



News Tracker:

-Prices of natural gas at most market locations were mixed over the report week (Wednesday, June 3, through Wednesday, June 10). The Henry Hub spot price began the report week at \$2.92/MMBtu and ended the report week at \$2.93/MMBtu.

-The NYMEX July 2015 natural gas contract fell from \$2.891/MMBtu to \$2.855/MMBtu during the report week.

-Working natural gas in storage increased to 2,433 billion cubic feet (Bcf) as of Friday, June 12. A net injection into storage of 89 Bcf for the week resulted in storage 42.9% above a year ago and 1.9% above the five-year average for this week. Temperatures in the Lower 48 states averaged 71.9° Fahrenheit for the storage report week, 3.0° warmer than the 30-year normal temperature and 1.7° warmer than the average temperature during the same week last year.

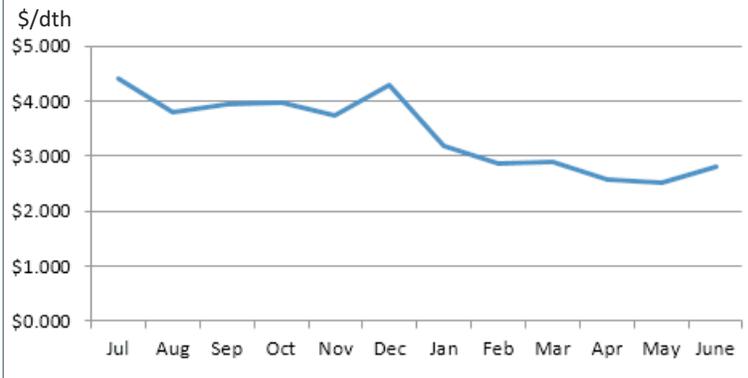
-The total oil and natural gas rig count fell by 9 units to 859 for the week ending Friday, June 12, according to data from Baker Hughes Incorporated. The oil rig count fell by 7 active rigs, to 635, continuing a decline of more than six months. The natural gas rig count fell by 1, and now totals 221. Miscellaneous rigs declined by 1, leaving 3 in operation.

-The natural gas plant liquids composite price at Mont Belvieu decreased by 4%, or 21¢, to \$4.67/MMBtu for the week ending June 12. While natural gasoline and ethane spot prices rose by 1.0% and 2.3%, respectively, spot prices for propane, butane, and isobutane all decreased. Propane fell the most, a drop of 51¢, or 11.5%, followed by isobutane at 7.0% and butane at 5.3%. The Mont Belvieu composite price of \$4.67/MMBtu is less than half of the \$9.84/MMBtu composite reported out for the same week last year.

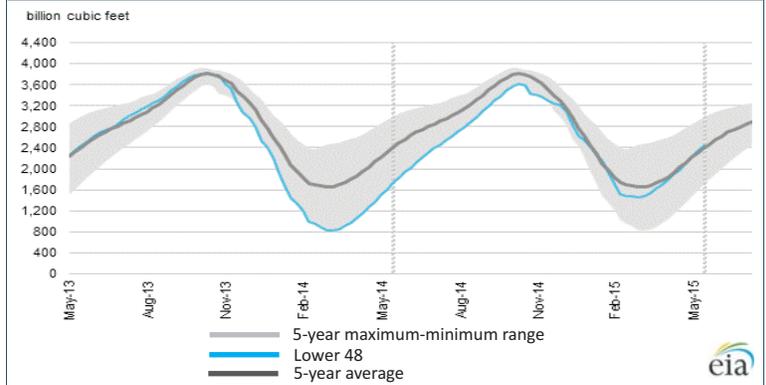
- Overall U.S. gas consumption increased by 3.4% this week, with an 8.2% increases in power-sector consumption offsetting a 1.9% decline in consumption in the industrial sector, and a generally flat residential/commercial sector. The increase in natural gas consumed in the power sector was driven by increases in consumption in the Northeast and Southeast. Those regions increased 21.1% and 13.8%, respectively. Power burn was down in the Midwest and Texas by 2.1% and 2.8%, likely due to milder temperatures.

Excerpted from eia

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



Working nat. gas in underground storage as of June 12, 2015:



Forward 12-month NYMEX natural gas strip price - Jul15-Jun16:

Process Load-weighted \$3.018/dth
Heat Load-weighted \$3.113/dth

Eastern US power burn higher this year :

Natural Gas consumed for power generation in the East, April through October



Source: Bentek Energy.

Natural gas consumption in the eastern half of the country, particularly in the electric power sector (power burn), has been much higher this spring than in previous years, according to Bentek Energy data. Both short-term weather-related factors and long-term structural changes in power markets led to the increase this year. Temperatures in the past few months have been above average in the eastern United States. The Northeast, in particular, recorded its warmest May ever, according to data from the National Oceanic and Atmospheric Administration. Since May, temperatures in the Northeast averaged 68.4°, 1.8° warmer than the 2010-14 average, with periods of much warmer-than-normal temperatures in early May and this past week. Retirements of coal-fired and nuclear power plants have also contributed to the increase in East Coast power burn. In 2015, 12.1 gigawatts (GW) of coal-fired capacity is expected to retire because of the implementation of the Environmental Protection Agency's Mercury and Air Toxics Standards. About 4 GW of coal-fired capacity retired in April. An additional 32 coal plants, amounting to about 6 GW, are scheduled for retirement this month. Many of these are in Ohio, West Virginia, Kentucky, and Georgia. The warmer weather and large increases in gas-fired generation this year may be contributing to increases in Northeast prices in particular. Although prices at Transcontinental Pipeline's (Transco) Zone 6 trading point for delivery to New York City have been lower this year than a year ago, they are closer to the Henry Hub national benchmark price. Between April 1 and June 16 last year, the Transco Zone 6 price averaged 82¢ below the Henry Hub spot price. For the same period this year, however, Transco Zone 6 prices have averaged only 23¢ less than the Henry Hub.

Like all great travelers, I have seen more than I remember, and remember more than I have seen.” -Benjamin Disraeli