



News Tracker:

-Warm weather and strong supply led to declines in natural gas prices at most locations east of the Rockies for the Report Week October 28 to November 4. The Henry Hub spot started the Report Week at \$2.10 per million British thermal units (MMBtu) and closed the Report Week at \$2.02/MMBtu. The Henry Hub spot price dropped to three-year lows midweek, falling below \$2/MMBtu.

-At the New York Mercantile Exchange, the December 2015 natural gas futures contract fell from \$2.298/MMBtu to \$2.262/MMBtu to open and end the Report Week.

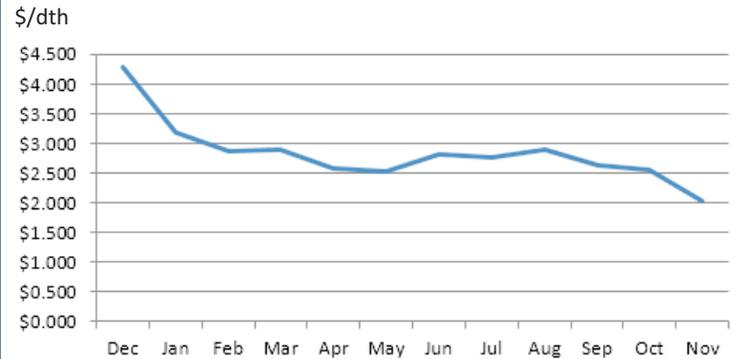
-Working natural gas in storage increased by 52 Bcf, rising to 3,929 Bcf as of Friday, October 30. This injection compares with the five-year average increase of 58 Bcf for the week and last year's increase of 90 Bcf. Working gas inventories for the report week were 371 Bcf (10%) higher than last year at this time and 147 Bcf (4%) higher than the five-year (2010-14) average. Despite the below-average weekly inventory build, working gas climbed to tie the record high of 3,929 Bcf reported for the week ending November 2, 2012. Working gas stocks appear poised to establish an all-time record high in next week's storage report if working gas stocks increase during the coming week, as typically occurs in early November. This year's high injections have been driven by builds in the Producing region, particularly in the Producing salt region, which had never been higher than 332 Bcf before this year. Both the salt and nonsalt Producing regions have established new all-time highs, 371 Bcf and 997 Bcf, respectively. Working gas stocks in both the East and West regions remain off the pace established in 2012. Temperatures in the Lower 48 states averaged 57° for the storage report week, 4° warmer than the 30-year normal temperature and 1° cooler than the average temperature during the same week last year.

-The total rig count fell by 12 units to 775 as of Friday, October 30, according to data provided by Baker Hughes Incorporated. This is 60% lower than year-ago levels. Oil rigs declined by 16 to 578 units and natural gas rigs rose by 4 to 197 units.

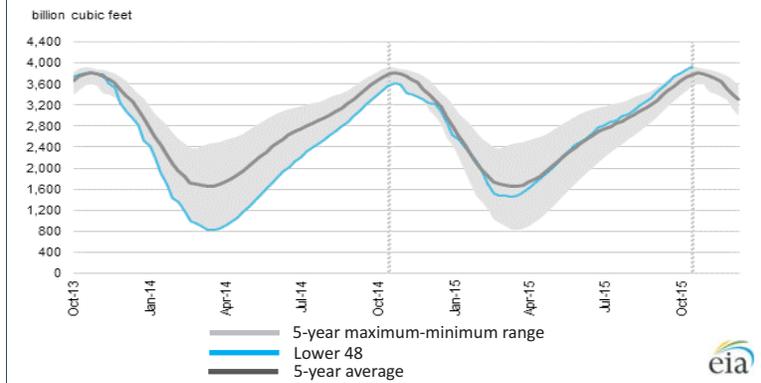
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose slightly to \$4.86/MMBtu for the week ending Friday, October 30. The prices of natural gasoline, butane, and isobutane rose 2.2%, 3.0%, and 3.2%, respectively, while the prices of propane and ethane fell by 0.4% and 3.2%, respectively.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price Dec 2014 - Nov 2015:



Working nat. gas in underground storage as of October 30, 2015:



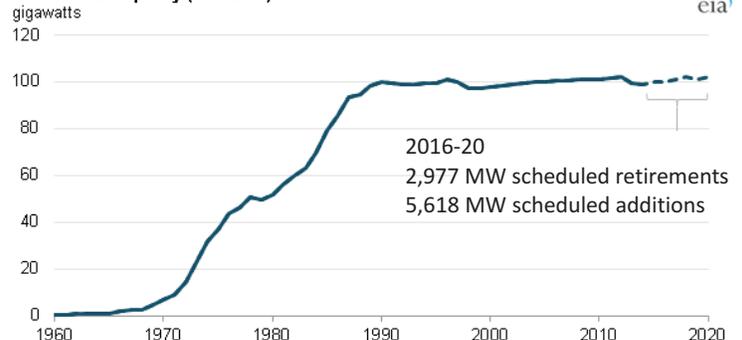
Forward 12-month NYMEX natural gas strip price - Dec15-Nov16:

Process Load-weighted \$2.502/dth (w/w +\$0.031)
Typical Heat Load-weighted \$2.465/dth (w/w +\$0.027)

Despite recent closures, US nuclear capacity is scheduled to increase by 2020:

Despite the scheduled closure of nearly 3,000 megawatts (MW) of nuclear generating capacity by 2019, scheduled additions of more than 5,000 MW of capacity between 2016 and 2020 could result in a net increase in total U.S. nuclear capacity. Entergy Corp. recently announced its intention to close the 852 MW James A. Fitzpatrick nuclear plant in New York by early 2017 and the 685 MW Pilgrim Nuclear Power Station located in Massachusetts by 2019. In addition to the just-announced plan to close Pilgrim, the 678 MW Oyster Creek Nuclear Generating Station in New Jersey is also scheduled to shut down in 2019. There are currently five new reactors under construction in the United States. Watts Bar Unit 2 (estimated 1,150 MW capacity) in southeastern Tennessee, which recently received its operating license from the Nuclear Regulatory Commission, is projected to begin commercial operation in 2016. The Vogtle plant in eastern Georgia and the V.C. Summer plant in South Carolina, which have both experienced significant project delays of two to three years, are each currently scheduled to begin operating two new reactors (each with 1,117 MW capacity) in 2019 and 2020. Thirty U.S. states have nuclear power plants; most are located east of the Mississippi River. Nuclear reactors are typically larger than natural gas- and coal-fired units-the average nuclear unit capacity is just under 1,000 MW, compared to about 130 MW for natural gas combined-cycle units and 270 MW for coal units. The nation's largest nuclear plant and second-largest power plant of any fuel type is the Palo Verde Nuclear Generating Station in Arizona, which has three reactors with a total capacity of 3,937 MW. The smallest operational nuclear plant is Fort Calhoun Nuclear Generating Station in Nebraska, with a capacity of 479 MW. Including last year's closure of the 604 MW Vermont Yankee Nuclear Power Plant, four nuclear power plants (five reactors) have been shut down over the past four years, reducing nuclear capacity by more than 4,000 MW and leaving the United States with 99 operating nuclear power reactors at 62 different nuclear power plants.

U.S. nuclear capacity (1960-2020)



“We cannot solve our problems with the same thinking we used when we created them.” -Albert Einstein