

**POWER**

## Mexico's CFE to Add 642 MW Natural Gas Power Plant to Fleet in December

Mexico's Comisión Federal de Electricidad (CFE) is set to start producing electricity in early December at its long delayed 642 MW Huexca combined-cycle thermal power plant in the central state of Morelos.

The completed plant in Morelos state has been stalled because of local protests and objections over the natural gas-fired power plant and neighboring infrastructure.

On Monday, CFE workers began completing the final section of an aqueduct connecting to a nearby water treatment facility, which would provide treated wastewater to the power plant. Once this is done, CFE plans to begin pre-operative testing.

...cont' pg. 8

### HOLIDAY NOTICE

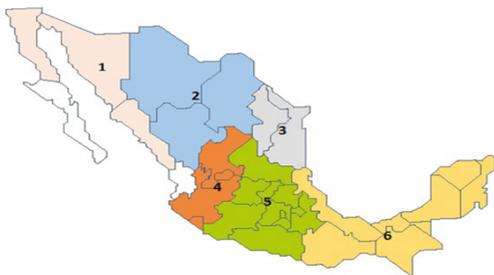
In observation of the U.S. Thanksgiving Holiday, North American natural gas traded on Wednesday Nov. 25 will be for delivery Thursday Nov. 26 through Monday Nov. 30. The next issue of Mexico GPI will be published on Monday Nov. 30.

### MEXICO IPGN PRICES (MXN/GJ & US/MMBtu)

Month	MXN/GJ	US/MM	COs	VOL	DEALS
Oct-19	57.9721	3.1577	25	7348	273
Nov-19	57.6655	3.1535	24	6154	238
Dec-19	57.9798	3.1898	23	5549	237
Jan-20	52.0535	2.9203	24	6086	261
Feb-20	48.2574	2.7131	23	5987	271
Mar-20	46.2114	2.2193	22	5572	292
Apr-20	48.9707	2.1299	26	5909	274
May-20	53.0901	2.3734	23	4481	249
Jun-20	49.0200	2.3281	24	5876	255
Jul-20	48.7371	2.287	23	6691	287
Aug-20	56.6134	2.6861	28	7194	288
Sep-20	58.5947	2.8561	26	7110	295

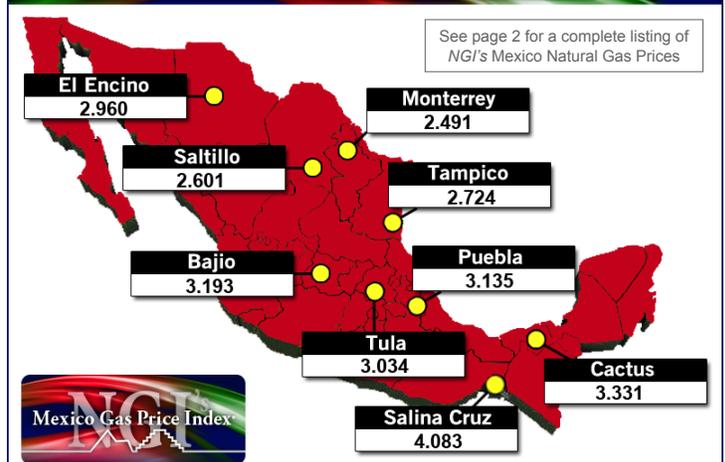
#### Regional Breakout of September 2020 IPGN

Region 1	45.8857	2.2366	-	1054	25
Region 2	46.2732	2.2555	-	929	40
Region 3	56.6895	2.7633	-	2401	61
Region 4	79.9315	3.8962	-	479	32
Region 5	74.7075	3.6415	-	1609	121
Region 6	50.7854	2.4755	-	638	23



IPGN prices are published by CRE. Companies represents the number of marketers who submitted trade data to CRE. Vol is total reported commercialized volumes converted to MMcf/d. Deals represents the net number of transactions CRE used to calculate the IPGN (gross transactions reported less atypical deals CRE excluded from the data). For more information, and access to raw aggregated data behind these figures, including exchange rate information, please visit the CRE website, which you can access [here](#).

