

News Tracker:

-Natural gas spot prices fell at most locations the period of Wednesday, May 23 to Wednesday, May 30 (the Report Week). The Henry Hub spot price fell from \$2.86 per million British thermal units (MMBtu) to \$2.83/MMBtu from start to finish of the Report Week.

-At the New York Mercantile Exchange (Nymex), the June 2018 natural gas futures contract expired Tuesday, May 30th at \$2.875/MMBtu. The July 2018 contract price decreased to \$2.885/MMBtu, down 7¢ for the Report Week.

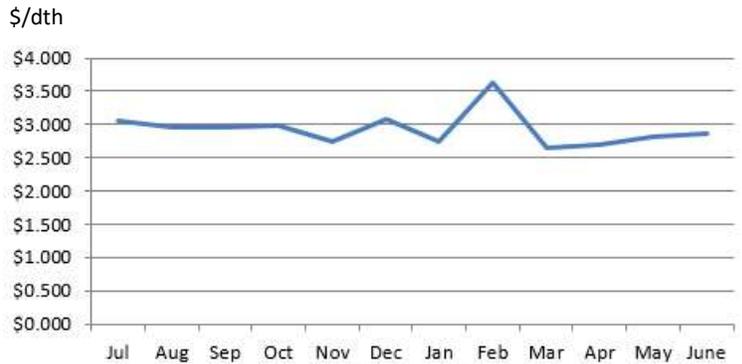
- Net natural gas injections into storage totaled 96 Bcf for the week ending May 25, compared with the five-year (2013-17) average net injection of 97 Bcf and last year's net injection of 80 Bcf during the same week. This reporting period ends a three-week streak of net injections exceeding the five-year average. Net injections during the week averaged 13.7 Bcf/d; net injections will have to average 13.1 Bcf/d for the remainder of the refill season to match the five-year average level (3,815 Bcf) by October 31. Working gas stocks totaled 1,725 Bcf, which is 500 Bcf (22%) lower than the five-year average and 788 Bcf (31%) lower than last year at this time. The deficit to the five-year average peaked at 534 Bcf earlier this year during the week ending April 20. Temperatures in the Lower 48 states averaged 66 degrees Fahrenheit (°F), 2°F higher than normal and 1°F higher than last year at this time.

- Total U.S. consumption of natural gas was unchanged from the previous report week, averaging 56.7 Bcf/d according to data from PointLogic Energy. Natural gas consumed for power generation climbed by 7% week over week, as hot weather in the South and Midwest increased electricity demand. Industrial sector consumption decreased by 1% week over week. In the residential and commercial sectors, consumption declined by 19%, though this decrease only represented about 1.7 Bcf/d of natural gas because heating demand is normally low at this time of year. Natural gas exports to Mexico increased 2%.

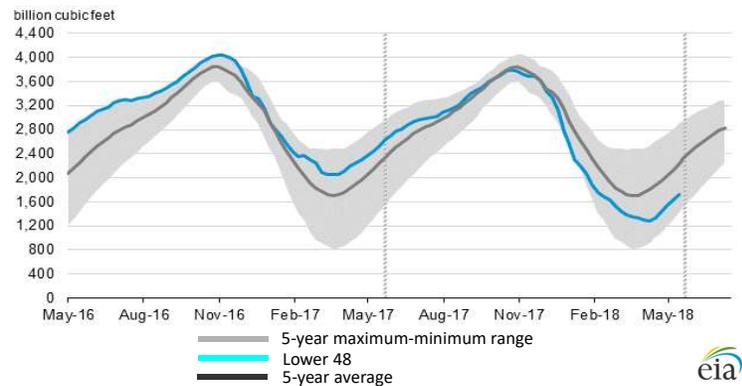
-According to Baker Hughes, for the week ending Tuesday, May 22, the natural gas rig count decreased by 2 to 198. The number of oil-directed rigs rose by 15 to 859. The total rig count increased by 13, and it now stands at 1,059.

 Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Jul 2017 - Jun 2018:



Working nat. gas in underground storage as of May 25, 2018



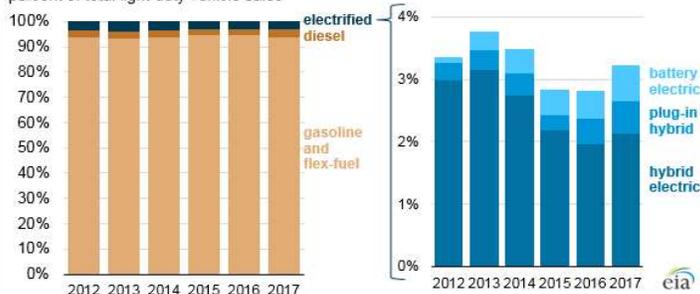
Forward 12-month NYMEX natural gas strip price - Jul18-Jun19:

Process Load-weighted \$2.881/dth - w/o/w = ▼\$0.052
 Typical Heat Load-weighted \$2.953/dth - w/o/w = ▼\$0.051

Electric vehicles continue to see slow growth and less use than conventional vehicles:

Electrified vehicles (hybrid electric, plug-in hybrid electric, and battery electric) have been sold as high fuel economy alternatives to conventional gasoline vehicles for a number of years but collectively have been slow to gain market share in the US. From 2012 through 2017, electrified vehicles consistently accounted for between 2.5% and 4.0% of total light-duty vehicle sales, even as the number of available models increased from 58 to 95. Hybrid electric vehicles accounted for the largest share of electrified vehicles, but their share of sales has fallen as plug-in hybrid electric (PHEVs) and battery electric vehicle (BEVs) shares have slightly increased. The PHEV share grew from 0.1% to 0.5% and non-plug-in hybrid electrics declined from 3.0% to 1.9% of total light-duty vehicle sales between 2012 and 2017, based on Wards Automotive sales data. Several factors may account for the limited growth in these vehicles. Gasoline

Light-duty vehicle sales shares (2012-2017)
 percent of total light-duty vehicle sales



prices have remained relatively low in recent years, and the fuel economy of conventional vehicles has increased factors that diminished the potential fuel savings of switching to electrified vehicles. Initial purchase prices for many electrified vehicles remain relatively high, especially for several PHEV and BEV models, despite federal and state incentives. Also, in most locations, limited charging infrastructure for plug-in vehicles has hindered wider adoption. Data from the 2017 National Household Travel Survey conducted by the US Dept. of Transportation offers insight into the use and ownership of electrified vehicles. Households that own BEVs and PHEVs tend to have more vehicles per household, owning 2.7 vehicles compared with the household average of 2.1 vehicles. BEVs and PHEVs also tend to be used about 12% less than other vehicles in terms of annual mileage per vehicle.

 Excerpted from 

“I prefer to be true to myself, even at the hazard of incurring the ridicule of others, rather than to be false, and to incur my own abhorrence.” -Frederick Douglass¹