



News Tracker:

-Prices of natural gas at most market locations rose over the report week (Wednesday, May 13 Wednesday, May 20), while still remaining relatively low. The Henry Hub spot price began the week at \$2.86/MMBtu last Wednesday and ended the week at \$2.99/MMBtu.

-At the New York Mercantile Exchange (Nymex), the near-month contract (June 2015) fell slightly, from \$2.935/MMBtu last Wednesday to \$2.915/MMBtu yesterday.

-Working natural gas in storage increased to 1,989 Bcf as of Friday, May 15, according to the U.S. Energy Information Administration Weekly Natural Gas Storage Report. A net injection into storage of 92 Bcf for the week resulted in storage levels 59.0% above year-ago levels and 1.7% below the five-year average for this week.

-The total oil and natural gas rig count fell by 6 units to 888 as of Friday, May 15, according to data from Baker Hughes Inc. The oil rig count fell by 8 units to 660, and the natural gas rig count rose by 2 units to 223.

-The natural gas plant liquids composite price fell by 10¢ per MMBtu to \$5.42/MMBtu for the week ending May 15. Natural gasoline remained flat, while ethane prices rose 4.4%. All of the other Mont Belvieu liquids prices fell this week. Propane, butane, and isobutane fell by 5.3%, 2.9%, and 2.5%, respectively.

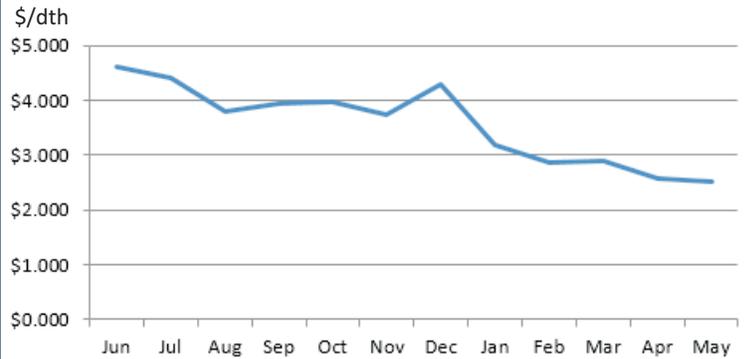
- Temperatures this week were relatively mild, though there were a few hot days. Across much of the South, Midwest, and Northeast, high temperatures on Monday and Tuesday were in the 80s, before cooling on Wednesday. While prices rose this week, they still remained relatively low, with prices settling Wednesday at less than \$3/MMBtu at most market locations. Last year at this time, Henry Hub spot prices were around \$1.50/MMBtu greater than their current levels; on May 20, 2014, Henry Hub spot prices were \$4.52/MMBtu.

EIA's Short-Term Energy Outlook expects prices to rise somewhat through the summer as demand for air-conditioning picks up, but still remain relatively low.

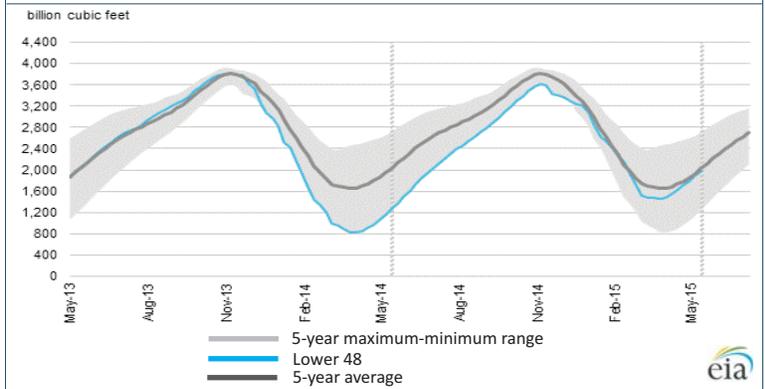
- U.S. consumption fell by 2.9% this week, with the largest decline in the power sector. Consumption of natural gas for power generation (power burn) fell 6.8% week over week, but was 22.3% greater than the same time last year. Residential and commercial consumption fell 1.2% week over week, and industrial consumption rose 0.9% from last week. Exports to Mexico declined by 0.7% from last week.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price Jun 2014 - May 2015:



Working nat. gas in underground storage as of May 15, 2015:

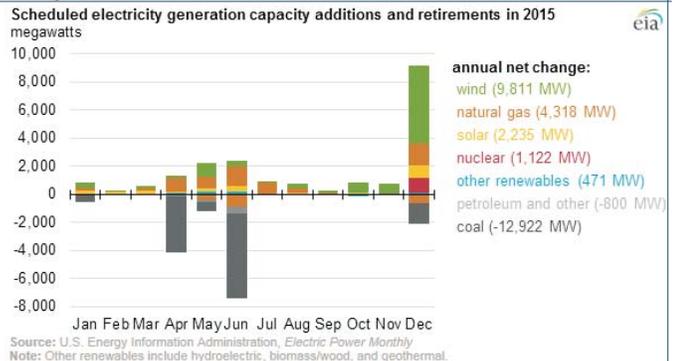


Forward 12-month NYMEX natural gas strip price - Jun15-May16:

Process Load-weighted \$3.125/dth (w/w -\$0.056)
Heat Load-weighted \$3.212/dth (w/w -\$0.052)

Scheduled 2015 capacity additions mostly wind and natural gas; retirements mostly coal :

In 2015, electric generating companies expect to add more than 20 GW of utility-scale generating capacity to the power grid. Additions are dominated by wind (9.8 GW), natural gas (6.3 GW), and solar (2.2 GW), which combine to make up 91% of total additions. Because different types of generating capacity have very different utilization rates, with nuclear plants and natural gas combined-cycle generators having utilization factors three to five times those of wind and solar generators, capacity measures alone do not directly show how much generation is actually provided by new capacity of each type. Nearly 16 GW of generating capacity is expected to retire in 2015, 81% of which (12.9 GW) is coal-fired generation. The addition of more natural gas, solar, and wind generating capacity follows the pattern of the past several years. Although most states have a planned addition of some type this year, a few trends have emerged: Wind additions are largely found in the Plains states, with nearly 8.4 GW, or 85% of total wind additions, found between North Dakota and Minnesota in the north, to Texas and New Mexico in the south. Utility-scale solar additions of systems with at least one megawatt of capacity are dominated by two states: California (1.2 GW) and North Carolina (0.4 GW) which combined for 73% of total solar additions. Natural gas additions are spread throughout the country, but Texas is adding more than double any other state (1.7 GW, 27% of total natural gas additions). There are also many additions in the Mid-Atlantic region, with more than 1.6 GW, or 26% of total natural gas additions, expected in New Jersey, Pennsylvania, Delaware, and Maryland. Tennessee Valley Authority's Watts Bar 2 nuclear facility in southeastern Tennessee, with a summer nameplate capacity of 1.1 GW, is currently listed as coming online in December 2015. When it comes online, it will be the first new nuclear reactor brought online in the United States in nearly 20 years.



“My powers are ordinary. Only my application brings me success.” -Isaac Newton