

**Early Morning Update:**

The Sep17 natural gas contract is trading up \$0.03 at \$2.85. Sep17 crude is up \$.32 at \$49.48.

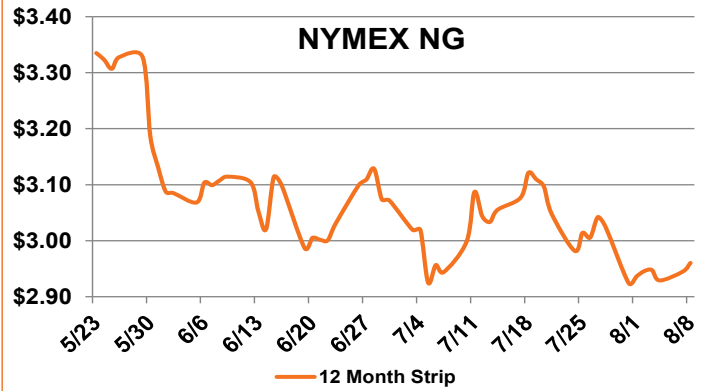
**Summary:** Amid bargain hunting, the NYMEX natural gas prompt month traded between \$2.783/MMBtu and \$2.832/MMBtu, ultimately gaining 2.1 cents to settle at \$2.822/MMBtu yesterday. Neil Chatterjee, a former energy policy advisor, and Robert Powelson, a Pennsylvania utility commissioner, were both formally sworn in as Federal Energy Regulatory Commission members yesterday. Given the backlog of requests, FERC will likely start approving certificates for construction on ~10 Bcf/d of new pipeline takeaway capacity from the northeast producing region. Despite the backlog of requests, northeast production has reached an all-time high this year due to shale gas producers ramping up to fill new pipeline capacity that should come into service this year and 2018. So far August 2017 total U.S. Dry Natural Gas Production has averaged 73.2 Bcf/d, and the Energy Information Association's Short-Term Energy Outlook released yesterday expects a growth rate of over 5.5% in 2018.

**Bullish Factors**

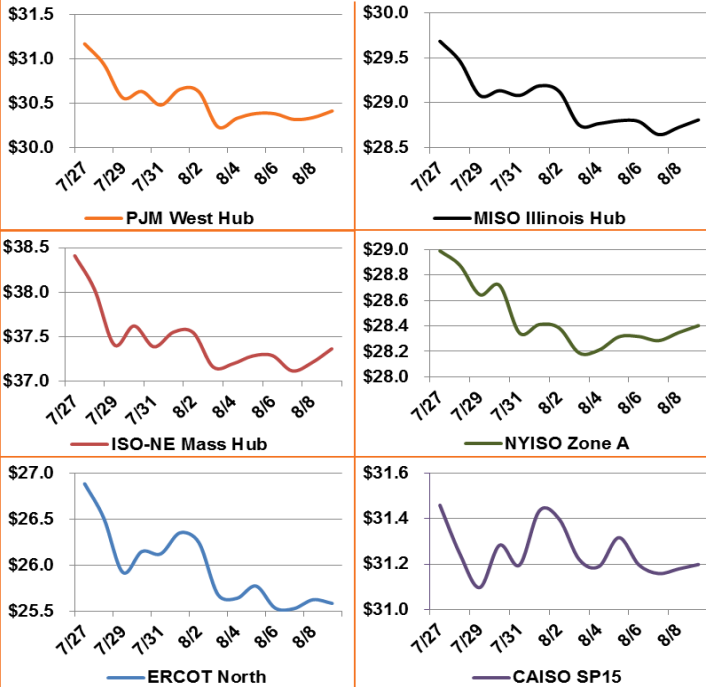
- Slow-growing production
- Exports to Mexico at record high
- Growing LNG exports

**Bearish Factors**

- Power burn down year-over-year
- Increased renewable energy generation
- Milder weather east of Rockies



**12 Month Strips, ATC Power Prices**



**Next Day On-Peak Power (traded for 8/9/2017)**

<b>ISO-NE Mass Hub</b> \$26.91	<b>MISO Indiana Hub</b> \$28.51	<b>NYISO Zone G</b> \$28.43
<b>PJM West Hub</b> \$28.61	<b>ERCOT North</b> \$30.75	<b>CAISO SP15</b> \$44.13
<b>NYMEX NG</b>	<b>Close</b>	<b>Change</b>
Sep-17	2.822	0.021
Oct-17	2.860	0.020
12 Month	2.960	0.016
Cal 18	2.964	0.015
Cal 19	2.852	0.010

**EIA Natural Gas Storage**

<b>EIA Reported Storage (Bcf)</b>	<b>This Week</b>	<b>Last Week</b>	<b>Last Year</b>	<b>5-Year Avg.</b>
<b>Total</b>	3,010	2,990	3,290	2,923
<b>Diff v. Current</b>		20	-280	87
<b>% Diff</b>			-8.5%	3.0%

