



News Tracker:

-Outside of the West Coast and Northeast, natural gas spot prices rose at most market locations this Report Week (Wednesday, June 8, to Wednesday, June 15) The Henry Hub spot price continued its recent increases, rising by 29¢ from \$2.33 per million British thermal unit (MMBtu) Wednesday, June 8 to \$2.62/MMBtu Wednesday, June 15.

-At the New York Mercantile Exchange (Nymex), the July 2016 natural gas futures contract rose from \$2.468/MMBtu to start the Report Week to \$2.595/MMBtu to close the Report Week, an increase of about 13¢.

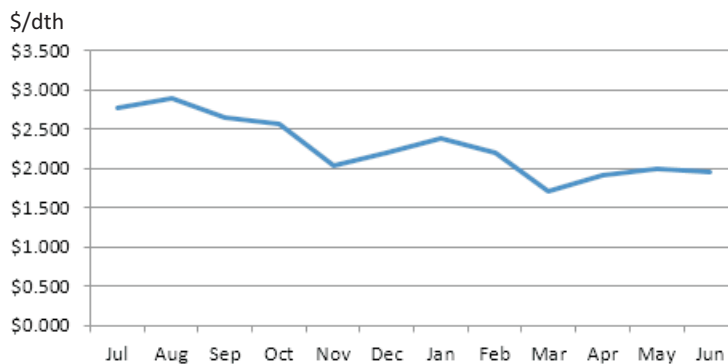
-Net injections to working gas totaled 69 billion cubic feet (Bcf) for the storage report week ending June 10. Working gas stocks are 3,041 Bcf, which is 26% above the year-ago level and 30% above the five-year (2011-15) average for this week. This was the its ninth straight week of net injections in the Lower 48 states. Net injections into storage totaled 69 Bcf, compared with the five-year (2011-15) average of 87 Bcf and last year's net injection of 96 Bcf during the same week. As a result, the surplus in storage compared with the five-year average declined from the previous week to 704 Bcf, and the surplus compared with year-ago levels decreased to 633 Bcf. The year-over-year storage surplus fell for the tenth consecutive week. This report marks the earliest week that working gas stocks surpassed the 3,000 Bcf threshold, which typically isn't reached until mid-August or early September. Temperatures in the Lower 48 states averaged 71°F during the storage report week, falling 1% from the previous week. Temperatures during the report week were 4% above normal and about equal to last year at this time.

-According to Baker Hughes, for the week ending June 10, the natural gas rig count increased by 3 to 85. Oil-directed rigs increased by 3 to 328. This is the second consecutive weekly increase in the oil rig count. The total rig count increased by 6 over the week.

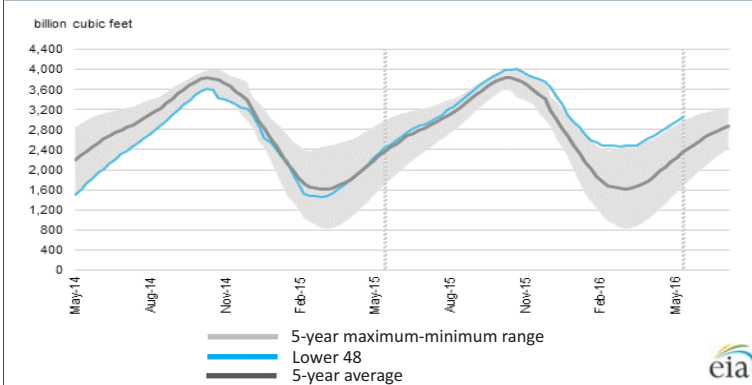
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 2¢, closing at \$5.26/MMBtu for the week ending Friday, June 10. The price of natural gasoline and ethane rose 1% and 14%, respectively. These increases were offset by declines in the other plants liquids. Butane prices fell by 1%, and propane prices fell by 6%. Isobutane prices remained essentially flat.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price: Jul 2015 - Jun 2016:



Working nat. gas in underground storage as of June 10, 2016



Forward 12-month NYMEX natural gas strip price - Jul16-Jun17:

Process Load-weighted \$2.923/dth (w/w = +\$0.026)
 Typical Heat Load-weighted \$3.050/dth (w/w = +\$0.003)

First new US nuclear reactor in almost two decades set to begin operating:

The Tennessee Valley Authority's (TVA) Watts Bar Unit 2 was connected to the power grid on June 3, becoming the first nuclear power plant to come online since 1996, when Watts Bar Unit 1 started operations. Watts Bar Unit 2 is undergoing final testing, producing electricity at incremental levels of power, as TVA prepares to start commercial operation later this summer. The new reactor is designed to add 1,150 megawatts (MW) of electricity generating capacity to southeastern Tennessee. Watts Bar Unit 2 is the first nuclear plant in the United States to meet new regulations from the U.S. Nuclear Regulatory Commission (NRC) that were established after the 2011 earthquake and tsunami that damaged the Fukushima Daiichi Nuclear Plant in Japan. After the NRC issued an operating license for the unit in October 2015, 193 new fuel assemblies were loaded into the reactor vessel the following month. TVA announced at the end of May that the reactor achieved its first sustained nuclear fission reaction. Construction on Watts Bar Unit 2 originally began in 1973, but construction was halted in 1985 after the NRC identified weaknesses in TVA's nuclear program. In August 2007, the TVA board of directors authorized the completion of Watts Bar Unit 2, and construction started in October 2007. At that time, a study found Unit 2 to be effectively 60% complete with \$1.7 billion invested. The study said the plant could be finished in five years at an additional cost of \$2.5 billion. However, both the timeline and cost estimate developed in 2007 proved to be overly optimistic, as construction was not completed until 2015, and costs ultimately totaled \$4.7 billion. Although Watts Bar 2 is the first new U.S. nuclear generator to come online in 20 years, four other reactors are currently under construction and are expected to join the nuclear fleet within the next four years. Vogtle Electric Generating Plant Units 3 and 4 in Georgia and Virgil C. Summer Nuclear Generating Station Units 2 and 3 in South Carolina are scheduled to become operational in 2019/20, adding 4,540 MW of generation capacity.

Excerpted from eia

“If you plan it out, and it seems logical to you, then you can do it. I discovered the power of a plan.” -Robert Ballard¹