Energy Market Report

Report Date: December 8, 2017

Report Week: November 29, 2017 to December 6, 2017

Questions?
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News Tracker:

-Overall natural gas spot price movements were mixed this Report Week (Wednesday, November 29 to Wednesday, December 6, 2017). The Henry Hub national benchmark spot price fell from $3.06 per million British thermal units (MMBtu) over the Report Week to $2.92/MMBtu.

-At the New York Mercantile Exchange (Nymex), the January 2018 natural gas futures contract price fell 26¢ from $3.179/MMBtu to $2.922/MMBtu from open to close of the Report Week.

-Net injections into storage totaled 2 Bcf, compared with the five-year (201216) average net withdrawal of 69 Bcf and last year's net withdrawals of 43 Bcf during the same week. Last week was the first time since December 7, 2012, that working gas stocks posted a net increase on a national level in December. In both of these instances, net injections in the South Central region more than offset net withdrawals in the East and Midwest regions. Relatively mild temperatures resulted in smaller-than-average net withdrawals and decreased natural gas consumption, primarily in the residential/commercial sector. Working gas stocks totaled 3,695 Bcf, which is 36 Bcf less than the five-year average and 264 Bcf less than last year at this time. Most of the deficit to the five-year average can be attributed to the Pacific region, where working gas stocks were 40 Bcf lower than their five-year average level. Working gas levels in the East and Midwest regionswhere natural gas is an important fuel for space and water heatingwere 13 Bcf lower than and 13 Bcf higher than the five-year average, respectively.

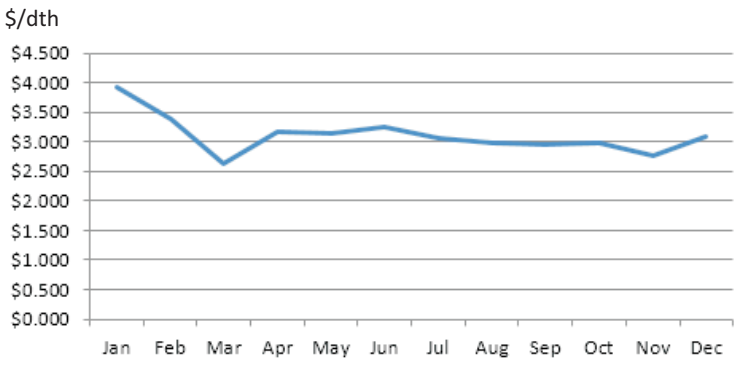
- Total U.S. consumption of natural gas rose by 8% compared with the previous report week according to data from PointLogic Energy. Natural gas consumed for power generation climbed by 12% week over week. Industrial sector consumption increased by 1% week over week. In the residential and commercial sectors, consumption increased by 10%.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 22¢, averaging $8.08/MMBtu for the week ending December 6. The price of natural gasoline, ethane, and propane fell by 2%, 10%, and 2%, respectively. The price of butane and isobutane both rose by 1%.

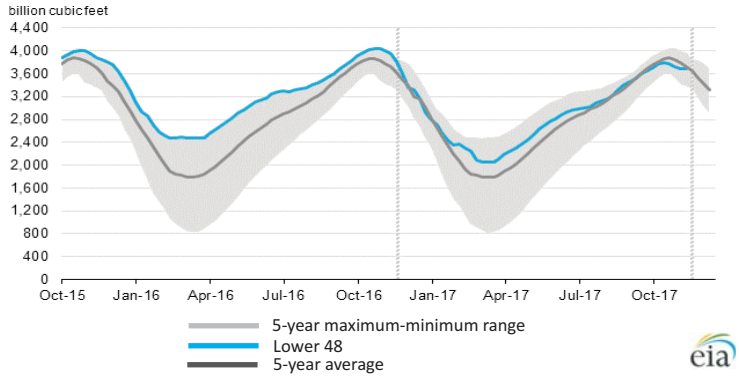
-According to Baker Hughes, for the week ending Tuesday, November 28, the natural gas rig count increased by 4 to 180. The number of oil-directed rigs rose by 2 to 749.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: Jan 2017 - Dec 2017:



Working nat. gas in underground storage as of December 1, 2017



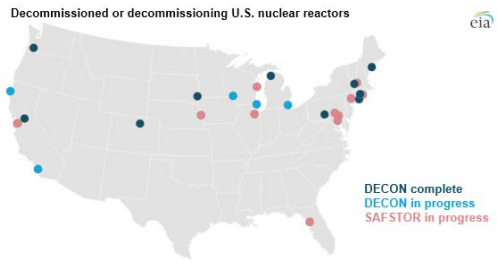
Forward 12-month NYMEX natural gas strip price - Jan18-Dec18:

Process Load-weighted $3.077/dth - w/o/w = ▼$0.148

Typical Heat Load-weighted $3.148/dth - w/o/w = ▼$0.177

Decommissioning nuclear reactors is a long-term and costly process:

Since 2013, six commercial nuclear reactors in the US have shut down, and an additional eight reactors have announced plans to retire by 2025. The retirement process for nuclear power plants involves disposing of nuclear waste and decontaminating equipment and facilities to reduce residual radioactivity, making it much more expensive and time consuming than retiring other power plants. As of 2017, a total of 10 commercial nuclear reactors in the US have been successfully decommissioned, and another 20 US nuclear reactors are currently in different stages of the decommissioning process. To fully decommission a power plant, the facility must be deconstructed and the site returned to greenfield status (meaning the site is safe for reuse for purposes such as housing, farming, or industrial use). Nuclear reactor operators must safely dispose of any onsite nuclear waste and remove or contain any radioactive material, including nuclear fuel as well as irradiated equipment and buildings. In the US, nuclear plants are decommissioned using two strategies: Decontamination (DECON) is the relatively faster method of decommissioning and involves removing all fuel and equipment from the power plant. The fuel and equipment represent the bulk of the irradiated material on the site and are removed for separate storage and decontamination. DECON can take at least seven years and allows for the relatively quick return of the land for reuse. Safe Storage (SAFSTOR), also known as deferred dismantling, involves containing and monitoring the reactor and equipment until radiation drops to safe levels. The SAFSTOR timeline allows for up to 50 years of containment followed by up to 10 years for decontamination. The longer timeline of the SAFSTOR method can allow some radioactive contamination to decay to safe levels, reducing the amount of radioactive material that must be disposed of, which can reduce the total decommissioning cost. Operators also have more time to secure funds to pay for the decommissioning process over the longer timeframe of the SAFSTOR process. A third technique, known as ENTOMB, involves permanently entombing the entire site in concrete. This method is not used for commercial reactors in the United States, but it has been used in other countries. For example, the Chernobyl 4 reactor in Ukraine has been entombed in a steel shelte designed to prevent radiation leaks from the site.



Excerpted from eia

"All you need in this life is ignorance and confidence, and then success is sure." -Mark Twain[1]

[1]https://www.brainyquote.com/quotes/mark_twain_125616