



UTILITY REVENUE SERVICES

# Weekly Energy Report



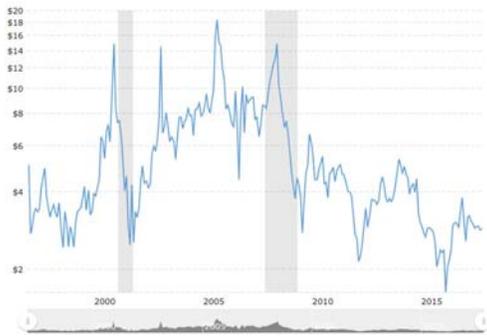
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## Natural Gas in Underground Storage

The weekly EIA Natural Gas Storage Report advised that there was an *injection* of 2Bcf (billion cubic feet) into Underground Storage for the week ending December 1st, 2017.

This is 12Bcf below the median forecast of an 11Bcf withdrawal, the average prediction of sector analysts and traders in the Dow Jones Newswires weekly survey. The withdrawal one year ago was 43Bcf and the 5-year average withdrawal is 69Bcf. Storage is 264Bcf below last year for the same week and 36Bcf below the 5-year average.

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## Natural Gas Pricing

As of 8:56AM CST, January 2018, (the prompt month) Natural Gas was trading at \$2.80, -\$0.27 from one week ago and the 1-Year Spread average was \$2.82, -\$0.17 from one week ago...

## Crude Oil Pricing

As of 9:01AM CST, January, 2018, (the prompt month) Light, Sweet Crude on the NYMEX was at \$56.35, -\$1.33 from one week ago.

### Crude Oil & Natural Gas

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EST)	2 DAY
CL1.COM WTI Crude Oil (Nymex)	USD/bbl	56.35	+0.39	+0.70%	Jan 2018	10:01 AM	
CO1.COM Brent Crude (ICE)	USD/bbl	61.80	+0.58	+0.95%	Feb 2018	10:00 AM	
CF1.COM Crude Oil (Tokyo)	JPY/bbl	4130.00	+200.00	+4.93%	May 2018	10:01 AM	
NG1.COM Natural Gas (Nymex)	USD/MMBtu	2.78	-0.14	-4.89%	Jan 2018	10:01 AM	

Petroleum Stocks (Million Barrels)	Current Week	
	12/1/17	11/24/17
Crude Oil .....	1,110.8	1,118.8
Commercial (Excluding SPR) <sup>1</sup> .....	448.1	453.7
Strategic Petroleum Reserve (SPR) <sup>2</sup> .....	662.7	665.1
Total Motor Gasoline <sup>3</sup> .....	220.9	214.1
Reformulated .....	0.0	0.0
Conventional .....	23.7	23.8
Blending Components .....	197.2	190.2
Fuel Ethanol .....	22.5	22.0
Kerosene-Type Jet Fuel .....	40.3	41.3
Distillate Fuel Oil <sup>3</sup> .....	129.4	127.8
> 15 ppm sulfur and Under <sup>3</sup> .....	113.0	110.5
> 15 ppm to 500 ppm sulfur .....	6.9	6.9
> 500 ppm sulfur .....	9.6	10.4
Residual Fuel Oil .....	31.1	32.2
Propane/Propylene .....	74.5	73.2
Other Oils <sup>4</sup> .....	282.8	287.9
Unfinished Oils .....	86.1	86.5
Total Stocks (Including SPR) <sup>2,3</sup> .....	1,912.3	1,917.2
Total Stocks (Excluding SPR) <sup>3</sup> .....	1,249.6	1,252.1

## Crude Oil Inventory

US crude inventories fell by 5.6 million barrels to 448.1 million barrels for the week ended Dec 1, according to data released yesterday morning by the US Department of Energy. Traders in the Reuters poll projected a draw of 2.3M barrels.

# U.S. Rotary Rigs

U.S. Rotary Rigs drilling for natural gas were +4 at 180 for the week of December 1st. The number of rigs currently drilling for Natural Gas is 61 higher than last year's level of 119. US Rigs drilling for oil were +2 at 749 There are 272 more rigs targeting oil than last year. Canadian rigs were +7 at 222 for the week. Rigs targeting oil remain at 81% of all drilling activity.

