

**News Tracker:**

-Movements in natural gas spot prices were mixed across the country despite persistent cold weather over the report week (January 7<sup>th</sup> to January 14<sup>th</sup>). The Henry Hub spot rose from \$3.07/MMBtu to start the week, to \$3.13/MMBtu to end the week.

-The NYMEX February 2015 natural gas contract rose over the report period, beginning at \$2.871/MMBtu and ending at \$3.233/MMBtu.

-Working natural gas in storage decreased to 2,853 Bcf as of Friday, January 9, according to the U.S. Energy Information Administration Weekly Natural Gas Storage Report. A net withdrawal from storage of 236 Bcf for the week resulted in storage levels 11.0% above year-ago levels and 3.8% below the five-year average for this week. The net withdrawal was 46 Bcf larger than the five-year average net withdrawal for that week, and 32 Bcf lower than last year's net withdrawal.

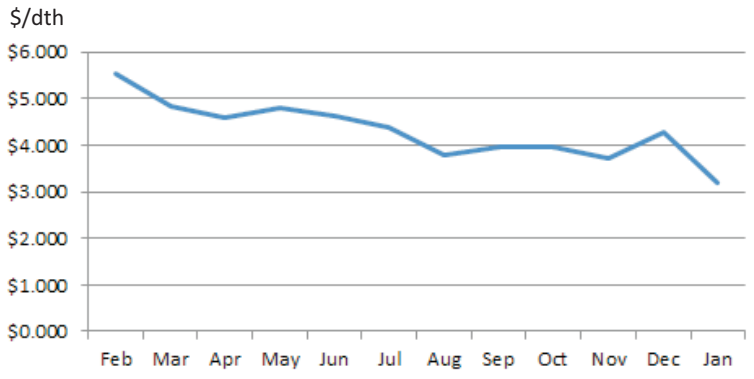
-The total U.S. rotary rig count decreased by 61 units to 1,750 rigs for the week ending January 9, according to data from Baker Hughes Inc. The natural gas rig count increased by 1 unit to 329, while oil rigs decreased by 61 units to 1,421. Most likely related to the sharp decline in crude oil prices, this is the second-largest week-on-week decline in the oil rig count recorded in the Baker Hughes data set, and the largest decline in nearly 25 years. The data set extends back to 1987.

-The Mont Belvieu natural gas plant liquids composite price fell again this week, dropping by 4.9% to \$4.90/MMBtu for the week ending January 9. With the continued decline in crude oil prices, NGL prices have been falling as well. All Mont Belvieu NGL spot prices are down this week, with natural gasoline falling 6.8% and isobutane falling 7.2%.

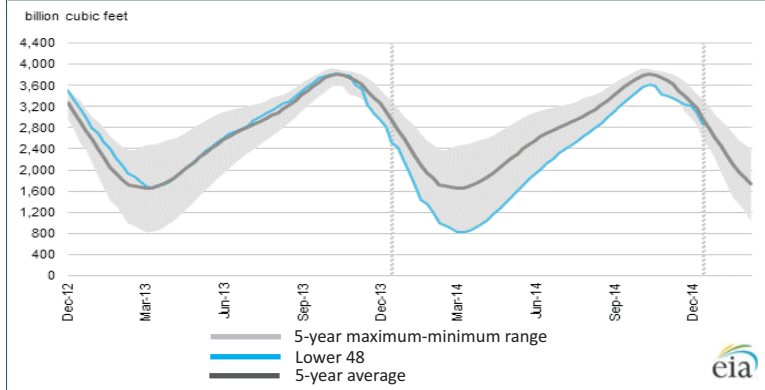
-U.S. natural gas consumption averaged 111 Bcf/d for the report week, peaking on January 8<sup>th</sup> at 130 Bcf/d, and declining to the week's minimum of 97 Bcf/d on January 12<sup>th</sup>. All sectors had increases in demand, with natural gas burned in the industrial and electric sectors each increasing by about 3% week-over-week. Gas consumption in the electric sector was mixed regionally, with the Midwest consuming 45% more gas over the period, and the Southwest consuming 17% less. Residential/commercial consumption increased by nearly 11%.



**Monthly NYMEX Natural Gas Settle Price Feb 2014 - Jan 2015:**



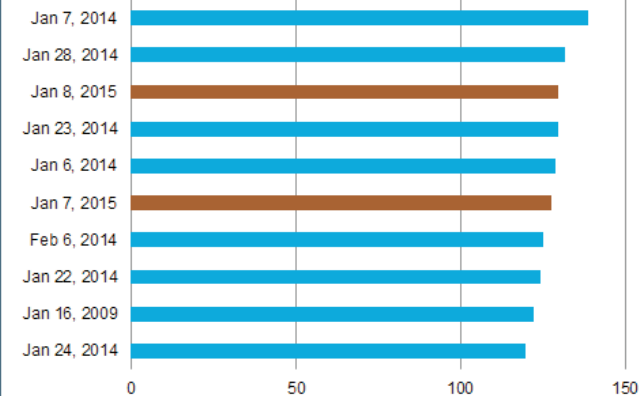
**Working nat. gas in underground storage as of January 9, 2015:**



**Forward 12-month NYMEX natural gas strip price - Feb15-Jan16:**

Process Load-weighted - \$3.140/dth  
 Heat Load-weighted - \$3.170/dth

**Top 10 days U. S. natural gas consumption since 2005 (Bcf/day - billion cubic feet per day):**



Source: U.S. Energy Information Administration based on data from Bentek Energy.

Colder-than-normal temps in the eastern half of the U.S. drove up natural gas demand across all sectors during Jan. 7<sup>th</sup> thru Jan. 10<sup>th</sup>. During this period, average U.S. natural gas consumption rose 23% compared to the average consumption for the week preceding this cold snap. The high demand was met by continued strong production, increased storage withdrawals, and more imported natural gas. Total U.S. consumption averaged more than 122 Bcf/d thru the four-day cold spell, peaking at more than 130 Bcf/d on Jan. 8<sup>th</sup>, according to data from Bentek Energy. Consumption on Jan. 8<sup>th</sup> was the third-highest level since 2005, the start of Bentek's data series. The largest demand increase came from the residential/commercial sector because of increased space heating requirements. Consumption grew for this sector during the cold spell by more than 27% over the previous week. Power burn rose by 19% during the four-day period. The increase in consumption was met by a combination of storage withdrawals and increased imports. Imports of natural gas from Canada grew by 21% during the four-day cold snap compared to the prior week.

"I'd rather regret the things I've done than regret the things I haven't done." -Lucille Ball