



News Tracker:

-Natural gas spot prices decreased at most locations this Report Week (Wednesday, July 13, to Wednesday, July 20). The Henry Hub spot price fell 9¢ from \$2.81 per million British thermal units (MMBtu) to open the Report Week to \$2.72/MMBtu to finish the Report Week.

-At the New York Mercantile Exchange (Nymex), the near-month (August 2016) natural gas futures contract fell by about 8¢ over the Report Week, ending at \$2.658/MMBtu.

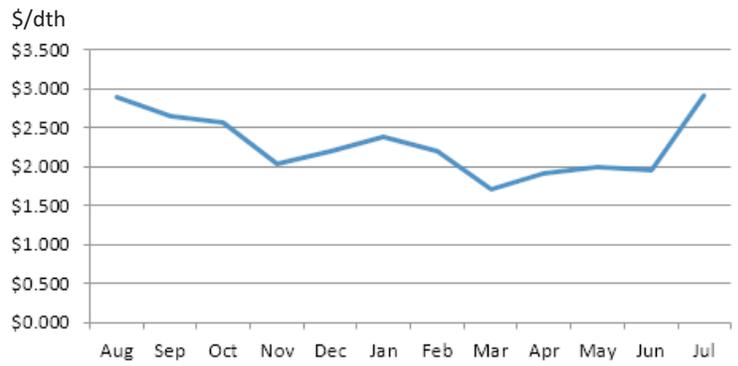
-Net injections to working gas totaled 34 Bcf for the gas storage week ending July 15. Working gas stocks are 3,277 Bcf, which is 17% greater than the year-ago level and 21% greater than the five-year (2011-15) average for this week. This injection compares with the five-year (2011-15) average net injection of 61 Bcf and last year's net injections of 70 Bcf during the same week. Temperatures in the Lower 48 states for the gas storage report week averaged 77°F, 2°F above the normal and 2°F above last year at this time. Cooling degree-days in the Lower 48 states totaled 83, compared to the normal of 72. With the exception of New England, every Census Region featured above-normal temperatures for the report week. During the most recent gas storage week, the average natural gas spot price at the Henry Hub was \$2.79/MMBtu, while the Nymex futures price of natural gas for delivery in January 2017 averaged \$3.34/MMBtu, a difference of 55¢/MMBtu. A year ago, the premium was 38¢/MMBtu.

-According to Baker Hughes, for the week ending Friday, July 15, the natural gas rig count increased by 1 to 89. Oil-directed rigs increased by 6 to 357. The total rig count increased by 7 and now stands at 447.

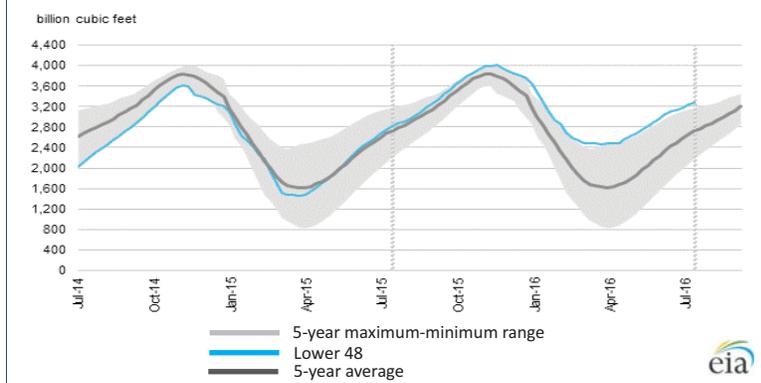
-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 3¢, closing at \$4.96/MMBtu for the week ending July 15. The prices of natural gas liquids products were mixed this week: natural gasoline and isobutane rose 1% and 2%, respectively; butane was flat; and ethane and propane fell 3% and 1%, respectively.

Excerpted from eia

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



Working nat. gas in underground storage as of July 15, 2016

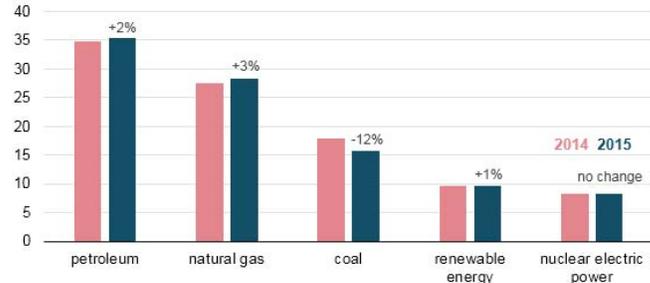


Forward 12-month NYMEX natural gas strip price - Aug16-Jul17:

Process Load-weighted \$2.956/dth (w/w = -\$0.084)
 Typical Heat Load-weighted \$3.071/dth (w/w = -\$0.082)

Changing US energy mix reflects growing use of natural gas, petroleum, and renewables:

United States primary energy consumption by source, 2014-15
 quadrillion British thermal units



Source: U.S. Energy Information Administration, *Monthly Energy Review*, April 2016

Primary energy consumption fell slightly in 2015 as a decline in coal use exceeded increases in natural gas, petroleum, and renewables use. In most cases, changes between 2014 and 2015 reflect longer-term trends in energy use. In 2015, natural gas consumption increased more than any other energy source, accounting for 29% of total primary energy consumption. As domestic natural gas production continues to reach record levels, natural gas prices have remained low. Low natural gas prices have led to increased use of natural gas-fired generators in the electric power sector. Coal supplied 16% of total U.S. primary energy use in 2015, down from 18% in 2014. Coal consumption declined by more than 12% in 2015, and it is now at its lowest level since 1982. Nearly all coal is used for electricity generation. In 2015, demand for coal in the power sector reached its lowest level since 1987. U.S. petroleum consumption grew in 2015, as lower gasoline and diesel prices led to increased vehicle travel. In addition, exports of U.S. petroleum products continue to grow, driven largely by demand in

South and Central America. Crude oil exports continued to grow significantly in 2014 and averaged 458,000 barrels per day in 2015. Renewable fuels use continued to grow in 2015, especially in the electric power sector. Both wind and solar generation expanded significantly, growing by 31% and 5%, respectively, in 2015. Increases in wind and solar were slightly offset by a decline in hydroelectric generation, which fell for the fourth consecutive year because of drought conditions on the West Coast. Nuclear electric power remained relatively flat in 2015. Several nuclear plants retired in 2013 and 2014. No nuclear plants either retired or came online in 2015.

Excerpted from eia

“It is assumed that young folks know best, and old folks are fogies. It may be so, but old folks may be as right about new fangles as young folks are about foggy ways.” -Bishop Milton Wright¹

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¹ The Wright Brothers”, by David McCullough, published by Simon & Schuster, copyright 2015, page 13.