

GAS DAILY

Tuesday, August 15, 2017

NEWS HEADLINES

Chatterjee's FERC vision: boost coal, nuclear

- Compensate properly for baseload resources
- 'Confident' FERC can work through backlog

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Backhaul projects tied to Rover near completion

- Flows to Southeast have risen over last several years
- Questions remain on Rover construction progress

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Producers commit to growing DJ production

- Operators complete 130 wells in three months
- Drilling efficiencies allow for fewer rigs: PDC

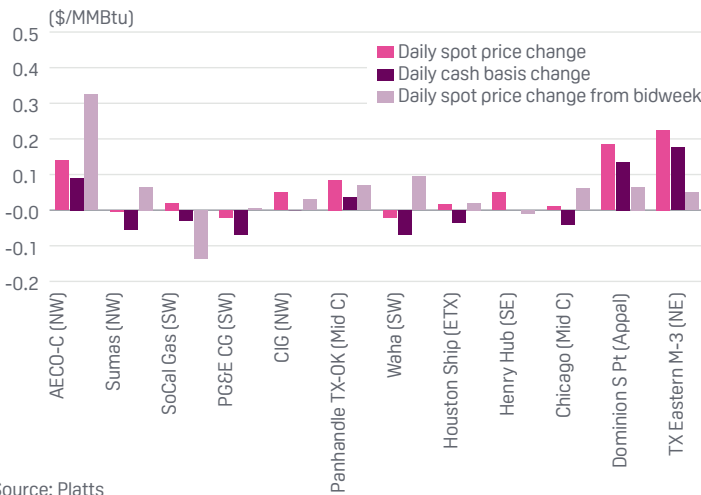
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Shippers support NGPL rate settlement

- Pipeline, other parties reach tentative deal
- Settlement would bar rate changes through July 1, 2022

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SPOT PRICE AND BASIS CHANGES



Source: Platts

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DAILY PRICE SURVEY (\$/MMBtu)

NATIONAL AVERAGE PRICE: 2.710

Trans. date: 8/14

Flow date(s): 8/15

	Midpoint	+/-	Absolute	Common	Vol.	Deals
Northeast						
Algonquin, city-gates	IGBEE21	2.545	+0.465	2.380-2.650	2.480-2.615	111 25
Algonquin, receipts	IGBDK21	—	—	—	—	—
Dracut, Mass.	IGBDW21	—	—	—	—	—
Iroquois, receipts	IGBCR21	2.920	+0.645	2.900-2.945	2.910-2.930	5 4
Iroquois, zone 2	IGBEJ21	3.035	+0.625	3.035-3.035	3.035-3.035	1 1
Niagara	IGBCS21	—	—	—	—	—
Tennessee, z6 (300 leg) del.	IGBJC21	—	—	—	—	—
Tennessee, zone 6 del.	IGBEI21	2.465	+0.405	2.380-2.530	2.430-2.505	115 23
Tx. Eastern, M-3	IGBEK21	1.850	+0.225	1.800-1.900	1.825-1.875	427 71
Transco, zone 5 del.	IGBEN21	3.055	+0.060	3.000-3.085	3.035-3.075	395 51
Transco, zone 5 del. North	IGCGL21	3.010	+0.035	3.000-3.020	3.005-3.015	110 8
Transco, zone 5 del. South	IGCHL21	3.070	+0.065	3.010-3.085	3.050-3.085	265 41
Transco, zone 6 N.Y.	IGBEM21	2.830	+1.125	2.600-3.020	2.725-2.935	143 21
Transco, zone 6 non-N.Y.	IGBEL21	2.805	+0.995	2.500-3.020	2.675-2.935	251 49
Transco, zone 6 non-N.Y. North	IGBJS21	2.805	+1.045	2.500-3.020	2.675-2.935	234 45
Transco, zone 6 non-N.Y. South	IGBJT21	2.805	+0.570	2.750-2.850	2.780-2.830	17 4
Northeast regional average	IGCAA00	2.690				
Appalachia						
Columbia Gas, App.	IGBDE21	2.855	+0.045	2.840-2.865	2.850-2.860	137 26
Columbia Gas, App. non-IPP	IGBJU21	—	—	—	—	—
Dominion, North Point	IGBDB21	1.800	+0.195	1.790-1.825	1.790-1.810	64 15
Dominion, South Point	IGBDC21	1.795	+0.185	1.760-1.840	1.775-1.815	328 66
Lebanon Hub	IGBFJ21	2.845	+0.005	2.830-2.850	2.840-2.850	88 11
Leidy Hub	IGBDD21	—	—	—	—	—
Millennium, East receipts	IGBIW21	1.870	+0.215	1.850-1.875	1.865-1.875	54 11
REX, Clarington Ohio	IGBG021	—	—	—	—	—
Tennessee, zone 4-200 leg	IGBJN21	2.145	+0.285	1.950-2.230	2.075-2.215	150 23
Tennessee, zone 4-300 leg	IGBFL21	1.795	+0.225	1.750-1.830	1.775-1.815	76 18
Tennessee, zone 4-313 pool	IGCFL21	2.125	+0.240	2.080-2.150	2.110-2.145	83 20
Tennessee, zone 4-Ohio	IGBH021	—	—	—	—	—
Texas Eastern, M-2 receipts	IGBJE21	1.700	+0.170	1.650-1.745	1.675-1.725	562 85
Transco, Leidy Line receipts	IGBIS21	1.810	+0.165	1.780-1.850	1.795-1.830	304 28
Appalachia regional average	IGDAA00	2.075				
Midcontinent						
ANR, Okla.	IGBBY21	2.650	+0.020	2.630-2.660	2.645-2.660	60 14
Enable Gas, East	IGBCA21	2.730	-0.045	2.720-2.730	2.730-2.730	9 2
NGPL, Amarillo receipt	IGBDR21	2.760	+0.035	2.750-2.780	2.755-2.770	26 5
NGPL, Midcontinent	IGBBZ21	2.675	+0.030	2.640-2.690	2.665-2.690	162 23
Oneok, Okla.	IGBCD21	2.410	-0.040	2.365-2.475	2.385-2.440	61 9
Panhandle, Tx.-Okla.	IGBCE21	2.640	+0.085	2.605-2.660	2.625-2.655	159 22
Southern Star	IGBCF21	2.575	+0.010	2.505-2.625	2.545-2.605	83 11
Tx. Eastern, M-1 24-in.	IGBET21	—	—	—	—	—
Midcontinent regional average	IGEAA00	2.635				
Upper Midwest						
Alliance, into interstates	IGBDP21	2.890	+0.025	2.870-2.895	2.885-2.895	452 56
ANR, ML 7	IGBDQ21	—	—	—	—	—
Chicago city-gates	IGBDX21	2.890	+0.010	2.845-2.950	2.865-2.915	365 55
Chicago-Nicor	IGBEX21	2.845	+0.010	2.845-2.870	2.845-2.850	43 8
Chicago-NIPSCO	IGBFX21	2.900	+0.000	2.890-2.950	2.890-2.915	304 43
Chicago-Peoples	IGBGX21	2.850	+0.020	2.850-2.855	2.850-2.850	5 2
Consumers city-gate	IGBDY21	2.905	+0.005	2.885-2.920	2.895-2.915	218 36
Dawn, Ontario	IGBCX21	2.915	+0.010	2.885-2.940	2.900-2.930	460 90
Emerson, Viking GL	IGBCW21	2.660	+0.035	2.550-2.740	2.615-2.710	266 50
Mich Con city-gate	IGBDZ21	2.900	+0.000	2.880-2.920	2.890-2.910	470 57
Northern Bdr., Ventura TP	IGBGH21	2.790	+0.050	2.760-2.820	2.775-2.805	55 9
Northern, demarc	IGBDV21	2.790	+0.045	2.780-2.800	2.785-2.795	117 16
Northern, Ventura	IGBDU21	2.775	+0.040	2.760-2.800	2.765-2.785	23 7
REX, Zone 3 delivered	IGBRO21	2.860	+0.010	2.840-2.900	2.845-2.875	597 84
Upper Midwest regional average	IGFAA00	2.840				

Chatterjee's FERC vision: boost coal, nuclear

Coal and nuclear generation should be eyed as essential elements of the fuel mix, the new acting head of the US Federal Energy Regulatory Commission said Monday, adding that work on natural gas infrastructure projects also will be a priority.

The US Senate confirmed Neil Chatterjee August 3 to take a seat on the commission, and the White House tapped him Thursday to serve as chairman until Jones Day attorney Kevin McIntyre is confirmed as FERC chairman on a permanent basis.

In a commission podcast posted Monday, Chatterjee said his first priority would be "to get started on the accumulated backlog" of orders FERC was unable to address during the six months it lacked a quorum of at least three members to perform its full range of business.

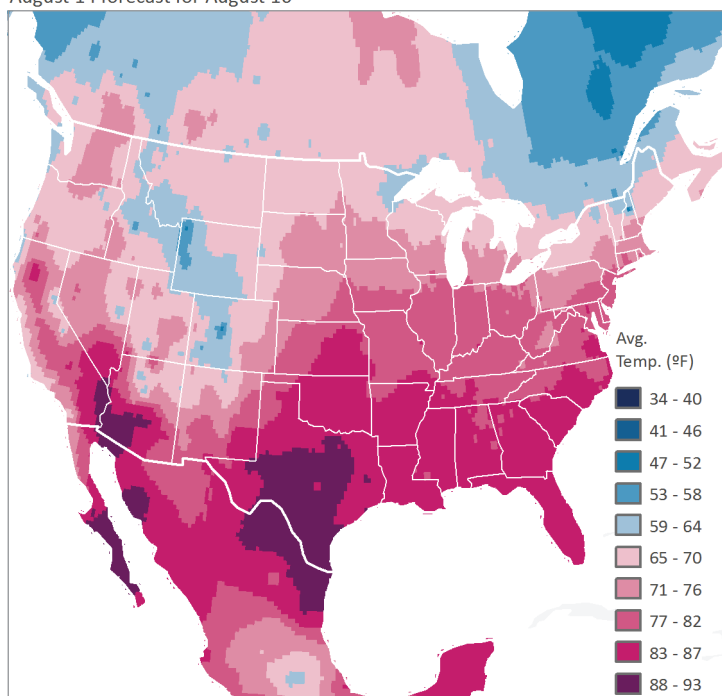
Chatterjee and fellow Republican Robert Powelson were sworn in last week, officially restoring the agency's quorum and its ability to approve major natural gas pipeline projects, act on key power market policy issues and provide final decisions on disputed rate cases.

