



UTILITY REVENUE SERVICES

# Weekly Energy Report

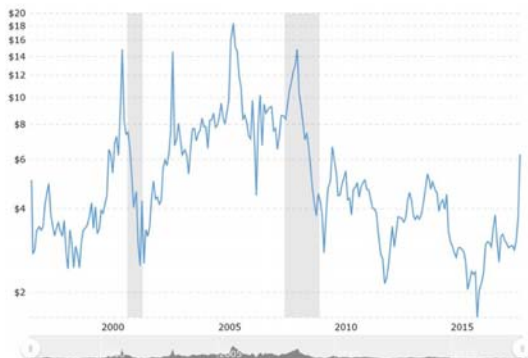


## Natural Gas in Underground Storage

The weekly EIA Natural Gas Storage Report advised that there was a withdrawal of 359Bcf (billion cubic feet) from Underground Storage for the week ending January 5th, 2018.

This is 29Bcf above the median forecast of a 330Bcf withdrawal, the average prediction of sector analysts and traders in the Dow Jones Newswires weekly survey. The withdrawal one year ago was 158Bcf and the 5-year average withdrawal is 183Bcf. Storage is 415Bcf below last year for the same week and 382Bcf below the 5-year average. Working gas in storage stands at 2767Bcf.

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## Natural Gas Pricing

As of 9:48AM CST, February 2018, (the prompt month) Natural Gas was trading at \$3.00, unchanged from one week ago and the 1-Year Spread average was \$2.84, - \$0.03 from one week ago.

## Crude Oil Pricing

As of 9:30AM CST, February, 2018, (the prompt month) Light, Sweet Crude on the NYMEX was at \$64.38, +\$2.58 from one week ago.

### Crude Oil & Natural Gas

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EST)	2 DAY
CLC/COM WTI Crude Oil (Nymex)	USD/MBL	64.38	+0.81	+1.27%	Feb 2018	10:30 AM	
COI/COM Brent Crude (ICE)	USD/MBL	69.70	+0.50	+0.72%	Mar 2018	10:30 AM	
CP/COM Crude Oil (Tokyo)	JPY/ML	45,300.00	+10.00	+0.24%	Jun 2018	10:34 AM	
NG/COM Natural Gas (Nymex)	USD/MMBtu	3.05	+0.04	+1.89%	Feb 2018	10:30 AM	

U.S. Petroleum Balance Sheet, Week Ending 1/5/2018

Petroleum Stocks (Million Barrels)	Current Week	
	1/5/18	12/29/17
Crude Oil	1,083.3	1,088.2
Commercial (Excluding SPR) <sup>1</sup>	419.5	424.5
Strategic Petroleum Reserve (SPR) <sup>2</sup>	663.7	663.7
Total Motor Gasoline <sup>3</sup>	237.3	233.2
Reformulated	0.0	0.0
Conventional	24.3	25.0
Blending Components	212.9	208.2
Fuel Ethanol	22.7	22.6
Kerosene-Type Jet Fuel	41.4	40.6
Distillate Fuel Oil <sup>3</sup>	143.1	138.8
> 15 ppm sulfur and Under <sup>3</sup>	126.8	121.6
> 15 ppm to 500 ppm sulfur	7.3	7.5
> 500 ppm sulfur	9.0	9.8
Residual Fuel Oil	31.1	30.4
Propane/Propylene	61.7	68.0
Other Oils <sup>4</sup>	263.0	267.2
Unfinished Oils	85.0	84.1
Total Stocks (Including SPR) <sup>2,3</sup>	1,883.5	1,889.0
Total Stocks (Excluding SPR) <sup>3</sup>	1,219.7	1,225.3

## Crude Oil Inventory

US crude inventories fell by 4.9 million barrels to 419.5 million barrels for the week ended Jan. 5th, according to data released yesterday morning by the US Department of Energy. Traders in the Reuters poll projected a draw of 11.2M barrels.

# U.S. Rotary Rigs

U.S. Rotary Rigs drilling for natural gas were unchanged at 182 for the week of January 5th. The number of rigs currently drilling for Natural Gas was 47 higher than last year's level of 135. US Rigs drilling for oil were -5 at 742. There are 213 more rigs targeting oil than last year. Canadian rigs were +38 at 174 for the week. Rigs targeting oil remain at 80% of all drilling activity.

