



UTILITY REVENUE SERVICES

# Weekly Energy Report



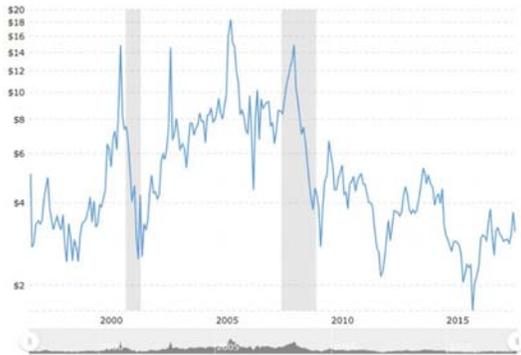
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## Natural Gas in Underground Storage

The weekly EIA Natural Gas Storage Report advised that there was a withdrawal of 57Bcf (billion cubic feet) from Underground Storage for the week ending March 1st, 2018.

This is 20Bcf below the median forecast of a 77Bcf withdrawal, the average prediction of sector analysts and traders in the Dow Jones Newswires weekly survey. The withdrawal one year ago was 7Bcf and the 5-year average withdrawal is 36Bcf. Storage is 680Bcf below last year for the same week and 300Bcf below the 5-year average. Working gas in storage stands at 1625Bcf.

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## Natural Gas Pricing

As of 9:38AM CST, April 2018, (the prompt month) Natural Gas was trading at \$2.76, + \$0.08 from one week ago and the 1-Year Spread average was \$2.92, +\$0.07 from one week ago.

## Crude Oil Pricing

As of 9:44AM CST, April, 2018, (the prompt month) Light, Sweet Crude on the NYMEX was at **\$60.35**, -\$0.43 from one week ago.

### Crude Oil & Natural Gas

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EST)	2 DAY
CLC1COM WTI Crude Oil (Nymex)	USD/MEK	60.64	-0.51	-0.83%	Apr 2018	10:12 AM	
CO1COM Brent Crude (ICE)	USD/MEK	63.91	-0.43	-0.67%	May 2018	10:11 AM	
CO1COM Crude Oil (Tokyo)	JPY/MI	39,520.00	-15.00	-0.28%	Aug 2018	10:16 AM	
NG1COM Natural Gas (Nymex)	USD/MMBtu	2.75	-0.03	-0.94%	Apr 2018	10:12 AM	

Petroleum Stocks (Million Barrels)	Current Week	
	3/2/18	2/23/18
Crude Oil	1,091.4	1,088.8
Commercial (Excluding SPR) <sup>1</sup>	425.9	423.5
Strategic Petroleum Reserve (SPR) <sup>2</sup>	665.5	665.3
Total Motor Gasoline <sup>3</sup>	251.0	251.8
Reformulated	0.1	0.1
Conventional	25.1	25.9
Blending Components	225.9	225.9
Fuel Ethanol	23.1	23.0
Kerosene-Type Jet Fuel	42.7	43.1
Distillate Fuel Oil <sup>3</sup>	137.4	138.0
15 ppm sulfur and Under <sup>3</sup>	119.6	119.7
> 15 ppm to 500 ppm sulfur	6.0	6.2
> 500 ppm sulfur	11.8	12.1
Residual Fuel Oil	32.7	32.1
Propane/Propylene	41.1	42.7
Other Oils <sup>4</sup>	248.6	248.5
Unfinished Oils	90.2	89.0
Total Stocks (Including SPR) <sup>2,3</sup>	1,868.0	1,867.9
Total Stocks (Excluding SPR) <sup>3</sup>	1,202.6	1,202.6

## Crude Oil Inventory

US crude inventories rose by 2.4 million barrels to 425.2 million barrels for the week ended March 2nd, according to data released yesterday morning by the US Department of Energy. Traders in the Reuters poll projected an increase of 2.7 million barrels.

## U.S. Rotary Rigs

U.S. Rotary Rigs drilling for natural gas were +2 at 181 for the week of March 2nd. The number of rigs currently drilling for Natural Gas was 35 higher than last year's level of 146. US Rigs drilling for oil were +1 at 800. There are 191 more rigs targeting oil than last year. Canadian rigs were -4 at 302 for the week. Rigs targeting oil remain at 82% of all US drilling activity.

