

IMGA gas NEWS

Interstate Municipal Gas Agency

SEPT-OCT 2022

Issue 125

U.S. natural gas price saw record volatility in the first quarter of 2022

U.S. natural gas price volatility (a measure of daily price changes) reached its highest level in 20 years, hitting record highs in the first quarter (January-March) of 2022. The 30-day historical volatility of U.S. natural gas prices, which is based on the U.S. benchmark Henry Hub front-month futures price, averaged 179% in February compared with 57% during the first quarter of 2021.

Natural gas 30-day historical volatility (Jan 2012–Jul 2022)
annualized percentage



Historic volatility is a measure of daily closing price changes for a commodity at a specific time in the past. During July, historical volatility was lower on a percentage basis, in part because natural gas prices were relatively higher than during the first quarter of this year.

The Henry Hub front-month futures price averaged \$7.19 per million British thermal units (MMBtu) during July compared with an average of \$4.46/MMBtu during February. Natural gas price volatility averaged 124% during the first quarter of 2022 and 75% during the second quarter. Increased uncertainty about market conditions that affect natural gas supply and demand can result in high price

volatility. U.S. natural gas prices are typically more volatile during the first quarter of a year because of the fluctuating demand for natural gas for space heating as weather changes.

Historical Henry Hub front-month natural gas price volatility fell to an average of 56% in April but rose in subsequent months, averaging 109% in July. Warmer-than-normal temperatures and increased domestic supply contributed to this increase in volatility. The temporary shutdown of the Freeport LNG terminal in June decreased demand for feed gas by 2 billion cubic feet per day, generating a surplus of natural gas on the domestic market.

Henry Hub front-month natural gas futures price (Jan 2017–Jul 2022)
dollars per million British thermal units (\$/MMBtu)



The Henry Hub futures price fell by 39% from June 10 to June 30. In July, however, the warmer-than-normal temperatures across the Lower 48 states resulted in increased natural gas demand in the electric power sector, absorbing much of the Freeport LNG-related surplus. As a result, the natural gas futures price increased 52% in July compared with June.

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Huntsville Utilities, a municipal gas system in Huntsville, AL, is producing a podcast called Freedom To Fuel, which highlights issues pertaining to the energy industry as a whole and natural gas in particular.

One of the major topics they are discussing is allowing consumers to make their own decision when it comes to home energy choices which is a nice way of saying “pushing back against natural gas bans”.

The first episode went live on Friday, August 5th. New episodes are posted each Friday.

Freedom To Fuel podcasts can be found at the LinkedIn page which is currently serving as the Freedom To Fuel “home base.”

<https://www.linkedin.com/showcase/freedom-to-fuel-podcast>

Let IMGA take the hassle out of paying your monthly bill with MAPS!

Introduced several years ago at the request of IMGA member communities, this program is our Monthly Automatic Payment System. You’ll never again worry about whether or not your IMGA payment was received on time - or at all. You’ll never have to write a check or stamp an envelope to pay your gas bill. **IMGA will handle all the details!**

Here’s how it works....

If your community chooses to participate in MAPS, it will authorize IMGA to debit its bank account to pay each monthly bill. You will receive your bill just like always on or before the 10th of the month, You’ll always have at least ten days to review your bill. On the 20th of the month - or the next business day following the 20th, IMGA will debit funds from the authorized account to pay your community’s bill. The payment will show up on your bank statement each month. You will also receive an email notice alerting you that the funds have been debited from your account.

It’s that simple!

So join other communities such as Perryville, MO; Pittsfield, IL; and Pleasant Hill, IL in signing up for MAPS. It’s an option we’ve made available to help cut down on mail delays and paperwork - and to make your life easier.

To enroll in MAPS, simply contact Brenda Rubenacker at 217-438-4642 or brubenacker@imga.org.

Thank you for your continuing support of IMGA!

Interstate Municipal Gas Agency

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