North American Rig Count	01/05/2018		12/29/2017		01/06/2017		Weekly Annual		Change		Percent Change	
Total U.S.	924	929	665	(5)	259	-0.5%	38.9%					
Offshore	17	18	24	(1)	(7)	-5.6%	-29.2%					
Onshore	907	911	641	(4)	266	-0.4%	41.5%					
Onshore Waters	1	2	1	(1)	0	-50.0%	0.0%					
Oil	742	747	529	(5)	213	-0.7%	40.3%					
Percent	80.3%	80.4%	79.5%	-0.1%	0.8%							
Gas	182	182	135	0	47	0.0%	34.8%					
Percent	19.7%	19.6%	20.3%	0.1%	-0.6%							
Directional	64	68	57	-4	7	-5.9%	12.3%					
Horizontal	798	796	534	2	264	0.3%	49.4%					
Vertical	62	65	74	-3	-12	-4.6%	-16.2%					
Gulf of Mexico	17	18	23	-1	-6	-5.6%	-26.1%					
Gulf Oil	14	14	23	0	-9	0.0%	-39.1%					
Percent	82.4%	77.8%	100.0%	4.6%	-17.6%							
Gulf Gas	3	4	0	-1	3	-25.0%	n.a.					
Percent	17.6%	22.2%	0.0%	-4.6%	17.6%							
Canada	174	136	205	38	(31)	27.9%	-15.1%					
Oil	98	62	81	36	17	58.1%	21.0%					
Percent	56.3%	45.6%	39.5%	10.7%	16.8%							
Gas	76	74	123	2	(47)	2.7%	-38.2%					
Percent	43.7%	54.4%	60.0%	-10.7%	-16.3%							
North America	1,098	1,065	870	33	228	3.1%	26.2%					
Prices												
Oil \$/bbl.	\$61.33	\$59.96	\$53.35	\$1.37	\$7.98	2.3%	15.0%					
Oil \$/mmbtu	\$10.57	\$10.34	\$9.20	\$0.24	\$1.38	2.3%	15.0%					
Gas \$/mmbtu	\$4.78	\$3.00	\$3.35	\$1.78	\$1.44	59.3%	42.9%					



## Geopolitical

Can't please everyone: Trump energy policy riles competing sectors: WASHINGTON (Reuters) - When the administration of U.S. President Donald Trump proposed new subsidies for coal and nuclear plants, it seemed like an obvious way to deliver on campaign promises



## Weather

The AccuWeather 1-5 day Outlook forecasts above-normal temperatures for the East Coast and Western third of the US and below-normal temps for the Central states. The 6-10 Day Outlook projects most of the Western US at above-normal temps, the Central states at normal

to boost the nation's energy industry. And yet the plan, announced in September, set off sharp criticism from other sectors that Trump has also vowed to help, such as natural gas and utilities...

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## **Sustainability and Renewables**

Someone stole a piece of China's new solar panel-paved road less than a week after it opened: Putting solar panels into our roads isn't the craziest idea, but we may as well admit that it poses some unique challenges. For instance, people may want to walk away with pieces of it. That's what happened in China, anyway, just five days after authorities opened up what they claim is the world's first solar panel-paved highway...

temps and the East at below-normal temps. The 11-15 Day Outlook forecasts the East coast at above-normal temps with the Central states at mostly normal temps and the West at below-normal temps...

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## **This Week's Key Takeaway**

As expected, this week's withdrawal from Natural Gas Underground Storage was enormous, even eclipsing forecasts and increasing the storage deficit vs. last year significantly. Although Natural Gas prices had dropped, they have now returned to the \$3.00 level. Additionally, the U.S. has now become a net exporter of Natural Gas on an annual basis, according to the EIA for the first time since at least 1957.

Next Day On-Peak Power (traded for 1/11/2018)		
ISO-NE Mass Hub \$53.50	MISO Indiana Hub \$30.03	NYISO Zone G \$40.00
PJM West Hub \$30.36	ERCOT North \$26.00	CAISO SP15 \$36.70



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