### NGI's MEXICO NATGAS PRICE TRACKER



See page 2 for a complete listing of NGI's Mexico Natural Gas Prices

Source: NGI - based on US-to-Mexico cost plus transport prices in \$US/MMBtu. For the full list of NGI's US/MX border & Mexico prices, visit: [natgasintel.com/mx-price](http://natgasintel.com/mx-price)

### U.S./Mexico NatGas Market Snapshot

- Weather forecasts held on to slightly cooler expectations
- LNG and production levels were both strong
- Cash prices were led lower by drops in the Northeast

Read more on pg. 7

### NGI's US DAY-AHEAD SPOT MARKET PRICES

Trade Date: 24-Nov-2020 Flow Date(s): 25-Nov-2020 to 25-Nov-2020

	RANGE	AVG	CHG	VOL	DEALS
<b>CALIFORNIA</b>					
Ehrenberg	3.050-3.060	3.055	0.235	136	25
<b>EAST TEXAS / SOUTH LOUISIANA</b>					
Henry Hub	2.245-2.390	2.290	0.070	108	18
Houston Ship Channel	2.250-2.320	2.295	0.085	130	16
<b>ROCKIES</b>					
El Paso San Juan	2.160-2.350	2.285	0.050	98	16
<b>SOUTH TEXAS</b>					
NGPL S. Tx	--	--	--	0	0
Tennessee S. Tx	2.300-2.340	2.325	0.125	138	30
TETCO S. Tx	2.310-2.420	2.370	0.115	161	30
South Texas Avg <sup>1</sup>	2.300-2.420	2.348	0.120	299	60
<b>WEST TEXAS</b>					
El Paso Permian	2.150-2.280	2.195	0.175	563	102
Waha	2.120-2.200	2.190	0.145	465	90

All prices are in \$U.S./MMBtu. Data are excerpted directly from NGI's Daily Gas Price Index except for the (1) South Texas Avg, which is a simple average of NGPL S. Tx, Tennessee S. Tx, and TETCO S. Tx. For more information on how we calculate our next-day and next-month price indexes, please refer to our Price Index Methodology, which is located [here](#).

NOTE: NGI's Mexico Gas Price Index plans to calculate our own Mexico spot prices in the same manner as we do for locations in the United States & Canada as soon as possible. For more information, or if you wish to participate in NGI's Mexico natural gas price survey, please contact Dexter Steis at +1-703-318-8848, or e-mail us at [prices@natgasintel.com](mailto:prices@natgasintel.com).

**NGI MEXICO NATURAL GAS PRICES**

Estimated US-to-Mexico Natural Gas Cost Plus Transport Prices

Flow Date(s): 25-Nov-2020 to 25-Nov-2020

US/MX Exchange Rate: 20.06

**To the U.S./Mexico Border (a la frontera de EE.UU./Mexico)**

Location (U.S./Mexico)	U.S. Index + Transport From:	\$US/MMBtu				MX/GJ			
		U.S. Index Price	Transport Fee <sup>1</sup>	Total Price	Chg	Molécula	Transporte <sup>1</sup>	El Border	Cambio
<b>Arizona/West Texas</b>									
Clint, TX / Juárez, CH	Waha + El Paso Natural Gas	\$2.190	\$0.060	\$2.250	\$0.149	41.639	1.138	42.777	2.741
Presidio, TX / Ojinaga, CH	Waha + Trans-Pecos Pipeline	\$2.190	\$0.216	\$2.406	\$0.145	41.639	4.103	45.742	2.671
San Elizario, TX / Juárez, CH	Waha + Roadrunner Pipeline	\$2.190	\$0.473	\$2.663	\$0.145	41.639	8.984	50.623	2.662
Sasabe, AZ / Sásabe, SO	Waha + EPNG & Sierrita Pipeline	\$2.190	\$0.052	\$2.242	\$0.146	41.639	0.998	42.637	2.697
<b>California</b>									
Ogibly, CA / Los Algodones, BN	Ehrenberg + North Baja	\$3.055	\$0.028	\$3.083	\$0.237	58.085	0.536	58.621	4.399
<b>South Texas</b>									
Alamo, TX / Reynosa, TM	HSC + Tennessee Gas Pipeline	\$2.295	\$0.016	\$2.311	\$0.085	43.635	0.304	43.939	1.538
Brownsville, TX / Matamoros, TM	HSC + Valley Crossing	\$2.295	\$0.303	\$2.598	\$0.086	43.635	5.769	49.404	1.549
Rio Grande, TX / Carmago, TM	HSC + NET Mexico	\$2.295	\$0.326	\$2.621	\$0.085	43.635	6.194	49.829	1.524
Roma, TX / Mier, TM	HSC + Kinder Morgan Texas	\$2.295	\$0.143	\$2.438	\$0.086	43.635	2.723	46.358	1.544

