
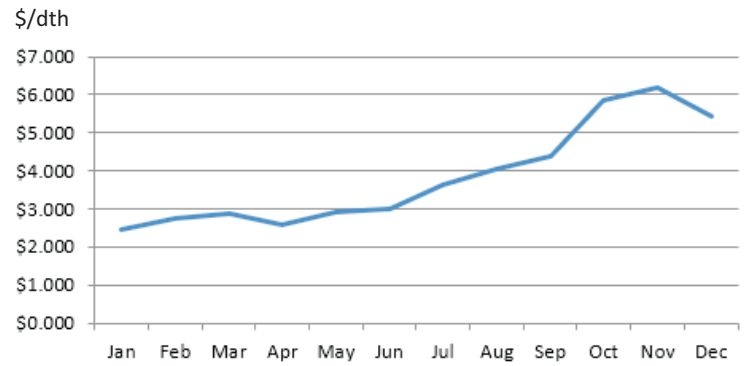


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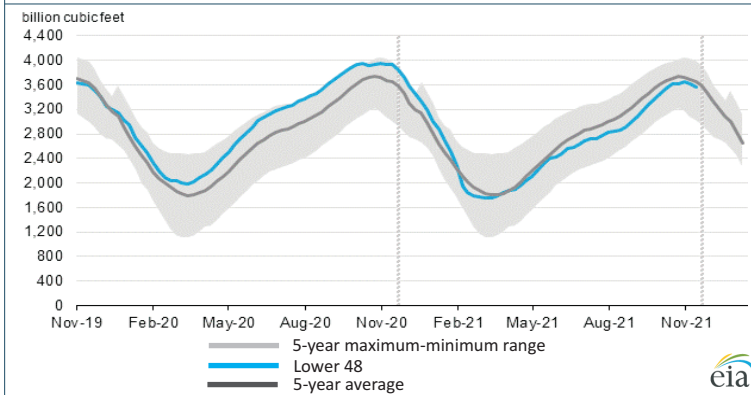
- Natural gas spot prices fell at most locations Wednesday, November 24 to Wednesday, December 1 (the Report Week), during which the Henry Hub spot price fell from \$4.90/MMBtu to \$4.23/MMBtu. International natural gas prices were at or close to all-time highs this Report Week, with Bloomberg Finance, L.P. reporting that swap prices for LNG cargos in East Asia were \$36.47/MMBtu, the highest weekly average on record going back to January 2020, and European day-ahead price rose for the fourth week in a row to a weekly average of \$30.67/MMBtu.
- The December 2021 NYMEX natural gas futures contract expired November 26 at \$5.447/MMBtu. The January 2022 NYMEX contract price decreased to \$4.258/MMBtu, down 85.6 cents/MMBtu w/o/w. The price of the 12-month strip averaging January 2022 through December 2022 futures contracts declined 49 cents/MMBtu to \$3.944/MMBtu.
- Net natural gas withdrawals from storage totaled 59 Bcf for the week ending November 26, compared with the five-year average net withdrawals of 31 Bcf and last year's net withdrawals of 4 Bcf during the same week. Working natural gas stocks totaled 3,564 Bcf, which is 86 Bcf (2%) lower than the five-year average and 375 Bcf (10%) lower than last year at this time.
- Total US natural gas demand increased by 0.8% compared with the previous Report Week, according to data from IHS Markit. Industrial sector consumption increased by 0.5% and by 3.6% in the power generation sector w/o/w. Natural gas exports to Mexico increased 3.6%. Natural gas deliveries to US LNG export facilities were 2.5% higher w/o/w.
- The natural gas plant liquids composite price at Mont Belvieu, Texas, fell by 67 cents/MMBtu, averaging \$9.64/MMBtu for the week ending December 1. Propane prices fell 8% as a result of relatively mild winter temperatures, and a forecast for continuing above-normal temperatures for December across the Midwest and Northeast.
- According to Baker Hughes, as of Tuesday, November 23, the natural gas rig count was unchanged at 102. The number of oil-directed rigs rose by 6 to 467. The total rig count now stands at 569. Oil-directed rigs and total rigs are now at the highest levels since mid-April 2020. The current total rig count is more than double the low level set in August 2020, when the rig count totaled 244.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Jan 2021 - Dec 2021:



Working natural gas in underground storage as of Nov. 26, 2021



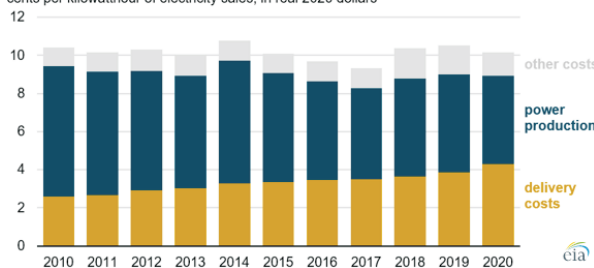
Forward 12-month NYMEX natural gas strip price - Jan22-Dec22:

Process Load-weighted \$3.944/dth - w/o/w = ▼\$0.490
 Heat Load-weighted \$4.040/dth - w/o/w = ▼\$0.581


Major US utilities spending more on electricity delivery, less on power production:

Over the past decade, US utilities have spent more on delivering electricity to customers and less on producing that electricity. After adjusting for inflation, major utilities spent 2.6 cents/kWh on electricity delivery in 2010, using 2020 dollars. In comparison, spending on delivery was 65% higher in 2020 at 4.3 cents/kWh. Conversely, utility spending on power production decreased from 6.8 cents/kWh in 2010 (using 2020 dollars) to 4.6 cents/kWh in 2020. Utility spending on electricity delivery includes costs to build, operate, and maintain the electric wires, poles, towers, and meters that make up the transmission and distribution system. In real 2020 dollar terms, spending on electricity delivery increased every year from 1998 to 2020 as utilities worked to replace aging equipment, build transmission infrastructure to accommodate new wind and solar generation, and install new technologies such as smart meters. Spending on power production includes the money spent to build, operate, fuel, and maintain power plants, including the cost of fuels, capital, labor, and building

Major U.S. utilities annual spending, by spending category (2010–2020)
cents per kilowatt-hour of electricity sales, in real 2020 dollars



materials, as well as the type of generators being built. Other utility spending on electricity includes general and administrative expenses, general infrastructure such as office space, and spending on intangible goods such as licenses and franchise fees. The retail price of electricity reflects the cost to produce and deliver power, the rate of return on investment that regulated utilities are allowed, and profits for unregulated power suppliers. In 2021, demand for consumer goods and the energy needed to produce them has been outpacing supply. This difference has contributed to higher prices for fuels used by electric generators, especially natural gas. The increased cost for fuel, capital, labor, and building materials, as seen in the US Bureau of Labor Statistics' Producer Price Index, is increasing the cost of power production for 2021, resulting in US average electricity prices being higher every month of this year compared with 2020.

Excerpted from 

“I believe the ability to think is blessed. If you can think about a situation, you can deal with it. The big struggle is to keep your head clear enough to think.” -Richard Pryor¹