Also a priority for Chatterjee is ensuring the resilience and reliability

[\(continued on page 3\)](#)

2-DAY-AHEAD TEMPERATURE FORECAST MAP

August 14 forecast for August 16



Source: Platts, Custom Weather

ASSESSMENT RATIONALE

Platts Gas Daily indices are based upon trade data reported to Platts by market participants. The indices are calculated using detailed transaction level data from these providers. Platts editors screen the data for outliers that may be further examined and potentially removed. A volume weighted average is then calculated from the remaining set of data. For more details on this methodology please see our North American Natural Gas Methodology and Specifications Guide on Platts.com, located at http://www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/na_gas_methodology.pdf

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DAILY PRICE SURVEY (\$/MMBtu)

Trans. date: 8/14
Flow date(s): 8/15

	Midpoint	+/-	Absolute	Common	Vol.	Deals
East Texas						
Agua Dulce Hub	IGBAV21	—	—	—	—	—
Carthage Hub	IGBAF21	2.900	+0.020	2.885-2.920	2.890-2.910	30 4
Florida Gas, zone 1	IGBAW21	2.975	+0.065	2.960-2.990	2.970-2.985	69 7
Houston Ship Channel	IGBAP21	2.940	+0.015	2.935-2.940	2.940-2.940	20 2
Katy	IGBAQ21	2.945	+0.025	2.890-2.960	2.930-2.960	251 17
NGPL, STX	IGBAZ21	2.860	-0.030	2.850-2.870	2.855-2.865	50 9
NGPL, Texok zone	IGBAL21	2.840	+0.000	2.820-2.870	2.830-2.855	72 8
Tennessee, zone 0	IGBBA21	2.825	+0.010	2.800-2.850	2.815-2.840	50 8
Tx. Eastern, ETX	IGBAN21	2.930	+0.090	2.930-2.930	2.930-2.930	6 1
Tx. Eastern, STX	IGBBB21	2.965	+0.055	2.940-2.975	2.955-2.975	97 15
Transco, zone 1	IGBBC21	2.915	+0.025	2.870-2.915	2.905-2.915	12 3
Transco, zone 2	IGBBU21	2.915	+0.025	2.915-2.915	2.915-2.915	4 4
East Texas regional average	IGGAA00	2.910				
Louisiana/Southeast						
ANR, La.	IGBBF21	2.870	-0.005	2.845-2.915	2.855-2.890	112 31
Columbia Gulf, La.	IGBBG21	2.930	+0.050	2.915-2.930	2.925-2.930	103 21
Columbia Gulf, mainline	IGBBH21	2.880	+0.020	2.840-2.920	2.860-2.900	130 24
Florida city-gates	IGBED21	3.300	+0.040	3.290-3.360	3.290-3.320	50 3
Florida Gas, zone 2	IGBBJ21	2.970	+0.060	2.940-3.010	2.955-2.990	166 10
Florida Gas, zone 3	IGBBK21	2.995	+0.035	2.965-3.025	2.980-3.010	284 27
Henry Hub	IGBBL21	2.960	+0.050	2.900-2.990	2.940-2.985	105 17
Southern Natural, La.	IGBBO21	2.950	+0.050	2.870-2.965	2.925-2.965	393 52
Tennessee, 500 Leg	IGBBP21	2.935	+0.025	2.920-2.950	2.930-2.945	38 6
Tennessee, 800 Leg	IGBBQ21	2.900	+0.030	2.900-2.900	2.900-2.900	19 5
Tx. Eastern, ELA	IGBBS21	2.905	+0.005	2.860-2.940	2.885-2.925	168 26
Tx. Eastern, M-1 30-in.	IGBDI21	—	—	—	—	—
Tx. Eastern, WLA	IGBBR21	2.870	-0.020	2.870-2.870	2.870-2.870	2 1
Tx. Gas, zone 1	IGBAO21	2.885	+0.025	2.860-2.895	2.875-2.895	166 19
Tx. Gas, zone SL	IGBBT21	—	—	—	—	—
Transco, zone 3	IGBBV21	2.955	+0.050	2.925-2.970	2.945-2.965	260 31
Transco, zone 4	IGBDJ21	2.980	+0.050	2.920-3.005	2.960-3.000	680 78
Trunkline, ELA	IGBBX21	2.880	+0.060	2.880-2.880	2.880-2.880	2 1
Trunkline, WLA	IGBBW21	—	—	—	—	—
Trunkline, zone 1A	IGBGF21	2.870	+0.015	2.845-2.890	2.860-2.880	54 12
Louisian/Southeast regional average	IGHAA00	2.945				
Rockies/Northwest						
Cheyenne Hub	IGBCO21	2.615	+0.035	2.575-2.625	2.605-2.625	60 10
CIG, Rockies	IGBCK21	2.600	+0.050	2.600-2.600	2.600-2.600	94 13
GTN, Kingsgate	IGBCY21	2.515	+0.005	2.510-2.525	2.510-2.520	7 3
Kern River, Opal	IGBCL21	2.655	+0.035	2.600-2.670	2.640-2.670	477 55
NW, Can. bdr. (Sumas)	IGBCT21	2.545	-0.005	2.510-2.570	2.530-2.560	50 9
NW, s. of Green River	IGBCQ21	2.580	+0.005	2.550-2.600	2.570-2.595	30 6
NW, Wyo. Pool	IGBCP21	2.600	+0.035	2.570-2.610	2.590-2.610	29 4
PG&E, Malin	IGBDO21	2.700	-0.010	2.650-2.720	2.685-2.720	138 25
Questar, Rockies	IGBCN21	2.590	+0.030	2.590-2.590	2.590-2.590	3 1
Stanfield, Ore.	IGBCM21	2.590	+0.005	2.575-2.600	2.585-2.595	55 12
TCPL Alberta, AECO-C*	IGBCU21	2.285	+0.140	2.215-2.390	2.240-2.330	634 89
Westcoast, station 2*	IGBCZ21	0.585	-0.050	0.330-0.750	0.480-0.690	99 27
White River Hub	IGBGL21	2.600	+0.005	2.580-2.620	2.590-2.610	55 10
Rockies/Northwest regional average	IGIAA00	2.600				
Southwest						
El Paso, Bondad	IGBCG21	2.610	-0.005	2.590-2.620	2.605-2.620	127 18
El Paso, Permian	IGBAB21	2.630	+0.015	2.510-2.670	2.590-2.670	432 65
El Paso, San Juan	IGBCH21	2.620	-0.005	2.605-2.620	2.615-2.620	15 5
El Paso, South Mainline	IGBFR21	2.785	+0.035	2.750-2.810	2.770-2.800	32 9
Kern River, delivered	IGBES21	2.770	+0.030	2.720-2.800	2.750-2.790	157 28
PG&E city-gate	IGBEB21	3.285	-0.020	3.280-3.330	3.280-3.300	203 31
PG&E, South	IGBDM21	2.725	+0.005	2.680-2.750	2.710-2.745	67 11
SoCal Gas	IGBDL21	2.745	+0.020	2.680-2.770	2.725-2.770	180 29
SoCal Gas, city-gate	IGBGG21	3.005	-0.040	2.930-3.080	2.970-3.045	59 15
Transwestern, Permian	IGBAE21	2.620	+0.005	2.540-2.640	2.595-2.640	20 3
Transwestern, San Juan	IGBGK21	2.640	+0.030	2.610-2.650	2.630-2.650	28 8
Waha	IGBAD21	2.695	-0.020	2.630-2.780	2.660-2.735	548 61
Southwest regional average	IGJAA00	2.760				

*Price in C\$/ per gJ; C\$1=US\$0.7871; Volume in 000 MMBtu/day. Symbols represent gas flow date.

of the electric system as a national security matter, which he said will require recognition of baseload power's essential role in the fuel mix.

Compensate properly for baseload resources

"I believe that generation sources, including our existing coal and nuclear fleet, need to be properly compensated to recognize the value they provide to the system," he said, noting his Kentucky upbringing and that coal served more than 80% of his home state's power needs.

"As a nation, we need to ensure that coal, along with gas and renewables, continues to be part of our diverse fuel mix," he added.

His remarks are in line with the Trump administration's advocacy for the coal industry, an effort that has resulted in regulations viewed as overly burdensome to industry put on the chopping block and the initiation of a grid study to assess factors forcing baseload coal and nuclear plants into early retirement.

States have increasingly taken steps to protect certain assets in their energy portfolios from retirement for economic reasons, at times straddling the line of state and federal jurisdiction and triggering debate at the commission over how to integrate the development of state generation policies with the operation of wholesale power markets.

Power industry observers see the debate as one of the most challenging issues facing regulators. FERC has also been engaged in work to improve price formation in the capacity markets. Chatterjee will play a major role in shaping policy in this arena going forward.

Also being closely watched and awaiting commission action are a number of gas-pipeline projects, among them Nexus Gas Transmission's 1.5 Bcf/d project; Columbia Gas Transmission's 1.3 Bcf/d WB XPress project; Millennium Pipeline's 200 MMcf/d Eastern System Upgrade and the 1.1 Bcf/d PennEast Pipeline.

'Confident' FERC can work through backlog

Chatterjee said "evaluating the infrastructure projects before the commission really could help spur economic development," and, in that regard, he looked "forward to following the president's charge to create jobs and stimulate economic growth through infrastructure."

When asked how he would go about attacking the extensive six-month backlog of gas and power matters, Chatterjee praised commissioner Cheryl LaFleur and FERC staff for laying the groundwork, without which he said he "would be really daunted and worried about the task ahead of us."

Q2 2017 MARKETER RANKINGS

Platts is currently compiling data for the second-quarter 2017 ranking of North American gas marketers by daily physical wholesale volumes sold.

Platts staff intends to compile the rankings from information appearing in reports filed with the Securities and Exchange Commission. For companies that are not publicly traded or do not provide such data to the SEC, staff requests quarterly gas sales data be reported in writing, and verified by executive personnel, no later than Wednesday, August 16, 2017.

Please submit your data by contacting Jim Magill by phone at 713-658-3229, or e-mail at jim.magill@spglobal.com.

Contact Jim Magill with any questions.

LaFleur previously said in an interview that she and staff were batching orders into meaningful groups based on "time sensitivity, how long it's been waiting, if there are commercial dates that have been missed, ... [and] appellate sensitivity" as part of a "triage" system that would allow the restored quorum to most efficiently work through the backlog.

Chatterjee said he was "very confident" in the commission's ability to tackle the workload. "It's going to take some time, but because of all the tremendous work that has already been done to date, we'll work through them as soon as we can," he said.

Another priority for Chatterjee is "exploring what opportunities exist for" new technologies and innovation in the energy sector. "And, of course, electric reliability and cybersecurity will always be a priority for me and for the commission as a whole," he said.

Chatterjee is a former energy policy adviser to Senate Majority Leader Mitch McConnell, Republican-Kentucky.

— [Jasmin Melvin](#)

Backhaul projects tied to Rover near completion

Energy Transfer Partners wants to place certain facilities in service on two backhaul expansion projects tied to its delayed 3.25-Bcf/d Rover Pipeline as it works to make good on efforts to boost gas takeaway capacity to Midwest and Southeast markets.

The request, which seeks such permission by August 15, is needed to allow Panhandle Eastern Pipe Line and Trunkline Gas Company to reverse flow on their respective natural gas systems prior to Rover's startup, ETP said in a filing with the US Federal Energy Regulatory Commission on Friday.

Spokeswoman Vicki Granado said Monday she could offer no new update to Rover's timing beyond what ETP executives said during the company's second-quarter earnings conference call on August 9.

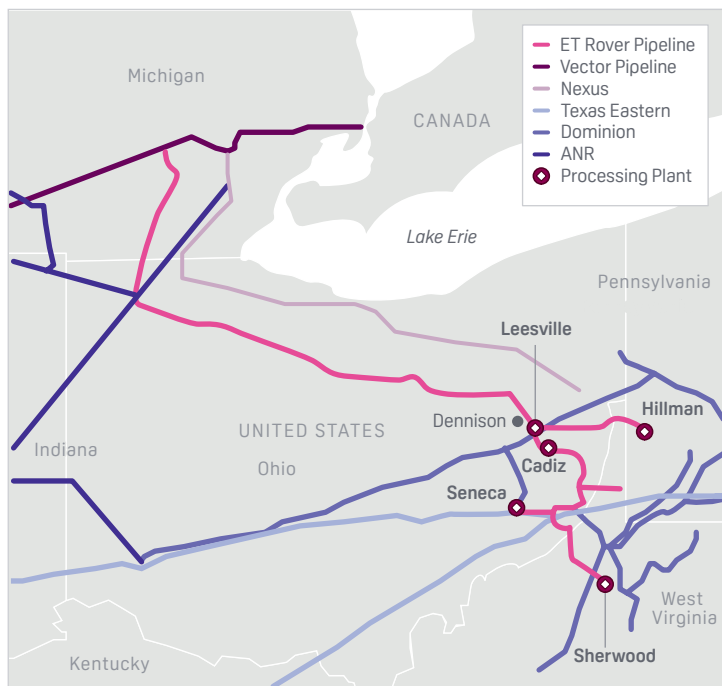
The first phase of Rover, which is being designed to move increasing volumes of gas output from the prolific Northeast shale region, had initially been scheduled to go online by July 1. That target has been changed several times since, with a 200-mile portion from Cadiz to Defiance, Ohio, potentially being ready in the coming days.

The timing of the rest of Phase 1 is uncertain amid regulatory hurdles, while Phase 2 is not expected to be in service until the end of November or early December with full commercial service in January, assuming quick resolution of various FERC issues, ETP said in the earnings call. As recently as a few weeks ago, ETP had been holding to a November 1 startup for Phase 2.

