



UTILITY REVENUE SERVICES

# Weekly Energy Report



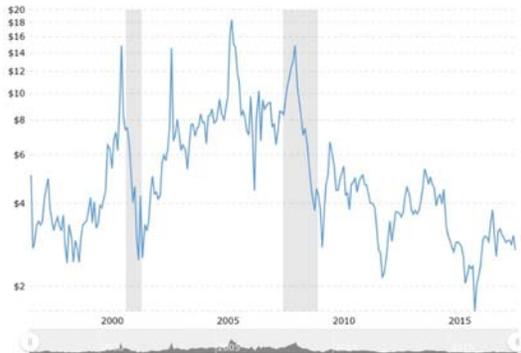
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## Natural Gas in Underground Storage

The weekly EIA Natural Gas Storage Report advised that there was a withdrawal of 112Bcf (billion cubic feet) from Underground Storage for the week ending December 22nd, 2017.

This is 1Bcf below the median forecast of a 113Bcf withdrawal, the average prediction of sector analysts and traders in the Dow Jones Newswires weekly survey. The withdrawal one year ago was 233Bcf and the 5-year average withdrawal is 111Bcf. Storage is 62Bcf below last year for the same week and 85Bcf below the 5-year average. Working gas in storage stands at 3,332Bcf.

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## Natural Gas Pricing

As of 10:35AM CST, February 2018, (the *new* prompt month) Natural Gas was trading at \$2.84, +\$0.20 from one week ago and the 1-Year Spread average was \$2.84, +\$0.21 from one week ago. The January NG contract closed at \$2.74.

## Crude Oil Pricing

As of 10:49AM CST, February, 2018, (the *new* prompt month) Light, Sweet Crude on the NYMEX was at \$59.55, +\$1.71 from one week ago.

### Crude Oil & Natural Gas

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME ESTD	2 DAY
CL1:COM WTI Crude Oil (Nymex)	USD/BBL	59.55	-0.09	-0.15%	Feb 2018	11:49 AM	
CO1:COM Brent Crude (ICE)	USD/BBL	66.40	-0.04	-0.06%	Feb 2018	11:48 AM	
CP1:COM Crude Oil (Tokyo)	JPY/MI	43,870.00	-60.00	-0.36%	May 2018	11:44 AM	
NG1:COM Natural Gas (Nymex)	USD/MMBtu	2.92	+0.19	+6.09%	Feb 2018	11:49 AM	

**Table 1. U.S. Petroleum Balance Sheet, Week Ending 12/22/2017**

Petroleum Stocks (Million Barrels)	Current Week	
	12/22/17	12/15/17
Crude Oil .....	1,095.3	1,099.8
Commercial (Excluding SPR) <sup>1</sup> .....	431.9	436.5
Strategic Petroleum Reserve (SPR) <sup>2</sup> .....	663.4	663.3
Total Motor Gasoline <sup>3</sup> .....	228.4	227.8
Reformulated .....	0.1	0.1
Conventional .....	24.3	24.9
Blending Components .....	204.0	202.8
Fuel Ethanol .....	22.0	22.3
Kerosene-Type Jet Fuel .....	39.9	39.8
Distillate Fuel Oil <sup>3</sup> .....	129.9	128.8
15 ppm sulfur and Under <sup>3</sup> .....	113.1	111.9
> 15 ppm to 500 ppm sulfur .....	7.2	6.8
> 500 ppm sulfur .....	9.6	10.2
Residual Fuel Oil .....	31.4	30.8
Propane/Propylene .....	68.6	71.3
Other Oils <sup>4</sup> .....	272.0	275.5
Unfinished Oils .....	84.4	85.8
Total Stocks (Including SPR) <sup>2,3</sup> .....	1,887.5	1,896.2
Total Stocks (Excluding SPR) <sup>3</sup> .....	1,224.1	1,232.9

## Crude Oil Inventory

US crude inventories fell by 4.6 million barrels to 431.9 million barrels for the week ended Dec 22, according to data released yesterday morning by the US Department of Energy. Traders in the Reuters poll projected a draw of 5.5M barrels.

## U.S. Rotary Rigs

U.S. Rotary Rigs drilling for natural gas were +1 at 184 for the week of December 22nd. The number of rigs currently drilling for Natural Gas was 55 higher than last year's level of 129. US Rigs drilling for oil were unchanged at 747. There are 224 more rigs targeting oil than last year. Canadian rigs were -28 at 210 for the week. Rigs targeting oil remain at 80% of all drilling activity.

