



News Tracker:

-Natural gas spot prices were mixed this Report Week (Wednesday, Oct. 26 to Wednesday, Nov. 2). The Henry Hub spot price fell from \$2.68/MMBtu to begin the Report Week to \$2.27/MMBtu to close the Report Week.

-At the New York Mercantile Exchange (Nymex), the Nov. 2016 natural gas futures contract expired Thursday, October 27 at \$2.764/MMBtu. The December 2016 contract decreased to \$2.792/MMBtu, down 24¢ start-to-end of the Report Week.

-Natural gas injections into storage are lower than average as many storage facilities are close to full. Net injections into storage totaled 54 Bcf for the storage week ending October 28, compared with the five-year (201115) average net injection of 63 Bcf and last year's net injections of 58 Bcf during the same week. Working gas stocks total 3,963 Bcf, which is 173 Bcf more than the five-year average and 48 Bcf more than last year at this time, when working gas stocks set a new five-year high.

-Working natural gas stocks remain poised to end the 2016 refill season at near record levels. If net injections match the five-year average for the remainder of the refill season, working gas stocks in the Lower 48 will total 3,979 Bcf on October 31. This storage level exceeds the all-time end-of-October high of 3,929 Bcf in 2012. In 2015, working gas stocks totaled 3,926 Bcf at the end of October, before reaching the highest reported level ever of 4,009 Bcf on November 20, 2015. The October Short-Term Energy Outlook forecasts working gas reaching 3,933 Bcf at the end of October

-Total US natural gas consumption rose by 1% compared with the previous report week, according to data from PointLogic. Power burn climbed by 5% week over week, as some areas of the country had temperatures in the 70s and 80s. Industrial sector consumption decreased by 1% week over week. Consumption in the residential and commercial sectors also declined by 1%. Natural gas exports to Mexico increased 2%.

-US LNG exports. Natural gas pipeline flows to the Sabine Pass liquefaction terminal were relatively high, averaging 1.5 Bcf/d in the past two days and 1.2 Bcf/d over the report week. One vessel (LNG-carrying capacity 3.4 Bcf) departed the terminal on November 1 and one vessel (LNG-carrying capacity 3.2 Bcf) is currently loading at the terminal.

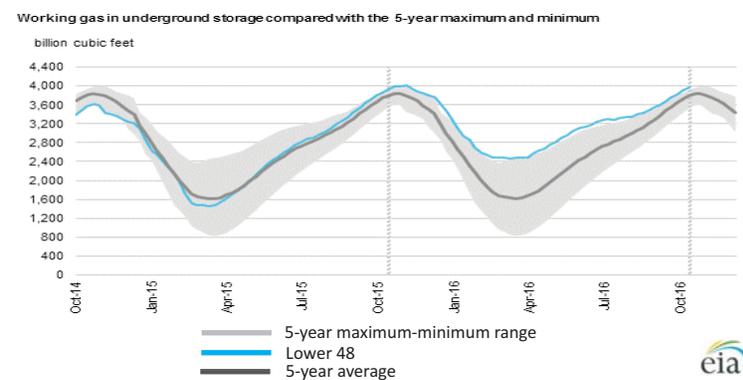
-According to Baker Hughes, for the week ending Friday, October 28, the natural gas rig count increased by 6 to 114. The number of oil-directed rigs fell by 2 to 441. The total rig count climbed by 4, and it now stands at 557.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: Dec2015 - Nov 2016:



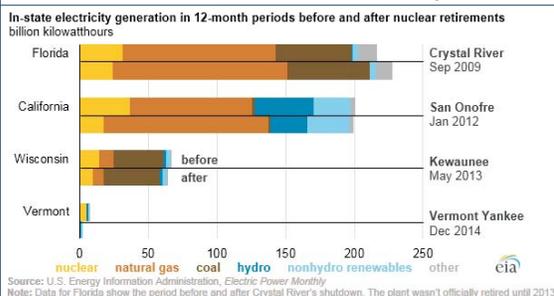
Working nat. gas in underground storage as of October 28, 2016



Forward 12-month NYMEX natural gas strip price - Dec16-Nov17:

Process Load-weighted \$2.959/dth - w/w = **-\$0.117**
 Typical Heat Load-weighted \$2.955/dth - w/w = **-\$0.150**

Fort Calhoun becomes fifth US nuclear plant to retire in past five years:



Source: U.S. Energy Information Administration, Electric Power Monthly
 Note: Data for Florida show the period before and after Crystal River's shutdown. The plant wasn't officially retired until 2013.

The Fort Calhoun Nuclear Generating Station, located near Omaha, Nebraska, shut down on Monday, October 24, after the Omaha Public Power District voted in June to retire the plant, citing economic reasons as the main cause. With a capacity of 478 megawatts (MW), Fort Calhoun was the smallest active nuclear power plant in the United States at the time of its retirement. Following the retirement of Fort Calhoun, the United States has 99 commercially operating reactors at 62 nuclear power plants. As of August 2016, nuclear power provided 26% of Nebraska's electricity generation. Fort Calhoun was one of two operating plants in the state; the other, Cooper Nuclear Station, has a capacity of 764 MW. It's expected that 420 MW of electricity generating capacity is expected to be added in Nebraska in 2016 and 2017, with wind and natural gas accounting for the new generation. The closure of Fort Calhoun marks the fifth nuclear retirement over the past five years following the retirements of Crystal River, Kewaunee, and San Onofre in 2013 and Vermont Yankee in 2014. Four additional nuclear plants have announced plans to retire in the near future, each nearly a decade or more before the scheduled license expirations of the plants. Additionally, Pacific Gas and Electric announced that it will not seek license extensions for its Diablo Canyon nuclear power plant north of Los Angeles, California. Diablo Canyon's two units will be retired by the time their current licenses expire in 2024 and 2025. Six additional operating units, with a combined capacity of more than 5,600 MW, have licenses that expire before 2035. Five of these units have filed for license extensions. As plant owners make the decision to retire nuclear plants, utilities must replace lost nuclear capacity with generation from other sources or import more electricity from neighboring states or countries. After the retirement of the San Onofre Nuclear Generating Station outside Los Angeles, California in 2013, natural gas-fired generation increased to offset lost nuclear generation and, at the time, relatively low hydroelectric generation.

Excerpted from eia

"A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty" -Winston Churchill¹

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¹www.brainyquote.com, http://www.brainyquote.com/quotes/authors/w/winston_churchill.html, retrieved November 3, 2016