The backhaul expansions on the Panhandle Eastern and Trunkline Gas systems (CP15-94; CP15-96) were proposed alongside the Rover project (CP 15-93). Traversing east-to-west across Ohio from production receipt points in Ohio, Pennsylvania and West Virginia, Rover is designed to deliver up to 750 MMcf/d into Panhandle via an interconnect in Defiance.

From there, Panhandle would transport those volumes to an interconnect in Bourbon, Illinois, with Trunkline, which would then flow those volumes from Illinois to Louisiana terminating at Trunkline's Zone 1A.

ROUTE OF ET ROVER PIPELINE PROJECT



Source: Platts

The capacity on both the Panhandle and Trunkline projects is subscribed to by Rover Pipeline, and the leased Panhandle and Trunkline capacity comprises a rate zone that Rover calls its Market Zone South, which will give its shippers a direct line to growing demand markets in the US Gulf Coast region.

Northeast-to-Southeast flows have risen over last several years

Northeast-to-Southeast regional flows have been steadily rising over the last several years, and a round of production takeaway expansions targeting service by the end of this year is expected to significantly increase corridor flows.

In addition to the Panhandle and Trunkline backhaul projects' combined 750 MMcf/d of north-to-south capacity, Rover is expected to deliver approximately 700 MMcf/d into ANR Pipeline, which would then flow south toward Louisiana, according to the pipeline index of customer data. Rover deliveries at Defiance are expected to drive up to 1.5 Bcf/d of incremental flows from the US Northeast to the US Southeast.

Alongside Rover, major expansions are under construction on Columbia Gas Transmission and Texas Eastern Transmission. Texas Eastern's Access South and Adair Southwest are expected to boost north-to-south flows by a combined 500 MMcf/d, while Columbia Gas' Leach XPress project is expected to boost deliveries into Columbia Gulf Transmission by up to 1 Bcf/d for north-to-south flows.

While the request to place Panhandle and Trunkline facilities into service signals that those projects are largely complete, there remains significant market uncertainty around the timing of the startup of the Rover project, even with the recent assertions by company executives.

Questions remain on Rover construction progress

Weekly status reports filed on the project have slowed to a trickle, with the most current available only covering the period through July 11. In that report, ETP showed that progress on Rover Phase 1 facilities was advancing, but certain pre-service items such as hydrostatic testing and final cleanup were largely incomplete or had not yet started.

The same report showed that compressor stations associated with the project's Phase 1 were at most 55% complete, with one of those compressors as little as 17% complete.

Phase 1 of Rover is designed to include four compressor stations, four supply laterals and two parallel, 42-inch-diameter mainlines, extending from southeastern Ohio, northwest across the state, ultimately delivering into downstream interconnects with ANR Pipeline and Panhandle Eastern in Defiance. That gas will reach markets in the US Gulf Coast region.

Phase 2 of the project would see an additional six compressor stations brought into service along the project's roughly 500-mile path, as well as four more supply laterals in the Appalachian producing basin. The two 42-inch-diameter mainlines extending to Defiance from Phase 1 would narrow down to one 42-inch-diameter pipeline running north from Defiance into Michigan, where it will ultimately deliver into Vector Pipeline, capable of reaching the Dawn Hub in Ontario, Canada.

— [Harry Weber, Eric Brooks](#)

Producers commit to growing DJ production

Gas production in the Denver-Julesburg Basin hit an all-time high this month as multiple companies operating in the play have confirmed that they plan to continue boosting output for the next two to three years based on current commodity prices.

For example, PDC Energy plans to average year-over-year production growth near 35% through 2019, said Lance Lauck, executive vice president for corporate development and strategy, at the Enercom conference in Denver on Monday morning.

Though DJ production has been largely consistent compared with the beginning of the year, only averaging about a 15-MMcf/d growth rate per month from January to July, production has increased significantly to start the month of August, according to Platts Analytics' Bentek Energy. Month-to-date DJ production has increased about 80 MMcf/d above July levels to an average of 1.7 Bcf/d, which would set an all-time high if maintained over the rest of the month.

Production peaked as high as 1.72 Bcf/d, which set a record single-day high.

SUBSCRIBER NOTE

Platts corrects daily Iroquois, Zone 2 natural gas price

Platts is correcting daily natural gas price, range and volume data at Iroquois, Zone 2 in the Northeast region for trade date 8/7/2017 and flow date 8/8/2017.

Iroquois, Zone 2 (IGBEJ00)

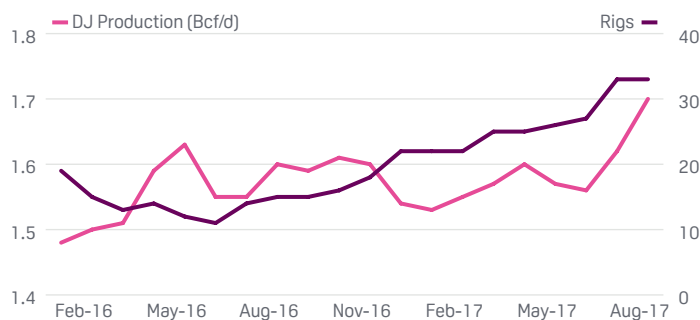
Abs Range	Cmn Range	Average Volume
2.75-2.75	2.75-2.75	2.75 1

Please contact Ryan Ouwerkerk at 713-655-2202 or ryan.ouwerkerk@spglobal.com with any questions.

Operators complete 130 wells in three months

The growth has coincided with a significant increase in drilling activity as well as an increase in completions over the course of the year. Active rig count hit 33 over the past month compared with just 22 to start the year. Also, completions have increased to about 130 over the past three months, up about 50 from the prior six months, according to data from the US Energy Information Administration.

DENVER-JULESBURG PRODUCTION & RIG COUNT



Source: Platts Analytics' Bentek Energy

This development is in line with what some producers have indicated in their recent earnings calls. Within the Rockies, the DJ still boasts the strongest internal rates of return, at about 22%, as well as the lowest breakeven costs, according to Platts Analytics.

Denver-based Bill Barrett Corporation ceased all drilling activity in the basin for a full six months in 2016 but is now operating two rigs in the play.

"We were able to pick up right where we left off," said CEO Scot Woodall. "We have no long-term service commitments so we are able to ramp up or ramp down production depending on commodity prices. We expect to grow production in 2018."

Drilling efficiencies allow for fewer rigs: PDC

PDC plans to spud 155 wells in the Wattenberg field of the DJ Basin by year's end. Drilling efficiencies will allow the company to reduce rig count while still expanding production.

"Technological innovation has helped improve on drilling efficiencies in the Wattenberg field by 15%," Lauck said. "It will allow us to go from four rigs to three rigs by the fourth quarter of 2017. We are operating at capital efficiency in a \$50/[b] and \$3/[MMBtu] world. We've pulled out about \$400 million in cap-ex spending over the next three years simply by reducing the amount of rigs we'll use over that time period."

Since 2015, PDC has reduced drilling time on 4,200-foot laterals from 12 days to six days while 6,900-foot laterals fell from 18 days to eight days in 2017.

Meanwhile, Bill Barrett has increased the average number of feet drilled per day by 155%, going from 1,343 feet per day in 2014 to averaging 3,424 feet per day in 2017.

"In the northeast Wattenberg area we are currently running two rigs," Woodall said. "We have done some tweaking with our completions. We've been using 1,500 pounds of sand per lateral foot, which is more than our standard 1,000 pounds or proppant per lateral

foot. We also increased the number of stage spacing. It is worth it to spend more capital to get better results."

Bill Barrett also manages flows over the first six months of bringing a well online tighter than other producers, which allows its wells to maintain production at higher levels over the long term, the company said.

"Over the first six months we control the flowback and restrain the production to allow pressure to build," Woodall said. "After six months you start to see it come on stronger. We are not one of those companies that talk about 30-day IP rates because we manage it to come on strong in months six through nine."

— *Brandon Evans, Mason McLean*

Shippers support NGPL rate settlement

A pair of shippers are urging the US Federal Energy Regulatory Commission to approve a settlement that would lower rates on the Natural Gas Pipeline Company of America system and end FERC's investigation into the pipeline's rates.

The deal "provides a number of benefits to ratepayers, several of which would not have been possible in litigation," Antero Resources said in comments filed Monday, noting that the agreement would phase in rate reductions of 6.5%.

In January, FERC launched an investigation under Section 5 of the Natural Gas Act to determine whether NGPL was over-recovering its cost of service. Commission staff estimated a return on equity for the pipeline, which operates more than 9,000 miles of interstate gas transmission, of 28.5% for 2014 and 20.8% for 2015.

At the time, NGPL operator Kinder Morgan argued that FERC's calculations of ROE were way off because the commission included fuel collection revenues while ignoring NGPL's cost of fuel burned in its compressor stations.

Pipeline, other parties reach tentative deal

But hearings carried on and in June, the pipeline and the other parties in the case announced that they had reached a tentative deal that would resolve the dispute. A proposed settlement filed July 25 fleshed out the details of the agreement.

The deal would phase in a 6.5% reduction in NGPL's transportation and storage maximum resource reservation rates by November 1, 2018, according to the proposed settlement. It also would commit NGPL to spend \$400 million on pipeline integrity-related activities through December 31, 2021.

NGPL will meet with shippers at least once annually to discuss both planned pipeline integrity spending and actual spending for the preceding year, the filing said.

In addition, the agreement would increase the frequency of filing fuel transparency reports to every two years, the proposal said. The settlement allows NGPL to file prospective changes to its fuel retention factors, as needed, according to the filing.

Settlement would bar rate changes through July 1, 2022

The settlement also would bar rate changes through July 1, 2022, and it would require NGPL to submit a cost and revenue study by June

1, 2021, the agreement said.

The proposed agreement listed a total of 60 parties as either supporting or not opposing the settlement.

In addition to Antero, NICOR Gas also filed comments supporting the agreement. The settlement “will achieve rate certainty for NGPL’s customers during the moratorium period and afford the pipeline a period of stability that will allow it to strengthen its financial health,” NICOR said.

— [Kate Winston](#)

Mexico to frack wells within two years: CNH

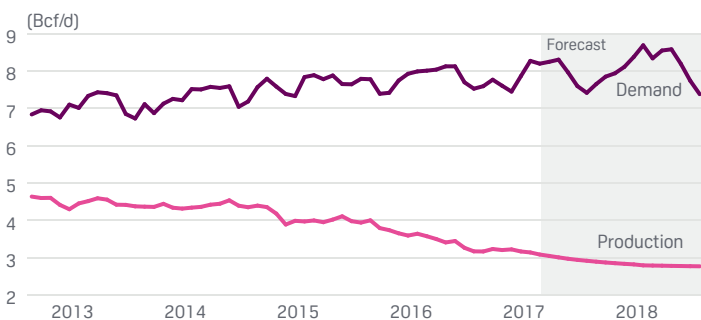
Mexico will see natural gas production from unconventionals within a couple of years, but it won’t reach meaningful levels until much later, Hector Moreira, commissioner of Mexico’s National Hydrocarbons Commission said Monday at an industry conference.

Moreira laid out a number of impediments to the market’s development at the US-Mexico Natural Gas Forum in San Antonio. These include the need for more knowledge of Mexico’s unconventional resource geology, and also the regulatory framework as well as economic and commercial conditions.

As Mexico transitions away from fuel oil- and diesel-fired generation, gas demand from power generators has surged in recent years. Since 2013 when Mexico’s energy reform was enacted, domestic gas demand has grown nearly 10% to an average 7.8 Bcf/d in 2016, according to data compiled by Platts Analytics.

Currently, Moreira estimates that roughly half of the country’s electricity is generated from gas. He expects that figure to rise to 70% in the coming years.

MEXICO NATURAL GAS PRODUCTION VS. DEMAND



Source: Platts Analytics' Bentek Energy

But as Mexico aims to ramp up domestic production from its unconventional resources, developers face big challenges — chief among them is the low price of gas.

“Growing production from unconventionals isn’t going to be easy unless the gas price goes higher,” Moreira said. “To reach 1, 2 or 3 Bcf/d, this will take longer, probably 10 years,” he said.

