



UTILITY REVENUE SERVICES

Weekly Energy Report

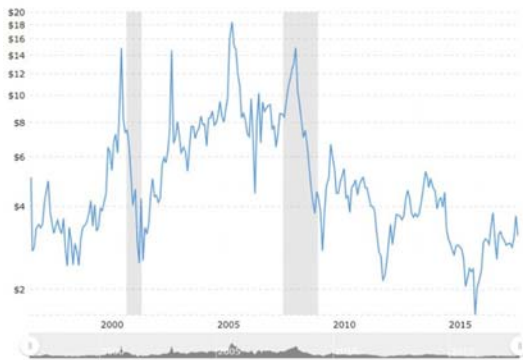


Natural Gas in Underground Storage

The weekly EIA Natural Gas Storage Report advised that there was an injection of 33Bcf (billion cubic feet) into Underground Storage for the week ending August 10th, 2018.

This is 2Bcf above the median forecast of a 31Bcf injection, the average prediction of sector analysts and traders in the Dow Jones Newswires weekly survey. The injection one year ago was 49Bcf and the 5-year average injection is 56Bcf. Storage is **687Bcf below last year** for the same week and **595Bcf below the 5-year average**. Working gas in storage stands at 2,387Bcf. Last year at this time, storage was above 3Tcf.

[Read More](#)



Natural Gas Pricing

As of 9:54M CST, September 2018, (the prompt month) Natural Gas was trading at \$2.91, -\$0.04 from one week ago and the 1-Year Spread average was also \$2.87, -\$0.02 from one week ago.

Crude Oil Pricing

As of 9:11AM CST, September, 2018, (the prompt month) Light, Sweet Crude on the NYMEX was at **\$65.02, -\$1.95** 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	65.02	+0.01	+0.02%	Sep 2018	10:11 AM	
CO1:COM Brent Crude (ICE)	USD/bbl	71.00	+0.24	+0.34%	Oct 2018	10:11 AM	
CP1:COM Crude Oil (Tokyo)	JPY/bbl	47,350.00	-110.00	-0.23%	Jan 2019	10:15 AM	
NG1:COM Natural Gas (Nymex)	USD/MMBtu	2.93	-0.01	-0.41%	Sep 2018	10:11 AM	

U.S. Petroleum Balance Sheet, Week Ending 8/10/2018

Petroleum Stocks (Million Barrels)	Current Week	
	8/10/18	8/3/18
Crude Oil	1,074.2	1,067.4
Commercial (Excluding SPR) ¹	414.2	407.4
Strategic Petroleum Reserve (SPR) ²	660.0	660.0
Total Motor Gasoline ³	233.1	233.9
Reformulated	0.1	0.1
Conventional	23.1	24.2
Blending Components	210.0	209.6
Fuel Ethanol	23.0	22.9
Kerosene-Type Jet Fuel	40.5	39.7
Distillate Fuel Oil ³	129.0	125.4
15 ppm sulfur and Under ³	116.0	112.6
> 15 ppm to 500 ppm sulfur	4.6	4.7
> 500 ppm sulfur	8.4	8.1
Residual Fuel Oil	28.7	28.3
Propane/Propylene	69.8	66.4
Other Oils ⁴	289.1	285.8
Unfinished Oils	89.3	89.5
Total Stocks (Including SPR) ^{2,3}	1,887.3	1,809.9
Total Stocks (Excluding SPR) ³	1,227.3	1,209.9

Crude Oil Inventory

US crude inventories **increased by 6.8 million barrels** to 414.1 million barrels for the week ended August 10th, according to data released yesterday morning by the US Department of Energy. Traders in the Reuters poll projected a drop of 2.5 million bbl.

U.S. Rotary Rigs

U.S. Rotary Rigs drilling for natural gas were +3 at 186 for the week of August 10th. The number of rigs currently drilling for Natural Gas was 5 higher than last year's level of 181. US Rigs drilling for oil were +10 at 869. There are 101 more rigs targeting oil than last year. Canadian rigs were -14 at 209 for the week. Rigs targeting oil remain 82% of all US drilling activity.

