

### News Tracker:

-Natural gas spot price movements were mixed for the term Wednesday, September 27 to Wednesday, October 4 (the Report Week). The Henry Hub spot price fell from \$2.95 per million British thermal units (MMBtu) to \$2.81/MMBtu from start to finish of the Report Week.

-At the New York Mercantile Exchange (Nymex), the October 2017 natural gas futures contract price expired on Wednesday, September 27 at \$2.974/MMBtu. The November 2017 contract price decreased to \$2.940/MMBtu, down 12¢ from open to close of the Report Week.

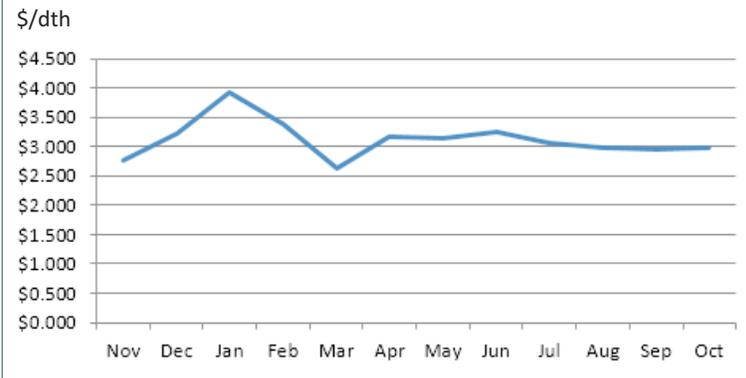
-Natural gas net injections into storage totaled 42 Bcf for the storage week ending September 29, compared with the five-year (2012-16) average net injections of 91 Bcf and last year's net injections of 76 Bcf during the same week. Increased power demand for natural gas likely contributed to lower net injections compared with the previous report week, despite steady natural gas production. Working gas stocks total 3,508 Bcf, which is 8 Bcf lower than the five-year average and 161 Bcf lower than last year at this time. So far during the 2017 refill season, net injections into storage are 16% lower than the comparable five-year average, 1,457 Bcf during the 2017 refill season compared with the five-year average increase of 1,730 Bcf. If net injections continue to be 16% lower than the five-year average going forward, then working gas stocks will reach 3,782 Bcf by the end of the refill season. However, working gas stocks will total 3,834 Bcf if net injections into working gas match the five-year average for the remainder of the refill season.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 20¢, averaging \$7.82/MMBtu for the week ending October 4. The price of natural gasoline and ethane each fell by 2%, and propane, butane, and isobutane each fell by 3%.

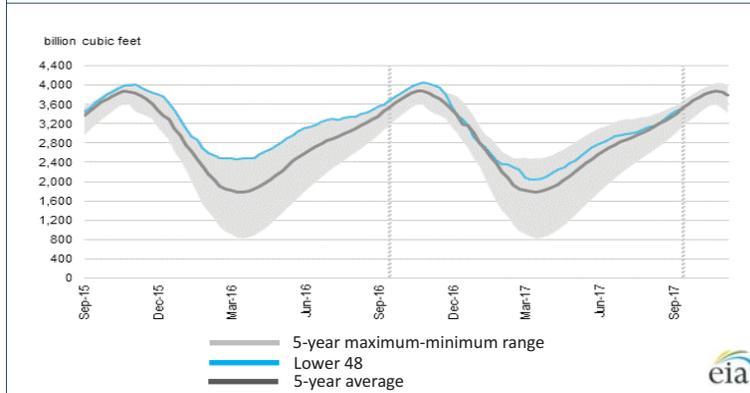
-According to Baker Hughes, for the week ending Friday, September 29, the natural gas rig count decreased by 1 to 189. The number of oil-directed rigs rose by 6 to 750. The total rig count increased by 5, and it now stands at 940.

Excerpted from 

### Monthly NYMEX Natural Gas Settle Price: Nov 2016 - Oct 2017:



### Working nat. gas in underground storage as of September 29, 2017

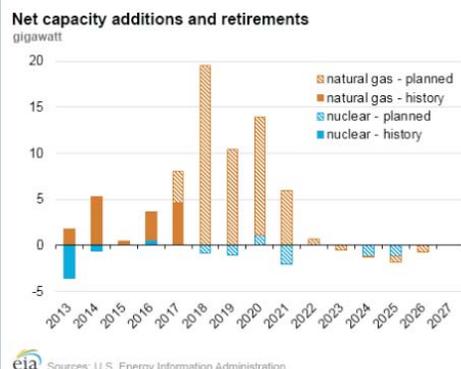


### Forward 12-month NYMEX natural gas strip price - Nov17-Oct18:

Process Load-weighted \$3.030/dth - w/o/w = ▼\$0.047  
 Typical Heat Load-weighted \$3.102/dth - w/o/w = ▼\$0.070

### As nuclear power plant requirements increase, natural gas-fired generation capacity grows:

In the past seven years, six nuclear power plants announced their intentions to retire early. These six plants have a current operational capacity of about 7.2 gigawatts (GW) with an average capacity factor of 95%. Additionally, construction of South Carolina Electric and Gas's 2.2 GW (capacity factor of 100%) VC Summer power plant was halted in July. As of July 2017, natural gas-fired generation capacity was slightly more than 40% of total U.S. operating capacity, with the net summer capacity for natural gas-fired generation at about 453 GW (average capacity factor of 88%). About 54% of the natural-gas fired capacity comes from natural gas combined-cycle (NGCC) plants. Between 2013 and 2017, 25 GW (average capacity factor of 91%) of natural gas-fired generation capacity retired; many of these generators were steam turbines (about 72% of the capacity retired) and most were older generators with an initial operation year between 1950 and 1980 (87% of the capacity retired). In comparison, as of July 2017, nuclear generation net summer capacity totaled 99 GW (average capacity factor of 95%). From 2013 to 2017, five nuclear plants, with a combined capacity of 4.7 GW (average capacity factor of 99%), were retired. From 2013 to 2016, average net generation for electric power from nuclear energy remained nearly flat, and the generation from natural gas has grown by about 6% per year. Through 2027, planned natural gas generation capacity additions total 62 GW with an average capacity factor of 93%. More than three-quarters of the planned capacity are from NGCC plant builds. The two NGCC projects with the largest planned capacity are Citrus County Combined Cycle Plant (1.6 GW with a capacity factor of 83%) and Okeechobee Clean Energy Center (1.7 GW with a capacity factor of 100%), both in Florida. The capital cost estimate for a nuclear power plant is more than six times greater than that of a NGCC plant on a per kilowatt basis. One new nuclear plant is planned for construction in the next few years, the Vogtle project in Georgia, with a total capacity of 2.2 GW (capacity factor of 100%).



Source: U.S. Energy Information Administration

Excerpted from 

“Few things can help an individual more than to place responsibility on him, and to let him know that you trust him.” -Booker T. Washington<sup>1</sup>

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<sup>1</sup><https://www.brainyquote.com/quotes/quotes/b/bookertwa101736.html>