Regulation, market conditions must be developed

Beyond just higher gas prices, Mexico faces a battery of other challenges to developing its unconventional resource base. According to Moreira, the geology of Mexico’s unconventionals remains largely

unknown, most notably in Mexico’s portion of the Eagle Ford and potentially the Permian Basin.

While extensive 2D-seismic imaging has been done in the Burgos Basin of northeast Mexico, very limited 3D-seismic imaging has been done there or anywhere else in Mexico, Moreira said. While some private companies have begun mapping those basins, they face a rigid timeline for profiting from the sale of that data to exploration and development companies.

After a 10-year period, geological data on Mexico’s oil and gas reserves becomes the property of the National Hydrocarbons Commission, Moreira said.

Developing regulations that will standardize the logistics of resource development — including land and water access, but also environmental protections, will also be critical, he said. In addition to that, much of the infrastructure and related technology for unconventionals is still absent in Mexico.

This will require the buildout of gas production and gathering pipelines, and the emergence of a robust oil-and-gas field services industry.

— [J. Robinson](#)

Lithuania set to receive first US LNG cargo

Lithuania is due to receive its first cargo of US LNG on either August 20 or 21, the head of Lithuania’s state-owned energy holding company Lietuvos Energija said Monday, following a spot deal with Sabine Pass operator Cheniere Energy in late June.

The spot cargo was hailed at the time by both Lithuania and the US as a key market development, giving the former Soviet state new gas supply security as Vilnius continues its diversification strategy and providing another new market for the expanding US LNG sector.

“[The cargo] is scheduled to arrive around August 20-21,” Lietuvos Energija CEO Dalius Misiunas told S&P Global Platts. “We are having a ‘welcome’ event in Klaipeda on August 21.”

The cargo is being delivered aboard the Clean Ocean tanker, which departed Sabine Pass on August 5 and is currently headed for the Baltic Sea, according to S&P Global Platts’ trade flow software, cFlow.

It is following the same route the Clean Ocean took in June when it delivered the first US LNG cargo to neighboring Poland.

Lithuanian gas trader Lietuvos Duju Tiekimas (LDT) — a subsidiary of Lietuvos Energija — agreed to the spot deal with Cheniere, and made another spot deal for Sabine Pass LNG with Spain’s Gas Natural last month.

Gas Natural has a 20-year agreement with Cheniere to offtake LNG from the second train of Sabine Pass on an FOB basis, giving it the right to resell cargoes to third parties.

For Lithuania, the delivery of LNG from the US has a geopolitical component — Vilnius has made it a strategic goal to use LNG imports to diversify away from traditional Russian gas supplies.

Lithuania’s LNG import terminal started operations at the end of 2014, proving immediately beneficial for the small Baltic country, enabling Vilnius to win a much better price from Gazprom for its Russian gas supplies in 2015.

US LNG EXPORTS TO EUROPE FROM SABINE PASS

Spain (6)

Murgados	Jul 22, 2016				
Sagunto	Jan 16, 2017	Feb 11, 2017			
Cartagena	Jan 26, 2017	Jul 21, 2017			
Barcelona	Feb 17, 2017*				

Portugal (5)

Sines	Apr 26, 2016	Feb 6, 2017	Feb 13, 2017 *	Jun 13, 2017	Aug 2, 2017
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Italy (2)

Livorno	Dec 5, 2016	Jun 27, 2017			
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Malta (1)

Marsaxlokk	Jan 28, 2017**				
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Poland (1)

Swinoujscie	Jun 7, 2017				
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Netherlands (1)

Gate	Jun 8, 2017				
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UK (1)

Isle of Grain	Jul 8, 2017				
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* Partial cargoes delivered aboard the Clean Ocean

** Partial cargo that unloaded first in Jordan

Source: Platts Analytics' Eclipse Energy

Balanced portfolio

For 2017, Lietuvos Energija has built up a balanced supply portfolio, made up of two-thirds LNG — through supply deals with Norway's Statoil and the US' Koch — and one-third pipeline gas from Russia.

Lithuania has long been coveting US LNG, with politicians from both countries having spoken of the potential for supplies over the past two years.

Another Lithuanian gas trader Litgas — also under the umbrella of Lietuvos Energija — signed a master trade agreement with Cheniere in February 2015.

Lietuvos Energija itself was also in talks in late 2015 with Cheniere to be the first buyer of US LNG from Sabine Pass globally, although the first cargo in the end went to Brazil.

Lithuania — an ex-Soviet Union country and now EU member state — has been leading the way among the three Baltic states in looking for a more diversified gas supply, having paid some of the highest prices in Europe for Russian gas in the recent past.

The price Lithuania paid for Russian gas rose as high as \$500/1,000 cu m in the early part of this decade compared with just \$85/1,000 cu m in 2003.

Despite political relations between Moscow and Vilnius being strained, Lithuania still buys Russian gas.

At the end of last year, Lietuvos Energija secured a one-year Russian gas supply deal for 2017 with Gazprom — a return to the bilateral contract model of the past after the Russian company tested selling gas to the Baltics via auction last year.

Gazprom signaled in late 2016 it was unlikely to hold another auction of gas for delivery to the Baltic region.

— [Stuart Elliott](#)

Need seen for more US-Mexico pipelines

U.S. natural gas exports to Mexico will require both countries to build more pipelines in certain locations, speakers said Monday at the U.S.-Mexico Natural Gas Forum.

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In order to get gas to overseas markets and across the border to Mexico, the US gas industry is waiting on a number of north-to-south pipeline projects to come online. Jim Duncan, director of market research for ConocoPhillips, sees between 8.5 Bcf/d and 9 Bcf/d of such projects heading south and entering service over the next few years.

Duncan noted that some industry observers are concerned that, once transportation projects under construction enter service, pipeline capacity might be overbuilt if producers do not quickly ramp up output. "When the pipelines get finished and imports increase, there is going to be a shortfall if there is no response [by producers]," he said.

With Mexico's oil and gas production declining, Duncan said, growing US exports via pipeline and LNG shipments are expected to help Mexico meet its demand for gas, which represents more than half of the country's energy consumption for electric power generation. Eventually, the portion of gas used in power generation will grow to about 70%, he said.

For now, gas transportation capacity constraints, especially those south of the international border, have kept US pipeline exports to Mexico at around 4 Bcf/d, said Ross Wyeno, senior energy analyst at S&P Global Platts.

"The system is just not set up to take the gas yet," he said. "What we're waiting for is more of these fully integrated north-to-south corridors."

Pipelines currently in service allow for the transportation of

about 4.8 Bcf/d from South Texas to northeastern Mexico, said Wyeno. Once in Mexico, roughly 1.5 Bcf/d can get from Northeast Mexico to Southern Mexico, and about 1 Bcf/d can get from Northeast Mexico to Central Mexico.

“The border-crossing capacity is far exceeding the downstream capacity,” Wyeno said.

Nation’s pipeline system prone to constraints

Pipeline capacity constraints in Mexico are due in part to how the country operated before the state opened up the oil and gas market to private investment, said Benjamin Gage, an analyst at NextEra Energy Marketing. Pipelines south of the border were primarily meant to pipe gas produced offshore by Mexico’s Pemex Petroquímica into the country.

“In many ways, the market has moved beyond the capabilities of that [system],” Gage said.

Though Mexico is considered a promising home for US gas, the country could also tap unconventional reserves the way US shale drillers did, said Héctor Moreira, commissioner of Mexico’s National Hydrocarbons Commission.

“We are really, really envious of what you have done in terms of developing these unconventional resources,” he told the audience at the San Antonio event.

Moreira pointed to the Permian and Eagle Ford formations as evidence that similar resources could be found south of the Rio Grande. “The question is do they extend into Mexico? Well, it would be funny if they didn’t [and they] just stopped at the border,” he said.

Global demand for gas and cheap resources in the US have spurred the development of US LNG export terminals and border-crossing pipelines. Six LNG projects under construction in the US are expected to bring the total LNG export capacity to more than 9 Bcf/d by the end of 2019.

Near-record pipeline shipments to Mexico helped the US become a net energy exporter for three of the first five months of 2017, according to the US Energy Information Administration.

In Latin America, which has received the bulk of US LNG exports from Cheniere Energy’s Sabine Pass terminal, 196 gas-fired power projects worth a total of about \$67 billion are being actively developed, Duncan said.

— [Rachel Adams-Heard, S&P Global Market Intelligence](#)

Lilis gas gathering deal to support Permian plans

Independent producer Lilis Energy is boosting its drilling operations in the Permian’s Delaware Basin through a gas gathering, processing and purchase agreement it has reached with an affiliate of private equity-backed Lucid Energy Group, the company said Monday.

The long-term deal comes as Lilis focuses its attention on the prolific shale play, which stretches across West Texas and southeastern New Mexico, amid the billions of dollars in new investment being pumped into the area by drillers and midstream companies in search of higher returns while commodity prices remain low.

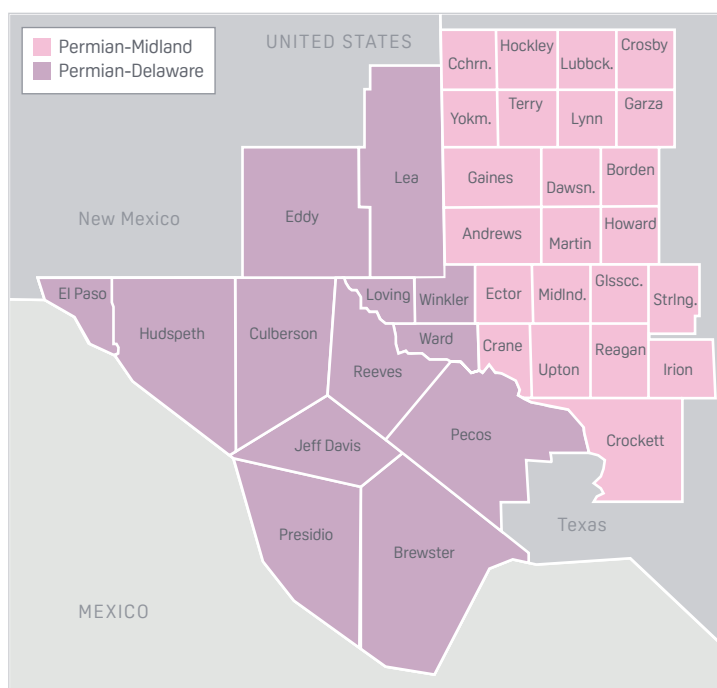
Lilis previously shed all of its oil and gas assets in the Denver-

Julesburg Basin so it could shift resources to the Permian.

The agreement, with an initial term of 10 years, calls for Lucid to receive, gather and process Lilis’ gas output from certain production areas in Lea County, New Mexico, and in Loving and Winkler counties, Texas. Lilis said the term and capacity will help it meet its development plans.

Separately, Lilis released financial and operational results that showed it continues to increase its footprint in the Permian. It said it now has accumulated approximately, 10,500 net acres in the basin, up from the 8,000 acres it held in late March and the nearly 3,500 acres it held after combining with San Antonio-based Brushy Resources. Up to that point, Lilis had been based in Denver and had primary operations in the DJ Basin.

PERMIAN’S MIDLAND AND DELAWARE BASINS



Source: Platts

Earlier this month, Lilis named a new CEO, James Linville, to replace Avi Mirman, who resigned amid accusations of securities fraud involving an alleged penny stock pump-and-dump scheme that did not have any connection to Lilis. Mirman had been a bullish promoter of Lilis, suggesting in interviews that the company would continue buying up drilling rights in the Permian, ultimately reaching a threshold at which it would become attractive to a potential purchaser.

Based on the acreage Lilis said it held as of Monday, it is now at the threshold that Mirman had stated.

In a statement Monday, executive Chairman Ronald Ormand said only that Lilis’ current goals are centered around its drilling program and selective acquisitions to further that effort.

Small exploration-and-production companies such as Lilis have the flexibility to gobble up tiny pieces of acreage that when pieced together give the owners a formidable presence in the Permian.

— [Harry Weber](#)

Proposed Permian-to-Katy Pipeline announced

Boardwalk Pipeline Partners and Sempra LNG and Midstream announced a non-binding open season for a new Permian-to-Katy pipeline (P2K) Monday, bringing forward another potential project aiming to open up capacity eastbound out of the Permian Basin.

