

Southeastern Ohio Oil and Gas Association
Gas Committee Report
February, 2022

Prices February 9, 2022

NYMEX Settle – Feb. – 2022	\$6.26
One Year NYMEX strip (Mar. 2022 – Feb. 2023)	\$4.54
Summer NYMEX strip for 2022 (April, 2022 - Oct., 2022)	\$4.11
Winter NYMEX strip – 2021 (Nov., 2022 – Mar. 2023)	\$4.34
TCO Index Posting – February, 2022	\$5.80
DTI Index Posting – February, 2022	\$5.70

February 3, 2022 Storage Report:

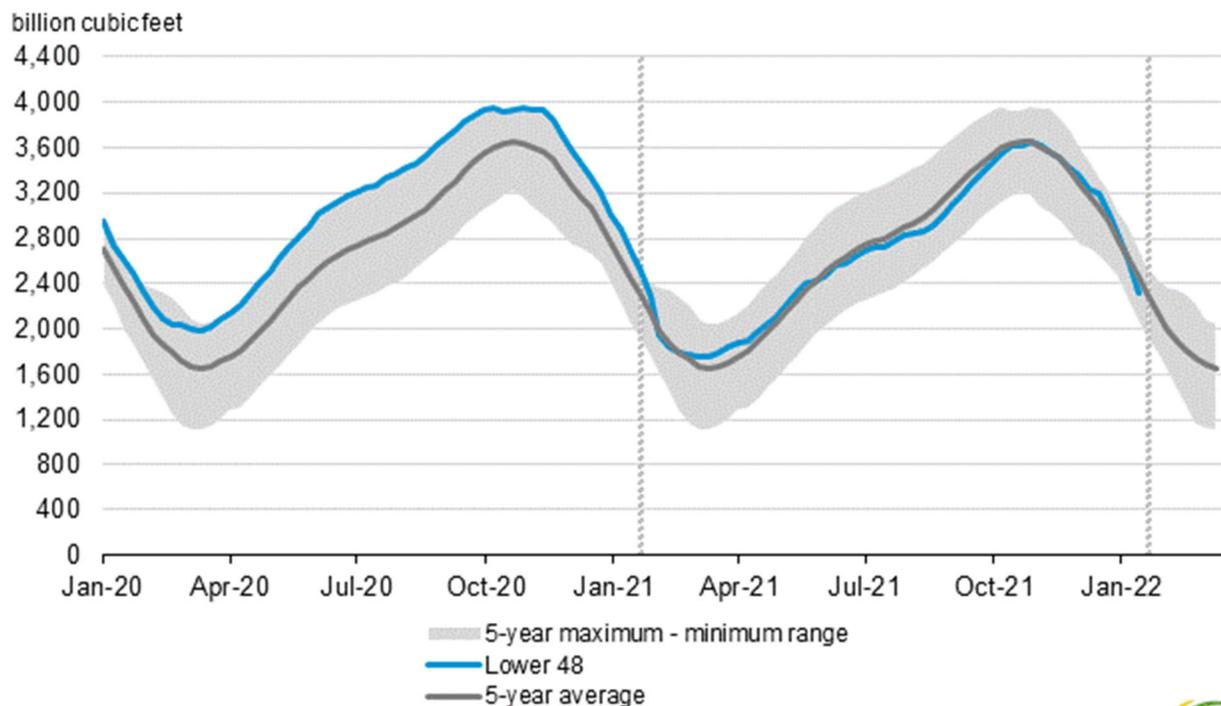
Working gas in underground storage, Lower 48 states

Region	Stocks billion cubic feet (Bcf)				Historical Comparisons			
					Year ago (01/28/21)		5-year average (2017-21)	
	01/28/22	01/22/22	net change	implied flow	Bcf	% change	Bcf	% change
East	541	609	-68	-68	590	-8.3	557	-2.9
Midwest	616	701	-85	-85	728	-15.4	669	-7.9
Mountain	133	143	-10	-10	160	-16.9	141	-5.7
Pacific	196	201	-5	-5	263	-25.5	217	-9.7
South Central	837	938	-101	-101	976	-14.2	883	-5.2
Salt	231	279	-48	-48	282	-18.1	269	-14.1
Nonsalt	606	658	-52	-52	694	-12.7	614	-1.3
Total	2,323	2,591	-268	-268	2,716	-14.5	2,466	-5.8

Summary

Working gas in storage was 2,323 Bcf as of Friday, January 28, 2022, according to EIA estimates. This represents a net decrease of 268 Bcf from the previous week. Stocks were 393 Bcf less than last year at this time and 143 Bcf below the five-year average of 2,466 Bcf. At 2,323 Bcf, total working gas is within the five-year historical range.

