



UTILITY REVENUE SERVICES

Weekly Energy Report

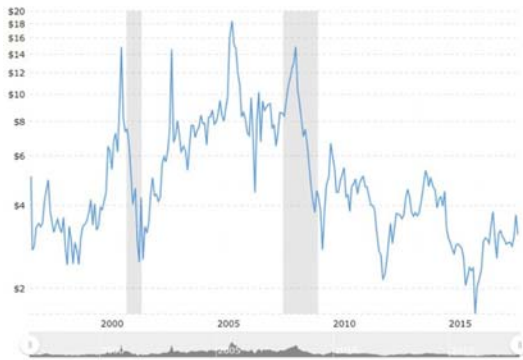


Natural Gas in Underground Storage

The weekly EIA Natural Gas Storage Report advised that there was a withdrawal of **119Bcf** (billion cubic feet) from Underground Storage for the week ending February 2nd, 2018.

This is 5Bcf above the median forecast of a 114Bcf withdrawal, the average prediction of sector analysts and traders in the Dow Jones Newswires weekly survey. The withdrawal one year ago was 142Bcf and the 5-year average withdrawal is 151Bcf. Storage is 503Bcf below last year for the same week and 393Bcf below the 5-year average. Working gas in storage stands at 2,078Bcf.

[Read More](#)



Natural Gas Pricing

As of 9:43AM CST, March 2018, (the prompt month) Natural Gas was trading at \$2.71, - **\$0.18** from one week ago and the 1-Year Spread average was \$2.82, -\$0.11 from one week ago.

Crude Oil Pricing

As of 9:24AM CST, March, 2018, (the prompt month) Light, Sweet Crude on the NYMEX was at **\$61.48**, -\$3.92 from one week ago.

Crude Oil & Natural Gas

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EST)	2 DAY
CLCOCM WTI Crude Oil (Nymex)	USD/REL	61.96	+0.07	+0.1%	Mar 2018	9:57 AM	
COHCOM Brent Crude (ICE)	USD/REL	65.31	-0.20	-0.3%	Apr 2018	9:57 AM	
CPYCOM Crude Oil (Tokyo)	JPY/IN	41440.00	-900.00	-0.7%	Jul 2018	10:02 AM	
NDGCOM Natural Gas (Nymex)	USD/MMBtu	2.74	+0.04	+1.6%	Mar 2018	9:57 AM	

Petroleum Stocks (Million Barrels)	Current Week	
	2/2/18	1/26/18
Crude Oil	1,085.4	1,083.0
Commercial (Excluding SPR) ¹	420.3	418.4
Strategic Petroleum Reserve (SPR) ²	665.1	664.7
Total Motor Gasoline ³	245.5	242.1
Reformulated	0.0	0.1
Conventional	24.5	23.4
Blending Components	221.0	218.6
Fuel Ethanol	23.5	23.0
Kerosene-Type Jet Fuel	42.6	41.6
Distillate Fuel Oil ³	141.8	137.9
15 ppm sulfur and Under ³	123.1	121.3
> 15 ppm to 500 ppm sulfur	6.9	6.0
> 500 ppm sulfur	11.8	10.6
Residual Fuel Oil	33.8	33.7
Propane/Propylene	48.9	53.1
Other Oils ⁴	253.0	255.4
Unfinished Oils	87.7	87.7
Total Stocks (Including SPR) ^{2,3}	1,874.6	1,869.8
Total Stocks (Excluding SPR) ³	1,209.5	1,205.1

Crude Oil Inventory

US crude inventories increased by 1.9 million barrels to 420.3 million barrels for the week ended Feb 2nd, according to data released yesterday morning by the US Department of Energy. Traders in the Reuters poll projected an increase of 3.2 million barrels.

U.S. Rotary Rigs

U.S. Rotary Rigs drilling for natural gas were -7 at 181 for the week of February 2nd. The number of rigs currently drilling for Natural Gas was 36 higher than last year's level of 145. US Rigs drilling for oil were +6 at 765. There are 182 more rigs targeting oil than last year. Canadian rigs were +4 at 342 for the week. Rigs targeting oil move up 1% to 81% of all US drilling activity.