**Deliveries Within Mexico (entregas dentro de Mexico)**

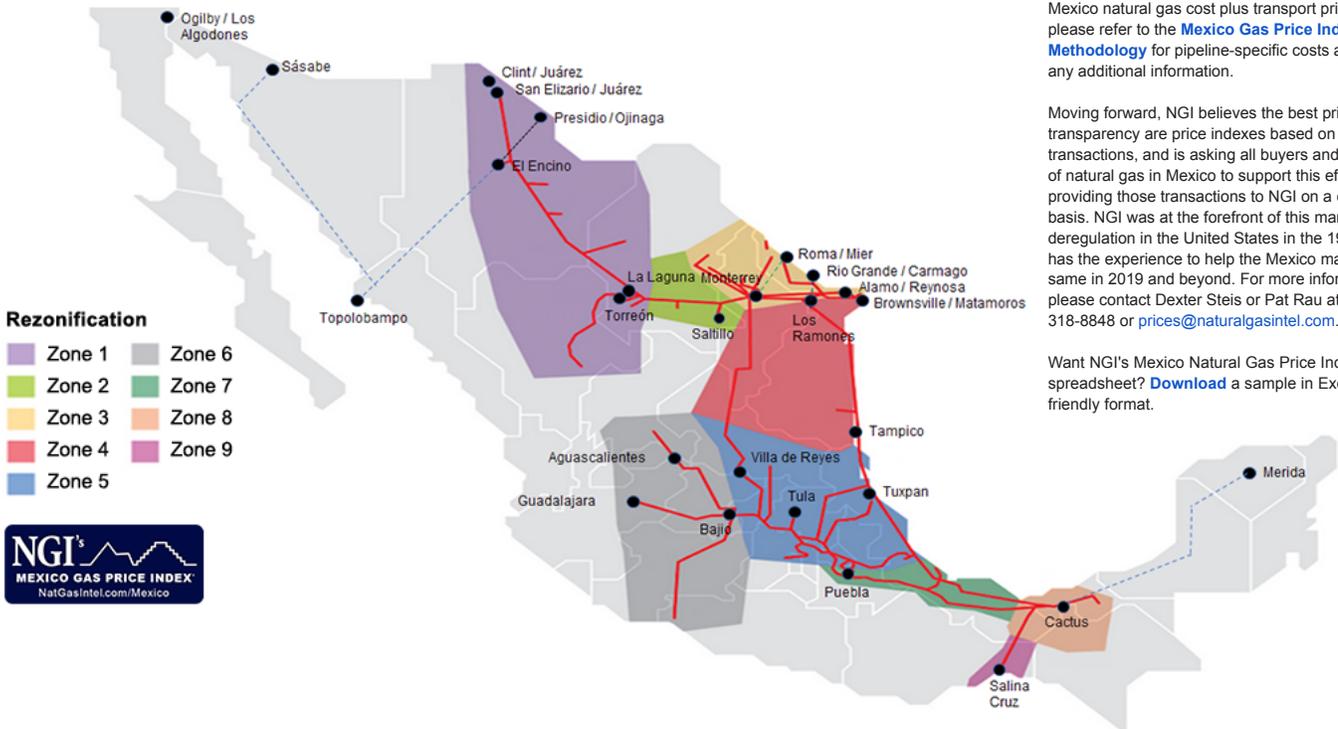
Region	Border/Hub Point + Transport From:	\$US/MMBtu				MX/GJ			
		Border/Hub Price	Transport Fee <sup>1</sup>	Total Price	Chg	Border/Hub	Transporte <sup>1</sup>	Total	Cambio
Aguascalientes	La Laguna + La Laguna-Aguascalientes*	\$3.096	\$0.155	\$3.251	\$0.147	58.869	2.934	61.803	2.661
Bajío	Alamo / Reynosa + SNG Zn 3 to Zn 6	\$2.311	\$0.882	\$3.193	\$0.088	43.939	16.774	60.713	1.568
Cactus3	Puebla + SNG Zn 7 to Zn 8	\$3.135	\$0.196	\$3.331	\$0.089	59.597	3.741	63.338	1.568
El Encino2	San Elizario + Tarahumara	\$2.663	\$0.297	\$2.960	\$0.146	50.623	5.647	56.270	2.661
Guadalajara	Aguascalientes + VAG*	\$3.251	\$0.146	\$3.397	\$0.146	61.803	2.791	64.594	2.661
La Laguna	El Encino + El Encino-La Laguna*	\$2.960	\$0.136	\$3.096	\$0.146	56.270	2.599	58.869	2.662
Los Ramones	Alamo / Reynosa + SNG Zn 3 to Zn 3	\$2.311	\$0.247	\$2.558	\$0.087	43.939	4.702	48.641	1.568
Merida	Cactus + Mayakan	\$3.331	\$0.389	\$3.720	\$0.089	63.338	7.398	70.736	1.568
