

Blake Baxter

Subject: FW: MEP Weekly gas Update 12-22-2016 (Josh's Edition)
Attachments: MEP Gas Storage Chart 2016 12 22.pdf; NG Price Curve 2016 12 22.pdf

From: Josh Kaurich
Sent: Thursday, December 22, 2016 2:28 PM
Subject: MEP Weekly gas Update 12-22-2016 (Josh's Edition)

Natural Gas is currently trading at \$3.53 per DTH [-209 Bcf Withdrawal from storage]

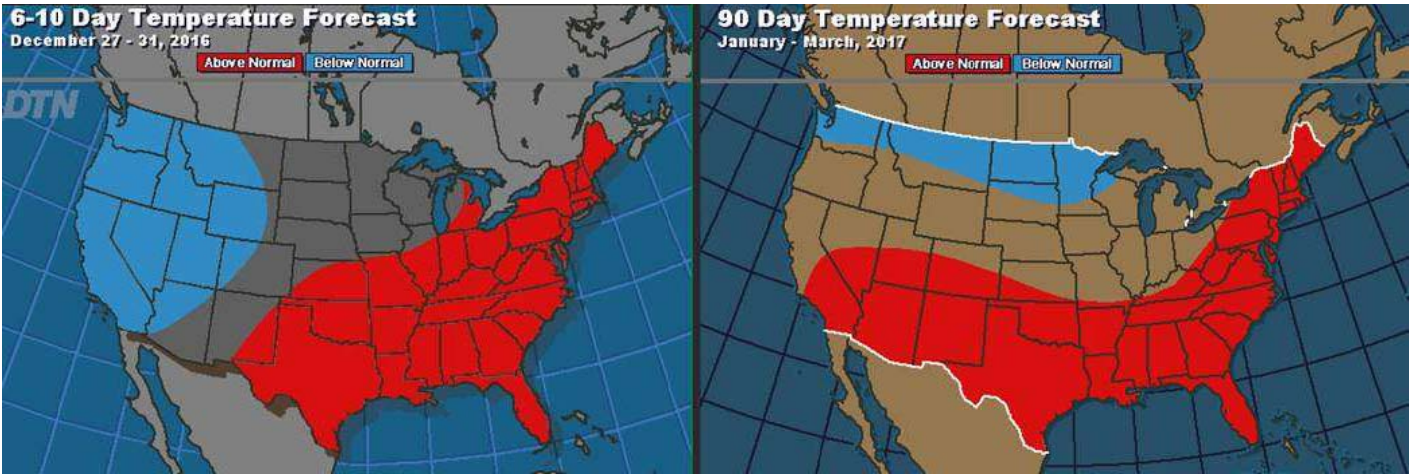
With Blake enjoying a well-deserved break in Europe I am captaining the ship in his absence. I am not exactly sure what he is up to, but I bet it involves a fanny pack, pulled up tub socks with denim shorts, and his army hat. In all seriousness, he is enjoying time with his family in Germany which I am sure he and Nancy are grateful for. Speaking of being grateful, Christmas is upon us! I do not know about yourself, but I definitely have so much to be thankful for. I am blessed with many things including a great family, close friends, a fantastic church and spiritual core near me, my health, and a great job where I get to help people save money amongst other things. I have heard it said, "if you are not grateful than you must be entitled." That being said, thank you all who are reading this as you are a part of our company's journey to help others.

Blake picked a heck of a time to leave. First, NOAA has jockeyed its position on our winter and have now settled again as a colder than normal winter which gave the bulls reason for running the futures. Good thing NOAA did not run for political office or they would be labeled a flip flopper. Next, the market movement resembled that of an EKG readout. First the price collapsed and then rocketed back up resting on colder than normal weather forecasts and projections of large storage withdrawals which occurred (current withdrawal = -209 Bcf). The graph below depicts the movement of the January contract over the past 8 days. The months with the greatest price risk and swings are coming up. However, for our clients with a quality NAESB contract, locked in basis and commodity, you can do as Aaron Rodgers once advised and R-E-L-A-X.

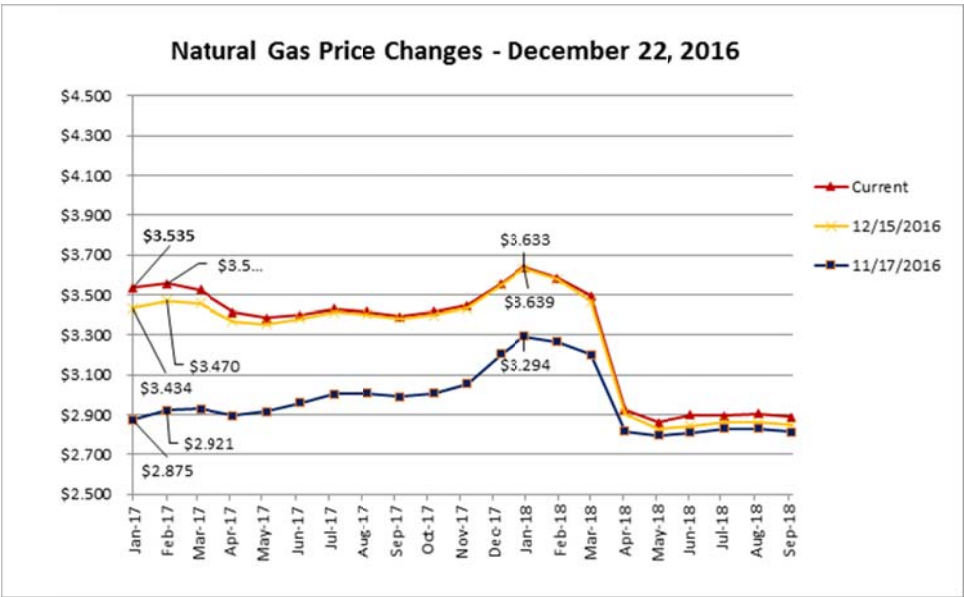
January Price Movement

Weather Forecasts





The weekly change has been mostly in the front months. The 2017 Calendar strip was up 4.6 cents week-on-week to \$3.457 /Dth while the 2018 Calendar strip was up 3.1 cents to \$3.090 /Dth. The 2017/18 Winter strip was up 2.2 cents for the week to finish at \$3.553 /Dth.



Past copies are available on our website at <http://mepsolutions.org/monthly-market-updates/>

We are also available on **Twitter** at **@MEPNatGas** with updates on natural gas prices as well as national & Wisconsin gas industry news.

Josh



Josh Kaurich - CEM, CEP | Vice President | H&H Energy Services, Inc.
 Direct: 608.268.4315 | Cell: 608.438.7354 | Fax: 608.273.9764
 3201 Latham Drive Madison, WI 53713
jkaurich@henergy.com www.henergy.com
 CONSULTING | ENGINEERING | CONSTRUCTION | ENERGY MANAGEMENT