
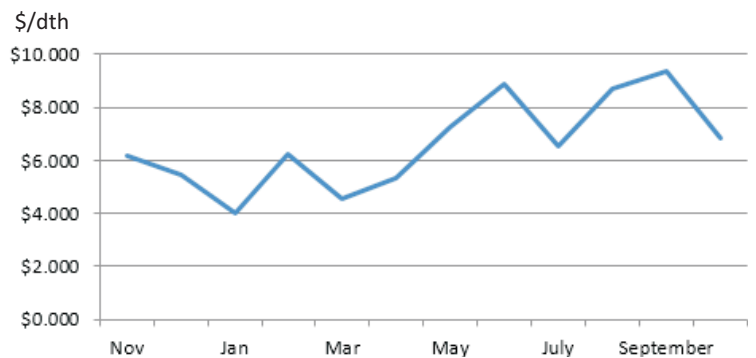


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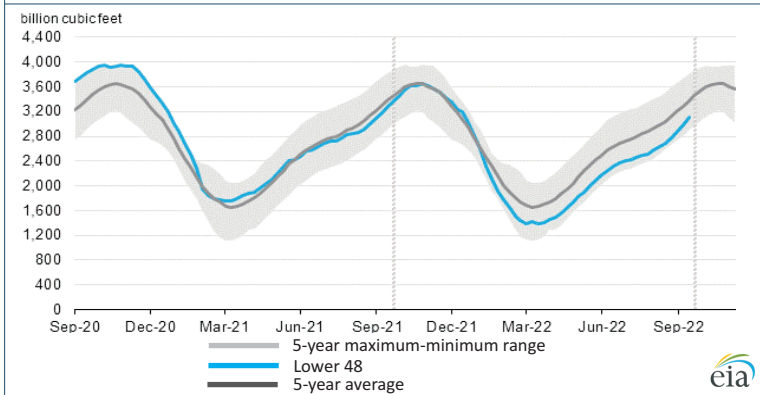
- Natural gas spot prices rose at most locations Wednesday, September 28, to Wednesday, October 5 (the Report Week), during which the Henry Hub spot price fell 55 cents to \$6.06/MMBtu.
- The November 2022 NYMEX natural gas futures contract price decreased to \$6.930/MMBtu, down 3 cents for the Report Week. The price of the 12-month strip averaging November 2022 through October 2023 futures contracts climbed 9 cents to \$5.830/MMBtu. International natural gas futures prices declined this Report Week, with LNG cargoes in East Asia decreasing \$1.78 to a weekly average of \$37.99/MMBtu, and natural gas futures for delivery at the TTF in the Netherlands falling \$2.45 to a weekly average of \$51.00/MMBtu.
- Net natural gas injections into storage totaled 129 Bcf for the week ending September 30, compared with the five-year average of 87 Bcf and last year's 114 Bcf during the same week. Working natural gas stocks totaled 3,106 Bcf, which is 264 Bcf (8%) lower than the five-year average and 165 Bcf (5%) lower than last year at this time.
- Total US consumption of natural gas fell by 1.2% (0.8 Bcf/d) for the Report Week. Natural gas consumed for power generation declined by 9.3% (3.0 Bcf/d), the result of lower air-conditioning demand, as seasonal trends switch from cooling to heating demand. Industrial sector consumption increased by 1.6% (0.4 Bcf/d) and combined residential and commercial consumption increased by 16.2% (1.9 Bcf/d). Natural gas exports to Mexico decreased 3.5% (0.2 Bcf/d), while natural gas deliveries to US LNG export facilities averaged 11.3 Bcf/d, or 0.3 Bcf/d lower than last week.
- The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 6 cents/MMBtu, averaging \$8.90/MMBtu for the week ending October 5. The natural gasoline price rose 5%, following the price of Brent crude oil, which rose 4%. The propane price fell 1%, widening the propane discount to crude oil by 14%.
- For the week ending Tuesday, September 27, the natural gas rig count decreased by 1 rig from a week ago to 159 rigs. The number of oil-directed rigs increased by 2 rigs from a week ago to 604 rigs. The total rig count, which includes 2 miscellaneous rigs, now stands at 765 rigs, which is 237 more than the same week last year.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Oct 2021 - Sep 2022:



Working natural gas in underground storage as of Sep. 30, 2022

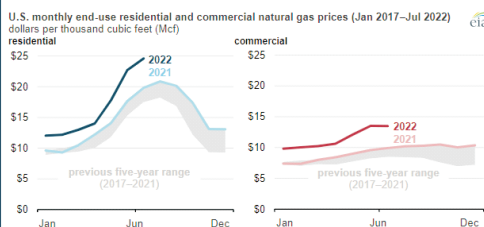


Forward 12-month NYMEX natural gas strip price - Nov22-Oct23:

Process Load-weighted \$5.830/dth - w/o/w = ▲ \$0.089
 Typical Heat Load-weighted \$6.434/dth - w/o/w = ▲ \$0.071

Residential and commercial natural gas prices reach multi year highs in 2022:

Residential and commercial US natural gas prices were relatively high throughout 2021 and exceeded the previous five-year (2017-21) range so far this year. In real terms, the 2021 annual residential price was the highest since 2014, and the commercial price was the highest since 2015. For January-July 2022, the nominal residential price averaged \$13.25/Mcf, 25% higher than for the same period in 2021. The commercial price averaged \$10.50/Mcf, which was 33% higher. The residential sector includes buildings, houses, apartment buildings, and mobile homes. The commercial sector includes commercial buildings, government buildings, schools, and institutional living quarters. Residential and commercial prices are stabilized by regulatory mechanisms and other factors. As a result, they are typically more consistent from year to year than spot prices and less reactive to short-term weather trends. The wholesale cost of natural gas has been relatively high since early 2022. A number of factors determine the wholesale price of natural gas, including: production, storage levels, heating and cooling demand, availability of fuel substitutes, power-sector consumption, imports and exports. In several months this year, the Henry Hub spot price was essentially double the 2021 price for the same month. Record-high LNG exports have been a growing source of natural gas demand. Since 2021, the volume of natural gas used to support US LNG exports has exceeded the volume consumed in the commercial sector. A large share of LNG exports has been going to Europe to displace natural gas from Russia, contributing to higher demand for US LNG. Changes in the natural gas wholesale price affect residential and commercial natural gas prices. Public Utility Commissions (PUCs), which regulate natural gas distributors, have a number of ways to stabilize prices and ensure reliable supply. To meet PUC regulations, distributors may employ: storage (which operates as physical hedging), financial hedging (using swaps, options, and futures), and natural gas procurement strategies (including short- and long-term contracting, bidweek/month-ahead purchases, and firm transportation agreements). These strategies reduce the short-term effects of day-ahead prices, ensure reliability of supply, and keep distributor rates from fluctuating sharply.



"The palest ink is better than the best memory." -Ancient proverb