



News Tracker:

-Natural gas spot prices at most locations were up this Report Week (Wednesday, October 5 to Wednesday, October 12). The Henry Hub spot price rose from \$2.86 per million British thermal units (MMBtu) October 5 to \$3.17/MMBtu on October 12.

-At the Nymex, the price of the November 2016 natural gas futures contract increased 17¢, from \$3.041/MMBtu to begin the Report Week to \$3.210/MMBtu to close the Report Week. The price of the 12-month strip averaging November 2016 through October 2017 futures contracts climbed 13¢ to \$3.312/MMBtu.

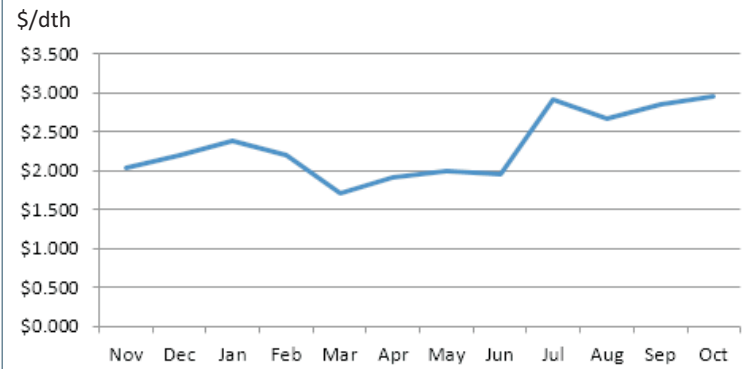
-Net natural gas injections into storage totaled 79 Bcf for the October 1 thru October 7 storage week, compared with the five-year (2011-15) average net injection of 92 Bcf and last year's net injections of 97 Bcf during the same week. These net injections follow last week's net build of 80 Bcf. Two of the season's three largest net injections into storage occurred in the last two weeks. The 2016 refill season remains on pace to be the only refill season, aside from 2012, not to post a single week that exceeds 100 Bcfa threshold that typically is exceeded at least two times during the refill season. Working gas stocks total 3,759 Bcf, which is 192 Bcf more than the five-year average and 56 Bcf more than last year at this time.

-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 will total 3,998 Bcf on October 31. This storage level exceeds the all-time end of refill season 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 of 4,009 Bcf on 11/20/15. However, net injections into storage are 35% lower than the five-year average pace so far in the refill season. At this slower than average rate, working gas stocks will total 3,915 Bcf at the end of the refill season.

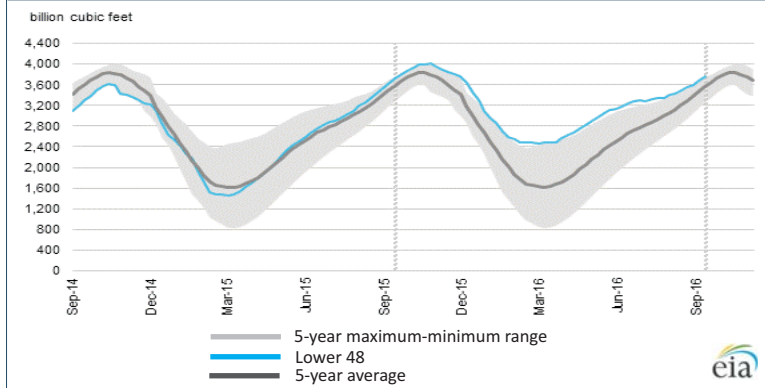
-According to Baker Hughes, for the week ending Friday, October 7, the natural gas rig count decreased by 2 to 94. The number of oil-directed rigs rose by 3 to 428. The number of miscellaneous rigs went up by 1 during the week. The total rig count climbed by 2, and now stands at 524.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: Nov 2015 - Oct 2016:



Working nat. gas in underground storage as of October 7, 2016

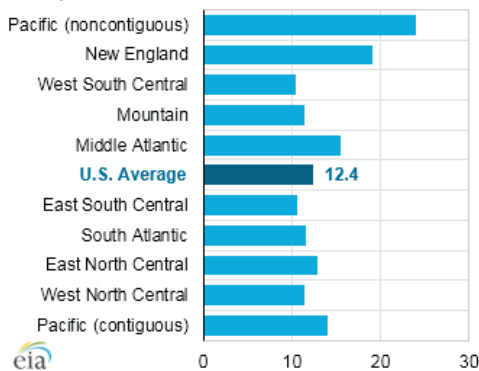


Forward 12-month NYMEX natural gas strip price - Nov16-Oct17:

Process Load-weighted \$3.312/dth (w/w = +\$0.129)
 Typical Heat Load-weighted \$3.383/dth (w/w = +\$0.136)

US residential electricity prices decline for the first time in many years, but trend seen reversing:

Average residential electricity prices
cents per kilowatthour



During the first six months of 2016, US residential customers paid on average 12.4 cents per kilowatthour (kWh), or 0.7% lower than the same period last year. If this trend continues for the rest of 2016, annual average residential electricity prices would decline for the first time since 2002. Over the past five years, nominal residential prices have increased an average of 1.9% annually, about the same rate as overall inflation. Residential customers in most areas of the country are seeing lower retail electricity prices this year compared with the same time last year. Declining costs of fuel, especially natural gas, have been a key driver of recent reductions in retail electricity prices. Natural gas prices have been increasing in recent months, and the US Energy Information Administration's (EIA) latest Short-Term Energy Outlook projects the average delivered cost of natural gas in the last six months of 2016 will be 27% higher than the average cost in the first six months of the year. Because natural gas prices are expected to continue increasing in 2017, EIA also expects average U.S. residential electricity prices to increase 3% in 2017. Despite the decline in national average residential electricity prices in the first half of 2016, prices are rising in some states and regions. On average, residents of the contiguous Pacific Coast states (California, Oregon, and Washington) so far in 2016 are paying 3% higher prices than in the first six months of 2015. The regulated electric utilities in these states sought permission to increase rates to cover costs of maintaining and upgrading the region's power transmission grid and its network of natural gas pipelines.

Midwest residential customers have also experienced increasing electricity prices, with year-to-date rates increasing by 2% and 3% in the East North Central and West North Central regions, respectively.

Asked how he made a score of 12 on a particular hole, he replied,
 "I missed the 15-footer for 11." -Arnold Palmer¹