

## News Tracker:

-Natural gas spot prices rose at most locations from Wednesday, June 13 to Wednesday, June 20 (the Report Week), with the Henry Hub spot price rising from \$2.94/MMBtu to \$2.95/MMBtu.

-At the New York Mercantile Exchange (Nymex), the July 2018 natural gas futures contract price remained flat for the Report Week at \$2.964/MMBtu.

- Natural gas net injections into storage totaled 91 Bcf for the Storage Week ending June 15, compared with the five-year (2013-17) average net injection of 83 Bcf and last year's net injections of 63 Bcf during the same week. Net injections averaged 13.7 Bcf/d and will have to average 12.6 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 2,004 Bcf, which is 499 Bcf (20%) lower than the five-year average and 757 Bcf (27%) lower than last year at this time.

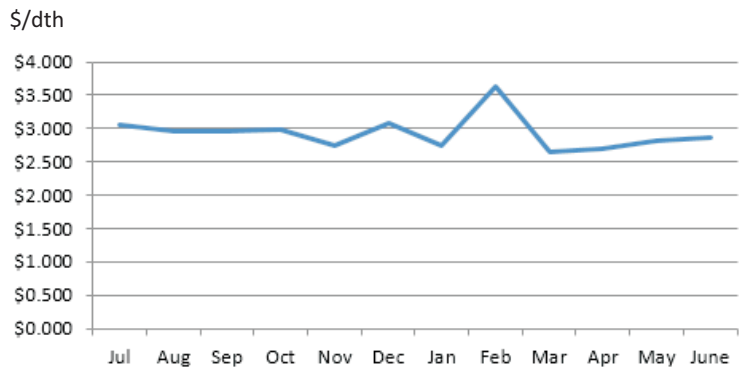
- Total U.S. consumption of natural gas rose by 4% compared with the previous report week, according to data from PointLogic Energy. With warmer weather this week compared to last week across much of the Lower 48 states, natural gas consumed for power generation climbed by 12% week over week. Industrial sector consumption decreased by 1% week over week. In the residential and commercial sectors, consumption declined by 11%. Natural gas exports to Mexico were the same as last week, averaging 4.4 Bcf/d.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 15¢, averaging \$8.36/MMBtu for the week ending June 20. The price of natural gasoline, propane, butane, and isobutane fell by 4%, 2%, 4%, and 2%, respectively. The price of ethane rose by 2%.

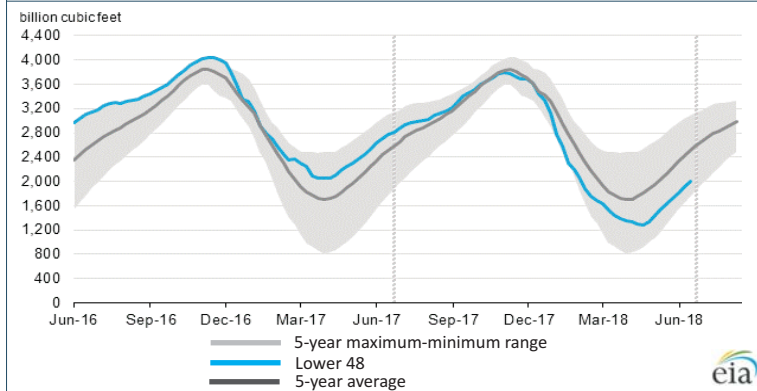
-According to Baker Hughes, for the week ending Tuesday, June 12, the natural gas rig count decreased by 4 to 194. The number of oil-directed rigs rose by 1 to 863. The total rig count decreased by 3, and it now stands at 1,059.

Excerpted from 

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



## Working nat. gas in underground storage as of Jun 15, 2018

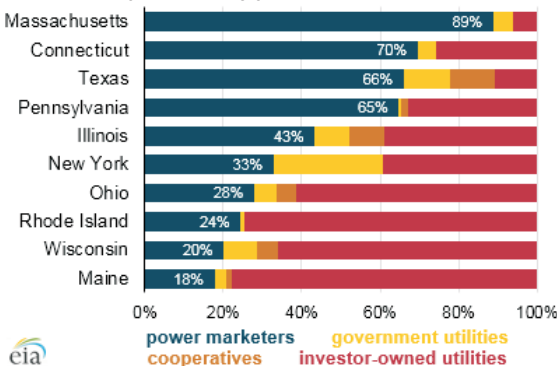


## Forward 12-month NYMEX natural gas strip price - Jul18-Jun19:

Process Load-weighted \$2.941/dth - w/o/w = ▲\$0.012  
 Typical Heat Load-weighted \$3.015/dth - w/o/w = ▲\$0.009

## Power marketers (3rd-party suppliers) are increasing their share of US retail electricity sales:

### States with highest share of retail electricity sales provided by power marketers, 2016



Competitive power marketers (aka: 3rd-party suppliers) supplied about 21% of the retail electricity sold in the US in 2016, up from 11% in 2005. The share of retail electricity sales of regulated investor-owned utilities fell from 62% in 2005 to 52% in 2016. This shift was driven by the Energy Policy Act of 2005, which repealed the Public Utility Holding Company Act of 1935 and closed the original federal regulatory structure established by New Deal-era legislation, which was a combination of public financial reforms and regulations in the 1930s. US retail electricity sales are provided by entities with different ownership structures such as power marketers, cooperatives, government utilities, and investor-owned utilities. Investor-owned utilities (IOUs) have historically been the primary producers and distributors of electricity to retail customers in the US. Some IOUs are still vertically integrated, meaning they offer generation, transmission, and distribution service. Other IOUs may partner with independent power producers to purchase generation service. IOUs are regulated by state and local agencies and also by federal agencies if they own transmission facilities. The US electricity industry was restructured in the 1990s to increase competition at the wholesale level by breaking up the generation and distribution functions of some vertically integrated utilities. In addition, some states deregulated the retail side of the industry by unbundling the electricity delivery and

electricity generation components of retail bills. An increasing number of electricity customers have now obtained access to the competitive retail market, giving them choices in suppliers of electric power. Power marketers act as intermediaries between the retail buyer and the generator. Excerpted from 

“He who knows that enough is enough will always have enough.” -Lao-Tzu<sup>1</sup>