

Newstracker:

-Natural gas spot prices rose at most locations for the period of Wednesday, August 28, to Wednesday, September 4 (the Report Week). Henry Hub spot prices rose by 8% from \$2.24 per million British thermal units (MMBtu) to \$2.42/MMBtu from open to close of the Report Week.


-At the New York Mercantile Exchange (Nymex), the September 2019 Henry Hub natural gas futures contract expired on Wednesday, August 28 at \$2.251/MMBtu. The October 2019 contract increased to \$2.445/MMBtu, up 22¢/MMBtu for the course of the Report Week. The price of the 12-month strip averaging October 2019 through September 2020 futures settlement prices climbed 10¢/MMBtu to \$2.474/MMBtu.

-Net natural gas injections into storage totaled 84 Bcf for the week ending August 30, compared with the five-year (2014-18) average net injections of 66 Bcf and last year's net injections of 64 Bcf during the same week. Working gas stocks totaled 2,941 Bcf, which is 82 Bcf (3%) lower than the five-year average and 383 Bcf (15%) more than last year at this time.

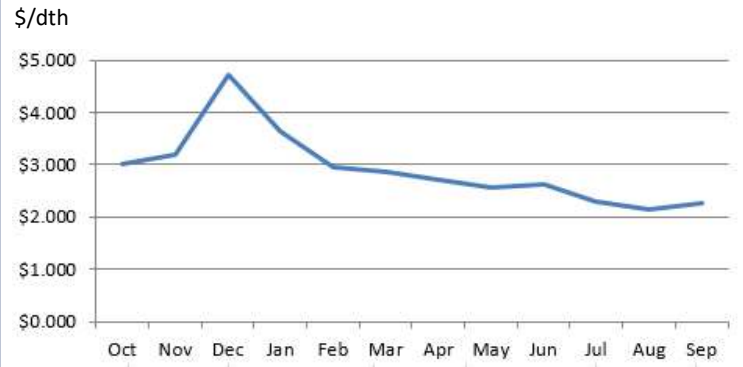
-Total U.S. consumption of natural gas fell by 1% compared with the previous report week, according to data from IHS Markit. Natural gas consumed for power generation declined by 3% week over week. Industrial sector consumption decreased by 1% week over week. In the residential and commercial sectors, consumption increased by 4%. Natural gas exports to Mexico increased by 2%. Natural gas flows to Mexico are expected to increase in the coming months after Mexico's utility Comision Federal de Electricidad announced that it had renegotiated contracts with three pipeline companies.

-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 19¢/MMBtu, averaging \$4.56/MMBtu for the week ending September 4. The price of natural gasoline rose by 1%, ethane by 12%, propane by 1%, butane by 5%, and isobutane by 6%.

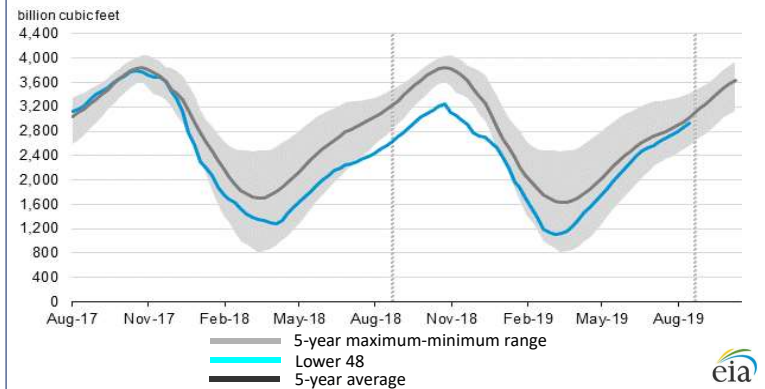
-According to Baker Hughes, for the week ending Tuesday, August 27, the natural gas rig count remained flat at 162. The number of oil-directed rigs fell by 12 to 742. The total rig count decreased by 12, and it now stands at 904.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Oct 2018 - Sep 2019:



Working natural gas in underground storage as of August 30, 2019



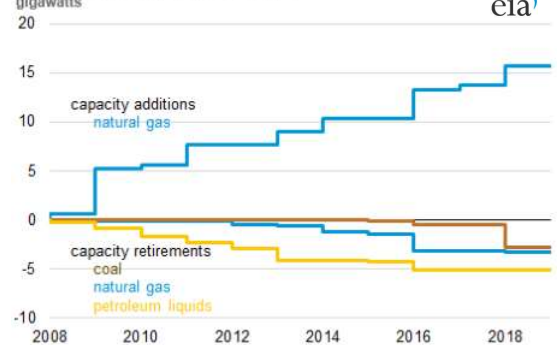
Forward 12-month NYMEX natural gas strip price - Oct19-Sep20:


Process Load-weighted \$2.474/dth - w/o/w = ▲\$0.101
 Typical Heat Load-weighted \$2.558/dth - w/o/w = ▲\$0.137

Florida natural gas-fired electric generation capacity set to increase:

Tampa Electric (TECO) has announced that the Big Bend Power Station Modernization Project has received final approval. This approval includes converting a coal-fired electric generator unit to natural gas and retiring a second coal-fired unit. The 1.7 gigawatt (GW) Big Bend Power Station currently includes four coal-fired units (Units 14), constructed between 1970 and 1985, as well as a dual-fuel unit (Unit 5), constructed in 2009, which is capable of consuming natural gas or fuel oil. The dual-fuel unit is dispatched during times of peak demand, typically in the summer when demand for air conditioning is at its highest. TECO installed a 19 MW solar photovoltaic project at the site in 2017. The Big Bend Modernization Project will convert Unit 1 into a natural gas combined-cycle unit. The new unit will consist of two new combustion turbine generators rated at 370 MW each and an existing steam turbine generator, bringing Unit 1 total nominal generating capacity to more than 1 GW. Before the Unit 1 conversion occurs, the project will retire Big Bend's Unit 2 coal-fired unit and upgrade the facility to receive pipeline natural gas as feedstock for electricity generation. Unit 1 will begin simple-cycle operations in 2021, and combined-cycle operations will start in 2023, according to project plans. Between 2008 and 2018, Florida led the United States in natural gas capacity additions in the electric power sector, adding 15.7 GW of natural-gas fired electric generation capacity. These additions have more than offset retirements of conventional coal-fired units (2.8 GW), petroleum liquids-fired units (5.1 GW), and less-efficient natural gas-fired units (3.3 GW).

Florida electric utility capacity additions and retirements, select technologies (2008-2018)



Excerpted from 

“Probably the best advice I ever got in my life was from the head of the accounting department, Mr. Hutchinson, I believe at the Glidden Company in Chicago, and he told me, ‘You really aren’t cut out for accounting.’” -Bob Newhart¹

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¹https://www.brainyquote.com/quotes/bob_newhart_610821