North American Rig Count	03/02/2018		02/23/2018		03/03/2017		Change		Percent Change	
	Weekly	Annual	Weekly	Annual	Weekly	Annual	Weekly	Annual	Weekly	Annual
Total U.S.	981	978	756	3	225	0.3%	29.8%			
Offshore	14	17	18	(3)	(4)	-17.6%	-22.2%			
Land	967	961	738	6	229	0.6%	31.0%			
Inland Waters	2	2	4	0	(2)	0.0%	-50.0%			
Oil	800	799	609	1	191	0.1%	31.4%			
Percent	81.5%	81.7%	80.6%	-0.1%	1.0%					
Gas	181	179	146	2	35	1.1%	24.0%			
Percent	18.5%	18.3%	19.3%	0.1%	-0.9%					
Directional	75	69	61	6	14	8.7%	23.0%			
Horizontal	847	842	633	5	214	0.6%	33.8%			
Vertical	59	67	62	-8	-3	-11.9%	-4.8%			
Gulf of Mexico	14	17	18	-3	-4	-17.6%	-22.2%			
Gulf Oil	13	16	18	-3	-5	-18.8%	-27.8%			
Percent	92.9%	94.1%	100.0%	-1.3%	-7.1%					
Gulf Gas	1	1	0	0	1	0.0%	n.a.			
Percent	7.1%	5.9%	0.0%	1.3%	7.1%					
Canada	302	306	335	(4)	(33)	-1.3%	-9.9%			
Oil	211	209	197	2	14	1.0%	7.1%			
Percent	69.9%	68.3%	58.8%	1.6%	11.1%					
Gas	91	97	138	(6)	(47)	-6.2%	-34.1%			
Percent	30.1%	31.7%	41.2%	-1.6%	-11.1%					
North America	1,283	1,284	1,091	(1)	192	-0.1%	17.6%			
Prices										
Oil \$/bbl.	\$62.37	\$62.44	\$53.56 (\$0.06)	\$8.81	-0.1%	16.4%				
Oil \$/mmbtu	\$10.75	\$10.76	\$9.23 (\$0.01)	\$1.52	-0.1%	16.4%				
Gas \$/mmbtu	\$2.60	\$2.60	\$2.53 \$0.00	\$0.07	0.0%	2.9%				



### Geopolitical

**How ExxonMobil Could Drown Coal In A Sea Of Renewable Energy:** ExxonMobil has much to answer for when the topic is climate change, environmental destruction, and the creation of the global refugee crisis, but it is finally waking up to the full bottom line advantages of killing off coal.

Last year *Bloomberg* noted that



### Weather

The AccuWeather 1-5 day Outlook forecasts below-normal temperatures for the Eastern half of the US. Additionally, the Northeast is in the grip of a massive winter storm. Most of the Western half of the country is projected to be at above-normal temps. There should be a much larger draw from storage next week. The 6-10 Day Outlook forecasts similar temps. The 11-15

ExxonMobil has been funding scores of renewable energy programs, and now the company has upped the ante with \$20 million in funding for a new energy initiative managed by Stanford University's Precourt Institute for Energy...

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## **Sustainability and Renewables**

Will We Actually Get a Place to Store our Nuclear Waste? It certainly looks like it. At the end of February, the United States Nuclear Regulatory Commission accepted Holtec International's license application for its proposed consolidated interim storage facility for spent nuclear fuel, called HI-STORE CIS.

To be located in southeastern New Mexico near Carlsbad, the facility would store spent nuclear fuel, which

Day Outlook forecasts most of the Eastern and Southern states at above-normal temps with the Northwest at below-normal temps. The 30 and 90-day Outlook shows the Southern states above-normal temps and normal temps for the balance of the US.

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## **This Week's Key Takeaway**

For those in Texas, the wholesale electricity market has skyrocketed over the past week. Fundamentally, there has been an uptick in natural gas prices, but not enough to spark the kind of movement we are seeing. Normally, we look at NG prices, weather, NG storage, geopolitical events and rig count to measure the reasons for market movement. This case is a bit different.

There are several plants retiring and

is better referred to as slightly used nuclear fuel, until a final disposal facility is built or until we build our new fast reactors that will burn it, or we recycle it into new fuel.

Reactor fuel usually spends five years in the reactor, after which about 5% of the energy in the fuel is used, but fission products of the reactions have built-up to the point where the fuel must be replaced...

the electric grid in Texas (ERCOT) released a study this week predicting record-breaking peak usage this summer. As a result, ERCOT is forecasting tight electricity reserves, which could trigger the need for spinning up old, inefficient generators in order to meet demand, resulting in higher prices. So... careful evaluation is necessary (as always) prior to signing a contract between now to the end of summer.

Next Day On-Peak Power (traded for 3/8/2018)		
ISO-NE Mass Hub \$36.33	MISO Indiana Hub \$34.00	NYISO Zone G \$32.00
PJM West Hub \$38.36	ERCOT North \$21.82	CAISO SP15 \$38.55



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