



UTILITY REVENUE SERVICES

# Weekly Energy Report



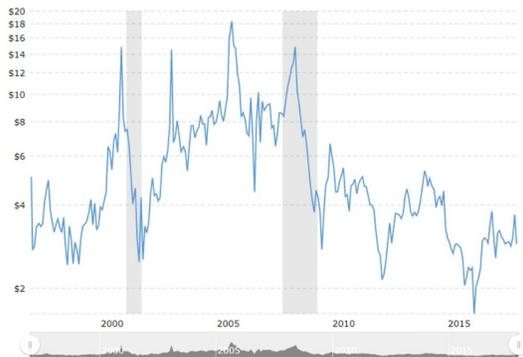
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## Natural Gas in Underground Storage

The weekly EIA Natural Gas Storage Report advised that there was a withdrawal of 183Bcf (billion cubic feet) from Underground Storage for the week ending January 12th, 2018.

This is 12Bcf below the median forecast of a 195Bcf withdrawal, the average prediction of sector analysts and traders in the Dow Jones Newswires weekly survey. The withdrawal one year ago was 243Bcf and the 5-year average withdrawal is 215Bcf. Storage is 368Bcf below last year for the same week and 362Bcf below the 5-year average. Working gas in storage stands at 2,584Bcf.

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## Natural Gas Pricing

As of 9:57AM CST, February 2018, (the prompt month) Natural Gas was trading at \$3.11, + \$0.11 from one week ago and the 1-Year Spread average was \$2.89, +\$0.05 from one week ago.

## Crude Oil Pricing

As of 8:55AM CST, February, 2018, (the prompt month) Light, Sweet Crude on the NYMEX was at \$63.81, -\$0.57 from one week ago.

### Crude Oil & Natural Gas

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EST)	2 DAY
CL1COM WTI Crude Oil (Nymex)	USD/bbl	63.81	-0.16	-0.25%	Feb 2018	9:55 AM	
CO1COM Brent Crude (ICE)	USD/bbl	69.07	-0.31	-0.45%	Mar 2018	9:55 AM	
CP1COM Crude Oil (Tokyo)	JPY/Ki	44,930.00	-330.00	-0.73%	Jun 2018	10:00 AM	
NG1COM Natural Gas (Nymex)	USD/MMBtu	3.19	-0.04	-1.2%	Feb 2018	9:55 AM	

Petroleum Stocks (Million Barrels)	Current Week	
	1/12/18	1/5/18
Crude Oil	1,076.9	1,083.3
Commercial (Excluding SPR) <sup>1</sup>	412.7	419.5
Strategic Petroleum Reserve (SPR) <sup>2</sup>	664.2	663.7
Total Motor Gasoline <sup>3</sup>	240.9	237.3
Reformulated	0.0	0.0
Conventional	25.1	24.3
Blending Components	215.8	212.9
Fuel Ethanol	22.7	22.7
Kerosene-Type Jet Fuel	41.1	41.4
Distillate Fuel Oil <sup>3</sup>	139.2	143.1
15 ppm sulfur and Under <sup>3</sup>	123.7	126.8
> 15 ppm to 500 ppm sulfur	6.4	7.3
> 500 ppm sulfur	9.1	9.0
Residual Fuel Oil	32.1	31.1
Propane/Propylene	58.0	61.7
Other Oils <sup>4</sup>	259.2	263.0
Unfinished Oils	85.7	85.0
Total Stocks (Including SPR) <sup>2,3</sup>	1,870.2	1,883.5
Total Stocks (Excluding SPR) <sup>3</sup>	1,205.9	1,219.7

## Crude Oil Inventory

US crude inventories fell by 6.8 million barrels to 412.7 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 1.4M barrels.

## U.S. Rotary Rigs

U.S. Rotary Rigs drilling for natural gas were +5 at 187 for the week of January 12th. The number of rigs currently drilling for Natural Gas was 51 higher than last year's level of 136. US Rigs drilling for oil were +10 at 752. There are 230 more rigs targeting oil than last year. Canadian rigs were +102 at 276 for the week. Rigs targeting oil remain at 80% of all drilling activity.

