

## Natural Gas Market Report

February 23, 2017

Week Ending 2-17-2017	EIA Last Year	EIA 5-Year Avg.	Average Weekly Withdrawal to Reach 1200 Bcf	Withdrawal Weeks Remaining
-89	-131	-158	-165	7
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
2356	2617	2200	-114	-156

This morning, prior to the release of the EIA storage report, the prompt month was trading at \$2.689/dth as compared with last Thursday when the NYMEX prompt month was trading at \$2.905/dth and down \$0.451/dth compared to two weeks ago on February 9, 2017. The decrease in pricing for the prompt month from prior weeks is reflective of the recent milder temperatures throughout the country.

Looking ahead to March, the current weather forecasts predict temperatures above normal for the mid to eastern sections of the country and below normal temperatures in the upper northwest quadrant of the country. Warmer than normal temperatures in the heavily populated northeast may result in prices falling further in the coming weeks.

The EIA storage report was expected to be a withdrawal in the 85 – 90 Bcf range this week. The actual storage withdrawal reported this morning was 89 Bcf. This compares to a withdrawal of 131 last year and a 5-year average withdrawal of 158 Bcf. Total storage volumes currently stand at 2.356 Tcf which is 261 Bcf below last year and 156 above the 5-year average.

NYMEX NG Price Summary Data as of 2-22-2017		
Term	Price Per MMBtu	Change
Mar 17	2.592	0.028
Apr 17	2.701	0.010
May 17	2.780	0.005
Jun 17	2.858	0.010
Jul 17	2.927	0.011
Aug 17	2.950	0.009
Sep 17	2.942	0.009
Oct 17	2.958	0.007
Nov 17	3.027	0.007
Dec 17	3.168	0.009
Jan 18	3.259	0.013
Feb 18	3.240	0.012

Total demand for natural gas was down 21% last week as warmer weather resulted in an 18 Bcf/day or 35% decline in heating demand compared to this week last year. The power sector's usage also decreased last week by 12% as compared to last year.

OF NOTE: Earlier this month, FERC Commissioner Norman Bay resigned and as a result this leaves the Federal Regulatory Commission one member short of the three commissioners needed to establish a quorum. Without a quorum, the FERC cannot make certain rulings and it is anticipated that a backlog will build up at the FERC prior to the appointment of a new commissioner by the President. In anticipation of the no quorum period for some undetermined amount of time in 2017, the FERC approved 7 pipeline projects at its last meeting with a quorum earlier this month which represents an increase in capacity totaling 7 Bcf/day. It will, of course, be some time before those projects are in service.

As a reminder, the NYMEX prompt month contract of March will expire tomorrow, Friday, February 24, 2017.