Monterrey2	Roma / Mier + Kinder Morgan Mexico	\$2.438	\$0.053	\$2.491	\$0.086	46.358	0.995	47.353	1.543
Puebla	Alamo / Reynosa + SNG Zn 3 to Zn 7	\$2.311	\$0.824	\$3.135	\$0.089	43.939	15.658	59.597	1.568
Salina Cruz	Cactus + SNG Zn 8 to Zn 9	\$3.331	\$0.752	\$4.083	\$0.091	63.338	14.289	77.627	1.568
Saltillo	Alamo / Reynosa + SNG Zn 3 to Zn 2	\$2.311	\$0.290	\$2.601	\$0.088	43.939	5.511	49.450	1.568
Tampico	Alamo / Reynosa + SNG Zn 3 to Zn 4	\$2.311	\$0.413	\$2.724	\$0.088	43.939	7.852	51.791	1.568
Topolobampo	El Encino + Topolobampo Pipeline	\$2.960	\$0.640	\$3.600	\$0.147	56.270	12.181	68.451	2.661
Torreón	Clint / Juarez + SNG Zn 1 to Zn 1	\$2.250	\$0.230	\$2.480	\$0.151	42.777	4.381	47.158	2.795
Tula	Alamo / Reynosa + SNG Zn 3 to Zn 5	\$2.311	\$0.723	\$3.034	\$0.089	43.939	13.739	57.678	1.568
Tuxpan	Matamoros + Sur de Texas-Tuxpan	\$2.598	\$0.429	\$3.027	\$0.087	49.404	8.147	57.551	1.549
Villa de Reyes	Tula + Tula-Villa de Reyes*	\$3.034	\$0.178	\$3.212	\$0.089	57.678	3.396	61.074	1.568

