

News Tracker:


-Natural gas spot price movements followed temperatures at most locations this Report Week (Wednesday, July 4 to Wednesday, July 11). The Henry Hub spot price fell from \$2.87 per million British thermal units (MMBtu) to \$2.84/MMBtu yesterday from open to close of the Report Week. The average price for the week decreased 6¢, from \$2.91/MMBtu last Report Week to \$2.85/MMBtu this Report Week.

-At the New York Mercantile Exchange (Nymex), the August 2018 natural gas futures contact price decreased to \$2.82/MMBtu.

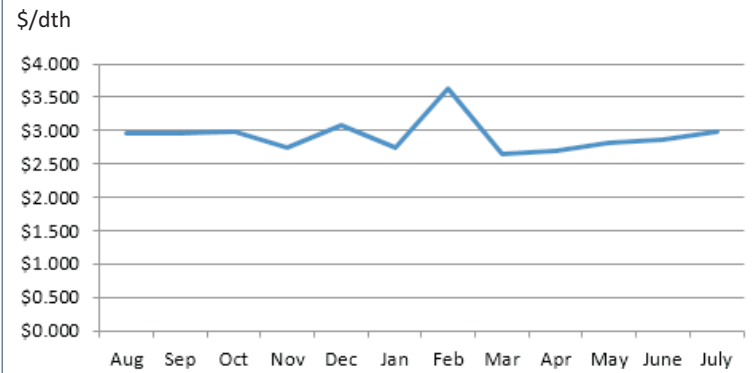
-Net natural gas injections into storage totaled 51 Bcf for the Storage Week ending July 6, compared with the five-year (2013-17) average net injections of 77 Bcf and last year's net injections of 59 Bcf during the same week. Warmer-than-normal temperatures throughout the Lower 48 states contributed to increased power demand for natural gas for air conditioning, which reduced net injections into working gas. Working gas stocks totaled 2,203 Bcf, which is 519 Bcf (19%) lower than the five-year average and 725 Bcf (25%) lower than last year at this time. Net injections into storage are 17% lower than the five-year average rate so far in the 2018 refill season. If working gas stocks match the five-year average rate of injections for the remainder of the refill season, inventories will total 3,296 Bcf on October 31, compared with the five-year low of 3,560 Bcf for that time of year.

-Total US consumption of natural gas fell by 1% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation declined by 4% week over week, led by a 15% decrease in the Northeast. A 26% increase in power burn in the Western region was not enough to offset this decrease. Industrial sector consumption increased by 1% week over week. In the residential and commercial sectors, consumption increased by 9%. Natural gas exports to Mexico increased 3%.

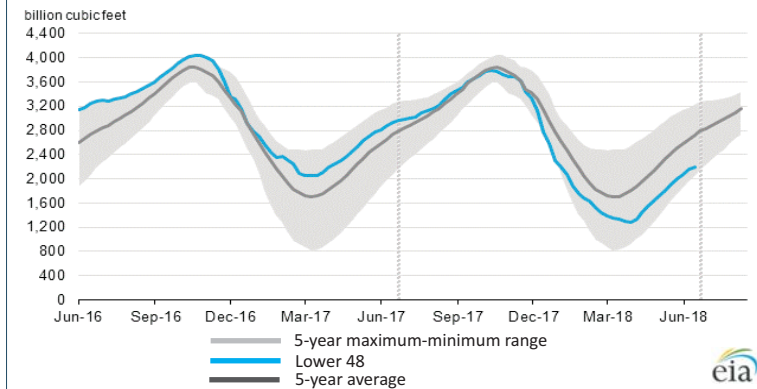
-According to Baker Hughes, for the week ending Tuesday, July 3, the natural gas rig count remained flat at 187. The number of oil-directed rigs rose by 5 to 863. The total rig count increased by 5, and it now stands at 1,052.

Excerpted from 

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



Working natural gas in underground storage as of July 6, 2018



Forward 12-month NYMEX natural gas strip price - Aug18-Jul19:


Process Load-weighted \$2.827/dth - w/o/w = ▼\$0.027
Typical Heat Load-weighted \$2.901/dth - w/o/w = ▼\$0.032

Over the past seven years, the Pennsylvania PUC has collected more than \$1.4B in natural gas drilling Impact Fees :

The Pennsylvania Public Utility Commission (PUC) has announced its distribution of Impact Fees on natural gas producers, totaling \$209,557,300, for year 2017. Over the past seven years, the PUC has collected and distributed more than \$1.4 billion in Impact Fees to communities across Pennsylvania.

Annual PA PUC Natural Gas Drilling Impact Fees



County and municipal governments directly affected by drilling will receive a total of \$114,784,380 for the 2017 reporting year. Additionally, \$76,522,900 will be transferred to the Marcellus Legacy Fund, which provides financial support for environmental, highway, water and sewer projects, rehabilitation of greenways and other projects throughout the state. Also, \$18.25 million will be distributed to state agencies. 2017's distribution is approximately \$36 million higher than 2016, driven by an increase in the number of wells in Pennsylvania along with an increase in the average annual price of natural gas compared to the previous year. Extensive details regarding the Impact Fee distribution are available online at the Act13 website (click here), including specifics on funds collected and distributed for each year since 2011. The PUC is responsible for implementing the collection and distribution of an unconventional gas well fee (also called an Impact Fee), established by the Unconventional Gas Well Impact Fee Act and signed into law as Act 13 of 2012. Excerpted from 

“Today’s scientists have substituted mathematics for experiments, and they wander off through equation after equation, and eventually build a structure which has no relation to reality.” -Nikola Tesla¹