The P2K project is proposed to increase capacity from Waha Hub Headers in the Permian to Katy Hub and Houston Ship Channel (HSC). Between 1.5 Bcf/d and 2.0 Bcf/d of Permian production takeaway capacity is being proposed, with deliveries to multiple locations along the Texas and Louisiana Gulf Coast where growing demand is expected over the next few years.

Five interstate pipelines, as well as five Texas intrastate pipelines, are being considered for downstream connections, which would give the project access to Houston Ship Channel, LNG export markets, Mexico exports, as well as storage connectivity. The open season announcement stated that project capacity could be online as early as December, 2019.

One of the interconnecting pipes being considered, Gulf South's Coastal Bend Supply Header project, which is expected to be in-service April 2018, would provide direct access to the Freeport LNG facilities under construction near Quintana Island, Texas. Freeport anticipates Train 1 to begin service in the second half of 2018, with the remaining

trains to follow, each providing 0.72 Bcf/d of capacity.

This announcement adds to the handful of other projects that have been announced in recent months, aiming to increase production takeaway out of the Permian Basin.

NAmerico Partners LP proposed the Pecos Trail Pipeline in early summer, which is designed to increase capacity out of the Permian by 1.85 Bcf/d for delivery to the Gulf Coast Markets and directly to Corpus Christi. Kinder Morgan and DCP Midstream also announced intentions to build the Gulf Coast Express, which would transport up to 1.7 Bcf/d of gas from the West Texas Waha Hub to Agua Dulce, Texas. Lastly, while few details are available, Enterprise Products Partners has hinted at a potential Permian-to-Gulf Coast pipeline to address potential Permian gas constraints.

Growing gas production in the Permian along with the expectation of growing demand along the Gulf Coast is driving this push for increased capacity eastbound out of the Permian. Cash basis at Waha has experienced recent downward pressure, particularly over this summer, as growth out of the Permian struggles to find downstream demand markets that need it.

These projects are likely to provide relief to Waha as more capacity is built toward locations with growing demand.

— *Liz McFarland, Kyle Gatton*

PIPELINE MAINTENANCE

Start date	End date	Pipeline	Description
04-Jun	15-Oct	Algonquin	Algonquin to begin summer-long maintenance on May 2 limiting flows through Southeast/Oxford Compressor Stations
08-Aug	22-Aug	TC Nova	NGTL's maintenance-loaded schedule for August has seen several adjustments leading up to the start of the month, making the scheduled days and volumes still highly susceptible to changes.
15-Aug	17-Aug	WIC	WIC Planned Service Outage
01-Jun	31-Oct	Westcoast	Westcoast Pipeline maintenance has begun cutting capacity at Station 4B South and Huntingdon that will restrict PNW imports at Sumas. The largest cut to capacity is to begin June 7, lasting five days.

DECISION NOTE

Platts announces trade weighting in daily and monthly North American Natural Gas indices

Following consultation and review of the trade weighting proposal note, originally published on April 18 2017, S&P Global Platts has decided to incorporate Intercontinental Exchange (ICE) trade data with Platts Price Reporter (PR) trade data in its North American natural gas indices as described below.

As previously announced on May 19, Platts will begin publishing preliminary daily indices in parallel with ICE daily indices on trade date August 31 for September 1 gas flow. The daily indices will be published in parallel for a minimum of two months and a maximum of three months. Platts will begin publishing preliminary monthly indices in parallel with ICE monthly indices on trade date September 25 for October bidweek. The monthly indices will be published in parallel for a minimum of two and a maximum of three bidweek periods.

1. Preliminary Daily Indices For Platts And ICE Locations:

The only trade data used in these indices will be ICE trades sourced from ICE. Both the buy and sell side of ICE trades will be counted in the indices, regardless of whether the counterparties are Platts price reporters.

2. Final Daily Indices For Platts Locations:

The trade data used in these indices will be:

- a. All Platts PR trades submitted via email or ICE eConfirm
- b. All ICE trades sourced from ICE

Duplicates will be removed from the ICE trade data and both the buy and sell side of ICE trades will be counted in the indices. For PR trades not done on ICE, only the buy or sell side reported by the price reporter will be counted in the indices. In addition, Platts will continue to screen for outlying data using existing mechanisms as well as verifying trade data that occurs outside of the transparent trading range observed on ICE.

3. Final Daily Indices For ICE Locations:

The only trade data used in these indices will be ICE trades sourced from ICE. Both the buy and sell side of ICE trades will be counted in the indices, regardless of whether the counterparties are Platts price reporters.

4. Preliminary Monthly Indices For Platts Locations:

The trade data used in these indices will be:

- a. All ICE trades which include Platts PR trades sourced from ICE

- b. Platts PR trades not done on ICE submitted via email or ICE eConfirm

Any duplicate ICE trade will be removed from the PR data and both the buy and sell side of ICE trades will be counted in the indices, regardless of whether the counterparties are Platts price reporters. For PR trades not done on ICE, only the buy or sell side reported by the PR will be counted in the indices. In addition, Platts will continue to screen for outlying data using existing mechanisms as well as verifying trade data that occurs outside of the transparent trading range observed on ICE.

5. Preliminary Monthly Indices For ICE Locations:

The only trade data used in these indices will be ICE trades sourced from ICE. Both the buy and sell side of ICE trades will be counted in the indices, regardless of whether the counterparties are Platts price reporters.

6. Final Monthly Indices For Platts Locations:

The trade data used in these indices will be:

- a. All Platts PR trades submitted via email or ICE eConfirm
- b. All ICE trades sourced from ICE

Duplicates will be removed from the ICE trade data and both the buy and sell side of ICE trades will be counted in the indices. For PR trades not done on ICE, only the buy or sell side reported by the price reporter will be counted in the indices. In addition, Platts will continue to screen for outlying data using existing mechanisms as well as verifying trade data that occurs outside of the transparent trading range observed on ICE.

7. Final Monthly Indices For ICE Locations:

The only trade data used in these indices will be ICE trades sourced from ICE. Both the buy and sell side of ICE trades will be counted in the indices, regardless of whether the counterparties are Platts price reporters.

Platts will monitor reported transactions and all indices to ensure they properly reflect market value. Any further need to amend the methodology will be communicated as per editorial standards.

Please send any comments to the above to gas_survey_comments@platts.com and pricemethodology@spglobal.com. For written comments, please provide a clear indication if comments are not intended for publication by Platts for public viewing. Platts will consider all comments received and will make comments not marked as confidential available upon request.

NATURAL GAS FUTURES

NYMEX September gas drops 2.4 cents

The NYMEX September natural gas futures contract fell Monday, taking a step back from its large climb last week.

The September contract settled at \$2.959/MMBtu, 2.4 cents below Friday's close.

In overnight trading, the contract reached above the \$3/MMBtu level before sliding later in the morning.

Monday's drop in price follows a week in which the NYMEX gas contract climbed 20.9 cents, rallying from a five-month low of \$2.774/MMBtu on August 4. Last week's surge in price came as the US Energy Information Administration announced a lower-than-average build to natural gas storage stocks and temperature forecasts took a more bullish turn for major US demand areas.

Looking ahead, warmer weather is expected to continue, as the most recent six- to 10-day outlook calls for a likelihood of warmer-than-average weather across demand areas in the Midcontinent and the Northeast, according to the National Weather Service.

If temperatures rise to above-average levels, storage numbers could continue to come in below average levels over the coming weeks. According to EIA data, US storage injections have lagged behind the five-year average for five straight weeks, totaling 126 Bcf less than the average over that time.

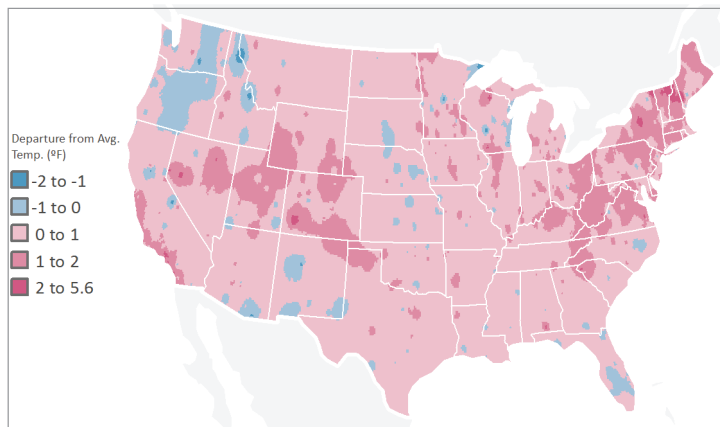
Month to date, US dry gas production has seen a boost, averaging 73.1 Bcf/d in August, up from the 71.5 Bcf/d year-to-date average, according to data from Platts Analytics' Bentek Energy. Without this increase in production, below-average storage builds would have more of a price impact.

Platts Analytics projects US demand to average 67.2 Bcf/d over the next seven days, up from the 65.3 Bcf/d expected Monday.

Continuing to provide support on prices, LNG and Mexico imports have averaged 6 Bcf/d year to date, outpacing the 4-Bcf/d average at this time last year, according to Platts Analytics.

MONTH-AHEAD TEMPERATURE FORECAST MAP

September departure from average



Source: Platts, Custom Weather

NYMEX HENRY HUB GAS FUTURES CONTRACT, AUG 14

	Settlement	High	Low	+/-	Volume
Sep 2017	2.959	3.018	2.925	-0.024	69562
Oct 2017	2.989	3.042	2.952	-0.020	18058
Nov 2017	3.059	3.098	3.017	-0.009	4089
Dec 2017	3.197	3.232	3.158	-0.008	1511
Jan 2018	3.298	3.334	3.260	-0.009	2439
Feb 2018	3.289	3.323	3.253	-0.008	439
Mar 2018	3.240	3.269	3.205	-0.006	509
Apr 2018	2.906	2.916	2.886	0.003	1399
May 2018	2.872	2.881	2.853	0.003	374
Jun 2018	2.897	2.897	2.879	0.003	54
Jul 2018	2.923	2.923	2.905	0.003	30
Aug 2018	2.927	2.935	2.910	0.003	223
Sep 2018	2.903	2.903	2.887	0.003	41
Oct 2018	2.922	2.927	2.905	0.003	234
Nov 2018	2.971	2.971	2.957	0.004	47
Dec 2018	3.100	3.100	3.086	0.006	54
Jan 2019	3.185	3.186	3.174	0.006	13
Feb 2019	3.160	3.160	3.149	0.006	2
Mar 2019	3.091	3.091	3.079	0.006	3
Apr 2019	2.726	2.726	2.722	0.006	2
May 2019	2.696	2.696	2.696	0.006	0
Jun 2019	2.718	2.718	2.718	0.006	0
Jul 2019	2.740	2.740	2.731	0.006	0
Aug 2019	2.748	2.748	2.748	0.006	0
Sep 2019	2.730	2.730	2.730	0.006	0
Oct 2019	2.752	2.752	2.745	0.006	0
Nov 2019	2.816	2.816	2.802	0.006	20
Dec 2019	2.948	2.948	2.948	0.006	0
Jan 2020	3.052	3.052	3.040	0.006	2
Feb 2020	3.027	3.027	3.027	0.006	0
Mar 2020	2.969	2.969	2.969	0.006	0
Apr 2020	2.654	2.654	2.650	0.001	14
May 2020	2.634	2.634	2.630	0.001	10
Jun 2020	2.660	2.660	2.660	0.001	0
Jul 2020	2.690	3.027	3.027	0.001	0
Aug 2020	2.711	2.711	2.711	0.001	0

Contract data for Friday

Volume of contracts traded: 295,464

Front-months open interest:

Sep, 182,811; Oct, 273,486; Nov, 115,116

Total open interest: 1,346,993

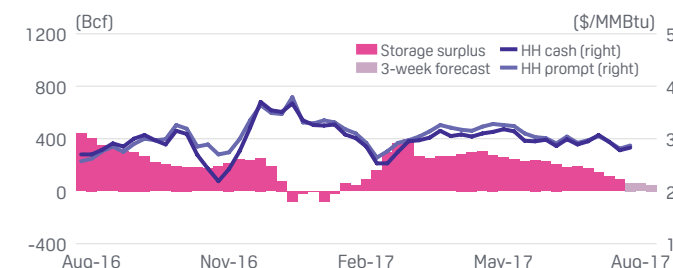
Data is provided by a third-party vendor and is accurate as of 5:30 pm Eastern time.

