

News Tracker:

-Natural gas spot prices fell at most locations from Wednesday, November 8 to Wednesday, November 15 (the Report Week). The Henry Hub spot price fell from \$3.15 per million British thermal units (MMBtu) to \$3.11/MMBtu from open to close of the Report Week.

-At the New York Mercantile Exchange (Nymex), the December 2017 natural gas futures contract price fell 9¢ from \$3.175/MMBtu to \$3.080/MMBtu from start to end of the Report Week.

-Net natural gas withdrawals from storage totaled 18 Bcf for the week ending November 10, compared with the five-year (2012-16) average net injection of 12 Bcf and last year's net injections of 34 Bcf during the same week. Increased consumption primarily in the residential/commercial and electric power sectors resulted in the withdrawals from storage, as colder temperatures moved deeper into the Lower 48 states. Working gas stocks total 3,772 Bcf, which is 101 Bcf less than the five-year average and 271 Bcf less than last year at this time. This deficit is the largest to the five-year average since it totaled 102 Bcf for the report week ending April 17, 2015.

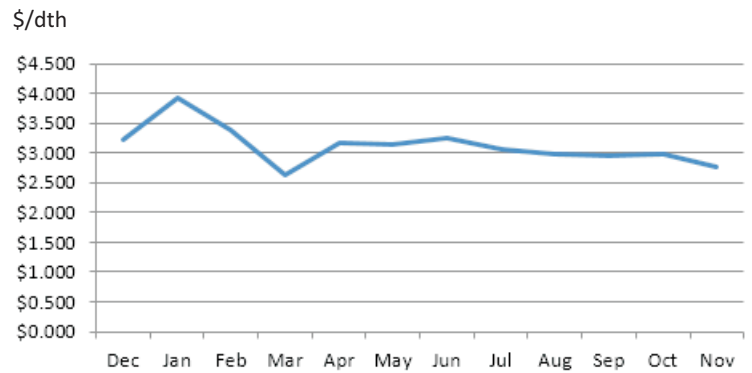
- Total U.S. consumption of natural gas rose by 14% compared with the previous Report Week, according to data from PointLogic Energy. In the residential and commercial sectors, consumption increased by 41% with colder-than-normal temperatures. Natural gas consumed for power generation declined by 1% week over week, and industrial sector consumption increased by 4% week over week. Natural gas exports to Mexico increased 2%.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 3¢, averaging \$8.26/MMBtu for the week ending November 15. The price of ethane fell by 3%. The price of propane, butane, and isobutane rose by 1%, 3%, and 3%, respectively. The price of natural gasoline remained flat week over week.

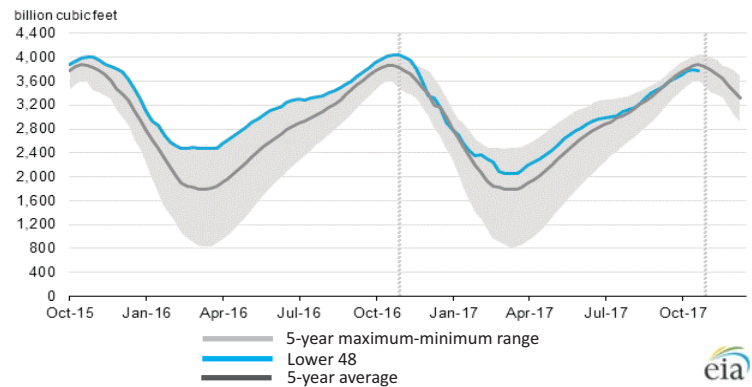
-According to Baker Hughes, for the week ending Friday, November 10, the natural gas rig count remained flat at 169. The number of oil-directed rigs rose by 9 to 738. The total rig count increased by 9, and it now stands at 907.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Dec 2016 - Nov 2017:



Working nat. gas in underground storage as of November 10, 2017



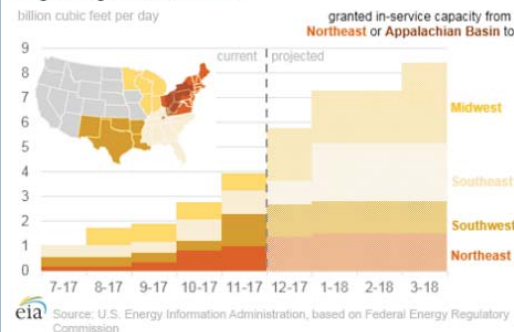
Forward 12-month NYMEX natural gas strip price - Dec17-Nov18:


Process Load-weighted \$3.026/dth - w/o/w = ▼\$0.051
 Typical Heat Load-weighted \$3.069/dth - w/o/w = ▼\$0.079

Most Northeast natural gas pipeline projects coming online this winter are for delivery to the Midwest and Southeast:

Several natural gas pipeline projects in the Northeast US are expected to be completed over this coming winter, with more than half of the capacity designed to transport natural gas from the Northeastern Appalachian production region to Midwest and Southeast markets. Between December 2017 and March 2018, 2.6 billion cubic feet per day (Bcf/d) and 1.4 Bcf/d of additional capacity is expected to be in service from the Northeast to the Midwest and from the Northeast to the Southeast, respectively. The pipeline projects out of the Northeast vary in size (from 0.02 Bcf/d to 1.4 Bcf/d) and purpose. Some projects will serve as short interconnects, while others are designed to deliver natural gas from the Appalachian producing region where growth in regional production has far outpaced growth in regional consumption to other markets. Among the larger projects is the Rover pipeline project 3.25 Bcf/d which will move natural gas from the Northeast's Appalachian supply basin to the Midwest and other markets. The Rover pipeline project is being completed in three phases; Phase 1A (0.7 Bcf/d) was granted in-service authorization in August 2017; Phase 1B (1.4 Bcf/d) is expected to be in service in December 2017; and after delays, Phase 2 (1.15 Bcf/d) is now expected to be in service in March 2018. The Leach XPress is the largest project (1.5 Bcf/d) to bring natural gas from the Appalachian production region to the Southeast. It was originally due to be in service in Fall 2017 but is now expected to enter service in January 2018. The US Energy Information Administration's November Drilling Productivity Report estimates November-to-December production to increase in the Appalachian region where more than 40% of onshore US natural gas production now occurs by 394 million cubic feet per day (MMcf/d) or more than double the increase in any other production region. This increase follows a similar October-to-November increase of 398 MMcf/d.

Cumulative additional natural gas pipeline project capacity originating in the Northeast



Excerpted from 

Happy Thanksgiving! And a special Thanksgiving salute to all of our dedicated, courageous women and men of the US Armed Forces.