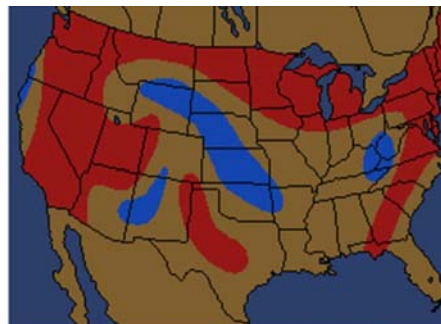
North American Rig Count				Change		Percent Change	
	08/10/2018	08/03/2018	08/11/2017	Weekly	Annual	Weekly	Annual
Total U.S.	1,057	1,044	949	13	108	1.2%	11.4%
Offshore	20	17	18	3	2	17.6%	11.1%
Land	1,037	1,027	931	10	106	1.0%	11.4%
Inland Waters	2	2	3	0	(1)	0.0%	-33.3%
Oil	869	859	768	10	101	1.2%	13.2%
Percent	82.2%	82.3%	80.9%	-0.1%	1.3%		
Gas	186	183	181	3	5	1.6%	2.8%
Percent	17.6%	17.5%	19.1%	0.1%	-1.5%		
Directional	64	64	76	0	-12	0.0%	-15.8%
Horizontal	924	912	801	12	123	1.3%	15.4%
Vertical	69	68	72	1	-3	1.5%	-4.2%
Gulf of Mexico	18	16	17	2	1	12.5%	5.9%
Gulf Oil	15	14	15	1	0	7.1%	0.0%
Percent	83.3%	87.5%	88.2%	-4.2%	-4.9%		
Gulf Gas	3	2	2	1	1	50.0%	50.0%
Percent	16.7%	12.5%	11.8%	4.2%	4.9%		
Canada	209	223	220	(14)	(11)	-6.3%	-5.0%
Oil	140	152	127	(12)	13	-7.9%	10.2%
Percent	67.0%	68.2%	57.7%	-1.2%	9.3%		
Gas	69	71	93	(2)	(24)	-2.8%	-25.8%
Percent	33.0%	31.8%	42.3%	1.2%	-9.3%		
North America	1,266	1,267	1,169	(1)	97	-0.1%	8.3%
Prices							
Oil \$/bbl.	\$67.99	\$68.79	\$49.09 (\$0.80)	\$18.90		-1.2%	38.5%
Oil \$/mmbtu	\$11.72	\$11.86	\$8.46 (\$0.14)	\$3.26		-1.2%	38.5%
Gas \$/mmbtu	\$2.94	\$2.80	\$2.83	\$0.13	\$0.10	4.7%	3.7%



Geopolitical

Tariffs threaten U.S. energy leadership, economic growth: It's hard to create shovel-ready jobs if you can't get shovels.

Whatever the long-term intentions of the Trump administration's steel and aluminum tariffs, that's the immediate challenge facing countless U.S. industries -- including the oil and natural gas sector.



Weather

The AccuWeather 1-5 day Outlook forecasts normal temps for the Northern states, most of the East Coast and West. Normal and below-normal temps are forecast for the rest of the nation. The 6-10 Day Outlook shows above-normal temps for New England and the West, with below-normal temps for the Central US.

It's an unexpected roadblock for an industry that is otherwise thriving and boosting households and small businesses right along with us.

The United States leads the world in natural gas and oil production and refining -- producing at record levels just as world oil demand has reached record highs. Keeping up with that demand supports 10.3 million U.S. jobs throughout a multi-industry supply chain while providing affordable energy that has given American manufacturing a major competitive advantage...



Sustainability and Renewables

Nuclear power's tenure as the leading source of zero-carbon electricity may be coming to an end.

After decades of stalled nuclear plant development and the recent surge of increasingly cheap wind and solar deployments, the newcomers are pulling ahead. In the first five months of 2018, renewables produced 20.17% of U.S. electricity and nuclear produced 20.14%, according to [Energy Information Administration data](#) compiled by Ken Bossong of the Sun Day Campaign.

11-15 Day Outlook forecasts above-normal temps for the North, including New England, as well as much of the West and East Coast. The 30-day Outlook projects normal temps for most of the US with the exception of the Northeast and Northwest, which are expected to be at above-normal temperatures.

The 90-Day Outlook shows a similar picture, with a swath of warmer-than-normal temps cutting north-south through the center of the nation. The rest of the nation is expected to be at normal temps.



This Week's Key Take-Away

Crude prices tumbled this week, as there was a surprise build in underground storage of all petroleum products. US refineries are running at record levels in response to robust domestic and international demand for motor gasoline and distillate fuel oil, according to the EIA. For the week ending July 6th, the four-week average of US gross refinery inputs surpassed 18 million barrels per day (b/d) for the first time on record.

There are a number of reasons for a bearish outlook through the end of the year. Record high production of crude and natural gas, coupled with

A similar record was hit in the first three months of 2017. In the two most recent months included in the data set, April and May, renewables outproduced nuclear by more than 10%.

To be fair, the renewables category here encompasses wind, hydropower, large- and small-scale solar, geothermal and biomass. Nuclear still more than doubles the generation of the second-largest single clean energy source, hydropower...

a mild winter outlook, Chinese tariffs on LNG, etc.

Rising nuclear outages and retirements in the US as well as global LNG fundamentals are the only two bullish factors that we currently observe. A wild card is the discussion on tariffs imposed by both the US and China. The tariffs help neither nation, as trade slows down and it would be surprising to see no movement on this issue between now and the end of the year.

Next Day On-Peak Power (traded for 8/16/2018)		
ISO-NE Mass Hub \$58.18	MISO Indiana Hub \$38.50	NYISO Zone G \$48.15
PJM West Hub \$40.08	ERCOT North \$40.85	CAISO SP15 \$63.14

