Southeastern Ohio Oil and Gas Association
Gas Committee Report
February, 2023

Prices February,2023

NYMEX Settle –February – 2023	**$3.11**
One Year NYMEX strip (Mar. 2023 Feb. 2024)	**$3.26**
Summer NYMEX strip for 2022 (Apr., 2023 - Oct., 2023)	**$2.96**
Winter NYMEX strip – 2022 (Nov., 2023 – Mar. 2024)	**$3.91**
TCO Index Posting –February, 2023	**$2.48**
DTI Index Posting – February, 2023	**$2.45**

February 2, 2023 Storage Report:

Working gas in underground storage, Lower 48 states Summary text CSV JSN

					Historical Comparisons			
	Stocks billion cubic feet (Bcf)				Year ago 01/27/22)		5-year average (2018-22)	
Region	01/27/23	01/20/23	net change	implied flow	Bcf	% change	Bcf	% change
East	578	622	-44	-44	551	4.9	560	3.2
Midwest	708	754 R	-46	-46	628	12.7	656	7.9
Mountain	132	140	-8	-8	134	-1.5	137	-3.6
Pacific	140	150	-10	-10	197	-28.9	213	-34.3
South Central	1,025	1,067	-42	-42	851	20.4	854	20.0
Salt	297	310	-13	-13	238	24.8	250	18.8
Nonsalt	728	757	-29	-29	613	18.8	604	20.5
Total	**2,583**	**2.734 R**	**-151**	**-151**	**2,361**	**9.4**	**2.420**	**6.7**

Totals may not equal sum of components because of independent rounding.

R=Revised.
The reported revision caused the stocks for January 20, 2023 to change from 2,729 Bcf to 2,734 Bcf. As a result, the implied net change between the weeks ending January 13 and January 20 changed from -91 Bcf to -86 Bcf.

Totals may not equal sum of components because of independent rounding.

Summary

Working gas in storage was 2,583 Bcf as of Friday, January 27, 2023, according to EIA estimates. This represents a net decrease of 151 Bcf from the previous week. Stocks were 222 Bcf higher than last year at this time and 163 Bcf above the five-year average of 2,420 Bcf. At 2,583 Bcf, total working gas is within the five-year historical range.

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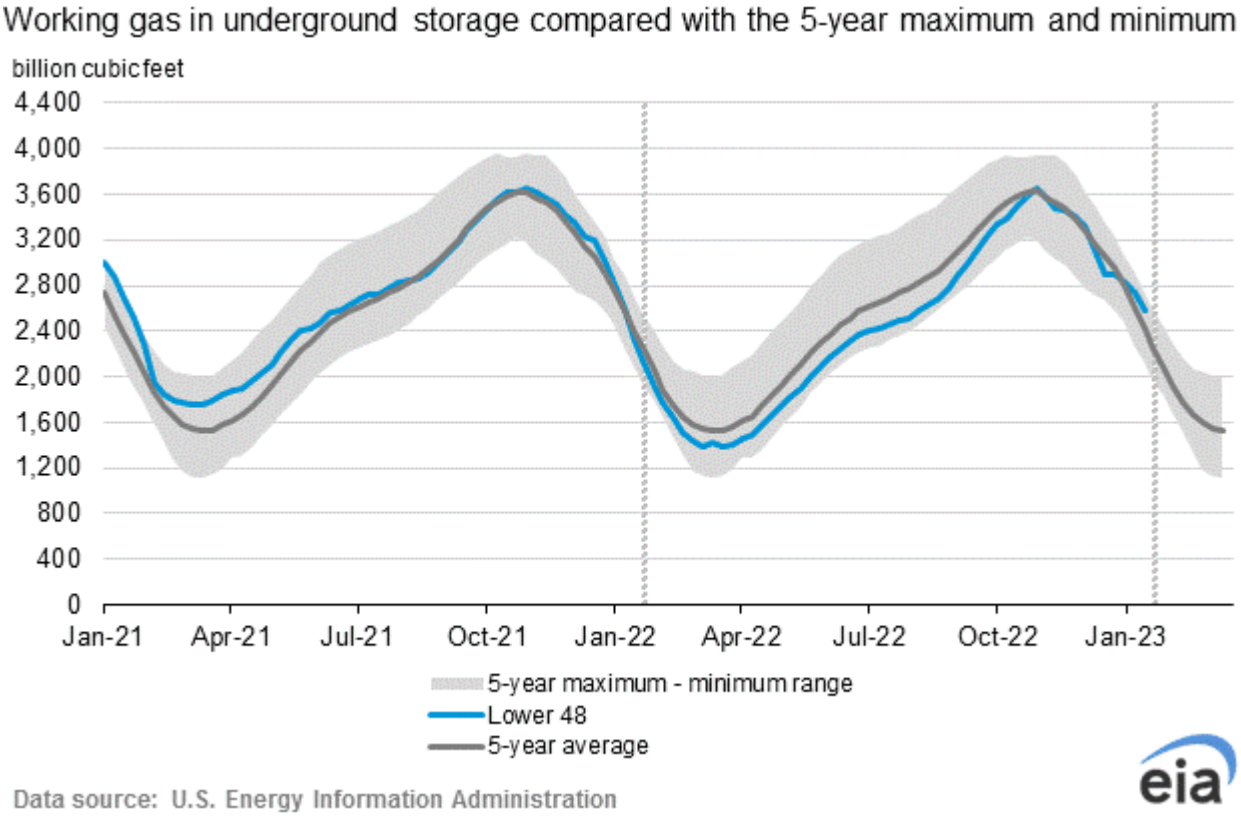