NYMEX PROMPT MONTH FUTURES CONTINUATION



Source: Platts

BENTEK US GAS STORAGE SURPLUS vs ROLLING 5-YEAR AVERAGE



NORTHEAST GAS MARKETS

Northeast prices increase as production falters

Prices across the Northeast and Appalachia saw significant increases Monday as production across the region fell and warmer temperatures were projected to increase power burn.

Northeast natural gas production fell 635 Bcf/d Monday to 24.03 Bcf/d, the lowest production level seen since it dropped to 23.9 Bcf/d on July 14. As the week progresses, production is expected to make gains and return to the 24.6 Bcf/d level, according to Platts Analytics' Bentek Energy.

On a more granular level, production levels across Pennsylvania decreased Monday, with the southern region seeing a significant decrease of 369 MMcf/d, or 10%. This drop can partly be attributed to unplanned maintenance on the Equitrans pipeline at the Doverspike station that began Friday. The station is expected to return to regular service on Tuesday, according to a notice from Equitrans. Nearby, prices at Dominion South Point jumped 18.5 cents, trading at \$1.795/MMBtu Monday, on these dynamics.

Platts Analytics data shows that Northeast power burn is expected to increase above the 8 Bcf/d level, as warmer weather is expected to hit the region, after cooler-than-average temperatures saw power burn averaging 7.5 Bcf/d over the past seven days.

New York is projected to experience temperatures on the high end of seasonal averages, with highs reaching the low 90s on Wednesday. These temperatures are expected to see New York demand increase an average of 2.1 Bcf/d over the next seven days.

These dynamics have seen prices at Transco Zone-6 NY jump up \$1.125 to trade at \$2.83/MMBtu, the largest movement this location has seen since gaining 93 cents on August 1. This gain in the spot market also saw Transco Zone-6 NY increase \$1.07 to trade at a 13-cent discount to Henry Hub.

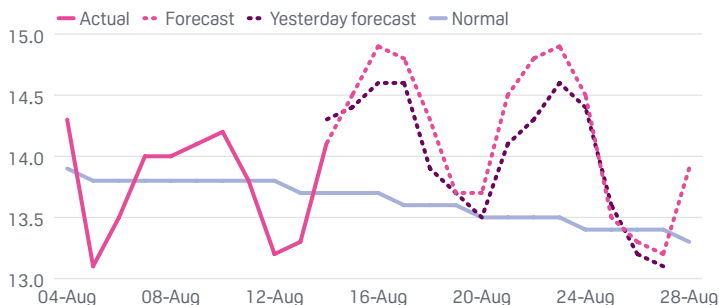
The forwards market also saw Transco Zone-6 NY September cash basis increase 3.25 cents to 39.5 cents/MMBtu.

NORTHEAST SPOT AND FORWARD BASIS (\$/MMBtu)

	Spot basis			MTD			Prompt forward basis		
	14-Aug	11-Aug	Chg	MTD Avg.	MTD last year	Chg	14-Aug	11-Aug	Chg
Henry Hub	2.96	2.91	0.05	2.82	2.81	+0.01	2.96	2.98	-0.02
Northeast region									
Algonquin CG	-0.42	-0.83	0.42	-0.44	0.22	-0.66	-0.53	-0.53	-0.01
Iroquois Zn2	0.08	-0.50	0.58	-0.16	0.20	-0.37	-0.21	-0.21	0.00
Tenn Zn6 Dlvd	-0.50	-0.85	0.36	-0.51	0.18	-0.69	-0.50	-0.49	-0.01
Transco Zn 6 NY	-0.13	-1.21	1.08	-0.72	-0.77	+0.04	-0.36	-0.43	0.07
Transco Zn5 Dlvd	0.10	0.09	0.01	0.06	0.00	+0.07	0.06	0.01	0.06
Transco Zn6 Non-NY	-0.16	-1.10	0.95	-0.65	-0.69	+0.03	-0.41	-0.45	0.04
TX Eastern M-3	-1.11	-1.29	0.18	-1.06	-1.45	+0.39	-1.01	-1.00	-0.01
Appalachia									
Col Gas Appal	-0.11	-0.10	-0.01	-0.11	-0.15	+0.04	-0.18	-0.18	0.00
Dominion N Pt	-1.16	-1.31	0.15	-1.11	-1.52	+0.42	-1.12	-1.12	0.00
Dominion S Pt	-1.17	-1.30	0.14	-1.12	-1.52	+0.41	-1.08	-1.07	-0.01
Lebanon Hub	-0.12	-0.07	-0.05	-0.08	--	--	-0.11	-0.11	0.00
Millennium East Receipts	-1.09	-1.26	0.17	-1.06	-1.52	+0.47	-1.09	-1.10	0.01
Tenn Zn4-200 Leg	-0.82	-1.05	0.24	-0.91	-1.40	+0.49	-0.93	-0.92	-0.01
Tennessee zone 4-300 leg	-1.17	-1.34	0.18	-1.13	-1.56	+0.43	-1.17	-1.16	-0.01
Texas Eastern M-2 receipts	-1.26	-1.38	0.12	-1.17	-1.56	+0.39	-1.11	-1.09	-0.02
Transco Leidy Line receipts	-1.15	-1.27	0.12	-1.09	-1.50	+0.41	-1.10	-1.09	-0.01
Other locations									
Dracut MA	--	--	--	--	--	--	-0.12	-0.11	-0.01
Iroquois Receipts	-0.04	-0.64	0.60	-0.14	0.08	-0.22	-0.25	-0.25	0.00
Niagara	--	--	--	--	--	--	-0.62	-0.61	-0.01

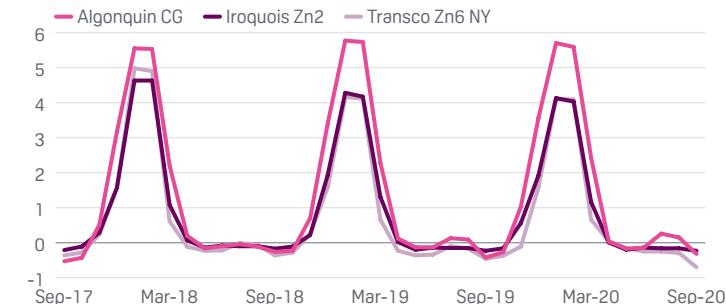
Source: Platts M2M data

NORTHEAST DEMAND FORECAST (Bcf/d)



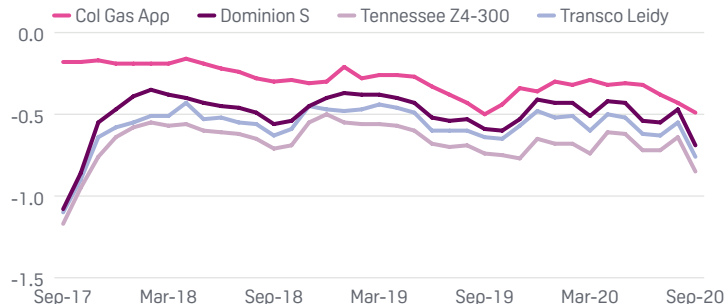
Source: Platts

NORTHEAST FORWARD BASIS (\$/MMBtu)



Source: Platts

APPALACHIA FORWARD BASIS (\$/MMBtu)



Source: Platts

SOUTHEAST GAS MARKETS

Increasing demand load props up cash prices

Cash prices in the Southeast rose closer to the \$3/MMBtu level — tracking power burn, which is expected to increase through the week.

According to Platts Analytics' Bentek Energy demand data, power burn levels are expected to soar by week's end, jumping to 11.15 Bcf/d Friday from 9.4 Bcf/d Tuesday as temperatures from Birmingham to Atlanta join Houston and New Orleans above the 90-degree mark.

Prices at Henry Hub in Louisiana rose 5 cents to \$2.96/MMBtu, as they prepare to blow past the \$3/MMBtu level for the first time since July 24 if demand projections come to fruition and regional supply competition increases.

Additional support for cash prices could come as upstream maintenance in Appalachia restricts inflows from the Northeast market throughout the back half of August, laying bare regional supply deficiencies as Southeast/Texas production sits 5% below year-ago levels, or 1.3 Bcf/d, according to Platts Analytics data.

Since the start of May, regional demand has outpaced supply by an average 1.4 Bcf/d, while more recently, the average so far in August reached 2.13 Bcf/d, the second-largest undersupplied summer margin in the Platts Analytics data set, outstripped only by July, largely on tepid demand levels in early August.

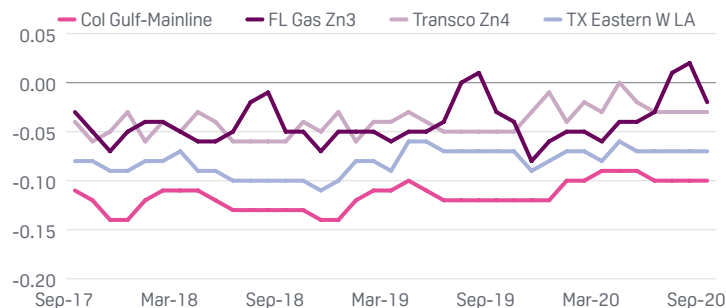
Farther downstream from Henry Hub, Transcontinental Gas Pipe Line Zone 4 rose 5 cents to \$2.98/MMBtu, keeping cash basis steady at plus 2 cents/MMBtu.

As regional demand increases, the Florida market is not the sole increasing demand market anymore, likely leading to additional support for Florida cash prices in the coming days.

Current Florida demand is expected to come in at 4.4 Bcf/d Monday, according to Platts Analytics. While way off the 4.9 Bcf/d experienced last week, Florida Gas Transmission Zone 3 increased nearly 4 cents Monday to \$2.995/MMBtu, holding firm as the premium point in the region.

Florida Gas' cash basis is steady at slightly plus 3 cents/MMBtu during Monday's trading session, but upcoming temperatures in Orlando are expected to mirror week-ago levels, fostering the possibility for a widening in the cash basis margin as Florida demand competes with other regional markets for gas supplies.