\*Delivery pipeline not yet in service

The current assessments are estimated US-to-Mexico natural gas cost plus transport prices; please refer to the [Mexico Gas Price Index Methodology](#) for pipeline-specific costs and for any additional information.

Moving forward, NGI believes the best price transparency are price indexes based on actual transactions, and is asking all buyers and sellers of natural gas in Mexico to support this effort by providing those transactions to NGI on a confidential basis. NGI was at the forefront of this market price deregulation in the United States in the 1980s and has the experience to help the Mexico market do the same in 2019 and beyond. For more information, please contact Dexter Steis or Pat Rau at +1 (703) 318-8848 or [prices@naturalgasintel.com](mailto:prices@naturalgasintel.com).

Want NGI's Mexico Natural Gas Price Index in a spreadsheet? [Download](#) a sample in Excel-friendly format.

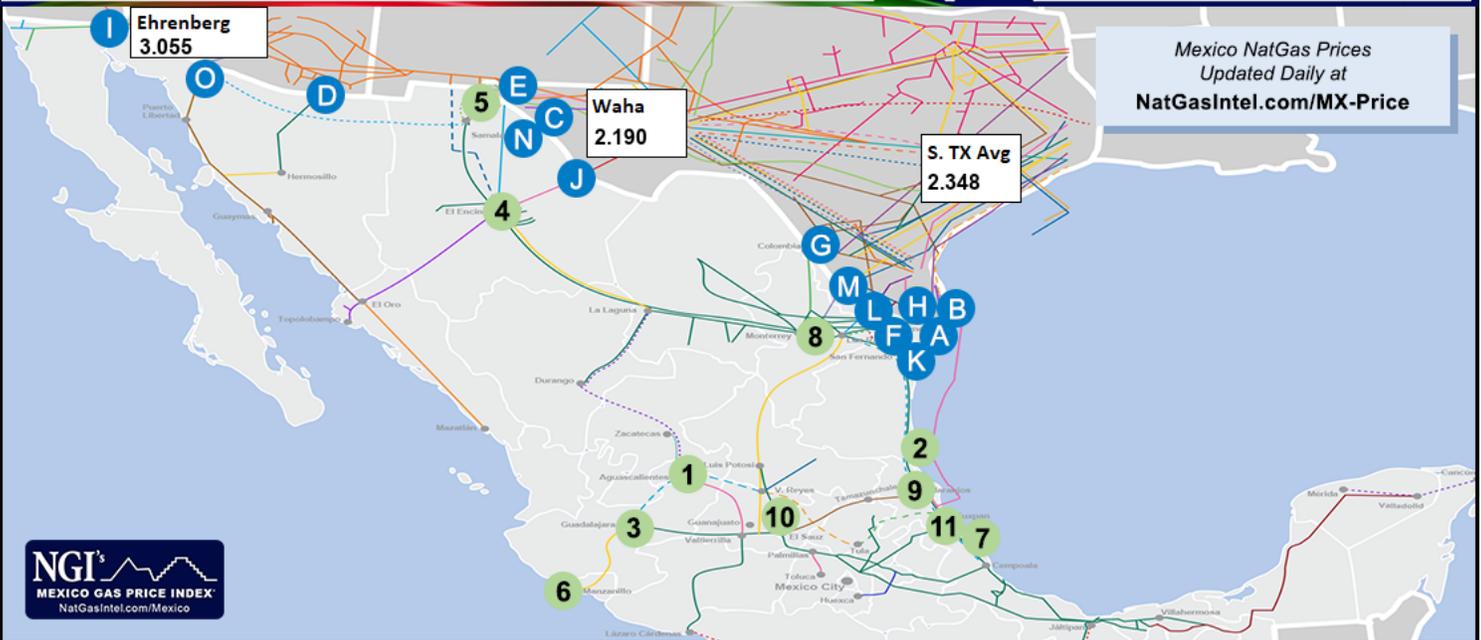


To learn more about accessing the Excel-readable datafeed file that accompanies this image, or to request historical data access, please contact [ngidata@naturalgasintel.com](mailto:ngidata@naturalgasintel.com)

1) Transport rates for U.S. interstates, SISTRANGAS, and other Mexico pipelines taken from electronic bulletin boards (EBBs). However, Texas intrastate pipelines do not have EBBs, so our transportation costs for these are an estimates. For more information on which charges we include in these fees, please see the below note.  
 2) Calculated Monterrey price would be the same as Los Ramones, and calculated El Encino would be the same as Torreón, if we had used the SISTRANGAS tariff, since SISTRANGAS is a zone based system.  
 3) U.S. gas is not likely to be delivered to Cactus or Salina Cruz, but these represent a theoretical delivered price in Zonas Sur and Istmo.

