Natural gas prices ease as temperatures rise

Temperature: After record low temperatures were set across areas of the Midwest, Mid-Atlantic and East Coast yesterday, temperatures across the area have risen considerably. Continued temperature increases are expected through the weekend.

Natural gas demand: Bentek forecasts that demand will decrease on Wednesday in New England (-11%) and slightly increase in New York (+1%).

Natural gas constraints and LNG: All pipelines from the west and south into New England remain constrained today. Flows of LNG stored at Canaport and eastern Canadian exports into New England are scheduled to be 676 MMcf/d today, a 19% decrease from yesterday.

Natural gas prices: Prices set yesterday for delivery today are above $25/MMBtu in both New England and New York City (NYC), down between 30% and 40% from yesterday’s high.

Electricity prices: On-peak electricity prices formed yesterday for today remain more than $200/MWh in both New York and New England. Unit 3 at Entergy’s Indian Point nuclear station near NYC remains offline after an unexpected shutdown Monday night. Power prices in PJM in the Mid-Atlantic were also high because of natural gas delivery concerns in the system. There was an unplanned outage at a compressor station near Pittsburgh yesterday and other equipment related outages.

Pipeline notices: Critical notices were declared for today on Algonquin and Tetco, which are requiring hourly scheduling from generators. Spectra Energy noted it may issue an operational flow orders for today on Algonquin, restricting unscheduled service as necessary.