

Newstracker:

-Natural gas spot prices rose at most locations during the Report Week of Wednesday, May 22 to Wednesday, May 29. Henry Hub spot prices rose from \$2.61 per million British thermal units (MMBtu) to \$2.63/MMBtu from open to close of the Report Week.


-At the New York Mercantile Exchange (Nymex), the June 2019 natural gas futures contract expired on May 29 at \$2.633/MMBtu, up 9¢/MMBtu the previous Wednesday. The July 2019 contract increased to \$2.624/MMBtu, up 6¢/MMBtu from the previous Wednesday to yesterday. The price of the 12-month strip averaging July 2019 through June 2020 futures contracts climbed 3¢/MMBtu to \$2.716/MMBtu.

-Net natural gas injections into storage totaled 114 Bcf for the week ending May 24, compared with the five-year (2014-18) average net injections of 97 Bcf and last year's net injections of 95 Bcf during the same week. Working gas stocks totaled 1,867 Bcf, which is 257 Bcf (12%) lower than the five-year average and 156 Bcf (9%) more than last year at this time.

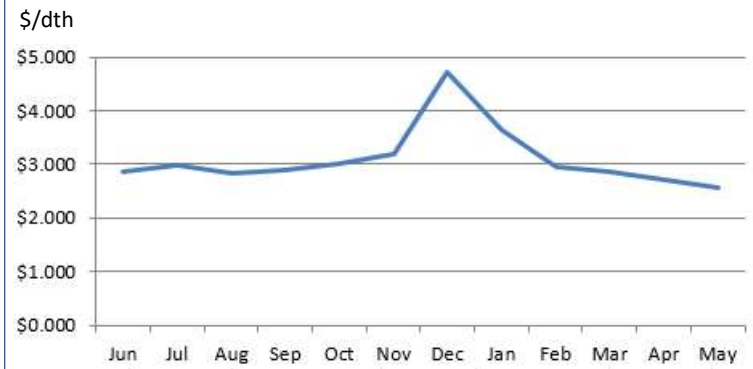
- Total U.S. consumption of natural gas rose by 2% compared with the previous report week, according to data from PointLogic Energy. Natural gas consumed for power generation climbed by 12% week over week with increased demand for cooling. Industrial sector consumption decreased by 2% week over week. In the residential and commercial sectors, consumption declined by 10%. Natural gas exports to Mexico increased 5%.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 26¢/MMBtu, averaging \$5.35/MMBtu for the week ending May 29. The price of propane, natural gasoline, butane, and isobutane fell by 8%, 7%, 2%, and 1%, respectively. The price of ethane rose by 1%.

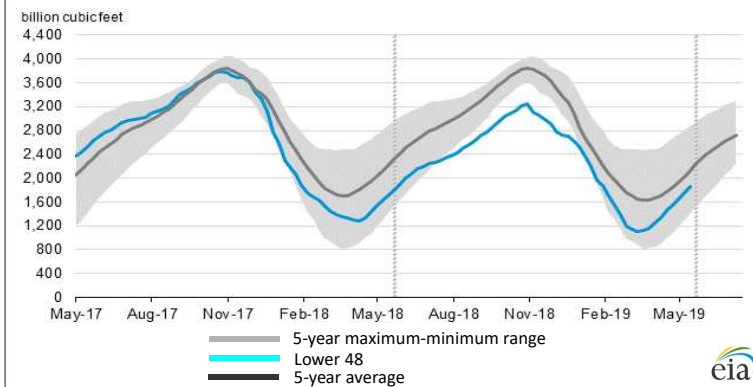
-According to Baker Hughes, for the week ending Tuesday, May 21, the natural gas rig count increased by 1 to 186. The number of oil-directed rigs fell by 5 to 797. The total rig count decreased by 4, and it now stands at 983.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Jun 2018 - May 2019:



Working natural gas in underground storage as of May 24, 2019



Forward 12-month NYMEX natural gas strip price - Jun19-May20:


Process Load-weighted \$2.722dth - w/o/w = ▲\$0.041
 Typical Heat Load-weighted \$2.808/dth - w/o/w = ▲\$0.034

Con Edison limits natural gas service due to pipeline constraints into New York City area:

In January 2019, Con Edison the largest utility provider in the New York City area, serving 10 million customers announced a moratorium on new natural gas connections in most of Westchester County, effective March 16. Demand for natural gas in the New York City area has increased in recent years, leading to concerns about reliability of service. Con Edison claimed it cannot guarantee uninterrupted service to new natural gas connections. Between the announcement of the moratorium and its start on March 16, Con Edison received 1,600 applications for firm natural gas service in the moratorium area. Customers on firm natural gas service contracts have delivery priority above those on interruptible contracts. Despite an increase in natural gas production in the Northeast, regional demand for natural gas driven both by population growth and switching from heating oil has grown even faster. During recent winters, natural gas utilities in the Northeast have been using most, if not all, available pipeline capacity to transport natural gas to demand centers. Con Edison is also actively pursuing strategies to further alleviate interstate natural gas pipeline constraints, such as using electricity for heating and cooking, providing energy efficiency rebates, and creating demand response programs. Over the last two months, Con Edison announced two agreements with existing pipeline companies to add capacity by upgrading compression facilities. Instead of constructing new pipelines, these projects would provide incremental capacity increases to alleviate constraints. Natural gas moratoriums are infrequent, but utility companies in Massachusetts recently issued similar moratoriums even though the state is close to natural gas production from the Appalachian Basin. Although smaller in scale and in areas with less commercial demand, three Massachusetts utility companies issued moratoriums on new natural gas hookups this past winter because of supply constraints.

Natural gas pipeline infrastructure for New York City and Westchester County



Excerpted from 

"I told the doctor I broke my leg in two places. He told me to stop going to those places." -Henny Youngman¹