
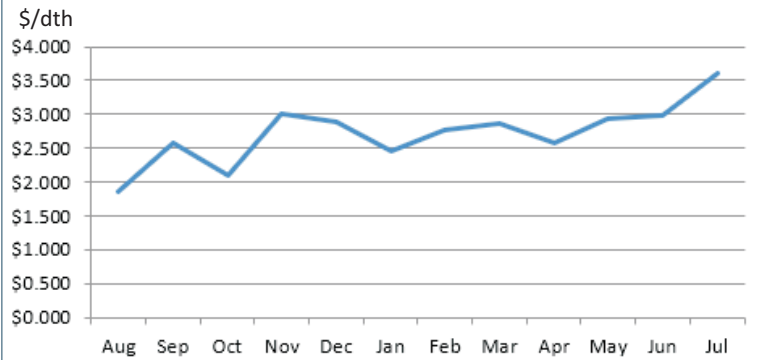


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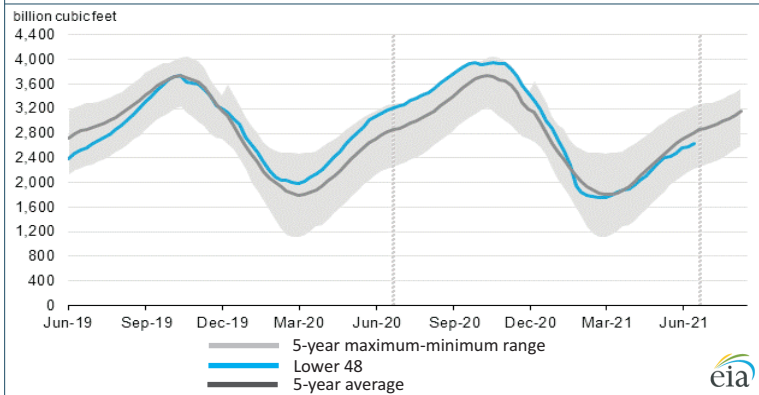
- Natural gas spot prices rose at most locations from Wednesday, July 7 to Wednesday, July 14 (the Report Week), during which the Henry Hub spot price rising from \$3.60/MMBtu to \$3.75/MMBtu.
- The price of the August 2021 NYMEX natural gas futures contract increased 6¢, from \$3.596/MMBtu to \$3.660/MMBtu from open to close of the Report Week. The price of the 12-month strip averaging August 2021 through July 2022 futures contracts climbed 6¢/MMBtu to \$3.478/MMBtu.
- Net natural gas injections into storage totaled 55 Bcf for the week ending July 9, compared with the five-year (2016-2020) average net injections of 54 Bcf and last year's net injections of 47 Bcf during the same week. Working natural gas stocks totaled 2,629 Bcf, which is 189 Bcf (7%) lower than the five-year average and 543 Bcf (17%) lower than last year at this time.
- Total US consumption of natural gas rose by 2.1% compared with the previous Report Week, according to data from IHS Markit. Natural gas consumed for power generation climbed by 3.4% week over week, with the largest increase in the West. Industrial sector consumption increased by 1.5% week over week. Residential and commercial sector consumption declined by 2.2%. Natural gas exports to Mexico increased 2.3%. Natural gas deliveries to US LNG export facilities averaged 10.8 Bcf/d, slightly lower by 0.18 Bcf/d than last week.
- The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 4¢/MMBtu, averaging \$9.33/MMBtu for the week ending July 14. Ethane prices rose 1%, while natural gas prices on the Houston Ship Channel rose 2%, narrowing the ethane premium to natural gas by 2% on a heat-value parity. Propane and normal butane prices fell 1%, isobutane prices fell 2%, and natural gasoline prices increased by 1%, following almost no change in the Brent crude oil prices.
- According to Baker Hughes, for the week ending Tuesday, July 6, the natural gas rig count increased by 2 to 101. The number of oil-directed rigs rose by 2 to 378. The total rig count increased by 4, and it now stands at 479.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Aug 2020 - Jul 2021:



Working natural gas in underground storage as of July 9, 2021



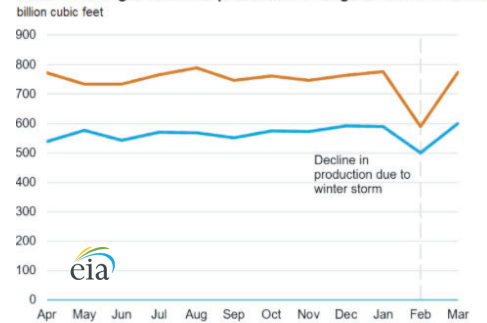
Forward 12-month NYMEX natural gas strip price - Aug21-Jul22:

Process Load-weighted \$3.478/dth - w/o/w = ▲ \$0.062
 Typical Heat Load-weighted \$3.621/dth - w/o/w = ▲ \$0.079

Texas legislature responds to energy market disruptions following historic winter weather:

Last February, during a winter storm of historic proportions, Texas experienced an unprecedented 24.1% decline in marketed natural gas production as compared with the prior month. This decline contributed significantly to the largest monthly decline in natural gas production on record in the Lower 48 states, causing widespread disruptions in energy supply and demand, including extended electric power blackouts in Texas. The Electric Reliability Council of Texas (ERCOT) found that weather issues were the main cause of the mechanical and equipment failures. According to ERCOT, fuel limitations (defined as generator outages due to lack of fuel, contaminated fuel, fuel supply instability, low gas pressure, or less efficient alternative fuel supply), accounted for 12% of maximum unavailability of total outaged and derated capacity at the power generators. Mechanical and equipment failure can be rooted in weather-related causes. Exposed pipeline control valves can freeze in position, and methane hydrates can form at critical points within automated control equipment as a result of cold temperatures. The inability of personnel to reach essential areas to repair pipeline, gathering system, or wellhead equipment can also be problematic. In response to the 2021 freeze-off, in early June, the governor of Texas signed two bills. One bill decreased the number of board members in ERCOT. The other bill designated which entity will set requirements for winterization and set up a power outage alert system. In the second bill, the PUC sets weather emergency reliability standards for some electric generating facilities. The bill also designated the Texas Railroad Commission to work with facility operators in the natural gas supply chain to implement measures and prepare for future weather emergencies. Prior to the February 2021 event, the last major winter weather event in Texas was in 2011. It impacted a smaller area and had a shorter duration than the February 2021 event, with a decline in marketed natural gas production of 15.1%. At the time, the event was the most prolonged cold spell Texas had seen in 25 years, with 100 hours at below freezing temperatures. For reference, depending on the area, the February 2021 event had 93 to 205 consecutive hours at or below freezing temperatures.

Texas natural gas marketed production through two winter storms



Excerpted from 

“Life is what happens while you are busy making other plans.” -John Lennon¹