
Weekly Storage Report: Week Ending January 20, 2017

119 Bcf withdrawal above estimates

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Texas Eastern Projects Get FERC Green Light

Three Texas Eastern projects were granted FERC approval on January 19th. Access South, Adair Southwest, and Lebanon Extension are expected to provide an additional 622 mmcf/d to Southwest markets. These are currently scheduled to come online in the second half of this year.

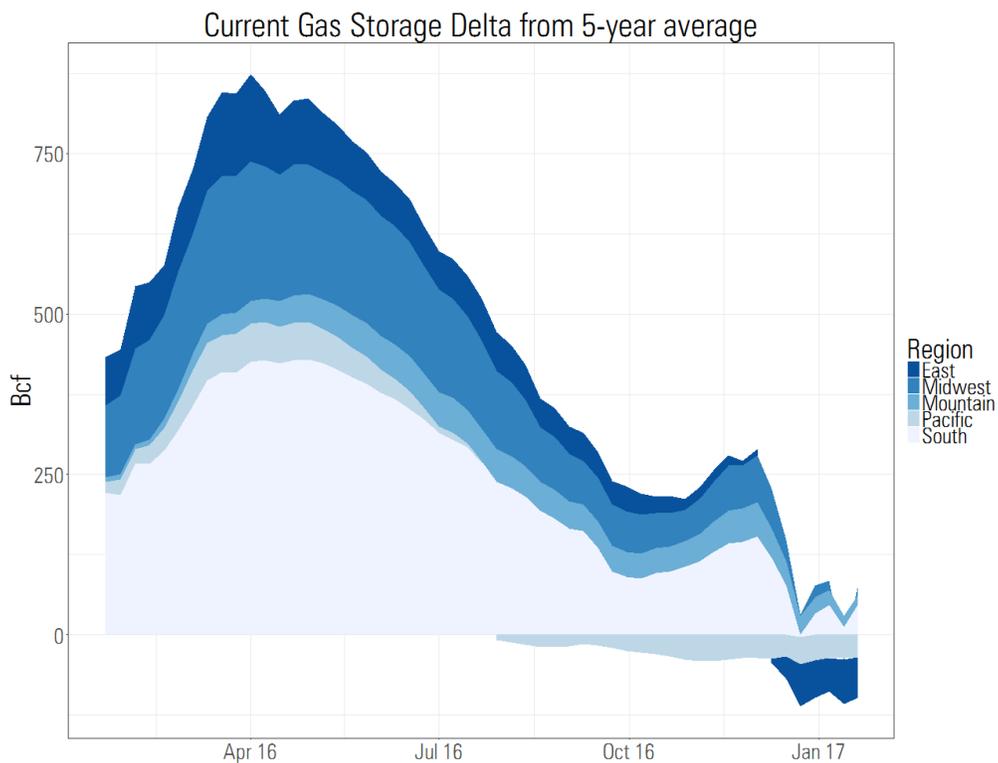
The Lebanon Extension Project will add 102 mmcf/d of supply to the northern leg of the Tetco line into M2, while the Adair and Access South projects will add 520 mmcf/d to the southern leg. Adair Southwest will add 200 mmcf/d of capacity to Tetco M2 while Access South will extend 320 mmcf/d into M1. All three expansions are expected to be sourced from Marcellus gas located in Uniontown, PA.

Adair and Access South will help push more Marcellus gas further south reaching down into the Gulf. These projects should help compensate for LNG demand with Sabine Pass trains 1 and 2 online and trains 3 and 4 expected later this year. These four trains are expected to add 2.2 bcf/d of gas demand when ramped fully ramped up in 2018. Sabine pass has contracted 300 mmcf/d of firm transportation from the Spectra system via the Texas Gas Ohio-Louisiana expansion. Additionally, Cameron LNG facility is expected to come online in 2018 with a capacity of 500 mmcf/d. After the Tetco projects are completed, we expect bearish pressures on the associated prices of M2 and M1 from the additional supply until LNG exports ramp up.

