



**News Tracker:**

-Natural gas prices fell substantially at most market locations this Report Week (Wednesday, February 10, to Wednesday, February 17), with the biggest declines in the Northeast. The Henry Hub spot price fell from \$2.13 per MMBtu last Wednesday to \$1.91/MMBtu to start and close the Report Week, respectively.

-At the New York Mercantile Exchange (Nymex), the price of the near-month (March 2016) natural gas futures contract fell a dime from \$2.046/MMBtu at the start of the Report Week to \$1.942/MMBtu to close the Report Week.

-Net withdrawals from storage totaled 158 billion cubic feet (Bcf), reducing working gas stocks to 2,706 Bcf for the full week ending February 12.

Working gas stocks are 24% and 26% above the year-ago and five-year (2011-15) levels, respectively. The week's net withdrawal was above the five-year average but below last year's comparable week withdrawal. The week's withdrawal posted a significant rebound from the previous week's storage pull of 70 Bcf. If withdrawals from storage follow the five-year average for the remainder of the heating season, working gas stocks will total 2,164 Bcf on March 31. This would mark only the second time that working gas stocks finished the heating season above the 2,000-Bcf threshold.

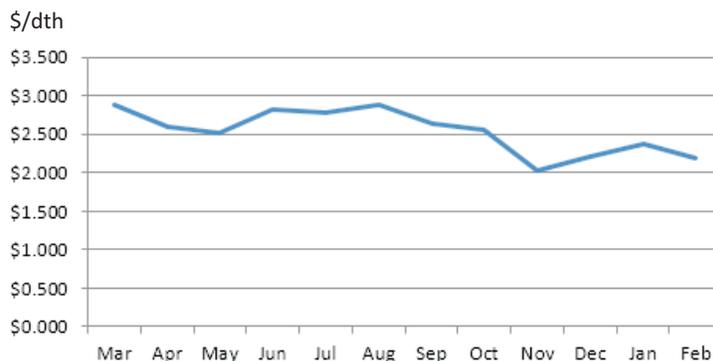
-The total oil and natural gas rig count declined by 30 units, with 541 units in service for the week ending Friday, February 12, according to data from Baker Hughes Incorporated. The oil rig count decreased by 28 units to 439, and the natural gas rig count fell by 2 units to 102. This is the sixth consecutive double-digit weekly decline and the lowest recorded natural gas rig count in the Baker Hughes dataset, which goes back to 1987.

-The natural gas plant liquids (NGPL) composite price at Mont Belvieu, Texas, fell by 0.4% to \$3.80/MMBtu for the week ending Friday, February 12. The spot prices of liquid products were mixed this week; butane, isobutane, and natural gasoline were down 0.8%, 1.1%, and 6.8%, respectively, and propane and ethane were up 2.1% and 2.8%, respectively.

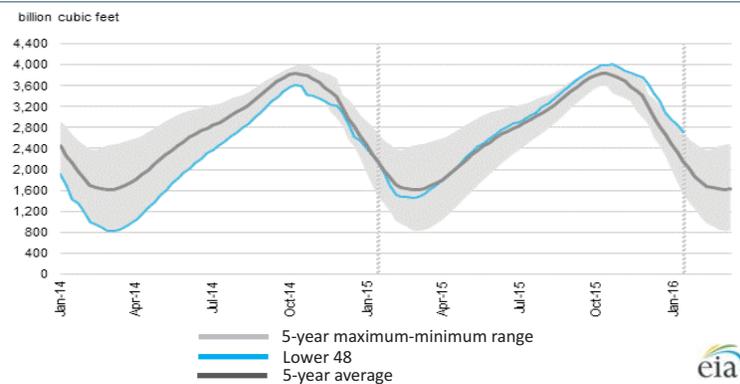
-Temperatures in the Lower 48 states averaged 37°F during the storage week, 2°F warmer than the normal temperature for the week, but 2°F colder than last year at this time. Temperatures were significantly colder, falling 10%, compared to the previous report week.

Excerpted from eia

**Monthly NYMEX Natural Gas Settle Price: Mar 2015 - Feb 2016:**



**Working nat. gas in underground storage as of February 12, 2016**



**Forward 12-month NYMEX natural gas strip price - Mar16-Feb17:**

Process Load-weighted \$2.299/dth (w/w = -\$0.077)  
 Typical Heat Load-weighted \$2.341/dth (w/w = -\$0.080)

**New Northeast pipelines help boost gas production 18%:**



In just the past six weeks, natural gas production in the Northeast has averaged 18% more than the year-ago period, according to Bentek Energy via the US EIA. The area includes the prolific Marcellus and Utica shales. New infrastructure additions coming online in the past several months have likely contributed to year-over-year growth. But while Marcellus production has grown rapidly over the past several years, pipelines to move these increasing volumes out of the Northeast to consumption centers have not grown as quickly, largely because infrastructure projects have long lead times. Insufficient takeaway capacity will generally result in lower prices in the producing region and higher prices in the receiving region than would have been expected otherwise. However, there were several important projects that came online in late 2015 or early 2016, totaling 4.2 billion cubic feet a day (Bcf/d) of flowing-gas capacity. They include: >The reversal project for the Rockies Express Pipeline (REX), which began its first westbound flows in June 2014, brought additional capacity online in September 2015. With its recent expansion, REX can flow natural gas bidirectionally between Ohio and Indiana. >In late 2015, Texas Eastern Transmission Company's (Tetco) OPEN project added 550 million cubic feet per day (MMcf/d) of westbound pipeline takeaway capacity out of Ohio. >Columbia Gas Pipeline's East Side Expansion is a 310-MMcf/d project that flows natural gas produced in Pennsylvania to Mid-Atlantic markets. >Tennessee Gas Pipeline's Broad Run Flexibility Project is a

590-MMcf/d project originating in West Virginia that moves natural gas to the Gulf Coast states. >Tetco's Uniontown-to-Gas City project flows up to 425 MMcf/d of natural gas produced in the Marcellus region to Indiana. >Williams Transcontinental Pipeline's Leidy Southeast project provides additional capacity to take Marcellus natural gas to Transco's mainline, which extends from Texas to New York. From there, the natural gas serves both Mid-Atlantic and Gulf Coast markets.

“Always questions those that are certain of what they are saying.” -Elie Wiesel<sup>1</sup>

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<sup>1</sup> “Elie Wiesel Biography - Academy of Achievement,” 2009