Total	2,956	2,866	90	Bcf

Summary

Working gas in storage was 2,956 Bcf as of October 5, 2018, according to EIA estimates. This represents a net increase of 90 Bcf from the previous week. Stocks were 627 Bcf (17.5 %) less than last year at this time at 3,583 Bcf and 607 Bcf (17.04%) below the 5-year average of 3,563 Bcf.

**Storage Inventory Balance
2017 vs. 2018 vs. 5 yr Avg**

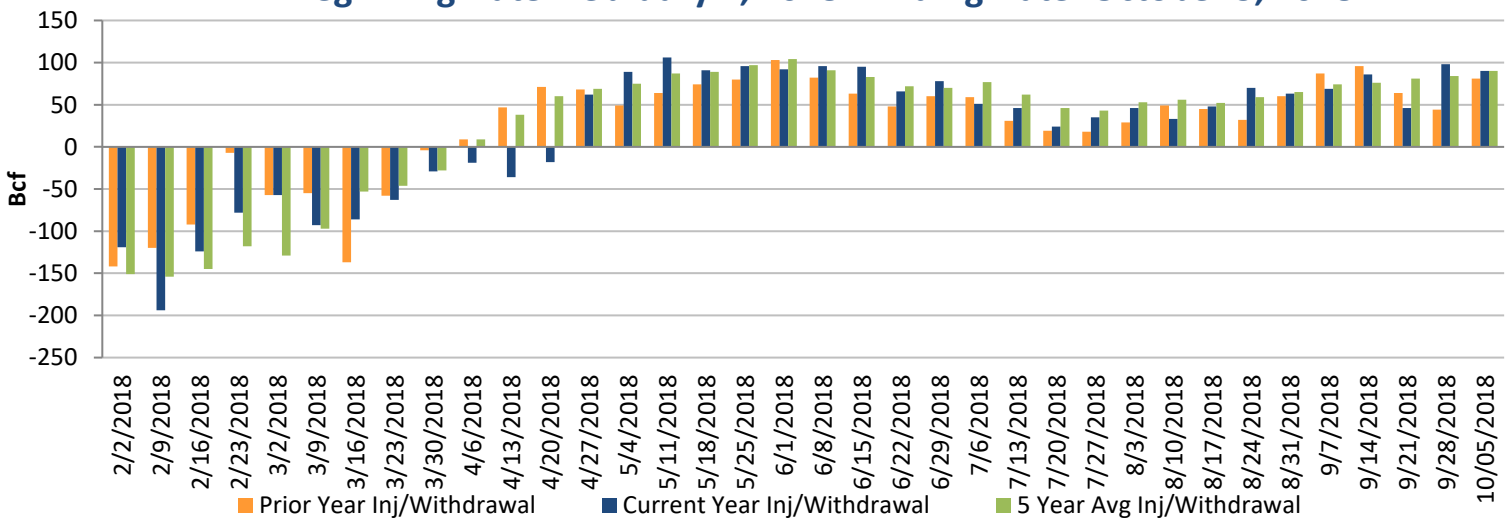


Note: Storage accounts only for the Lower 48

Historical Injection/Withdrawal Figures

Weekly Storage Release Data

Beginning Date: February 2, 2018 - Ending Date: October 5, 2018



Source for Storage Information: "Weekly Natural Gas Storage Report." Energy Information Administration - EIA's Information Releases Website. Eia.gov, <<http://ir.eia.gov/ngs/ngs.html>>.