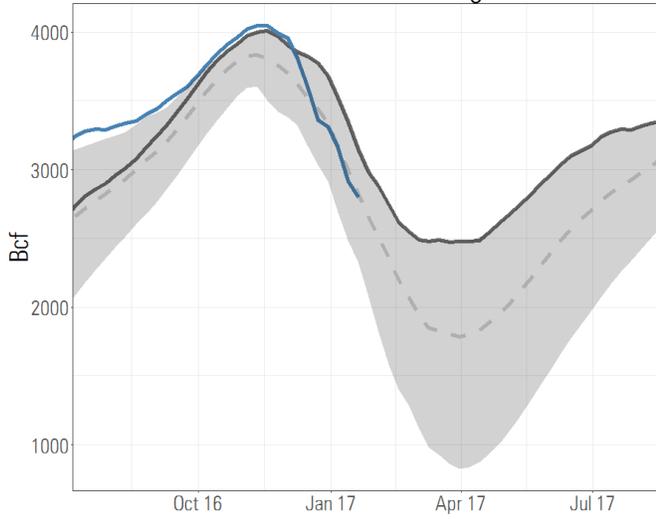
The Lebanon Extension will add capacity to a section of pipeline running through Ohio helping gas reach western markets. Ohio is set for increased gas demand as two large combined cycle power plants coming online in 2017. Carroll County Energy which will be sourced from Tennessee Gas Pipeline is set to start sometime this year with a maximum draw of 109 mmcf/d assuming a 6.5 heat rate. Oregon Energy Center is currently scheduled to come online June 1, and could add a maximum of 135 mmcf/d assuming the same heat rate. The generator will be sourced from Dominion East Ohio. This project also adds bidirectional flow to the Lebanon compressor station with the possibility of bringing more gas to the mainline. The additional capacity from this expansion should help to temper increased demand in the area.

243 Bcf withdrawal for Week Ending January 20, 2017

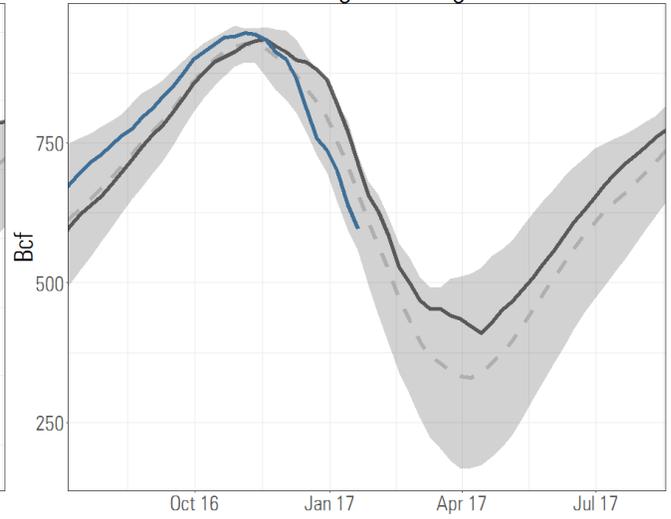
The EIA reported a 119 Bcf storage withdrawal for the week ending January 20, above the 111 Bcf withdrawal market estimate. Front-month Henry Hub was up \$0.13 after the number was released to \$3.46/mmbtu and calendar 2018 Henry Hub was up \$0.02 at \$3.12/mmbtu. Working gas in storage now sits at 2,798 Bcf and is now 348 Bcf lower than last year at this time and 20 Bcf below the 5-year average. Use Markets symbol EIA.TOTAL.US for historic storage numbers.



