

# IMGA gas NEWS

Interstate Municipal Gas Agency

NOV-DEC 2023

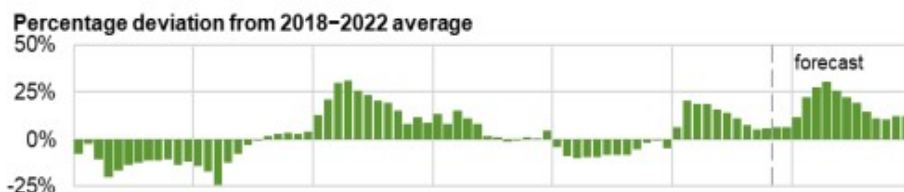
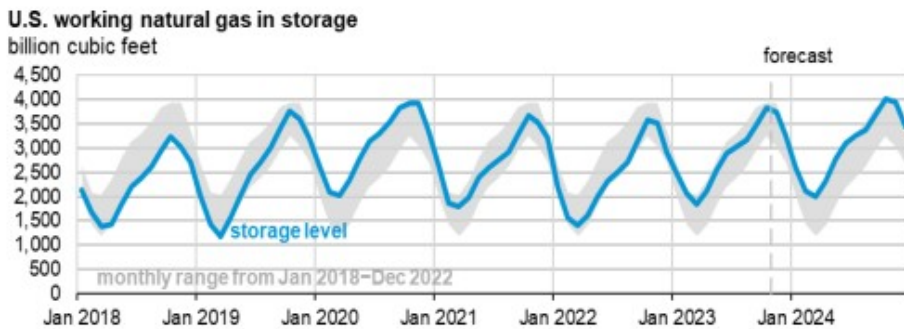
Issue 132

## eia Short-Term Energy Outlook

### Natural gas storage

Driven by strong natural gas production and expected warmer-than-average winter weather, we forecast U.S. natural gas inventories will end the winter heating season in March with 21% more natural gas than the five-year average, with just under 2,000 Bcf in storage. We expect U.S. dry natural gas production to average almost 105 bil-

Natural gas storage inventories in the East, Midwest, and South Central are all more than 87% full entering the winter according to our forecast. In the Mountain region, which has much less storage capacity than the other regions, we estimate storage is 98% full, the highest level on record at the end of October. Pacific region storage stocks were well below the five-year average all of last winter, supporting record-high natural gas prices in the region in December 2022, but Pacific inventories have increased steadily this summer and are almost 80% full entering this winter heating season.



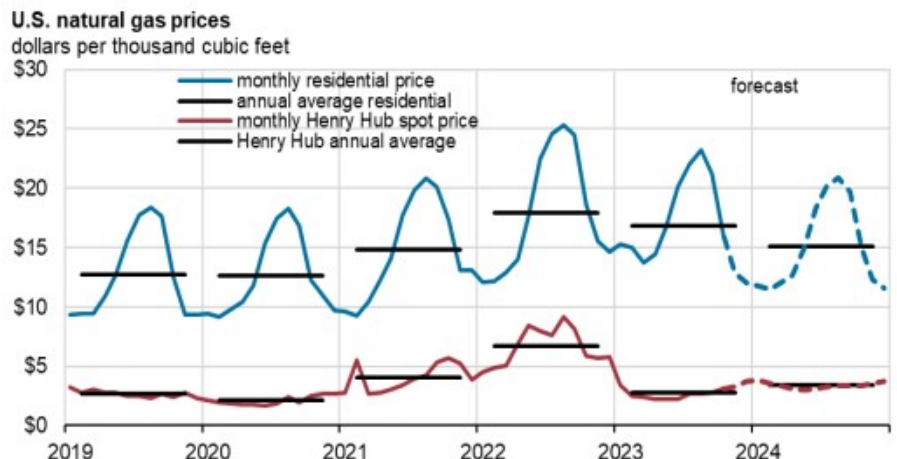
Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook*, November 2023



lion cubic feet per day (Bcf/d) during the second half of 2023, up nearly 2 Bcf/d from the first half of the year. We forecast U.S. dry natural gas production will continue to average around 105 Bcf/d during the winter heating season. Our expectation of warmer-than-average winter weather, with 4% fewer heating degree days (HDDs) this winter compared with the prior 10-year (2013–2022) average, reduces consumption for space heating in the commercial and residential sectors by 2% compared with the five-year average. Although we expect this winter on average to be warmer than normal, we expect January and February to be colder than last year's warmer-than-average January and February.

### Natural gas prices

The U.S. benchmark Henry Hub spot price in our forecast averages around \$3.40 per million British thermal units (MMBtu) over the course of the winter, peaking in January at over \$3.60/MMBtu. Natural gas prices typically rise during the winter as demand for space heating increases and consumption of natural gas peaks for the year. We forecast prices this winter to be lower than last winter because of increased production and relatively full natural gas storage inventories entering the winter heating season. At the



Data source: U.S. Energy Information Administration, *Short-Term Energy Outlook*, November 2023, and Refinitiv, an LSEG business



## Natural Gas Prices, continued.

start of the winter last year, prices were over \$5.00/MMBtu, and storage inventories were 3% below the five-year average.

Lower wholesale natural gas prices contribute to lower prices for residential consumers this winter compared with last year. Changes in residential natural gas prices lag changes in wholesale natural gas prices because of the nature of some utility regulation. Fixed costs incurred by utility companies are spread over time, usually resulting in lower residential prices in the winter than in the summer on a per unit basis when all charges are combined. We forecast the residential price of natural gas will average just over \$12 per thousand cubic feet this winter, down almost 20% from last year, reducing winter heating expenditures for consumers that heat their homes with natural gas.

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Chester, Illinois  
Cobden, Illinois  
Corning, Iowa  
Divernon, Illinois  
Enfield, Illinois  
Findlay, Illinois  
Franklin, Illinois  
Fulton, Missouri  
Grayville, Illinois  
Karnak, Illinois  
Lamoni, Iowa  
Louisville, Illinois  
Milford, Illinois  
New Boston, Illinois  
Perryville, Missouri  
Pinckneyville, Illinois  
Pittsfield, Illinois  
Plattsburg, Missouri  
Pleasant Hill, Illinois  
Riverton, Illinois  
Rossville, Illinois  
Thebes, Illinois  
Vienna, Illinois  
Waverly, Illinois  
Westville, Illinois  
White Hall, Illinois  
Winchester, Illinois

## IMGA Eligible Utilities

Aerofil Technology  
DD Farms, Inc.  
Eastern Illinois University  
Graceland University  
Illinois State University  
Southern Illinois University-  
Carbondale  
Southern Illinois University-  
Edwardsville  
Western Illinois University

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**MERRY CHRISTMAS & HAPPY NEW YEAR**

**IMGA WILL BE CLOSED**

**MONDAY, DECEMBER 25, 2023**

**AND**

**MONDAY, JANUARY 1, 2024.**

**EVERYONE HAVE A HAPPY AND SAFE  
HOLIDAY.**

**HEATHER, JEANNA, & BRENDA**

**Interstate Municipal Gas Agency**

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