



UTILITY REVENUE SERVICES

Weekly Energy Report

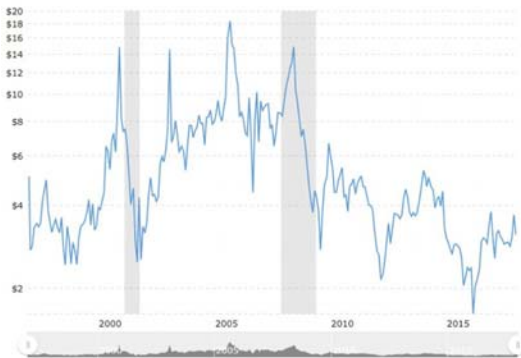


Natural Gas in Underground Storage

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 June 8th, 2018.

This is 6Bcf above the median forecast of a 90Bcf injection, the average prediction of sector analysts and traders in the Dow Jones Newswires weekly survey. The injection one year ago was 81Bcf and the 5-year average injection is 97Bcf. Storage is **785Bcf below last year** for the same week and **507Bcf below the 5-year average**. Working gas in storage stands at 1,913Bcf.

[Read More](#)



Natural Gas Pricing

As of 11:22AM CST, July 2018, (the *new* prompt month) Natural Gas was trading at \$2.96, unchanged from one week ago and the 1-Year Spread average was \$2.93, +\$0.02 from one week ago.

Crude Oil Pricing

As of 11:33AM CST, July, 2018, (the prompt month) Light, Sweet Crude on the NYMEX was at **\$66.62**, +\$1.35 from one week ago.

Crude Oil & Natural Gas

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT	TIME (EDT)	2 DAY
CL1:COM WTI Crude Oil (Nymex)	USD/bbl	66.62	-0.02	-0.03%	Jul 2018	12:33 PM	
CO1:COM Brent Crude (ICE)	USD/bbl	76.08	-0.66	-0.86%	Aug 2018	12:33 PM	
CP1:COM Crude Oil (Tokyo)	JPY/NI	49,960.00	-90.00	-0.18%	Nov 2018	12:37 PM	
NG1:COM Natural Gas (Nymex)	USD/MMBtu	2.96	-0.01	-0.27%	Jul 2018	12:33 PM	

U.S. Petroleum Balance Sheet, Week Ending 6/8/2018

Petroleum Stocks (Million Barrels)	Current Week	
	6/8/18	6/1/18
Crude Oil	1,092.6	1,096.8
Commercial (Excluding SPR) ¹	432.4	436.6
Strategic Petroleum Reserve (SPR) ²	660.2	660.2
Total Motor Gasoline ³	236.8	239.0
Reformulated	0.0	0.0
Conventional	23.7	23.8
Blending Components	213.1	215.2
Fuel Ethanol	22.2	21.9
Kerosene-Type Jet Fuel	42.7	40.9
Distillate Fuel Oil ³	114.7	116.8
15 ppm sulfur and Under ³	102.3	104.7
> 15 ppm to 500 ppm sulfur	4.0	3.8
> 500 ppm sulfur	8.4	8.3
Residual Fuel Oil	30.8	32.2
Propane/Propylene	50.8	47.1
Other Oils ⁴	277.5	275.2
Unfinished Oils	93.8	92.8
Total Stocks (Including SPR) ^{2,3}	1,868.1	1,869.9
Total Stocks (Excluding SPR) ³	1,208.0	1,209.8

Crude Oil Inventory

US crude inventories increased by 4.1 million barrels to 432.5 million barrels for the week ended June 8th, according to data released yesterday morning by the US Department of Energy. Traders in the Reuters poll projected a decrease of 1.4 million barrels.

U.S. Rotary Rigs

U.S. Rotary Rigs drilling for natural gas were +1 at 198 for the week of June 8th. The number of rigs currently drilling for Natural Gas was 13 higher than last year's level of 185. US Rigs drilling for oil were +1 at 862. There are 121 more rigs targeting oil than last year. Canadian rigs were +13 at 112 for the week. Rigs targeting oil remain at 81% of all US drilling activity.

