



News Tracker:

-Natural gas spot prices were relatively flat at most market locations over the report week (Wednesday, September 2 through Wednesday, September 9). The Henry Hub spot price began the Report Week at \$2.71/MMBtu last Wednesday and ended the Report Week at \$2.73/MMBtu.

-At the New York Mercantile Exchange (Nymex), the October contract began the Report Week at \$2.648/MMBtu and ended the Report Week at \$2.651.

-Working natural gas in storage increased to 3,261 Bcf as of Friday, September 4. A net injection into storage of 68 Bcf for the week resulted in storage levels 17% above a year ago and 4% above the five-year average for this week. This injection compares with the five-year average increase of 63 Bcf for the week and last year's increase of 90 Bcf. Temperatures in the Lower 48 states averaged 75° for the storage report week, 3° warmer than the 30-year normal temperature and 1° cooler than the average temperature during the same week last year.

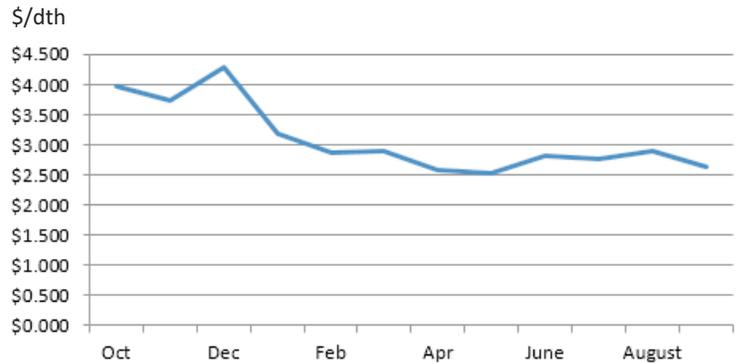
-The total oil and natural gas rig count fell by 13 from the previous week, with 864 units in service for the week ending Friday, September 4, according to data from Baker Hughes Incorporated. A decline in the number of oil rigs accounted for all of the change in the rig count. Oil rigs decreased to 662 units, while natural gas rigs remained at 202 units.

-The composite price for natural gas plant liquids at Mont Belvieu, Texas, increased by 56¢/MMBtu to \$4.75/MMBtu, up 13.5 % for the week ending September 4. All natural gas liquids spot prices, with the exception of ethane, rose this week, with natural gasoline up 17.9%, propane up 18.6%, butane up 13.8%, and isobutane up 13.4%, while ethane dropped 0.5%. WTI crude oil prices increased this week by 10%, moving above \$46/barrel, likely applying some upward pressure to natural gas liquids prices.

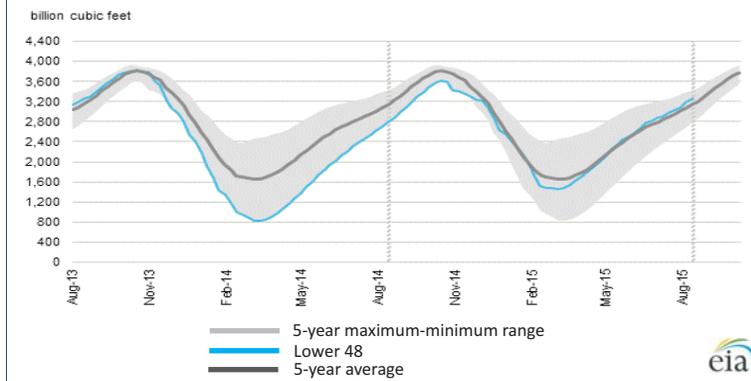
- U.S. consumption of natural gas decreased 0.8% for the week, led by a 1.9% decrease in natural gas used by the industrial sector. Total power burn increased by 1%, this week, with power burn in the Rockies and the Southwest both decreasing by 14%, likely because of cooler temperatures in those regions. U.S. exports to Mexico increased by 6.8% week-over-week, and they were 30% greater than during the same time last year.

Excerpted from eia

Monthly NYMEX Natural Gas Settle Price Oct 2014 - Sep 2015:



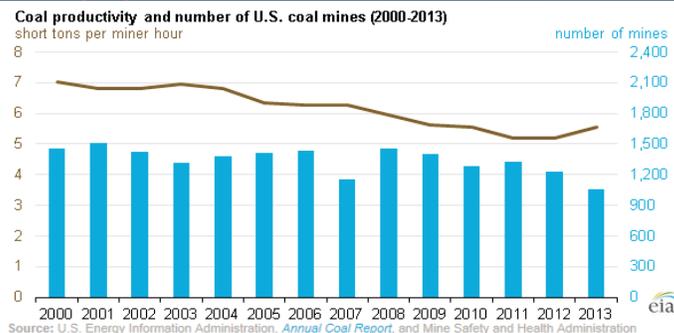
Working nat. gas in underground storage as of September 4, 2015:



Forward 12-month NYMEX natural gas strip price - Oct15-Sep16:

Process Load-weighted \$2.877/dth (w/w -\$0.004)
Heat Load-weighted \$2.909/dth (w/w -\$0.007)

US output per coal miner-hour rises:



Coal mining productivity increased in 2013, averaging 5.5 short tons per miner hour, reversing a trend of declining productivity since at least 2000. Preliminary data from the Mine Safety and Health Administration indicate a further increase in 2014. Improved productivity at the largest mines, as well as the shrinking number of smaller coal mines, contributed to the rise in overall productivity. U.S. coal producers improved mining productivity by 6.7% in 2013, reaching 5.5 short tons per miner hour. Nine out of the 14 U.S. coal supply regions, representing 79% of 2013 coal production, showed productivity gains in 2013, the most recent year with detailed productivity statistics. While some productivity gains result from improved mining technology, most of the productivity improvement is attributable to the closing of less-efficient mines with lower labor productivity. There were 14% fewer U.S. coal mines in 2013 than in 2012, falling from 1,228 to 1,061 coal mines. The number of active, producing coal mines in 2013 was the lowest on record, going back to the late 1800s. Environmental regulations,

competition from lower natural gas prices, and weak international coal demand continue to challenge the coal sector and contribute to the idling or closing of the least-efficient mines. Although the number of producing mines varies from year to year, on average the number of producing mines has fallen by an average of 2.4% per year since 2000. Larger mines tend to have higher productivity: mines producing more than 1 million short tons in 2013 averaged 8.1 short tons per miner hour, while mines producing 1 million tons or less averaged 2.4 short tons per miner hour. Closures of small mines accounted for the entire decline in the number of producing mines, while the number of larger mines was relatively constant from 2012 to 2013.

“We hang the petty thieves and appoint the great ones to public office.” -Aesop