



UTILITY REVENUE SERVICES

# Weekly Energy Report



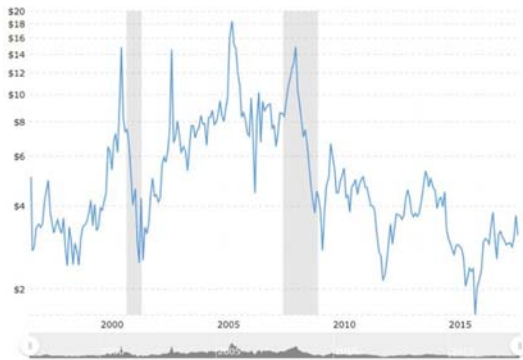
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## Natural Gas in Underground Storage

The weekly EIA Natural Gas Storage Report advised that there was a withdrawal of 124Bcf (billion cubic feet) from Underground Storage for the week ending February 16th, 2018.

This is 1Bcf below the median forecast of a 125Bcf withdrawal, the average prediction of sector analysts and traders in the Dow Jones Newswires weekly survey. The withdrawal one year ago was 92Bcf and the 5-year average withdrawal is 105Bcf. Storage is 609Bcf below last year for the same week and 412Bcf below the 5-year average. Working gas in storage stands at 1,760Bcf.

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## Natural Gas Pricing

As of 9:59AM CST, March 2018, (the prompt month) Natural Gas was trading at \$2.65, + \$0.08 from one week ago and the 1-Year Spread average was \$2.81, +\$0.06 from one week ago.

## Crude Oil Pricing

As of 10:07AM CST, March, 2018, (the prompt month) Light, Sweet Crude on the NYMEX was at **\$62.30**, -\$2.06 from one week ago.

### Crude Oil & Natural Gas

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EST)	2 DAY
CL1COM WTI Crude Oil (Nymex)	USD/REL	61.96	+0.28	+0.45%	Apr 2018	9:39 AM	
CO1COM Brent Crude (ICE)	USD/REL	65.68	+0.26	+0.40%	Apr 2018	9:39 AM	
OP1COM Crude Oil (Tokyo)	JPY/IN	40,860.00	+180.00	+0.44%	Jul 2018	9:43 AM	
NG1COM Natural Gas (Nymex)	USD/MMBtu	2.65	-0.01	-0.33%	Mar 2018	9:39 AM	

**Table 1. U.S. Petroleum Balance Sheet, Week Ending 2/16/2018**

Petroleum Stocks (Million Barrels)	Current Week	
	2/16/18	2/9/18
Crude Oil .....	1,085.4	1,087.7
Commercial (Excluding SPR) <sup>1</sup> .....	420.5	422.1
Strategic Petroleum Reserve (SPR) <sup>2</sup> .....	664.9	665.6
Total Motor Gasoline <sup>3</sup> .....	249.3	249.1
Reformulated .....	0.1	0.1
Conventional .....	25.8	24.1
Blending Components .....	223.4	224.9
Fuel Ethanol .....	22.8	22.9
Kerosene-Type Jet Fuel .....	43.0	43.4
Distillate Fuel Oil <sup>3</sup> .....	138.9	141.4
15 ppm sulfur and Under <sup>3</sup> .....	119.7	122.5
> 15 ppm to 500 ppm sulfur .....	6.6	6.7
> 500 ppm sulfur .....	12.6	12.1
Residual Fuel Oil .....	31.3	31.2
Propane/Propylene .....	43.1	45.6
Other Oils <sup>4</sup> .....	250.0	251.1
Unfinished Oils .....	89.4	88.2
Total Stocks (Including SPR) <sup>2,3</sup> .....	1,863.7	1,872.4
Total Stocks (Excluding SPR) <sup>3</sup> .....	1,198.9	1,206.8

## Crude Oil Inventory

US crude inventories declined by 2.3 million barrels to 419.8 million barrels for the week ended Feb 16th, according to data released this morning by the US Department of Energy. Traders in the Reuters poll projected an increase of 1.8 million barrels.

## U.S. Rotary Rigs

U.S. Rotary Rigs drilling for natural gas were -7 at 177 for the week of February 16th. The number of rigs currently drilling for Natural Gas was 24 higher than last year's level of 153. US Rigs drilling for oil were +7 at 798. There are 201 more rigs targeting oil than last year. Canadian rigs were -7 at 318 for the week. Rigs targeting oil move up 1% to 82% of all US drilling activity.