North American Rig Count	12/22/2017		12/15/2017		12/23/2016		Change		Percent Change	
	12/22/2017	12/15/2017	12/23/2016	Weekly	Annual	Weekly	Annual	Weekly	Annual	
<b>Total U.S.</b>	931	930	653	1	278	0.1%	42.6%			
Offshore	19	19	25	0	(6)	0.0%	-24.0%			
Land	912	911	628	1	284	0.1%	45.2%			
Inland Waters	2	2	1	0	1	0.0%	100.0%			
Oil	747	747	523	0	224	0.0%	42.8%			
Percent	80.2%	80.3%	80.1%	-0.1%	0.1%					
Gas	184	183	129	1	55	0.5%	42.6%			
Percent	19.8%	19.7%	19.8%	0.1%	0.0%					
Directional	66	69	58	-3	8	-4.3%	13.8%			
Horizontal	801	801	526	0	275	0.0%	52.3%			
Vertical	64	60	69	4	-5	6.7%	-7.2%			
Gulf of Mexico	19	19	24	0	-5	0.0%	-20.8%			
Gulf Oil	15	15	24	0	-9	0.0%	-37.5%			
Percent	78.9%	78.9%	100.0%	0.0%	-21.1%					
Gulf Gas	4	4	0	0	4	0.0%	n.a.			
Percent	21.1%	21.1%	0.0%	0.0%	21.1%					
<b>Canada</b>	210	238	224	(28)	(14)	-11.8%	-6.3%			
Oil	120	134	106	(14)	14	-10.4%	13.2%			
Percent	57.1%	56.3%	47.3%	0.8%	9.8%					
Gas	90	104	113	(14)	(23)	-13.5%	-20.4%			
Percent	42.9%	43.7%	50.4%	-0.8%	-7.6%					
<b>North America</b>	1,141	1,168	877	(27)	264	-2.3%	30.1%			
<b>Prices</b>										
Oil \$/bbl.	\$57.60	\$57.20	\$52.78	\$0.40	\$4.82	0.7%	9.1%			
Oil \$/mmbtu	\$9.93	\$9.86	\$9.10	\$0.07	\$0.83	0.7%	9.1%			
Gas \$/mmbtu	\$2.72	\$2.72	\$3.50	\$0.00	(\$0.79)	0.0%	-22.5%			



## Geopolitical

Scientists say 2017 is set to be the third warmest year on record in the US as they look back on a year littered with stark signals of climate change. The year-to-date average temperature across the contiguous US has been 2.6F above the 20th-century average, according to NOAA, placing it only behind 2012 and 2016 in terms of record warmth. December may influence the overall 2017 ranking...



## Weather

The AccuWeather 1-5 day Outlook forecasts below-normal temperatures for the Eastern 2/3 of the US and above-normal temps for most of the West. The 6-10 Day Outlook projects all but the Southwest at below-normal temps. The 11-15 day Outlook forecasts normal temps for most of the country but below-normal temps for parts of the North and above-normal temps for portions of the South.



## Sustainability and Renewables



## This Week's Key Takeaway

Extreme Laser Bursts Deliver Fusion Energy Breakthrough- Dramatic advances in high-intensity lasers could get us closer to what was once thought to be impossible: fusion energy. The quest for large-scale sustainable energy by nuclear fusion of hydrogen as a nearly limitless and radical alternative power source has been around for more than six decades now, but the daunting scientific and engineering challenges in developing nuclear fusion of very light nuclei – an extremely intense, clean and hard to replicate process that powers the entire solar system including our sun, have precluded significant research. Until now.

While this week's withdrawal from Natural Gas Underground Storage was far below last year's for the same week, extreme cold throughout the country should portend a huge withdrawal next week. The change in the weather forecast has already increased wholesale natural gas (and therefore electricity) prices and continued cold weather will only serve to continue the upward climb in the near-term.

The front-month of NYMEX Natural Gas Futures is approaching \$3.00 and Crude prices are close to \$60. Stay warm and Happy New Year!

<b>Next Day On-Peak Power (traded for 12/28/2017)</b>		
<b>ISO-NE Mass Hub</b> \$191.94	<b>MISO Indiana Hub</b> \$44.86	<b>NYISO Zone G</b> \$167.92
<b>PJM West Hub</b> \$125.29	<b>ERCOT North</b> \$26.32	<b>CAISO SP15</b> \$37.72



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