Natural Gas Rig Data

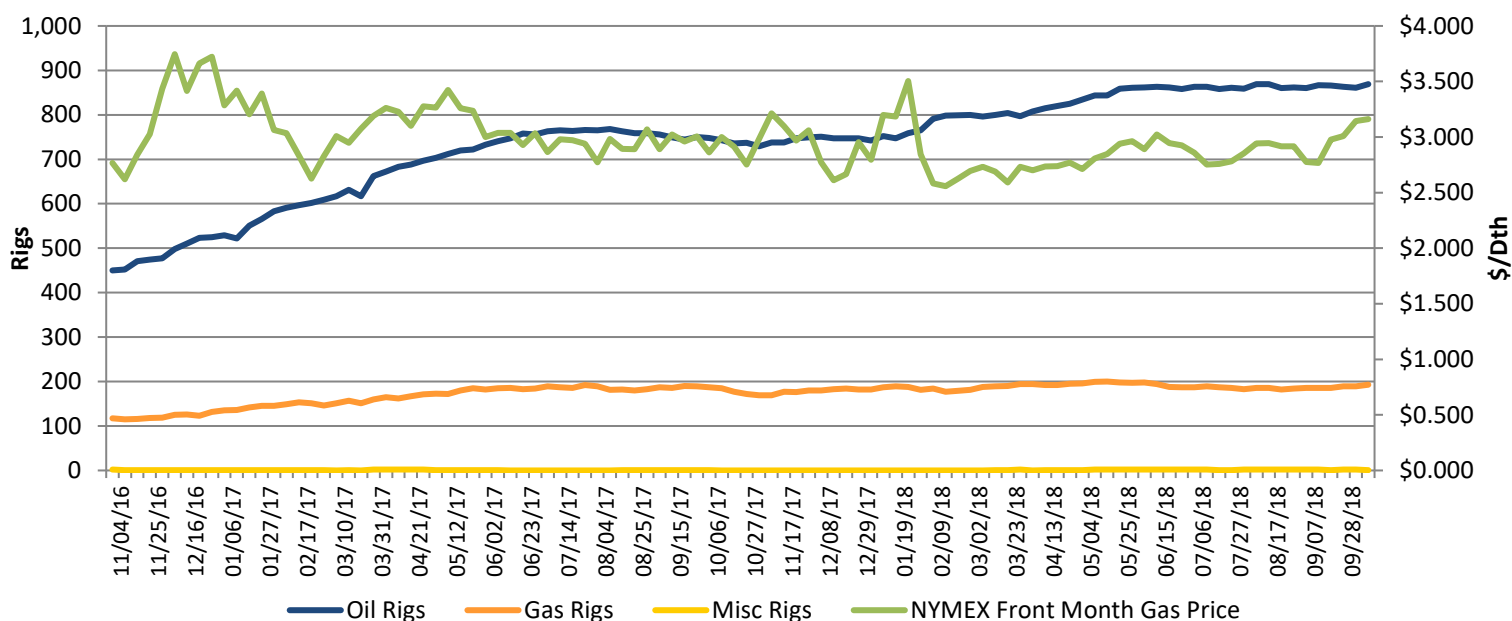
Comparison of U.S. Natural Gas Rig Counts

Rig Count	10/12	10/5	+/-
Current Year	193	189	4
Previous Year	185	187	-2
+/-	8	2	

The U.S. Natural Gas Rig Count is comprised of Directional, Horizontal, and Vertical Rigs in use. Data obtained from Baker Hughes Inc.

Rig Count/NYMEX

Two Year U.S. Rig Count and NYMEX Natural Gas Futures



Temperature/Tropical Forecasts

Short Term NOAA Temperature Probability (10/12/18):

6-10 Day: The central US will see cooler than normal temperatures as the northwest and extreme southeast will see above normal temps.

8-14 Day: The western one third of the US and the southeast will see above normal temps as the southcentral up through the northeast will see below normal temperatures.

