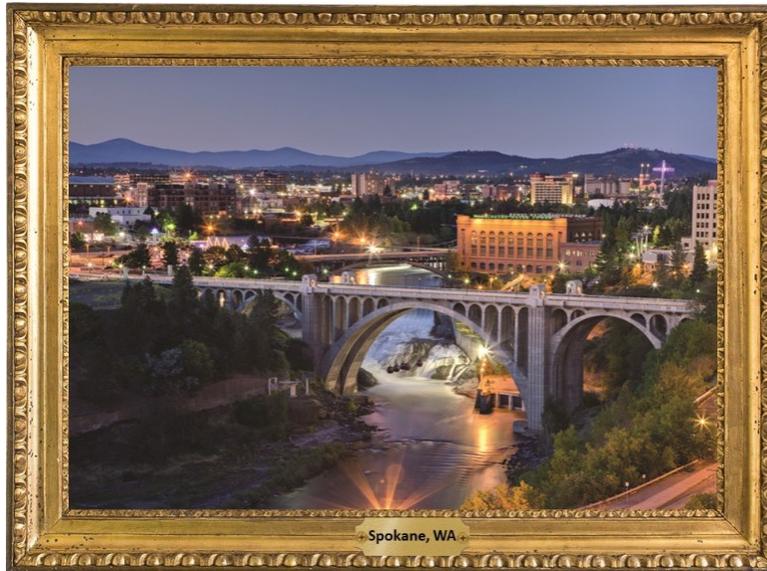




UTILITY REVENUE SERVICES

Weekly Energy Report

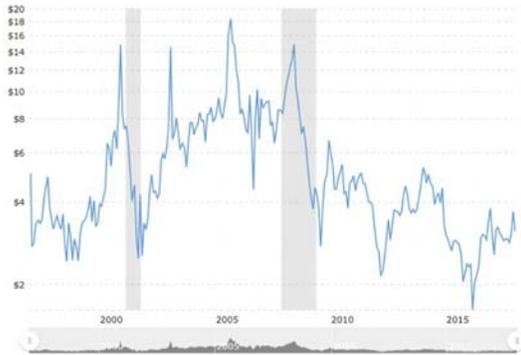


Natural Gas in Underground Storage

The weekly EIA Natural Gas Storage Report advised that there was an injection of 96Bcf (billion cubic feet) into Underground Storage for the week ending May 25th, 2018.

This is 9Bcf below the median forecast of a 105Bcf injection, the average prediction of sector analysts and traders in the Dow Jones Newswires weekly survey. The injection one year ago was 80Bcf and the 5-year average injection is 97Bcf. Storage is **788Bcf below last year** for the same week and **500Bcf below the 5-year average**. Working gas in storage stands at 1,725Bcf. The June Natural Gas contract closed at \$2.88.

[Read More](#)



Natural Gas Pricing

As of 10:16AM CST, July 2018, (the *new* prompt month) Natural Gas was trading at \$2.97, +\$0.03 from one week ago and the 1-Year Spread average was \$2.94, -\$0.03 from one week ago.

Crude Oil Pricing

As of 10:09AM CST, July, 2018, (the *new* prompt month) Light, Sweet Crude on the NYMEX was at **\$67.90**, -\$3.03 from one week ago.

Crude Oil & Natural Gas						
INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)
CL1:COM WTI Crude Oil (Nymex)	USD/bbl	67.90	-0.31	-0.45%	Jul 2018	11:09 AM
CR1:COM Brent Crude (ICE)	USD/bbl	78.50	+1.00	+1.29%	Jul 2018	11:09 AM
CR1:COM Crude Oil (Tokyo)	JPY/bbl	80,050.00	+750.00	+1.52%	Oct 2018	11:54 AM
NG1:COM Natural Gas (Nymex)	USD/MMBtu	2.97	+0.03	+3.05%	Jul 2018	11:09 AM

U.S. Petroleum Balance Sheet, Week Ending 5/25/2018

Petroleum Stocks (Million Barrels)	Current Week	5/18/18
	5/25/18	
Crude Oil	1,095.3	1,099.5
Commercial (Excluding SPR) ¹	434.5	438.1
Strategic Petroleum Reserve (SPR) ²	660.8	661.3
Total Motor Gasoline ³	234.4	233.9
Reformulated	0.0	0.0
Conventional	22.7	22.0
Blending Components	211.6	211.9
Fuel Ethanol	21.3	22.1
Kerosene-Type Jet Fuel	40.2	40.6
Distillate Fuel Oil ³	114.6	114.0
< 15 ppm sulfur and Under ³	102.4	100.9
> 15 ppm to 500 ppm sulfur	3.6	3.7
> 500 ppm sulfur	8.6	9.4
Residual Fuel Oil	32.5	30.9
Propane/Propylene	43.1	41.1
Other Oils ⁴	273.3	271.5
Unfinished Oils	94.2	94.3
Total Stocks (Including SPR) ^{2,3}	1,854.8	1,853.6
Total Stocks (Excluding SPR) ³	1,194.0	1,192.3

Crude Oil Inventory

US crude inventories decreased by 4.2 million barrels to 434.0 million barrels for the week ended May 25th, according to data released this morning by the US Department of Energy. Traders in the Reuters poll projected a decrease of 0.4 million barrels.

U.S. Rotary Rigs

U.S. Rotary Rigs drilling for natural gas were -2 at 198 for the week of May 25th. The number of rigs currently drilling for Natural Gas was 13 higher than last year's level of 180. US Rigs drilling for oil were +15 at 859. There are 137 more rigs targeting oil than last year. Canadian rigs were -2 at 81 for the week. Rigs targeting oil remain at 81% of all US drilling activity.