Working gas in underground storage compared with the 5-year maximum and minimum



Source: U.S. Energy Information Administration



EIA 2022 price forecast:

The agency estimated that Henry Hub prices would average \$3.97/MMBtu for full-year 2021 and \$3.98/MMBtu in 2022, down from the previous month's estimates of \$4.10/MMBtu in 2021.

Prices/Supply/Demand

Prices in the Northeast decrease for the second consecutive week in between winter storms. At the Algonquin Citygate, which serves [Boston-area consumers](#), the price went down \$5.85 from \$20.71/MMBtu last Wednesday to \$14.86/MMBtu yesterday. At the Transcontinental Pipeline Zone 6 trading point for New York City, the price decreased \$5.13 from \$11.92/MMBtu last Wednesday to \$6.79/MMBtu yesterday. The Northeast experienced a [brief warming trend](#) this week, in between the massive winter storm last weekend and the upcoming winter storm forecasted for this weekend in the region. Total natural gas consumption decreased 3% (1.0 Bcf/d) to 31.3 Bcf/d from a week ago, according to data from IHS Markit.

According to Enbridge, operator of the [Algonquin Gas Transmission](#) (AGT) natural gas pipeline, sendout from the [Northeast Gateway LNG terminal](#) into their pipeline system averaged 80 MMcf/d during this report week. [The Exemplar](#), a Floating Storage Regasification Unit (FSRU), started discharging on January 12, and has delivered to date 1.4 Bcf of LNG into the New England market. The highest daily sendout was on January 21, when the vessel discharged 377 MMcf. An estimated 1.6 Bcf of LNG remains onboard in the ship's LNG storage tanks.

Prices in the Appalachia production region increase in line with rising prices across the country. The Tennessee Zone 4 Marcellus spot price increased \$1.70 from \$4.03/MMBtu last Wednesday to \$5.73/MMBtu yesterday. The price at Eastern Gas South in southwest Pennsylvania rose \$1.73 from \$4.02/MMBtu last Wednesday to \$5.75/MMBtu yesterday. According to IHS Markit, local natural gas consumption in the Appalachia production area decreased 7% (1.0 Bcf/d) to 12.9 Bcf/d from a week ago. Lower consumption in the region was offset in part by a 16% increase (0.6 Bcf/d) in southbound flows, which averaged 4.4 Bcf/d this report week. Natural gas production in the region was relatively flat at 32.7 Bcf/d.

U.S. natural gas supply is relatively flat this week. The average total supply of natural gas rose this week by 0.1% (0.1 Bcf/d) compared with the previous report week, according to data from IHS Markit. Dry natural gas production grew by 0.7% (0.6 Bcf/d) and was largely offset by lower net imports from Canada, which decreased by 6.0% (0.4 Bcf/d) from last week.

U.S. natural gas consumption falls across all sectors this week. Total U.S. consumption of natural gas fell by 7.7% (8.6 Bcf/d) compared with the previous report week, according to data from IHS Markit. Natural gas consumption in all sectors is lower this week, the largest decline being in the residential and commercial sector, where consumption fell by 9.6% (5.4 Bcf/d). Average temperatures, though below normal, rose relative to last week across the Lower 48 states. Natural gas consumed for power generation declined by 8.5% (2.5 Bcf/d) week over week, and industrial sector consumption decreased by 2.9% (0.7 Bcf/d). Natural gas exports to Mexico decreased 4.6% (0.3 Bcf/d) and natural gas deliveries to LNG export facilities averaged 12.1 Bcf/d, or 0.6 Bcf/d lower than last week.

U.S. LNG exports are down by three vessels this week from last week. Twenty-two LNG vessels (nine from Sabine Pass, four each from Corpus Christi and Freeport, three from Cameron, and two from Cove Point) with a combined LNG-carrying capacity of 81 Bcf departed the United States between January 27 and February 2, 2022, according to shipping data provided by Bloomberg Finance, L.P. In January, 103 tankers departed the United States, compared with 102 in December 2021. Vessel departures recorded for these two months were the highest to date.

As of February 4, the national Baker Hughes total U.S. rig count is 613, plus 221 from last year.