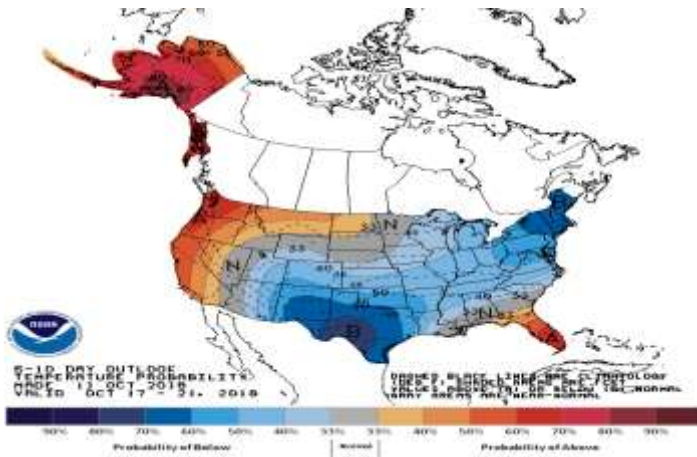
Long Term 90 Day NOAA Temperature Outlook Probability (9/20/18):

Most of the US will experience above normal temperatures looking at the long range forecast.

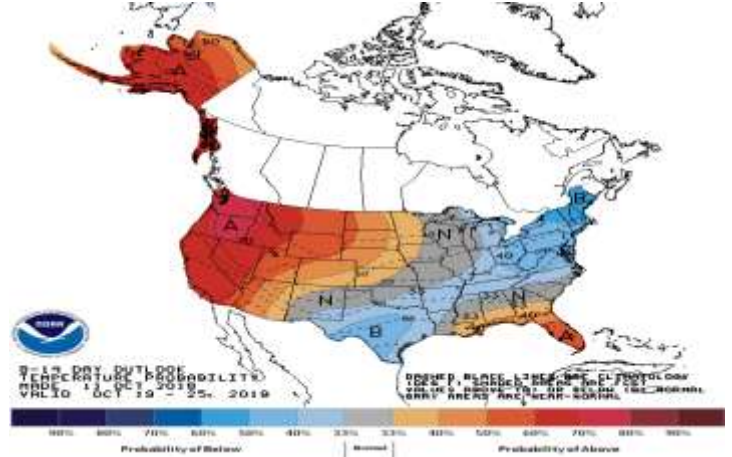
Source for Rig Data: "North American Rotary Rig Counts - Current Weekly Data." BakerHughes.com. Baker Hughes Incorporated, Web. <http://investor.shareholder.com/bhi/rig_counts/rc_index.cfm>.

Source Tropical Outlook: "Atlantic Tropical Weather Outlook." nhc.noaa.gov. National Oceanic Atmospheric Administration, Web. <<http://www.nhc.noaa.gov/text/refresh/MIATWOAT+shtml/131312.shtml>>.

