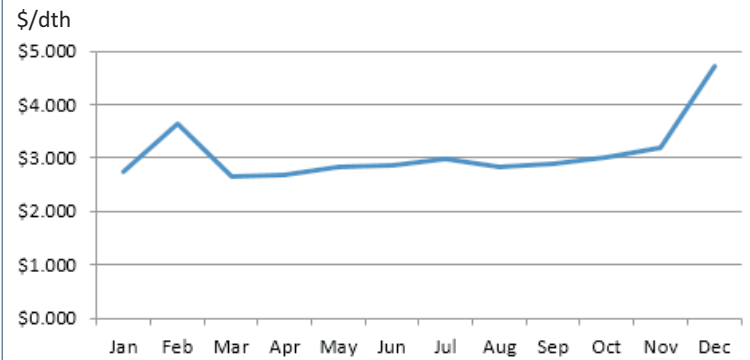


News Tracker:

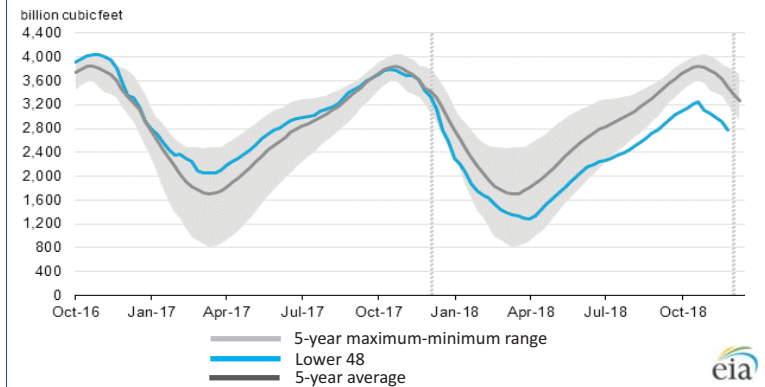
- Natural gas spot prices fell at most locations for the Report Week of Wednesday, December 12 to Wednesday, December 19. Henry Hub spot prices fell from \$4.20 per million British thermal units (MMBtu) to \$3.56/MMBtu from start to finish of the Report Week.
- At the Nymex, the price of the January 2019 natural gas futures contract decreased 41¢, from \$4.136/MMBtu to \$3.726/MMBtu over the course of the Report Week. The price of the 12-month strip averaging January 2019 through December 2019 futures contracts declined 12¢/MMBtu to \$3.050/MMBtu.
- Net withdrawals from storage totaled 141 Bcf for the week ending December 14, compared with the five-year (2013-17) average net withdrawals of 144 Bcf and last year's net withdrawals of 166 Bcf during the same week. Working gas stocks totaled 2,773 Bcf, which is 720 Bcf (21%) lower than the five-year average and 697 Bcf (20%) lower than last year at this time. Temperatures in the Lower 48 states averaged 36 degrees Fahrenheit (°F), 2°F lower than normal and 1°F lower than last year at this time. Temperatures were 5°F colder than those reported for the previous week.
- Total U.S. consumption of natural gas fell by 16% compared with the previous report week, according to data from PointLogic Energy. The largest decrease in consumption came in the residential and commercial sectors, where natural gas use declined by 25% with warmer-than-normal weather across the Lower 48 states. Natural gas consumed for power generation declined by 11% week over week. Industrial sector consumption decreased by 3% week over week. Natural gas exports to Mexico decreased 2%.
- The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 52¢/MMBtu, averaging \$6.21/MMBtu for the week ending December 19. The price of natural gasoline, ethane, propane, butane, and isobutane all fell, by 5%, 9%, 6%, 10%, and 13%, respectively.
- According to Baker Hughes, for the week ending Tuesday, December 11, the natural gas rig count remained flat at 198. The number of oil-directed rigs fell by 4 to 873. The total rig count decreased by 4, and it now stands at 1,071.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Jan 2018 - Dec 2018:



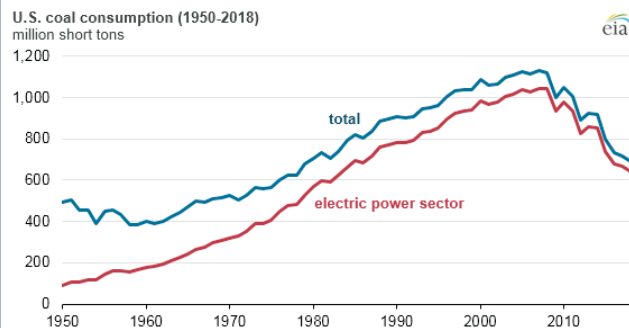
Working natural gas in underground storage as of Dec. 14, 2018



Forward 12-month NYMEX natural gas strip price - Jan19-Dec19:


Process Load-weighted \$3.050/dth - w/o/w = ▼\$0.115
 Typical Heat Load-weighted \$3.237/dth - w/o/w = ▼\$0.193

US coal consumption in 2018 expected to be the lowest in 39 years:



US coal consumption in 2018 is expected to fall to 691 million short tons (MMst), the lowest level since 1979. US coal consumption has been falling since its peak in 2007, and it's forecasted that 2018 coal consumption will be 437 MMst (44%) lower than 2007 levels, mainly driven by declines in coal use in the electric power sector. The electric power sector is the nation's largest consumer of coal, accounting for 93% of total US coal consumption between 2007 and 2018. The decline in coal consumption since 2007 is the result of both the retirements of coal-fired power plants and the decreases in the utilization of coal plants as increased competition from natural gas and renewable sources have reduced coal's market share. In 2007, coal-fired capacity in the US totaled 313 gigawatts (GW) across 1,470 generators. By the end of 2017, 529 of those generators, with a total capacity of 55 GW, had retired. So far in 2018, 11 GW of coal-fired generating capacity has retired, and another 3 GW are expected to retire in the final three months of the year. If these plants retire as planned, 2018 will be the second-highest year for coal

retirements. Another 4 GW of capacity are planning to retire by the end of 2019. Only one, relatively small, new coal-fired generator with a capacity of 17 megawatts is expected to come online by the end of 2019. One of the main drivers of coal retirements is the price of coal relative to natural gas. Natural gas prices have stayed relatively low since domestic natural gas production began to grow in 2007. Environmental concerns have also played a role in coal retirements. Coal retirements were highest in 2015, driven in part by stricter emissions standards required by the Mercury and Air Toxics Standards (MATS) rule, which went into effect in April of that year for coal- and natural gas-fired power plants.

Excerpted from 

“You are not only responsible for what you say, but also for what you do not say.” -Martin Luther¹