



Energy Market Report

Report Date: March 27, 2015
 Report Week: March 18 to March 25, 2015

Questions?
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News Tracker:

-Natural gas prices remained relatively flat at most trading locations, with the exception of New England, through the report week (Wednesday, March 18 to Wednesday, March 25). The Henry Hub spot price started the week at \$2.77/MMBtu and finished the week at \$2.74/MMBtu. Trading locations in New England, as a result of unseasonably cold weather, began the report week above \$11/MMBtu, but dropped toward \$3.10/MMBtu by the Wednesday close.

-Price movements at the NYMEX were larger than movements in the spot market. The April NYMEX natural gas contract started the week at \$2.920/MMBtu and settled down 20¢ to \$2.723/MMBtu on March 25.

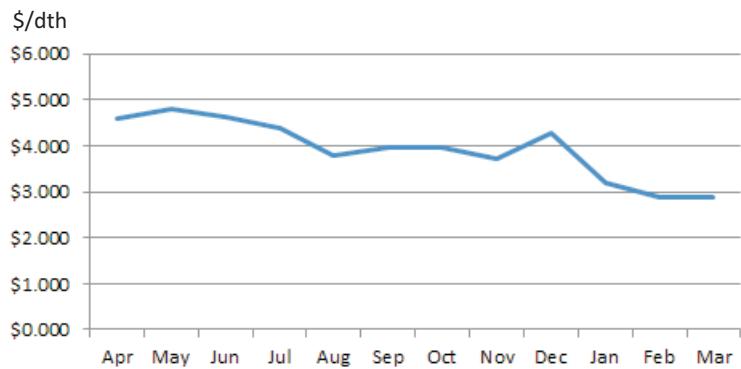
-Working natural gas in storage increased to 1,479 Bcf as of Friday, March 20, according to the U.S. Energy Information Administration Weekly Natural Gas Storage Report. The first positive net injection this year, at 12 Bcf for the week, resulted in storage levels 63.6% above year-ago levels and 11.6% below the five-year average for this week. This is the first time since March 2012 that inventory builds started before the end of the heating season, traditionally defined as November 1 through March 31. Temperatures in the Lower 48 states averaged 50.4° for the storage report week, 5.9° warmer than the 30-year normal temperature and 8.6° warmer than the average temperature during the same week last year.

-As of March 20, there were 1,069 total rigs operating in the United States, down 56 from the previous week. The natural gas rig count fell by 15 to 242, and the oil rig count fell by 41 to 825. Additionally, two miscellaneous rigs were in operation this week.

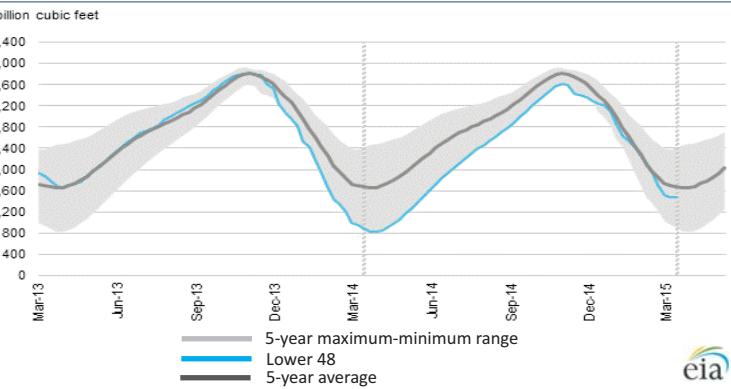
-The natural gas plant liquids composite price decreased 25¢ to \$5.22/MMBtu, a loss of 4.6%, for the week ending March 20. All Mont Belvieu NGL spot prices, with the exception of ethane, fell this week. Natural gasoline prices decreased by 2.0%, propane fell 7.4%, butane was off 6.1%, and isobutane fell 7.6%. Ethane prices rose 0.7%.



Monthly NYMEX Natural Gas Settle Price Apr 2014 - Mar 2015:



Working nat. gas in underground storage as of March 20, 2015:

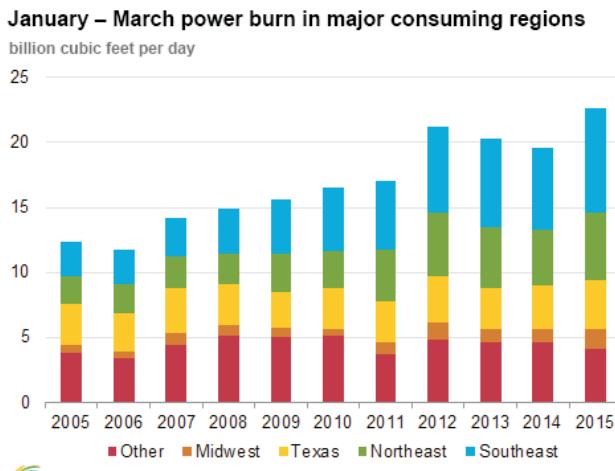


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Forward 12-month NYMEX natural gas strip price - Apr15-Mar16:

Process Load-weighted - \$2.872/dth
 Heat Load-weighted - \$2.957/dth

Cold temperatures, low prices lead to record-high winter power burn:



Consumption of natural gas for electric power generation (power burn) in 2015 hit record levels earlier this year and has remained elevated through March, according to Bentek Energy data, averaging 22.7 billion cubic feet per day (Bcf/d) from January 1 through March 25. The increase in power burn has largely been the result of two factors: low natural gas prices and cold weather. In many regions, natural gas competes with coal as a generation fuel, and recent relatively low natural gas prices have spurred more use of natural gas. Henry Hub spot prices have averaged \$2.89/million British thermal unit (MMBtu) from January 1 through March 25, compared to \$5.20/MMBtu last year. In addition to short-term changes, natural gas-fired generation capacity has become more prevalent in the United States, replacing older coal-fired and nuclear generation capacity. Cold temperatures this year have also supported higher demand from houses that heat with electricity. About one-third of U.S. households use electricity as their primary space heating fuel. The largest electricity space heating region is the South, but in many southern states more than half of households rely on electricity for heating.

"Respect your efforts, respect yourself. Self-respect leads to self-discipline. When you have both firmly under your belt, that's real power." -Clint Eastwood