	North American Rig Count			Change		Percent Change	
	06/08/2018	06/01/2018	06/09/2017	Weekly	Annual	Weekly	Annual
Total U.S.	1,062	1,060	927	2	135	0.2%	14.6%
Offshore	20	19	22	1	(2)	5.3%	-9.1%
Land	1,042	1,041	905	1	137	0.1%	15.1%
Inland Waters	3	2	3	1	0	50.0%	0.0%
Oil	862	861	741	1	121	0.1%	16.3%
Percent	81.2%	81.2%	79.9%	-0.1%	1.2%		
Gas	198	197	185	1	13	0.5%	7.0%
Percent	18.6%	18.6%	20.0%	0.1%	-1.3%		
Directional	67	65	66	2	1	3.1%	1.5%
Horizontal	934	929	780	5	154	0.5%	19.7%
Vertical	61	66	81	-5	-20	-7.6%	-24.7%
Gulf of Mexico	19	18	21	1	-2	5.6%	-9.5%
Gulf Oil	16	15	19	1	-3	6.7%	-15.8%
Percent	84.2%	83.3%	90.5%	0.9%	-6.3%		
Gulf Gas	3	3	2	0	1	0.0%	50.0%
Percent	15.8%	16.7%	9.5%	-0.9%	6.3%		
Canada	112	99	132	13	(20)	13.1%	-15.2%
Oil	69	56	74	13	(5)	23.2%	-6.8%
Percent	61.6%	56.6%	56.1%	5.0%	5.5%		
Gas	43	43	58	0	(15)	0.0%	-25.9%
Percent	38.4%	43.4%	43.9%	-5.0%	-5.5%		
North America	1,174	1,159	1,059	15	115	1.3%	10.9%
Prices							
Oil \$/bbl	\$65.24	\$66.96	\$46.57 (\$1.72)	\$18.67		-2.6%	40.1%
Oil \$/mmbtu	\$11.25	\$11.54	\$8.03 (\$0.30)	\$3.22		-2.6%	40.1%
Gas \$/mmbtu	\$2.89	\$2.86	\$2.96 \$0.03 (\$0.07)			1.0%	-2.2%



Geopolitical

The upcoming OPEC meeting on June 22 is shaping up to be a contentious one, after news broke that the U.S. government asked Saudi Arabia to increase oil production before Washington pulled out of the Iran nuclear deal. Earlier last week, news surfaced that the U.S. government asked Saudi Arabia to boost output to relieve pressure on prices. But Reuters



Weather

The AccuWeather 1-5 day Outlook forecasts above-normal temps for the Central US, with the Coasts expected to be at normal or below-normal temps. The 6-10 Day Outlook forecasts above-normal temps for almost all of the Northern 2/3 of the US with the South expected to be at normal or below-normal temps. The

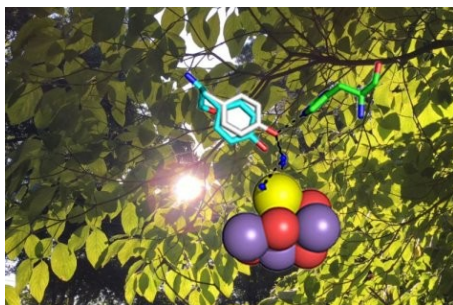
followed up with a report on June 7, adding more context to that story. According to [Reuters](#), a high level Trump administration official called Saudi Arabia a day before Trump was set to announce the U.S. withdrawal from the Iran nuclear deal, asking for more oil supply to cover for disruptions from Iran.

The last time the U.S. government pressured OPEC into adding supply, it was also over Iran. The Obama administration wanted the cartel to offset disrupted Iranian production, after an international coalition put stringent sanctions on Iran in 2012. Roughly 1 million barrels per day were knocked offline...

11-15 Day Outlook forecasts above-normal temperatures for the North, with the exception of New England, which will be at normal temps, as will the deep South.

The 30 and 90-day Outlook projects above-normal temps for the Western half of the US, while the balance of the country will be at normal temps.

At the end of May, NOAA's Climate Prediction Center forecast a 75% chance that the 2018 Atlantic hurricane season will be near- or above-normal. Hurricane season began June 1 and extends to November 30th. Forecasters predict a 70% likelihood of 10 to 16 named storms this season of which 5 to 9 could become hurricanes (winds of 74 mph or higher).



Sustainability and Renewables

Artificial Photosynthesis:
Arguably, the greatest fueler of life



This Week's Key Takeaway

The [National Oceanic and Atmospheric Administration](#) (NOAA)

on our planet is photosynthesis, but understanding its labyrinthine chemistry, powered by sunlight, is challenging. Researchers recently illuminated some new steps inside the molecular factory that makes the oxygen we breathe.

Though chlorophyll is the best-known part, for the vivid green it colors nature, many compounds work together in photosynthesis. And Georgia Tech chemists devised clever experiments to inspect players intimately involved in the release of O₂ from water in what's known as photosystem II (PSII).

PSII is a complex protein structure found in plants and algae. It has a counterpart called photosystem I, an equally complex light-powered producer of oxygen and biomaterials.

Some questions and answers will help elucidate the researchers' findings about a small metal catalyst and an amino acid inside PSII that work hand-in-glove to produce O₂...

today released an opinion that neutral conditions are likely through the Northern Hemisphere summer this year, indicating that the extreme weather patterns known as El Niño or La Niña are less probable during this season.

However, the chance of an El Niño pattern, associated with warmer and wetter weather than usual, increases to 50% during the fall and 65% during the winter of 2018-19, the National Weather Service's Climate Prediction Center (CPC) said in their monthly forecast.

Of course, not everyone agrees... Weather.com, owned by IBM has opined that above-average temps are expected in the the West this summer, while parts of the Southeast and Midwest may see near to slightly cooler than normal temps. Elsewhere, areas from the Plains into the Great Lakes and Northeast may see above-average during temps June through August.

Next Day On-Peak Power (traded for 6/14/2018)		
ISO-NE Mass Hub \$28.50	MISO Indiana Hub \$34.11	NYISO Zone G \$30.59
PJM West Hub \$34.90	ERCOT North \$33.00	CAISO SP15 \$37.69



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