North American Rig Count	02/16/2018		02/09/2018		02/17/2017		Change		Percent Change	
	Weekly	Annual	Weekly	Annual	Weekly	Annual	Weekly	Annual	Weekly	Annual
<b>Total U.S.</b>	975	975	751	0	224	0.0%	29.8%			
Offshore	18	16	18	2	0	12.5%	0.0%			
Land	957	959	733	(2)	224	-0.2%	30.6%			
Inland Waters	1	2	3	(1)	(2)	-50.0%	-66.7%			
Oil	798	791	597	7	201	0.9%	33.7%			
Percent	81.8%	81.1%	79.5%	0.7%	2.4%					
Gas	177	184	153	(7)	24	-3.8%	15.7%			
Percent	18.2%	18.9%	20.4%	-0.7%	-2.2%					
Directional	71	73	72	-2	-1	-2.7%	-1.4%			
Horizontal	839	832	614	7	225	0.8%	36.6%			
Vertical	65	70	65	-5	0	-7.1%	0.0%			
Gulf of Mexico	18	16	17	2	1	12.5%	5.9%			
Gulf Oil	16	14	17	2	-1	14.3%	-5.9%			
Percent	88.9%	87.5%	100.0%	1.4%	-11.1%					
Gulf Gas	2	2	0	0	2	0.0%	n.a.			
Percent	11.1%	12.5%	0.0%	-1.4%	11.1%					
Canada	318	325	331	(7)	(13)	-2.2%	-3.9%			
Oil	218	221	194	(3)	24	-1.4%	12.4%			
Percent	68.6%	68.0%	58.6%	0.6%	9.9%					
Gas	100	104	137	(4)	(37)	-3.8%	-27.0%			
Percent	31.4%	32.0%	41.4%	-0.6%	-9.9%					
North America	1,293	1,300	1,082	(7)	211	-0.5%	19.5%			
<b>Prices</b>										
Oil \$/bbl	\$60.11	\$61.89	\$53.22 (\$1.78)	\$6.89	-2.9%	13.0%				
Oil \$/mmbtu	\$10.36	\$10.67	\$9.18 (\$0.31)	\$1.19	-2.9%	13.0%				
Gas \$/mmbtu	\$2.53	\$2.72	\$2.85 (\$0.19) (\$0.32)	-6.8%	-11.2%					



## Geopolitical

**An oil pipeline encircling Philadelphia gets a new life delivering shale gas:** A petroleum pipeline that encircles the Pennsylvania suburbs around Philadelphia will be converted to deliver natural gas from Bucks County to Marcus Hook under a \$189 million deal announced



## Weather

The AccuWeather 1-5 day Outlook forecasts above-normal temperatures for the Eastern half of the US. The Western half is projected to be at below-normal temps.

The 6-10 Day Outlook forecasts a similar picture but a bit more of the

Thursday between Talen Energy Corp. and New Jersey Resources Corp.

Talen, which is based in Allentown, is selling its Interstate Energy Co. LLC pipeline unit to Adelphia Gateway, LLC, a subsidiary of New Jersey Resources, which is based in Wall, N.J. Adelphia Gateway plans to convert the southern 50-mile portion of the pipeline, which now transports oil in a northern direction...

Eastern half of the country at warmer-than-normal temps. The 11-15 Day Outlook forecasts the Northern half of the US of the country at below-normal temps with the exception of the Northeast which is projected to be at normal temps. The South is projected to be a mostly above normal temps. The 30 and 90-day Outlook shows the Southern states above-normal temps and normal temps for the balance of the country.



## Sustainability and Renewables

**The world's first hydrogen-powered train:** Alstom is making progress on its Coradia iLint train, the world's first hydrogen-powered passenger train, expected to launch in Germany this year. The train,



## This Week's Key Takeaway

Wholesale electric prices remained low this week with the exception of California's SP15, which jumped to almost \$0.11/kWh. This is a good case-in-point for the CA state legislature to reconsider lifting the

which **emits no carbon** and is capable of operating in near-silence, could be set to revolutionize the future of rolling stock while improving air quality.

As the world looks to curb carbon emissions, rail operators' continued focus on diesel has put a spotlight on the industry. Rail electrification projects have been ongoing, while industry players have been looking for green fuel alternatives that will allow trains to continue running autonomously. Nevertheless, a huge number of noisy, CO<sub>2</sub>-emitting diesel multiple units (DMU) are still on the tracks – Germany, for example, has more than 4,000 still in operation...

moratorium on deregulation. In 2001, CA suspended the ability to purchase electricity from 3d parties, capping deregulated purchasing at 10%. If the price stays high for an extended period, Californians will see an extremely high electric bill next month. Had they been able to be under a fixed contract, they would have been immune from price increases.

Pacific Gas and Electric (PG&E) has continued to lobby the CA government to allow them to maintain the monopoly over electric pricing, spending tens of millions of dollars in their lobbying effort to quell market participation.

Next Day On-Peak Power (traded for 2/22/2018)		
<b>ISO-NE Mass Hub</b> <b>\$29.84</b>	<b>MISO Indiana Hub</b> <b>\$30.96</b>	<b>NYISO Zone G</b> <b>\$28.31</b>
<b>PJM West Hub</b> <b>\$29.85</b>	<b>ERCOT North</b> <b>\$32.90</b>	<b>CAISO SP15</b> <b>\$109.14</b>

