

Newstracker:

-Natural gas spot prices rose at most major locations from Wednesday, September 6, to Wednesday, September 13 (the Report Week), during which the Henry Hub spot rose 27 cents to \$2.76/MMBtu.

-The October 2023 NYMEX natural gas futures contract price increased 17 cents for the Report Week to \$2.680/MMBtu. The price of the 12-month strip averaging October 2023 through September 2024 futures contracts rose 3.2 cents to \$3.240/MMBtu. International natural gas futures prices increased this Report Week, with LNG cargoes in East Asia rising 10 cents to a weekly average of \$13.36/MMBtu, and prices at TTF in the Netherlands increasing 23 cents to a weekly average of \$10.98/MMBtu. In the same week last year, prices were \$53.19/MMBtu in East Asia and \$60.81/MMBtu at TTF.

-Total US consumption of natural gas was unchanged from the previous Report Week, averaging 72.3 Bcf/d. Natural gas consumed for power generation declined by 0.1% (less than 0.1 Bcf/d) week over week. Industrial sector consumption increased by 1.1% (0.2 Bcf/d), and residential and commercial sector consumption declined by 2.1% (0.2 Bcf/d). Natural gas exports to Mexico decreased 1.7% (0.1 Bcf/d). Natural gas deliveries to U.S. LNG export facilities (LNG pipeline receipts) averaged 12.1 Bcf/d, or 0.9 Bcf/d lower than last week.

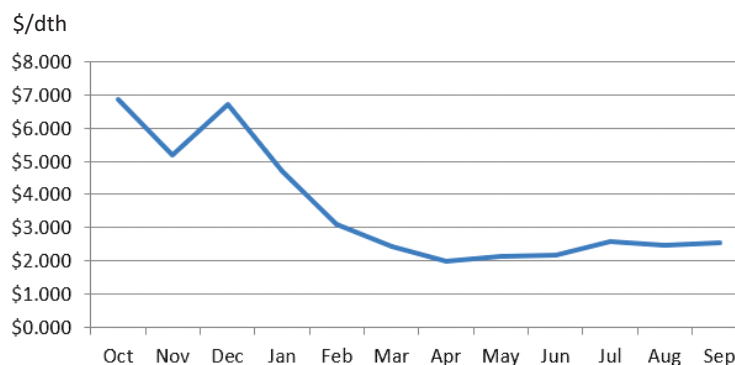
-The natural gas plant liquids composite price at Mont Belvieu, Texas, rose by 36 cents/MMBtu, averaging \$7.87/MMBtu for the week ending September 13. The average weekly propane price rose 6%, while the Brent crude oil price rose 3%. The propane discount relative to crude oil remained relatively unchanged.

-For the week ending Tuesday, September 5, the natural gas rig count decreased by 1 to 113 rigs. The number of oil-directed rigs rose by 1 to 513 rigs. The total rig count, which includes 6 miscellaneous rigs, increased by 1 and now stands at 632 rigs.

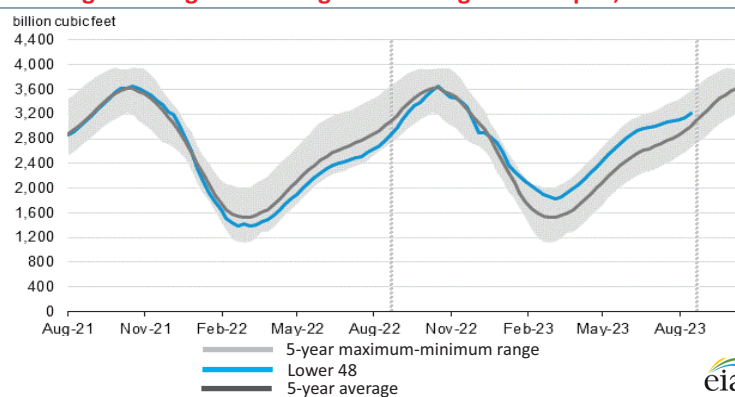
-Net natural gas injections into storage totaled 57 Bcf for the week ending September 8, compared with the five-year average net injections of 76 Bcf and last year's net injections of 74 Bcf during the same week. Working natural gas stocks totaled 3,205 Bcf, which is 203 Bcf (7%) more than the five-year average and 445 Bcf (16%) more than last year at this time.

Excerpted from 

Monthly NYMEX Natural Gas Settle Price: Oct 2022 - Sep 2023:



Working natural gas in underground storage as of Sep. 8, 2023

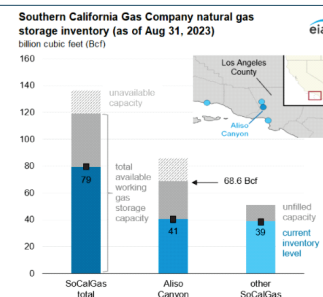



Forward 12-month NYMEX natural gas strip price - Oct23-Sep24:

Process Load-weighted \$3.240/dth - w/o/w ▲\$0.032
Typical Heat Load-weighted \$3.307/dth - w/o/w ▲\$0.024

California regulators approve increase in working natural gas storage capacity at Aliso Canyon:

On August 31, the California Public Utilities Commission (CPUC) voted to increase the working natural gas storage level to 68.6 Bcf at Aliso Canyon, California's largest underground natural gas storage facility located northwest of Los Angeles. The CPUC stated the increase of 27.4 Bcf from about 41.2 Bcf was necessary to moderate potential energy price increases and enhance reliability for the upcoming 2023–2024 winter. In its decision, the CPUC acknowledged that increasing the working gas storage capacity at this time is an interim solution to meet Southern California's immediate natural gas and electricity needs; the CPUC remains committed to reducing California's reliance on natural gas in the long term. In the absence of regulatory caps, Aliso Canyon has a total working natural gas storage capacity of 86.2 Bcf, or about 63% of the Southern California Gas Company (SoCalGas) total. Following a well leak in 2015 and the plugging of that well in 2016, several other wells at the storage field were taken out of operation and Aliso Canyon has been operating at reduced capacity. Since July 2017, when Aliso Canyon was cleared to resume partial operation, the CPUC has revised the inventory level cap at Aliso Canyon several times in response to changing market conditions. In November 2021, the CPUC capped the Aliso Canyon inventory level at about 41.2 Bcf. In April of this year, SoCalGas and the San Diego Gas & Electric Company (SDG&E) filed a petition with the CPUC proposing the Commission modify the November 2021 decision that set the current working gas inventory level at Aliso Canyon. In their petition, SoCalGas and SDG&E asserted that increasing the storage level at Aliso Canyon would decrease the likelihood of price spikes like those experienced during winter 2022–2023. Natural gas prices at SoCal Citygate traded between \$20.00 per million British thermal units (MMBtu) and \$50.00/MMBtu for most of December 2022, partly because of low natural gas storage levels. As of August 31, natural gas storage in the SoCalGas system in Southern California was about 86% full at 79.2 Bcf when accounting for the cap of 41.2 Bcf on Aliso Canyon's inventory level. From August 14 through September 1, SoCalGas reported that the Aliso Canyon storage field was full. The CPUC decision lifts the restriction as of September 2 and allows Aliso Canyon to increase its natural gas storage level in the remaining weeks of this injection season (April–October) ahead of the coming winter heating season.



Excerpted from 

“History never really says goodbye. History says, 'See you later.'” -Eduardo Galeano¹