	North American Rig Count			Change		Percent Change	
	01/12/2018	01/05/2018	01/13/2017	Weekly	Annual	Weekly	Annual
<b>Total U.S.</b>	939	924	659	15	280	1.6%	42.5%
Offshore	19	17	25	2	(6)	11.8%	-24.0%
Land	920	907	634	13	286	1.4%	45.1%
Inland Waters	1	1	0	0	1	0.0%	n.a.
<b>Oil</b>	752	742	522	10	230	1.3%	44.1%
Percent	80.1%	80.3%	79.2%	-0.2%	0.9%		
<b>Gas</b>	187	182	136	5	51	2.7%	37.5%
Percent	19.9%	19.7%	20.6%	0.2%	-0.7%		
<b>Directional</b>	72	64	59	8	13	12.5%	22.0%
<b>Horizontal</b>	805	798	537	7	268	0.9%	49.9%
<b>Vertical</b>	62	62	63	0	-1	0.0%	-1.6%
<b>Gulf of Mexico</b>	19	17	24	2	-5	11.8%	-20.8%
Gulf Oil	16	14	24	2	-8	14.3%	-33.3%
Percent	84.2%	82.4%	100.0%	1.9%	-15.8%		
<b>Gulf Gas</b>	3	3	0	0	3	0.0%	n.a.
Percent	15.8%	17.6%	0.0%	-1.9%	15.8%		
<b>Canada</b>	276	174	315	102	(39)	58.6%	-12.4%
Oil	185	98	170	87	15	88.8%	8.8%
Percent	67.0%	56.3%	54.0%	10.7%	13.1%		
<b>Gas</b>	91	76	144	15	(53)	19.7%	-36.8%
Percent	33.0%	43.7%	45.7%	-10.7%	-12.7%		
<b>North America</b>	1,215	1,098	974	117	241	10.7%	24.7%
<b>Prices</b>							
Oil \$/bbl.	\$63.01	\$61.37	\$52.07	\$1.64	\$10.94	2.7%	21.0%
Oil \$/mmbtu	\$10.86	\$10.58	\$8.98	\$0.28	\$1.89	2.7%	21.0%
Gas \$/mmbtu	\$3.03	\$4.31	\$3.26	(\$1.28)	(\$0.23)	-29.7%	-7.0%



## Geopolitical

**This is how coal dies — super cheap renewables plus battery storage:** Solar, wind, and battery prices are dropping so fast that, in Colorado, building new renewable power plus battery storage is now cheaper than running old coal plants.

## Weather

The AccuWeather 1-5 day Outlook forecasts above-normal temps for the Northern 2/3 of the US and below-normal temps for the Southeast. The balance of the country will be at normal temps. The 6-10 Day Outlook projects the entire

This increasingly renders existing coal plants obsolete.

Two weeks ago, Xcel Energy quietly reported dozens of shockingly low bids it had received for building new solar and wind farms, many with battery storage. The median bid price in 2017 for wind plus battery storage was \$21 per megawatt-hour, which is \$.021/kWh...

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## Sustainability and Renewables

**All renewable energy types to be cost-competitive by 2020:**

Renewable-energy generation costs are falling like photons onto a solar panel. By 2020, it's expected all types of renewable-energy generation will be able to compete with fossil fuels on cost.

That's right: saving our environment

Eastern US at above-normal temps, with the balance of the country at normal temps. The 11-15 Day Outlook forecasts New England at normal temps with the balance of the country at above-normal temps. The 30 and 90-day Outlook shows mostly normal temps for the US with the North-Central states below-normal and the Southeast and Southwest above-normal.

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## This Week's Key Takeaway

Although today's Weekly EIA Natural Gas Storage Report showed a withdrawal that was less than anticipated, extreme cold in the State of Texas has caused the wholesale price of electricity to rise quickly. Yesterday, the Day-Ahead market price in ERCOT averaged almost \$0.11/kWh and for one period during the day, was above \$1.50/kWh, due to increased demand.

will actually save electric utilities some money, too. The cost of generating electricity with onshore wind has fallen by about 25% since 2010, according to a new cost analysis from the International Renewable Energy Agency (Irena)...

Cold weather across the country has caused prices to rise in January. See the prices below- move the decimal point 3 places to the left for kWh.

Next Day On-Peak Power (traded for 1/17/2018)		
ISO-NE Mass Hub \$134.61	MISO Indiana Hub \$70.32	NYISO Zone G \$106.90
PJM West Hub \$111.98	ERCOT North \$77.50	CAISO SP15 \$44.19



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