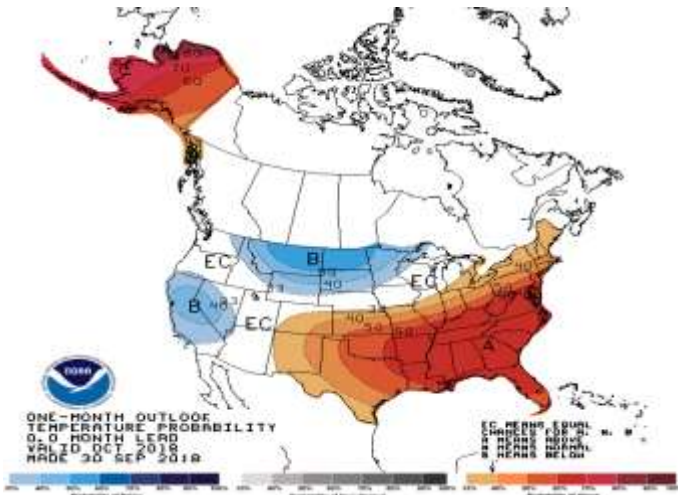
Temperature Maps



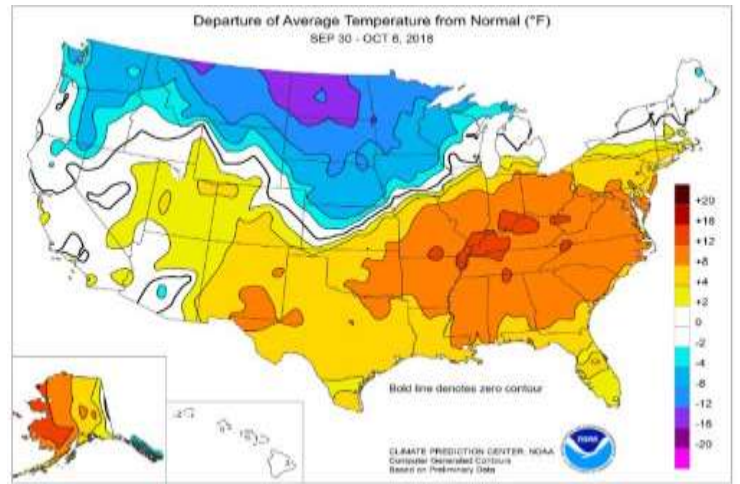
6-10 Day Outlook



8-14 Day Outlook

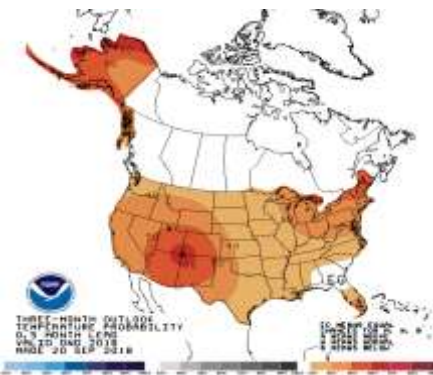


One Month Outlook



Previous Week Departure from Normal

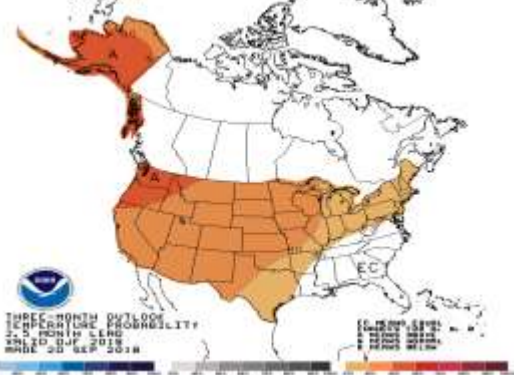
Three Month Outlook



October-November-December



November-December-January '19



December-January-February '19

Source for Weather Maps: "Outlook Maps, Graphs and Tables." nws.noaa.gov. National Oceanic Atmospheric Administration, Web. <<http://www.cpc.ncep.noaa.gov/products/forecasts/>>.