SOUTHEAST FORWARD BASIS (\$/MMBtu)



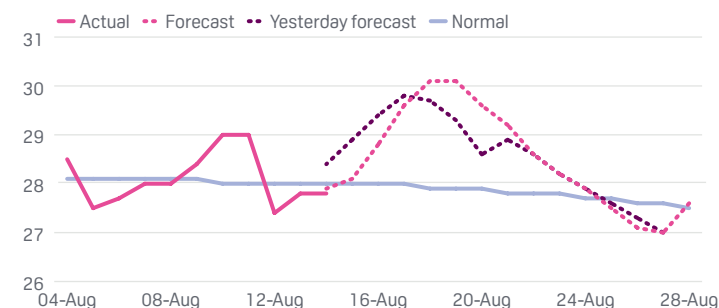
Source: Platts

SOUTHEAST SPOT AND FORWARD BASIS (\$/MMBtu)

	Spot basis			MTD			Prompt forward basis		
	14-Aug	11-Aug	Chg	Avg.	last year	Chg	14-Aug	11-Aug	Chg
Henry Hub	2.96	2.91	0.05	2.82	2.81	+0.01	2.96	2.98	-0.02
Southeast									
ANR LA	-0.09	-0.04	-0.06	-0.06	-0.09	+0.03	-0.10	-0.10	0.00
Col Gulf LA	-0.03	-0.03	0.00	-0.04	-0.09	+0.04	-0.08	-0.09	0.00
Col Gulf-Mainline	-0.08	-0.05	-0.03	-0.06	-0.11	+0.04	-0.11	-0.11	0.00
FL Gas Zn1	0.02	--	0.02	-0.01	-0.08	+0.06	-0.05	-0.05	0.00
FL Gas Zn2	0.01	--	0.01	-0.02	-0.06	+0.04	-0.04	-0.04	0.00
FL Gas Zn3	0.04	0.05	-0.02	0.02	-0.01	+0.04	-0.03	-0.03	0.00
Florida CG	0.34	0.35	-0.01	0.68	0.53	+0.15	0.26	0.26	0.00
SoNat LA	-0.01	-0.01	0.00	-0.02	-0.07	+0.05	-0.08	-0.09	0.00
Tenn LA 500 Leg	-0.03	--	-0.03	-0.03	-0.08	+0.05	-0.10	-0.10	0.00
Tenn LA 800 Leg	-0.06	-0.04	-0.02	-0.05	-0.08	+0.03	-0.08	-0.08	0.00
TETCO-M1	--	--	--	-0.01	-0.08	+0.06	-0.08	-0.08	0.00
Texas Gas Zn SL	--	--	--	-0.08	-0.11	+0.03	-0.12	-0.12	0.00
Texas Gas Zn1	-0.08	-0.05	-0.03	-0.06	-0.11	+0.05	-0.12	-0.12	0.00
Transco Zn2	-0.05	-0.02	-0.03	-0.03	-0.09	+0.06	-0.13	-0.13	0.00
Transco Zn3	-0.01	-0.01	0.00	-0.02	-0.06	+0.04	-0.05	-0.05	0.00
Transco Zn4	0.02	0.02	0.00	0.01	-0.04	+0.04	-0.04	-0.04	0.00
Trunkline E LA	-0.08	-0.09	0.01	-0.09	-0.13	+0.04	-0.09	-0.09	0.00
Trunkline WLA	--	--	--	--	-0.11	--	-0.09	-0.08	0.00
Tx Eastern E LA	-0.06	-0.01	-0.05	-0.04	-0.09	+0.04	-0.09	-0.09	0.00
TX Eastern W LA	-0.09	-0.02	-0.07	-0.03	-0.08	+0.05	-0.08	-0.08	0.00
East & South Texas									
Agua Dulce	--	--	--	--	0.09	--	0.00	0.00	0.00
Carthage Hub	-0.06	-0.03	-0.03	-0.05	-0.08	+0.03	-0.09	-0.09	0.00
Houston Ship Channel	-0.02	0.02	-0.04	-0.01	-0.05	+0.04	-0.04	-0.04	0.00
Katy	-0.02	0.01	-0.03	-0.01	-0.06	+0.05	-0.04	-0.04	0.00
NGPL S TX	-0.10	-0.02	-0.08	-0.03	-0.10	+0.08	-0.08	-0.07	0.00
NGPL Texok Zn	-0.12	-0.07	-0.05	-0.08	-0.11	+0.03	-0.13	-0.12	0.00
Tenn Zn0	-0.14	-0.10	-0.04	-0.11	-0.16	+0.05	-0.15	-0.16	0.00
Transco Zn1	-0.05	-0.02	-0.03	-0.04	-0.07	+0.03	-0.08	-0.08	0.00
TX Eastern E Tx	-0.03	-0.07	0.04	-0.06	-0.11	+0.05	-0.08	-0.08	0.00
TX Eastern S TX	0.01	--	0.01	-0.01	-0.06	+0.04	-0.06	-0.06	0.00

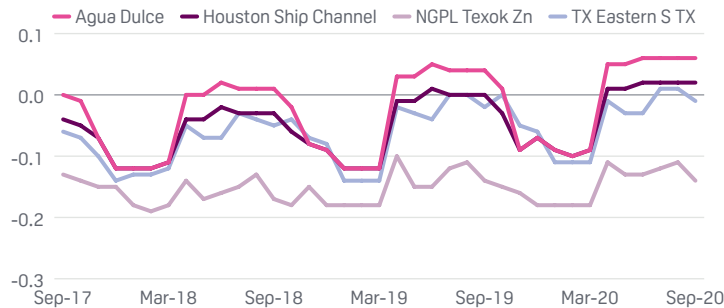
Source: Platts M2M data

SOUTHEAST & TEXAS DEMAND FORECAST (Bcf/d)



Source: Platts

EAST AND SOUTH TEXAS FORWARD BASIS (\$/MMBtu)



Source: Platts

CENTRAL GAS MARKETS

Cash bases weaken as Henry Hub climbs

US Central natural gas spot prices inched upwards in some demand areas Monday; however, most cash bases weakened as the Henry Hub saw a larger day-on-day climb.

The Chicago city-gates next-day cash price rose one cent to \$2.89/MMBtu Monday, weakening its cash basis against the Henry Hub to minus 7 cents/MMBtu as the Henry Hub prompt price jumped 5 cents on the day to 2.96/MMBtu on increased demand in the Southeast.

Chicago city-gates prices are up 21.5 cents since August 7, when the contract was \$2.675/MMBtu.

Dawn Hub saw a 1-cent climb Monday to \$2.915/MMBtu, weakening its cash basis to minus 4.5 cents/MMBtu.

Producing areas in the Midcontinent saw prices vary, with Enable East dropping 4.5 cents to \$2.73/MMBtu, whereas NGPL-Midcontinent Pool saw a 3-cent increase day on day.

Temperatures in the Chicago area over the next week are expected to be at average levels, with highs in the low 80s, falling in line with the average of 82 degrees Fahrenheit seen in the area during that time, according to the National Weather Service.

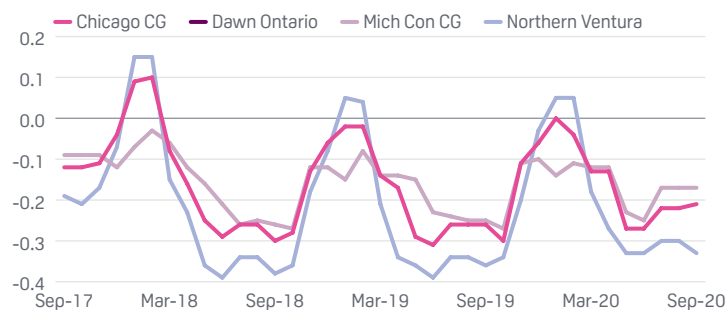
The expected average temperatures are a change from the cooler weather experienced in the Chicago area in recent weeks, and could put upward pressure on prices if supply does not keep pace with the increase in demand.

Looking towards the later part of August, the weather service's most recent eight- to 14-day weather outlook calls for a high likelihood of warmer-than-average temperatures for demand areas in the Midcontinent, which could result in a continuation of the below-average storage builds seen over the past two months if production and imports remain constant.

Total demand with outflows in the Midcontinent is projected to be 14.12 Bcf/d, a 223-MMcf increase day on day, according to Platts Analytics' Bentek Energy. Month to date, total demand with outflows has averaged 14.21 Bcf/d, down slightly from the 14.3 Bcf/d averaged this time last August.

Looking to Thursday, Platts Analytics expects imports on Northern Border to drop from August 17 through August 21 as maintenance on TransCanada's Alberta system limits AECO supply to the McNeil interconnect, which could put upward pressure on prices in the Chicago area.

MIDWEST FORWARD BASIS (\$/MMBtu)



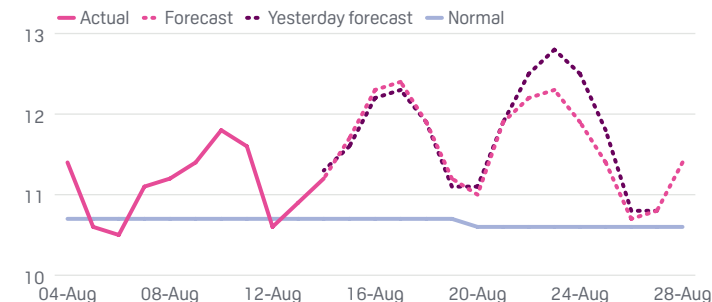
Source: Platts

CENTRAL SPOT AND FORWARD BASIS (\$/MMBtu)

	Spot basis			MTD			Prompt forward basis		
	14-Aug	11-Aug	Chg	Avg.	last year	Chg	14-Aug	11-Aug	Chg
Henry Hub	2.96	2.91	0.05	2.82	2.81	+0.01	2.96	2.98	-0.02
Midwest/East Canada									
ANR ML 7	--	--	--	-0.06	-0.07	+0.01	-0.04	-0.03	-0.01
Chicago CG	-0.07	-0.03	-0.04	-0.04	-0.05	+0.01	-0.12	-0.12	-0.01
Consumers Energy CG	-0.06	-0.01	-0.05	-0.01	-0.05	+0.04	-0.14	-0.14	0.00
Dawn Ontario	-0.05	-0.01	-0.04	-0.01	-0.05	+0.04	-0.06	-0.05	-0.01
Mich Con CG	-0.06	-0.01	-0.05	-0.03	-0.08	+0.05	-0.09	-0.08	0.00
Northern Ventura	-0.19	-0.18	-0.01	-0.14	-0.09	-0.05	-0.19	-0.18	-0.01
Viking-Emerson	-0.30	-0.29	-0.02	-0.30	-0.18	-0.12	-0.36	-0.36	0.01
Midcontinent									
ANR OK	-0.31	-0.28	-0.03	-0.25	-0.23	-0.02	-0.33	-0.33	0.00
Enable Gas East	-0.23	-0.14	-0.10	-0.17	-0.17	+0.00	-0.19	-0.18	-0.01
NGPL Midcontinent	-0.29	-0.27	-0.02	-0.24	-0.14	-0.10	-0.31	-0.31	0.00
Northern NG Demarc	-0.17	-0.17	-0.01	-0.14	-0.09	-0.04	-0.19	-0.19	0.00
Oneok OK	-0.55	-0.46	-0.09	-0.52	-0.25	-0.26	-0.54	-0.54	0.00
Panhandle TX-OK	-0.32	-0.36	0.04	-0.32	-0.22	-0.10	-0.37	-0.37	0.00
Southern Star TxOkks	-0.39	-0.35	-0.04	-0.35	-0.23	-0.12	-0.39	-0.40	0.01

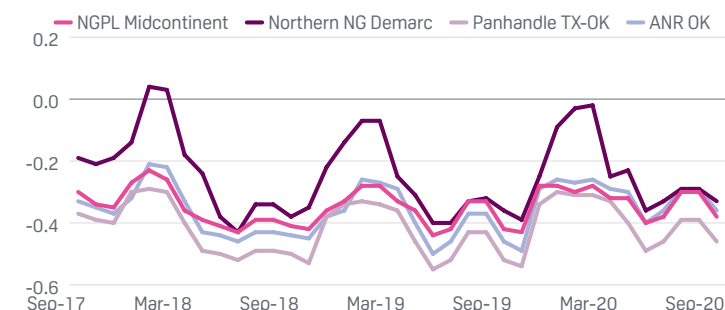
Source: Platts M2M data

MIDWEST & MIDCONTINENT DEMAND FORECAST (Bcf/d)



Source: Platts

MIDCONTINENT FORWARD BASIS (\$/MMBtu)



Source: Platts

WEST GAS MARKETS

Basis dips as gas competes with renewables

Cash basis prices across the West fell slightly Monday as short-term projects depict lower to flat demand through the end of the week and renewables continue to take an increasing role in power generation.

West demand over the weekend averaged about 10.7 Bcf/d, flat with the week prior, but is expected to fall to around 10 Bcf/d by Thursday, where it will hover through the weekend, Platts Analytics' Bentek Energy data showed.

In the Pacific Northwest, where power burn over the weekend fell below the 1 Bcf/d mark for the first time since late July, total demand is expected to remain flat at around 1.6 Bcf/d through the end of the week and flat year on year, the data shows.

Cash basis prices across the Pacific Northwest dipped on these lackluster demand expectations, with GTN Kingsgate cash basis trading 4 cents lower at minus 44.5 cents/MMBtu.

Weaker power burn over the weekend was reflected in the falling share of natural gas in Bonneville Power Administration's generation stack, where gas generated just 19% of the system's power needs over the weekend, its lowest level since July 20, BPA's data showed.

Not only did diminishing gas generation come as total system generation over the weekend rose 8% above the month-to-date average, but also as wind's share of generation rose to a 23-month high of 25.4%, both reflecting gas' diminishing role in regional generation.

