



**News Tracker:**

-Natural gas spot prices rose across the country this Report Week (Wednesday, June 15, to Wednesday, June 22). The Henry Hub spot price continued its recent increases, rising by 16¢ from \$2.62/MMBtu on June 15 to \$2.78/MMBtu to end the Report Week.

-At the Nymex, the July 2016 natural gas futures contract continued to rise, increasing from \$2.595/MMBtu to start the Report Week to \$2.677/MMBtu to end the Report Week.

-Net injections of working gas totaled 62 Bcf for the week ending June 17. Working gas stocks are 3,103 Bcf, which is 25% above the year-ago level and 28% above the five-year (2011-15) average for this week. These injections compare with the five-year (2011-15) average of 88 Bcf and last year's net injection of 77 Bcf during the same week. As a result, the surplus in storage compared with the five-year average declined from the previous week to 678 Bcf, and the surplus compared with year-ago levels decreased to 618 Bcf. The year-over-year storage surplus fell for the eleventh consecutive week. Temperatures in the Lower 48 states averaged 72°F during the storage report week, climbing 2% from the previous week. Temperatures during the report week were 3% above normal and 3% below last year at this time. Temperatures were above normal in most of the Lower 48 states, excluding the New England, Middle Atlantic, and Pacific U.S.

- Average consumption for the report week rose 3% according to data from PointLogic. This increase was driven by a 7% increase in consumption of natural gas for electric power generation. Power burn this week was 6% greater than year-ago levels. In the residential/commercial sector, consumption fell by 11%. Industrial consumption and exports to Mexico rose by 1% and 2%, respectively.

-According to Baker Hughes, for the week ending Friday, June 17, the natural gas rig count increased by 1 to 86. Oil-directed rigs increased by 9 to 337. This is the third consecutive weekly increase in the oil rig count.

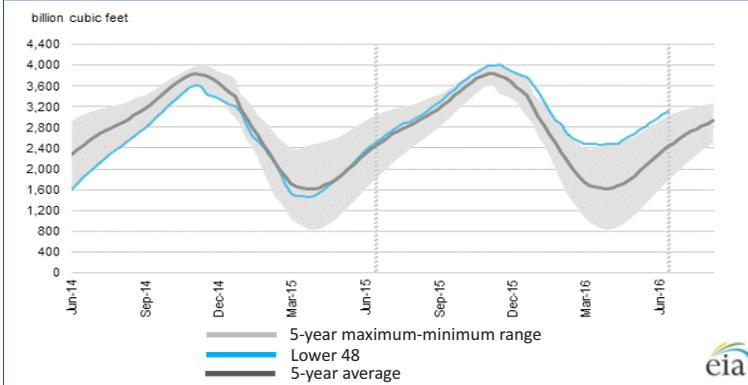
-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 10¢, closing at \$5.16/MMBtu for the week ending June 17. The price of ethane rose 1%, but the prices of all of the other composite fuels fell. Butane and isobutane prices fell by 1% each, propane fell by 2%, and natural gasoline fell by 6%.

Excerpted from eia

**Monthly NYMEX Natural Gas Settle Price: Jul 2015 - Jun 2016:**



**Working nat. gas in underground storage as of June 17, 2016**



**Forward 12-month NYMEX natural gas strip price - Jul16-Jun17:**

Process Load-weighted \$2.980/dth (w/w = +\$0.058)  
 Typical Heat Load-weighted \$3.111/dth (w/w = +\$0.061)

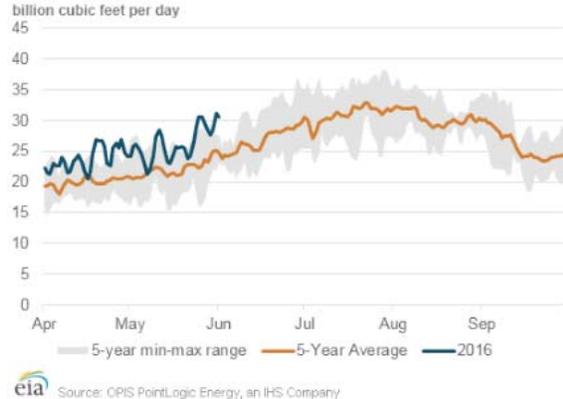
**Use of natural gas for power generation ticks upward:**

Warm summerlike weather in recent days has led to increased consumption of natural gas for power generation (power burn), as air-conditioning demand ramped up, according to data from PointLogic. Power burn on May 31 was at its highest level so far this year, at 31.2 billion cubic feet (Bcf), as temperatures reached into the 80s and 90s in many areas of the United States.

Temperatures are expected to remain warm in the coming days. Consumption of natural gas for power generation has remained relatively high in recent years, with 2015 setting a record high for natural gas burned for power generation. So far in 2016, average power burn has exceeded 2015 levels by 8.6%, or 2.0 Bcf per day (Bcf/d), according to PointLogic. The U.S. Energy Information Administration expects that this trend will continue, with EIA's current Short-Term Energy Outlook forecasting that power burn in 2016 will exceed last year's record by 4.0%.

Additionally, EIA forecasts that for the year, natural gas generation as a share of total generation will exceed coal for the first time on record. Much of the growth in power burn is coming from the Southeast, the largest consuming region in the United States. The Southeast showed a 10.4% increase in power burn from May 2015 to May 2016. Low natural gas prices and growth in natural gas power generation infrastructure are the main driving factors behind this consumption growth. While the summer season is generally the time of year when power burn is highest, because of air-conditioning demand, gas consumption for power generation has also been rising in the winter, as natural gas makes up a larger share of baseload generation.

**Consumption of natural gas for power generation, April – September**



Source: CPIS PointLogic Energy, an IHS Company

Excerpted from eia

"I knew very early in my life that I will not become a professional pianist. The fingers might not be adequate for this. But I didn't feel deterred by it, I just felt that naturally there are things that I can do, there are things that I cannot do, and if I screen well enough I will find something where I can express myself." -Ehud Barak<sup>1</sup>

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<sup>1</sup> Ehud Barak Interview - Academy of Achievement (September 22, 2010), retrieved June 24, 2016, from <http://www.achievement.org/autodoc/page/bar0int-7>