NGI MEXICO NATGAS FLOW TRACKER

25-Nov-2020



Mexico NatGas Prices Updated Daily at NatGasIntel.com/MX-Price



U.S./MEXICO BORDER LOCATIONS

Key Location	Delivery Pipeline	Deliveries (Dths/MMbtu)	Op Cap (Dths/MMbtu)	Deliveries (Gigajoules)	Op Cap (Gigajoules)	Cap Util %
A Alamo, TX / Reynosa, TM	Tennessee / SISTRANGAS	189,241	479,700	199,660	506,110	39%
B Brownsville, TX / Gulf of Mexico	Valley Crossing / Sur de Texas-Tuxpan	1,546,300	2,768,730	1,631,433	2,921,165	56%
C Clint, TX / Ciudad Juarez, CH <sup>1</sup>	El Paso / Gasoducto de Chihuahua	103,460	544,500	109,156	574,478	19%
D Cochise County, AZ (4 Points)	El Paso / Various	209,900	459,473	221,456	484,770	46%
E El Paso, TX / Ciudad Juarez, CH	OkTex / Gas Natural de Juarez	10,000	55,000	10,551	58,028	18%
F Hidalgo, TX / Reynosa, TM	Texas Eastern / SISTRANGAS	0	443,872	0	468,310	0%
G Laredo, TX / Colombia, NL	Impulsora / Nueva Era	291,745	605,002	307,807	638,311	48%
H McAllen, TX / Arguelles, TM	Energy Transfer / SISTRANGAS	193,687	250,000*	204,351	263,764	77%
H McAllen, TX / Arugelles, TM	Kinder Morgan Border / SISTRANGAS	299,553	350,000*	316,045	369,270	86%
I Ogilby, CA / Los Algodones, BC	North Baja / Gasoducto Rosarito	367,361	525,000	387,586	553,904	70%
J Presidio, TX / Ojinaga, CH	Trans-Pecos / Ojinaga-El Encino	220	1,356,000	232	1,430,656	0%
K Rio Bravo, TX / Rio Bravo, TM	Tennessee / Gasoducto Del Rio	170,303	430,500	179,679	454,202	40%
L Rio Grande, TX / Camargo, TM	NET Mexico / SISTRANGAS	1,575,215	2,004,206	1,661,940	2,114,550	79%
M Roma, TX / Ciudad Mier, TM	Kinder Morgan Texas / Mier-Monterrey	484,463	640,000	511,136	675,236	76%
N San Elizario, TX / San Isidro, CH	Comanche Trail / San Isidro-Samalayuca	140,986	1,135,000	148,748	1,197,489	12%
O Sasabe, AZ / Sasabe, SO	Sierrita / Sonora Pipeline	123,539	523,640	130,341	552,470	24%

\*Contracted capacity. Figures may differ from operating capacity figures that appear on the SISTRANGAS EBB.

LOCATIONS WITHIN MEXICO

Key Location	Delivery Pipeline	Volume (Dths/MMbtu)	Op Cap (Dths/MMbtu)	Deliveries (Gigajoules)	Op Cap (Gigajoules)	Cap Util %
1 Aguascalientes	SISTRANGAS / Gasoductos de Bajio	64,081	58,812	67,609	62,050	109%
2 Altamira Receipts	LNG / SISTRANGAS	149,778	N/A	158,024	N/A	N/A
3 El Castillo	Manzanillo-Guadalajara / SNG	52,390	109,292	55,274	115,309	48%
4 El Encino	Ojinaga-El Encino / El Encino-Mazatlan	98,162	670,000	103,566	706,888	15%
4 El Encino	Ojinaga-El Encino / El Encino-La Laguna	281,699	1,500,000	297,208	1,582,584	19%
5 Gloria a Dios, CH	Gasoducto de Chihuahua / SNG	67,064	121,232	70,756	127,907	55%
6 Manzanillo	LNG / Manzanillo-Guadalajara	220,890	500,000	233,051	527,528	44%
7 Montegrande	Sur de Texas-Tuxpan / SNG	N/A	500,000	N/A	527,528	N/A
8 Monterrey	KM Mexico / SISTRANGAS	124,561	425,104	131,419	448,509	29%
9 Naranjos	Sur de Texas-Tuxpan / Naranjos-El Sauz	502,890	919,200	530,577	969,807	55%
10 Pedro Escobedo	Naranjos-El Sauz / SISTRANGAS	310,092	433,870	327,164	457,757	71%
11 Tuxpan	Sur de Texas-Tuxpan / Tuxpan-V de Reyes	0	886,000	0	934,780	0%

Note: Delivery and operating capacity data are as of the morning of the stated flow date. Prices are from our U.S. Mexico Spot Market Price table.

<sup>1</sup>The four EPNG points in Cochise County, AZ are: Douglas (DOUGLAS), El Fresnal (ICFEAGUA), Monument 90 (DPMEXWIL), and Willmex (IMEXWIL).