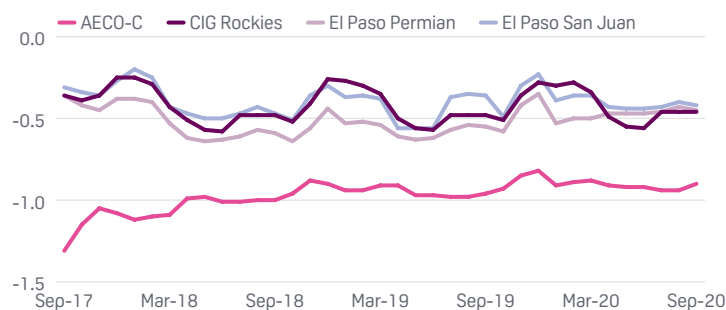
Wind has not been the only renewable power source putting pressure on western gas markets so far this month. Farther south, the California Independent System Operator has seen a 50% spike in hydro generation so far this month, compared with a year ago, while gas has seen a much more modest 7% increase.

These changes come as month-to-date daily generation has shown a 3.5% year-on-year build, currently averaging 776 GWh.

While month-to-date power burn across the Southwest, at 4.7 Bcf/d, is slightly more than 2% higher than a year ago, cash basis prices across the region were slightly lower Monday on expectations that this level will dip below the 4-Bcf mark by Thursday.

Cash basis at the SoCal Gas city-gates slid 8 cents Monday to plus 4.5 cents/MMBtu.

WEST SUPPLY LOCATIONS FORWARD BASIS (\$/MMBtu)



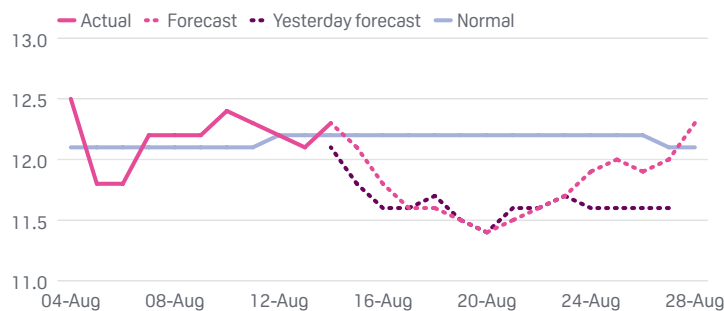
Source: Platts

WEST SPOT AND FORWARD BASIS (\$/MMBtu)

	Spot basis			MTD			Prompt forward basis		
	14-Aug	11-Aug	Chg	Avg.	last year	Chg	14-Aug	11-Aug	Chg
Henry Hub	2.96	2.91	0.05	2.82	2.81	+0.01	2.96	2.98	-0.02
Northwest									
GTN Kingsgate	-0.45	-0.40	-0.05	-0.41	-0.35	-0.06	-0.50	-0.48	-0.01
Northwest Sumas	-0.42	-0.36	-0.06	-0.31	-0.29	-0.02	-0.50	-0.49	-0.01
Northwest Stanfield	-0.37	-0.33	-0.05	-0.30	-0.22	-0.09	-0.33	-0.33	-0.01
Rockies									
Cheyenne Hub	-0.35	-0.33	-0.02	-0.30	-0.23	-0.07	-0.37	-0.35	-0.02
CIG Rockies	-0.36	-0.36	0.00	-0.32	-0.24	-0.08	-0.36	-0.35	-0.01
Kern River Opal	-0.31	-0.29	-0.02	-0.25	-0.17	-0.08	-0.33	-0.32	-0.01
NW WY Pool	-0.36	-0.35	-0.02	-0.30	-0.22	-0.07	-0.33	-0.32	-0.01
Questar Rky	-0.37	-0.35	-0.02	-0.30	-0.21	-0.09	-0.33	-0.31	-0.01
Southwest									
El Paso Permian	-0.33	-0.30	-0.04	-0.25	-0.17	-0.08	-0.36	-0.35	-0.01
El Paso San Juan	-0.34	-0.29	-0.06	-0.25	-0.17	-0.08	-0.31	-0.30	-0.01
Kern River Divd	-0.19	-0.17	-0.02	0.08	0.03	+0.05	-0.14	-0.13	-0.01
PG&E CG	0.33	0.40	-0.07	0.42	0.36	+0.06	0.36	0.37	-0.01
PG&E Malin	-0.26	-0.20	-0.06	-0.19	-0.12	-0.07	-0.24	-0.23	-0.01
PG&E South	-0.24	-0.19	-0.05	-0.12	-0.07	-0.05	-0.15	-0.14	-0.01
SoCal Gas	-0.22	-0.19	-0.03	-0.01	-0.01	+0.00	-0.15	-0.14	-0.01
SoCal Gas Citygate	0.05	0.14	-0.09	0.39	0.04	+0.35	0.16	0.17	-0.01
Transwestern Permian	-0.34	-0.30	-0.05	-0.26	-0.16	-0.10	-0.35	-0.34	-0.01
Waha	-0.27	-0.20	-0.07	-0.19	-0.14	-0.04	-0.29	-0.28	-0.01
West Canada									
AECO-C	-0.68	-0.77	0.09	-1.22	-0.74	-0.48	-1.31	-1.31	-0.01

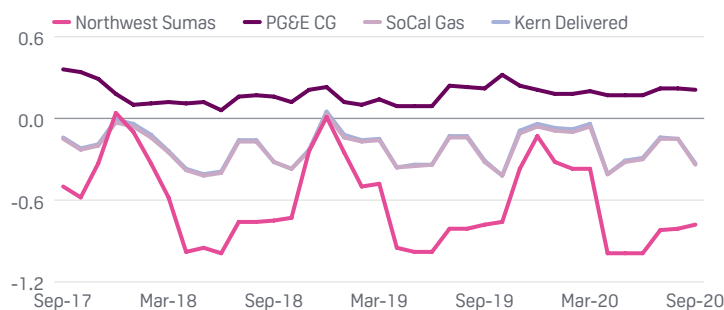
Source: Platts M2M data

SOUTHWEST, NORTHWEST, ROCKIES DEMAND FORECAST (Bcf/d)



Source: Platts

WEST DEMAND LOCATIONS FORWARD BASIS (\$/MMBtu)



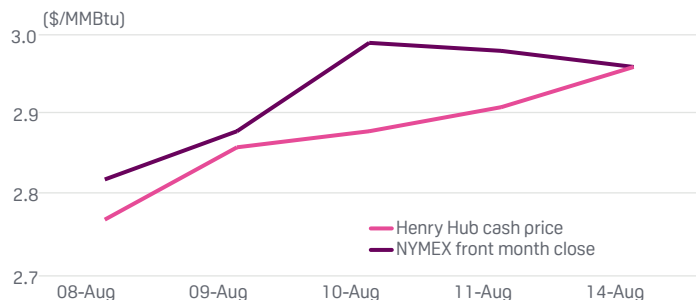
Source: Platts

TOTAL NET PIPELINE FLOWS BY REGION (MMcf/d*)

	13-Aug	14-Aug	Change	MTD avg.	MTD last year	Change
Supply regions – net pipeline outflows						
Texas	7,538	7,853	-315	7,896	8,031	-135
West Canada	8,260	8,216	44	8,366	8,895	-529
Rockies	6,737	6,756	-19	6,630	6,738	-108
Midcontinent	3,255	3,182	73	3,198	2,638	560
Northeast	5,899	5,972	-73	5,628	4,049	1,579
Demand regions – net pipeline inflows						
Southwest	4,843	4,994	151	5,044	4,955	-89
Southeast	6,631	6,714	83	6,521	6,635	114
Northwest	1,757	1,730	-27	1,787	1,706	-81
Midwest	11,041	10,990	-51	10,854	10,389	-465
East Canada	3,369	3,339	-30	3,172	2,643	-529

* Net pipeline flows by region are the aggregated total interstate pipeline flows across the regional border. Net supply regions are those that historically have had more supply than demand within the region and have been net suppliers of gas to other regions. Net demand regions historically have had more demand than supply and have been net receivers of pipeline gas from other regions.

HENRY HUB/NYMEX SPREAD



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GAS DAILY SUPPLEMENTS

To access the latest issue of the Gas Daily supplements, click below.

[Gas Daily Market Fundamentals](#) (pdf)[Gas Daily Market Fundamentals Data](#) (xls)[Gas Daily Monthly Price Guide](#) (pdf)*Links require PMC login. For login help, contact support@platts.com.

SHALE VALUE CHAIN ASSESSMENTS, AUG 14

	\$/MMBtu	+/-
Gulf Coast ethane fractionation spread	1.083	-0.052
Gulf Coast E/P mix fractionation spread	1.045	-0.090
E/P mix Midcontinent to Rockies fractionation spread	0.783	-0.126
E/P mix Midcontinent fractionation spread	0.708	-0.106
National raw NGL basket price	6.897	-0.120
National composite fractionation spread	3.957	-0.135

The methodology for these assessments is available at:

www.platts.com/IM.Platts.Content/MethodologyReferences/MethodologySpecs/shale-value-chain.pdf

PLATTS OIL PRICES, AUG 14

	(\$/b)	(\$/MMBtu)
Gulf Coast spot		
1% Resid (1)	46.72-46.74	7.48
HSFO (1)	44.97-44.99	7.20
Crude spot		
WTI (Sep) (2)	47.58-47.60	8.21
New York spot		
No.2 (1)	60.38-60.43	9.66
0.3% Resid LP (3)	51.09-51.11	8.18
0.3% Resid HP (3)	51.09-51.11	8.18
0.7% Resid (3)	47.34-47.36	7.58
1% Resid (3)	46.09-46.11	7.38

1= barge delivery; 2= pipeline delivery; 3= cargo delivery

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7th Annual

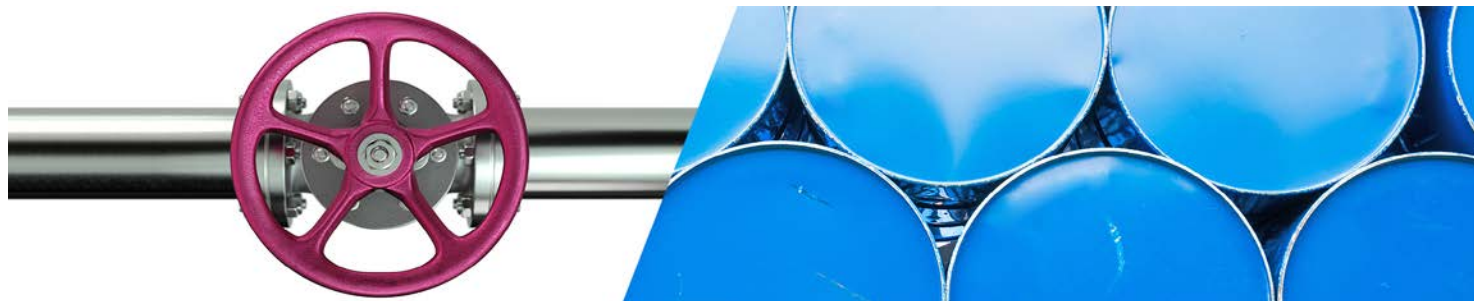
NGLs Conference

5th Annual

Petrochemical Seminar

Two Informative Events, One Location—Attend One or Attend Both

September 13-15, 2017 | The Houstonian Hotel, Club & Spa | Houston, TX



Hear Expert Perspectives on the Latest Issues and Opportunities:

NGLs

- **Supply**—Production outlook for the Marcellus, SCOOP, STACK, Permian, and Rockies
- **Infrastructure**—Where are the pipeline bottlenecks? What processing, fractionation and storage is needed? What terminals and ships are available for export?
- **Markets**—Domestic vs. international demand for ethane, propane, and butane; impact on pricing

Petrochemicals

- **Ethylene Capacity**—Timelines for coming on line; cracker fuel flexibility
- **Propylene/Polypropylene Capacity**—New PPP plant development; propylene availability
- **Petrochemical Markets**—Domestic and international outlook for olefins and polyethylene
- **Export Logistics**—Status and plans for Gulf and East Coast terminals, ports, shipping

PLUS: Case Studies from Enterprise, Kinder, MarkWest, and Caliche



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