Prices/Supply/Demand

- **Supply:** According to data from S&P Global Commodity Insights, the average total supply of natural gas fell by 1.2% (1.3 Bcf/d) compared with the previous report week. Dry natural gas production decreased by 1.9% (1.9 Bcf/d), as a result of below-normal temperatures and freeze-offs in producing regions. Average net imports from Canada increased by 11.8% (0.6 Bcf/d) from last week.

- **Demand:** Total U.S. consumption of natural gas rose by 6.7% (6.7 Bcf/d) compared with the previous report week, according to data from S&P Global Commodity Insights. Natural gas consumed for power generation rose 1.9% (0.6 Bcf/d) week over week. Industrial sector consumption increased by 2.5% (0.6 Bcf/d), and consumption in the residential and commercial sectors increased by 13.1% (5.5 Bcf/d) as below-normal temperatures spread across much of the United States this week. Natural gas

exports to Mexico decreased 2.5% (0.1 Bcf/d). Natural gas deliveries to U.S. LNG export facilities (LNG pipeline receipts) averaged 12.7 Bcf/d, or 0.2 Bcf/d higher than last week.

North East Prices:

- In the Northeast, at the Algonquin Citygate, which serves Boston-area consumers, the price went up $7.93 from $4.23/MMBtu last Wednesday to $12.16/MMBtu yesterday. At the Transcontinental Pipeline Zone 6 trading point for New York City, the price increased $1.53 from $3.08/MMBtu last Wednesday to $4.61/MMBtu yesterday. Prices were volatile this report week, reflecting rapid changes in temperatures in the region. The Algonquin Citygate price reached a weekly low of $3.22/MMBtu on Friday, before rising to a weekly high of $13.49/MMBtu on Tuesday. Temperatures in the Boston Area averaged 37°F this report week, 8°F above normal, which resulted in 57 fewer heating degree days (HDD) than normal. The short term-forecast calls for wind chills into the minus 50s this weekend in northern parts of New England, contributing to the week-over-week price increase. Tennessee Gas Pipeline and Transcontinental Gas Pipeline Company have issued operational flow orders, effective January 31 and February 3, respectively, to protect the integrity of their pipeline systems from a rapid increase in anticipated natural gas demand for space heating as a result of the winter storm currently affecting portions of Texas and the Midwest and moving into the region at the end of the week.

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LNG

- **Pipeline receipts:** Overall natural gas deliveries to U.S. LNG export terminals increased by 1.2% (0.2 Bcf/d) week over week to 12.7 Bcf/d. Feedgas deliveries to terminals in South Louisiana, rising by 1.2% (0.1 Bcf/d) week over week to 9.0 Bcf/d were largely responsible for the increase, while deliveries to all other terminals were essentially flat, according to data from S&P Global Commodity Insights.

- **Vessels departing U.S. ports:** Twenty LNG vessels (eight from Sabine Pass, four from Cameron, three from Calcasieu Pass, two each from Corpus Christi and Cove Point, and one from Elba Island) with a combined LNG-carrying capacity of 74 Bcf departed the United States between January 26 and February 1, according to shipping data provided by Bloomberg Finance, L.P.

- **LNG terminals:** On February 1, Freeport LNG received approval from the Federal Energy Regulatory Commission (FERC) to begin commissioning, including cooldown, of the LNG piping system and LNG train 3. Additional authorizations are still needed to restart operations.

EIA short term energy outlook:

- **Crude oil prices.** We forecast that the Brent crude oil price will average $83 per barrel (b) in 2023, down 18% from 2022, and continue to fall to $78/b in 2024 as global oil inventories build, putting downward pressure on crude oil prices.

- **Natural gas prices.** The Henry Hub natural gas spot price averages slightly less than $5.00 per million British thermal units (MMBtu) in 2023 in our forecast—down close to 25% from last year—as domestic consumption declines and liquefied natural gas (LNG) exports remain relatively flat. In 2024, we expect natural gas prices to again average slightly below $5.00/MMBtu, as dry natural gas production outpaces an increase in LNG exports that results from rising LNG export capacity.