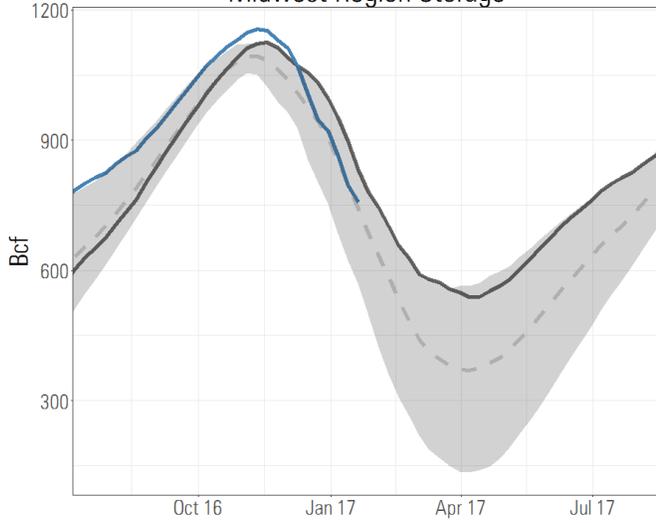
Total Lower 48 Storage



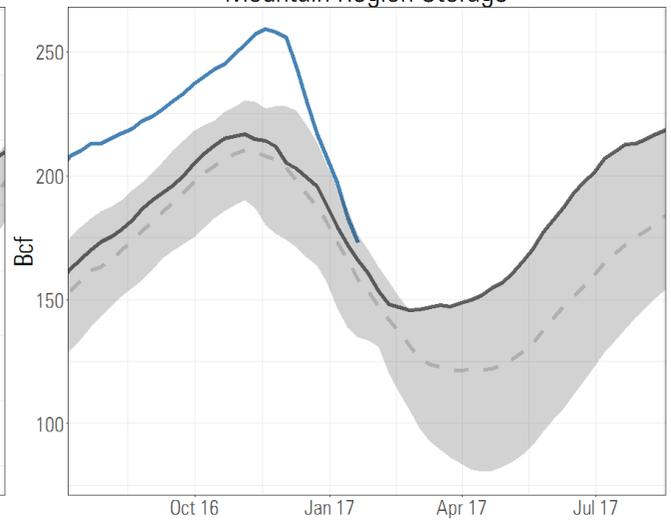
East Region Storage



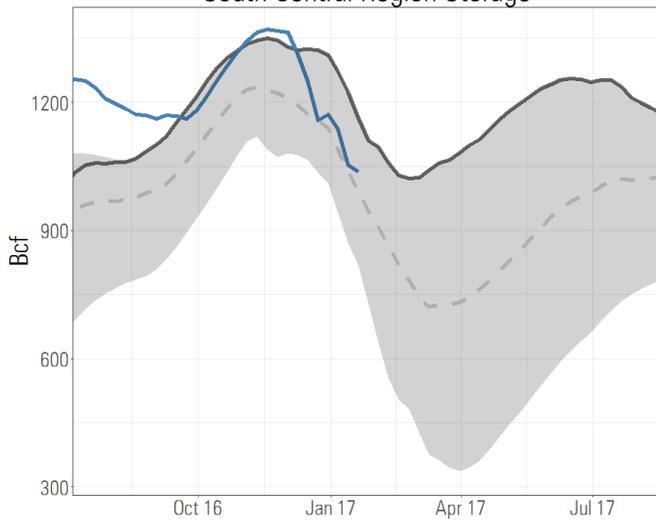
Midwest Region Storage



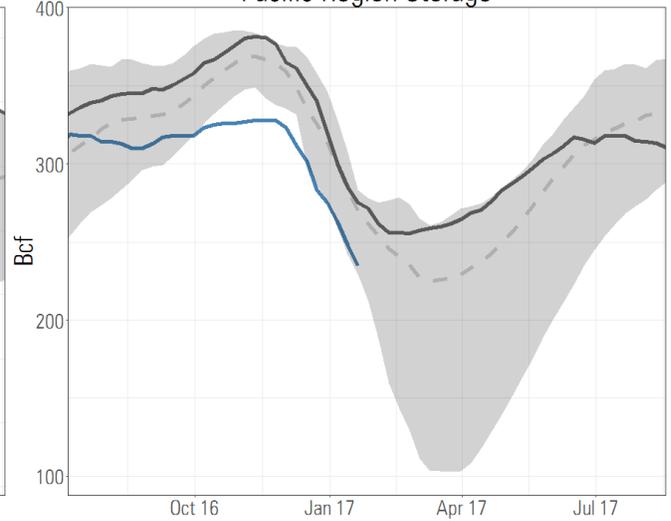
Mountain Region Storage



South Central Region Storage



Pacific Region Storage



— 2015 — 2016 — 5yr Avg 5yr Range

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