North American Rig Count	12/01/2017		11/22/2017		12/02/2016		Change		Percent Change	
	Weekly	Annual	Weekly	Annual	Weekly	Annual	Weekly	Annual	Weekly	Annual
Total U.S.	929	923	597	6	332	0.7%	55.6%			
Offshore	20	22	22	(2)	(2)	-9.1%	-9.1%			
Land	909	901	575	8	334	0.9%	58.1%			
Inland Waters	1	1	1	0	0	0.0%	0.0%			
Oil	749	747	477	2	272	0.3%	57.0%			
Percent	80.6%	80.9%	79.9%	-0.3%	0.7%					
Gas	180	176	119	4	61	2.3%	51.3%			
Percent	19.4%	19.1%	19.9%	0.3%	-0.6%					
Directional	71	71	46	0	25	0.0%	54.3%			
Horizontal	792	786	485	6	307	0.8%	63.3%			
Vertical	66	66	66	0	0	0.0%	0.0%			
Gulf of Mexico	20	22	22	-2	-2	-9.1%	-9.1%			
Gulf Oil	16	18	22	-2	-6	-11.1%	-27.3%			
Percent	80.0%	81.8%	100.0%	-1.8%	-20.0%					
Gulf Gas	4	4	0	0	4	0.0%	n.a.			
Percent	20.0%	18.2%	0.0%	1.8%	20.0%					
Canada	222	215	200	7	22	3.3%	11.0%			
Oil	111	107	100	4	11	3.7%	11.0%			
Percent	50.0%	49.8%	50.0%	0.2%	0.0%					
Gas	111	108	98	3	13	2.8%	13.3%			
Percent	50.0%	50.2%	49.0%	-0.2%	1.0%					
North America	1,151	1,138	797	13	354	1.1%	44.4%			
<b>Prices</b>										
Oil \$/bbl.	\$57.77	\$57.56	\$48.89	\$0.21	\$8.88	0.4%	18.2%			
Oil \$/mmbtu	\$9.96	\$9.92	\$8.43	\$0.04	\$1.53	0.4%	18.2%			
Gas \$/mmbtu	\$2.93	\$2.95	\$3.21 (\$0.02)	(\$0.28)		-0.7%	-8.8%			



## Geopolitical

**R.I.P., CPP? Clean Energy Trend Likely To Continue Despite Trump's Clean Power Repeal:**  
West Virginia Attorney General Patrick Morrisey stood in front of the state's capitol to rally the roughly 120 coal miners and industry boosters gathered there.

## Weather

The AccuWeather 1-5 day Outlook forecasts below-normal temperatures for most of the Eastern half of the country. The west will be at normal or above normal temps. The 6-10 Day Outlook projects a similar forecast but with more of the Western US at above-normal temps.

“The fight against the unlawful Clean Power Plan started in Charleston, West Virginia,” Morrissey said, noting the state’s role in a legal challenge to the Obama-era rule. The federal rule would have required states to find ways to ratchet down power plant emissions of greenhouse gases.

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## Sustainability and Renewables

**California’s Largest Solar Energy Project Set for Oil Field:** California oil and gas producer Aera Energy and solar energy supplier GlassPoint Solar announced plans to build the state’s largest solar energy project, located at the Belridge oilfield west of Bakersfield. The companies say it will be the first of its kind in the world to use solar steam and solar electricity to power oilfield operations. When completed, the facility will have an 850 MW solar thermal facility that can

The 11-15 day Outlook forecasts the Northeast quarter of the country at below-normal temps with the Western half at above-normal temps. The 30-Day Outlook projects above-normal temps for the Southern half of the country with below-normal temps for the North-Central states...

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## This Week's Key Takeaway

Lots of conflicting signals this week... Giant withdrawal of Crude from underground storage but the market goes down because gasoline inventory is high; Colder than normal temps throughout the US but a build in Natural Gas inventory; Geopolitical issues abound, including the US recognition of Jerusalem as the Capitol of Israel and the OPEC decision to lower crude production output through the end of 2018; The EIA reported that electric generation from renewable

produce 12 million barrels of steam annually and a 26.5 MW photovoltaic facility for electricity, according to Aera Energy and GlassPoint Solar...

sources reach 15% in the US in 2016... Which way will prices move? Even the kid in the picture above isn't sure...

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<b>Next Day On-Peak Power (traded for 12/6/2017)</b>		
<b>ISO-NE Mass Hub</b> \$32.95	<b>MISO Indiana Hub</b> \$31.50	<b>NYISO Zone G</b> \$30.85
<b>PJM West Hub</b> \$32.37	<b>ERCOT North</b> \$26.57	<b>CAISO SP15</b> \$48.46