North American Rig Count	05/25/2018		05/18/2018		05/26/2017		Change		Percent Change	
	05/25/2018	05/18/2018	05/25/2018	05/18/2018	05/26/2017	Weekly	Annual	Weekly	Annual	
Total U.S.	1,059	1,046	908	13	151	1.2%	16.6%			
Offshore	19	19	23	0	(4)	0.0%	-17.4%			
Land	1,040	1,027	885	13	155	1.3%	17.5%			
Inland Waters	4	4	4	0	0	0.0%	0.0%			
Oil	859	844	722	15	137	1.8%	19.0%			
Percent	81.1%	80.7%	79.5%	0.4%	1.6%					
Gas	198	200	185	(2)	13	-1.0%	7.0%			
Percent	18.7%	19.1%	20.4%	-0.4%	-1.7%					
Directional	67	66	65	1	2	1.5%	3.1%			
Horizontal	926	919	766	7	160	0.8%	20.9%			
Vertical	66	61	77	5	-11	8.2%	-14.3%			
Gulf of Mexico	18	18	23	0	-5	0.0%	-21.7%			
Gulf Oil	15	17	19	-2	-4	-11.8%	-21.1%			
Percent	83.3%	94.4%	82.6%	-11.1%	0.7%					
Gulf Gas	3	1	4	2	-1	200.0%	-25.0%			
Percent	16.7%	5.6%	17.4%	11.1%	-0.7%					
Canada	81	83	93	(2)	(12)	-2.4%	-12.9%			
Oil	35	38	40	(3)	(5)	-7.9%	-12.5%			
Percent	43.2%	45.8%	43.0%	-2.6%	0.2%					
Gas	46	45	53	1	(7)	2.2%	-13.2%			
Percent	56.8%	54.2%	57.0%	2.6%	-0.2%					
North America	1,140	1,129	1,001	11	139	1.0%	13.9%			
Prices										
Oil \$/bbl.	\$72.10	\$71.29	\$50.52	\$0.80	\$21.57	1.1%	42.7%			
Oil \$/mmbtu	\$12.43	\$12.29	\$8.71	\$0.14	\$3.72	1.1%	42.7%			
Gas \$/mmbtu	\$2.80	\$2.78	\$3.14	\$0.02	(\$0.33)	0.7%	-10.7%			



Geopolitical

The Energy 202: Arnold Schwarzenegger calls Scott Pruitt 'worst environmental secretary that we have ever had': Arnold Schwarzenegger is no fan of President Trump or his deputies, including Environmental Protection Agency chief Scott Pruitt. Yet the former California governor cemented his place as perhaps the most anti-



Weather

The AccuWeather 1-5 day Outlook forecasts above-normal temps for all of the US with the exception of the Northwest and Florida, which are expected to be at normal or below-normal temps. The 6-10 Day Outlook forecasts above-normal temps for all of the US with the exception of the East and Northwest, which are expected to be at normal or below-

Trump Republican out there, at least on energy and environmental issues, by calling Pruitt “the worst environmental secretary that we have ever had.”

In an [interview](#) with Vice News published over the Memorial Day weekend, Schwarzenegger had unusually harsh words for the embattled EPA administrator.

“He’s doing the bidding for the oil companies and the coal companies,”

normal temps.. The 11-15 Day Outlook forecasts normal or below-normal temps for the Eastern half of the country, with above-normal temps for the Western half of the country.

The 30 and 90-day Outlook projects above-normal temps for the West and the East Coast, while the balance of the country will be at mostly normal temps. Much of the East will receive above-normal rainfall over the next 90 days.



Sustainability and Renewables

The hydrogen train of the future is a lot like the train of today. Alstom's hydrogen-powered Coradia iLint paves the way for cheaper, quieter trains: The rail industry has a problem: Its infrastructure is decades, sometimes centuries old, and it is hugely expensive to



This Week's Key Takeaway

Oil prices surged to their highest level in over three years last week, and strategists were marveling that prices had shot up so quickly. Now [prices are slumping](#). US crude oil futures have dropped by nearly 10% o trade around \$66.50 per barrel, down from about

upgrade. Diesel-powered trains dominate, but fuel is getting pricey, the trains are noisy and they're terrible for the environment. French multinational Alstom believes it has the solution: a hydrogen-powered train that can be swapped in for its diesel equivalent. Say hello to the **Coradia iLint**, the hydrogen train of the very-near future.

The Coradia iLint is the first of a new wave of trains that uses hydrogen in place of diesel in an attempt to cut costs and help the environment. The first production models are being tested on real German railways right now and are due to go into service by the middle of 2018...

\$73 last week. Global benchmark Brent crude oil has dropped by about 6% to trade around \$76, after peaking above \$80.

The sharp price decline was **triggered on Friday by Saudi Arabia**, the biggest oil exporter in the world and de facto leader of oil cartel OPEC. Saudi energy minister Khalid Al-Falih said during a CNN-hosted panel in St. Petersburg, Russia, that he was in intensive discussions with Russia and other OPEC nations to pump more oil to ease global supply concerns.

However, with Natural Gas, which has recently dropped, The market is ignoring the powerful effects of the weather in 2018. But that should soon change, as the recent cold winter, followed by a hot-summer drives natural gas storage even further behind last year.

Next Day On-Peak Power (traded for 5/31/2018)		
ISO-NE Mass Hub \$26.82	MISO Indiana Hub \$62.77	NYISO Zone G \$29.51
PJM West Hub \$49.93	ERCOT North \$58.00	CAISO SP15 \$23.29



Energy **CAP.**



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