North American Rig Count	02/02/2018		01/26/2018		02/03/2017		Change		Percent Change	
	Weekly	Annual	Weekly	Annual	Weekly	Annual	Weekly	Annual	Weekly	Annual
Total U.S.	946	947	729	(1)	217	-0.1%	29.8%			
Offshore	16	17	22	(1)	(6)	-5.9%	-27.3%			
Land	930	930	707	0	223	0.0%	31.5%			
Inland Waters	1	1	2	0	(1)	0.0%	-50.0%			
Oil	765	759	583	6	182	0.8%	31.2%			
Percent	80.9%	80.1%	80.0%	0.7%	0.9%					
Gas	181	188	145	(7)	36	-3.7%	24.8%			
Percent	19.1%	19.9%	19.9%	-0.7%	-0.8%					
Directional	72	73	66	-1	6	-1.4%	9.1%			
Horizontal	808	808	596	0	212	0.0%	35.6%			
Vertical	66	66	67	0	-1	0.0%	-1.5%			
Gulf of Mexico	16	17	21	-1	-5	-5.9%	-23.8%			
Gulf Oil	14	15	21	-1	-7	-6.7%	-33.3%			
Percent	87.5%	88.2%	100.0%	-0.7%	-12.5%					
Gulf Gas	2	2	0	0	2	0.0%	n.a.			
Percent	12.5%	11.8%	0.0%	0.7%	12.5%					
Canada	342	338	343	4	(1)	1.2%	-0.3%			
Oil	234	220	197	14	37	6.4%	18.8%			
Percent	68.4%	65.1%	57.4%	3.3%	11.0%					
Gas	108	118	146	(10)	(38)	-8.5%	-26.0%			
Percent	31.6%	34.9%	42.6%	-3.3%	-11.0%					
North America	1,288	1,285	1,072	3	216	0.2%	20.1%			
Prices										
Oil \$/bbl.	\$64.94	\$65.06	\$53.32 (\$0.13)	\$11.61	-0.2%	21.8%				
Oil \$/mmbtu	\$11.20	\$11.22	\$9.19 (\$0.02)	\$2.00	-0.2%	21.8%				
Gas \$/mmbtu	\$3.46	\$3.43	\$3.08 \$0.03	\$0.37	0.8%	12.1%				



Geopolitical

Analysts say rising production from Pennsylvania gas wells soon will collide with growing quantities from west Texas fields, and shipments to Mexico and other foreign markets are not growing fast enough to absorb output from U.S. shale fields. Bloomberg says more than 9Bcf/day

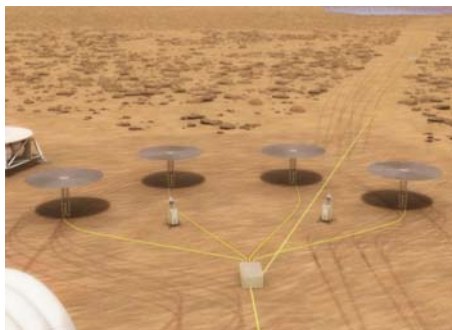


Weather

The AccuWeather 1-5 day Outlook forecasts above-normal temperatures for the East Coast and Western 1/3 of the US. This weekend should be unseasonably warm in New England. The North-Central region and part of the East Coast will be at below-normal temps.

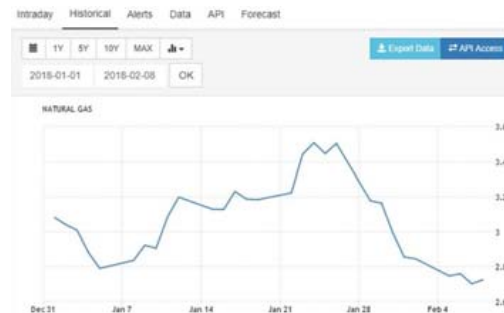
of pipelines will be added in the northeastern U.S. this year, most shipping gas southbound, and drillers in the region raised production 15% Y/Y to 26Bcf/day in November; at the same time, the amount of gas produced in Texas jumped 6.7% Y/Y to 23Bcf/day - all on the heels of rising oil prices, which encourage producers to pump more and maximize profits.

The 6-10 Day Outlook projects a similar forecast. The 11-15 Day Outlook forecasts the Northern half of the country at normal or below-normal temps with the Southern half of the US at above-normal temps. The 30 and 90-day Outlook shows mostly normal temps for the majority of the US with the Southern states above-normal temps and the far North of the US below-normal.



Sustainability and Renewables

Many of our most ambitious missions to space have been made possible using nuclear power. On Thursday Jan. 18, scientists and officials from NASA and the Department of Energy gathered at the National Atomic Testing Museum in Las Vegas to discuss the Kilopower project, the next generation of nuclear power



This Week's Key Takeaway

Since the front month rose to \$3.50 two weeks ago, Natural Gas has now dropped by over \$0.80, due to increased shale production and warmer-than-expected weather. Additionally, Crude prices have continued to drop with inventory build. Part of the drop of both Natural Gas and Crude can be

plants for future space missions.

In the past, NASA has used radioisotope thermoelectric generators (RTGs) to power spacecraft like Voyagers 1 and 2, the Apollo Lunar Surface Experiments Packages, and the Curiosity rover. This device directly converts heat from decaying plutonium into electricity. It has no moving parts, making it ideal for applications in space. However, it is not terribly efficient...

attributed to the recent overall freefall in stocks and commodities but the fundamental reasons are affecting the drop more than the technical. Traders have already taken into account the weather forecast for the rest of the winter but colder-than-expected temps in the Northeast US could drive prices back up. However, if the Northeast remain moderate (big "if") then we could see a significant drop in Natural Gas and therefore electricity prices in the Spring.

Next Day On-Peak Power (traded for 2/8/2018)		
ISO-NE Mass Hub \$73.80	MISO Indiana Hub \$32.60	NYISO Zone G \$38.24
PJM West Hub \$38.93	ERCOT North \$27.54	CAISO SP15 \$28.71