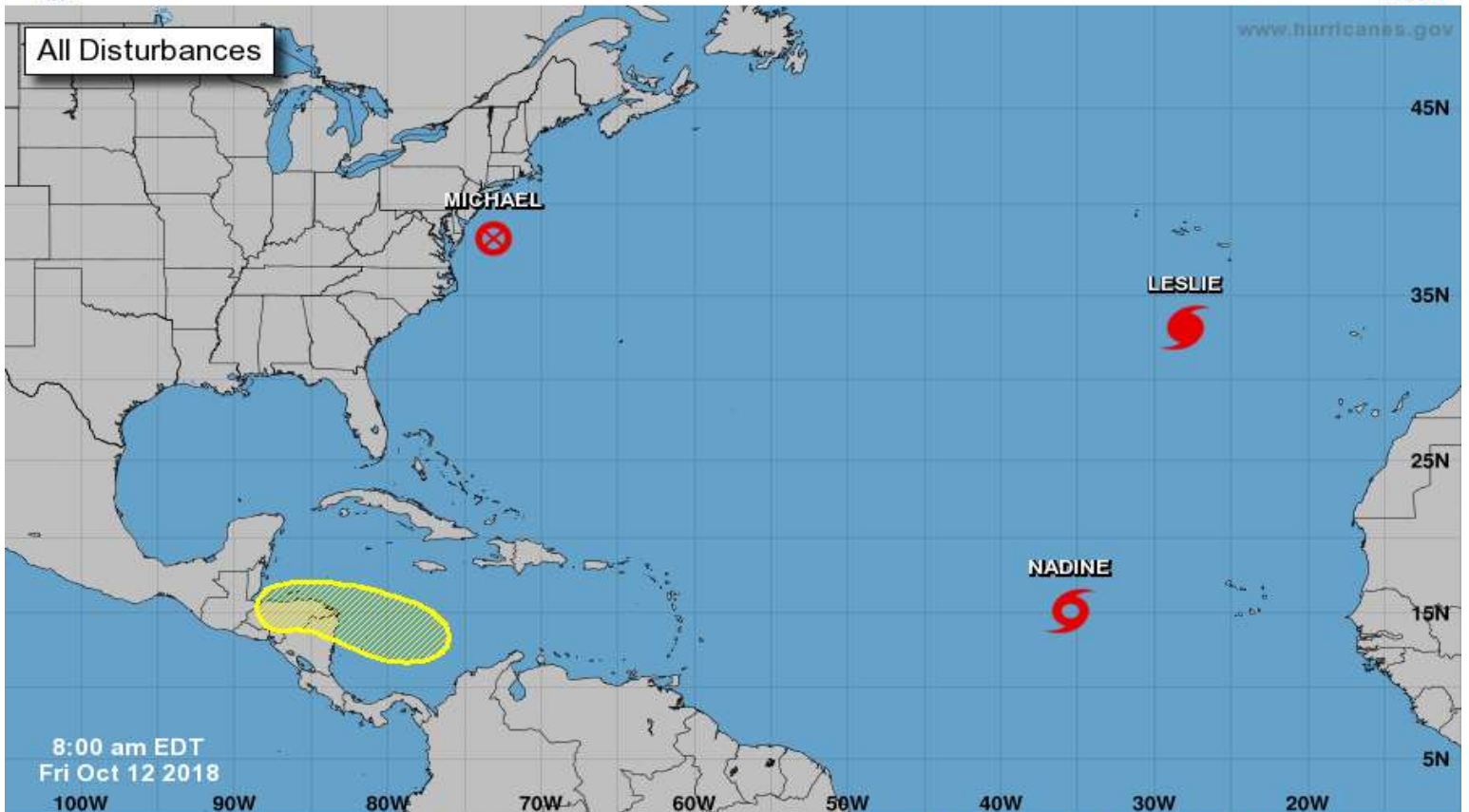
Atlantic Basin Tropical Outlook:

As the Panhandle of Florida tries to recover from the devastation of Hurricane Michael, a **small disturbance** in the southern Caribbean Sea has a 20% chance of forming before moving westward toward Central America. **Michael**, now off the US coast will track generally eastward as a Tropical Cyclone with winds still near 65mph. Two other named storms - Nadine and Leslie sit in the Atlantic. **Nadine** will move westward but it is too early to determine the exact path. Hurricane **Leslie** will move eastward toward the Moroccan/Spain coastlines in the coming days posing no threat to the US eastcoast.



Five-Day Graphical Tropical Weather Outlook

National Hurricane Center Miami, Florida



Current Disturbances and Five-Day Cyclone Formation Chance: < 40% 40-60% > 60%
 Tropical or Sub-Tropical Cyclone: Depression Storm Hurricane
 Post-Tropical Cyclone or Remnants

National Hurricane Center - Atlantic Tropical Cyclone

www.NHC.noaa.gov

Source for Weather Maps: "Outlook Maps, Graphs and Tables." nws.noaa.gov. National Oceanic Atmospheric Administration, Web. <<http://www.cpc.ncep.noaa.gov/products/forecasts/>>.

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