\* Design and/or contractual capacity. Actual scheduled volumes can exceed this amount, depending on SNG system pressure and activity on nearby pipelines.

Source: Pipeline EBBs, NGI calculations

## NGI Summary SISTRANGAS NatGas Pipeline Flows 25-Nov-2020

<u>Deliveries By Sector</u>	<u>Sched Qty</u>	<u>Chg</u>	<u>Receipts By Sector</u>	<u>Sched Qty</u>	<u>Chg</u>
Distribution	522,651	1,060	Import	2,639,440	70,044
Electric	1,486,225	162,130	National	1,909,912	195,816
Industrial	866,203	-5,669	Other	156,358	48,684
Petroleum	220,378	11,606	<b>TOTAL</b>	<b>4,705,710</b>	<b>314,544</b>
Other	1,587,913	185,487			
<b>TOTAL</b>	<b>4,683,370</b>	<b>354,614</b>			
<u>Electric Deliveries Breakout</u>	<u>Sched Qty</u>	<u>Chg</u>	<u>Receipts By Type</u>	<u>Sched Qty</u>	<u>Chg</u>
CFE Points <sup>2</sup>	1,051,310	160,343	Import Receipts	2,639,440	70,044
Other	434,915	1,787	LNG Receipts	213,298	73,402
<b>TOTAL ELECTRIC</b>	<b>1,486,225</b>	<b>162,130</b>	Production Receipts	1,424,724	10,373
			Other Receipts	428,248	160,725
			<b>TOTAL</b>	<b>4,705,710</b>	<b>314,544</b>
<u>Deliveries By Zone</u>	<u>Sched Qty</u>	<u>Chg</u>	<u>Receipts By Zone</u>	<u>Sched Qty</u>	<u>Chg</u>
Zone 1	266,032	1,992	Zone 1	70,756	8,496
Zone 2	82,647	1,518	Zone 2	0	0
Zone 3	541,215	-4,657	Zone 3	2,895,075	64,120
Zone 4	551,025	6,708	Zone 4	182,863	73,402
Zone 5	1,353,540	133,050	Zone 5	335,144	112,041
Zone 6	517,911	5,805	Zone 6	55,274	0
Zone 7	289,689	94,331	Zone 7	147,980	-2,938
Zone 8	677,373	46,904	Zone 8	862,260	10,739
Zone 9	26,475	2,110	Zone 9	0	0
Other <sup>1</sup>	377,463	66,853	Other <sup>1</sup>	156,358	48,684
<b>TOTAL</b>	<b>4,683,370</b>	<b>354,614</b>	<b>TOTAL</b>	<b>4,705,710</b>	<b>314,544</b>

<sup>1</sup> Denotes deliveries & receipts where CENAGAS has no zone designations as yet. <sup>2</sup> includes those locations with a CFE prefix per SISTRANGAS' list of location codes.  
 Source: CENAGAS, NGI's Mexico Gas Price Index calculations

## NGI WAHALAJARA PRICES (CALCULATED)

Flow Date(s): 25-Nov-2020 to 25-Nov-2020



Location	US\$/MMBtu	MX/GJ
Waha	2.190	41.639
+ Roadrunner	0.473	8.984
San Elizario	2.663	50.623
+ Tarahumara	0.297	5.647
El Encino	2.960	56.270
+ El Encino-La Laguna	0.136	2.599
La Laguna	3.096	58.869
+ La Laguna-Aguascalientes	0.155	2.934
Aguascalientes	3.251	61.803
+ VAG	0.146	2.791
Guadalajara	3.397	64.594

Shipping costs in italics. Figures may not total because of rounding resulting from currency conversions.



Source: NGI calculations & estimates, CENAGAS, Banco de Mexico, pipeline tariffs

# NGI's Forward Curves At U.S Locations Key To Mexico

25-Nov-2020

## Fixed Prices

	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21
<b>East Texas/South Louisiana</b>												
Henry Hub	2.777	2.901	2.878	2.810	2.692	2.679	2.718	2.773	2.795	2.790	2.821	2.895
D/D Change	0.064	0.077	0.071	0.058	0.054	0.050	0.046	0.045	0.045	0.044	0.045	0.047
Houston Ship Channel	2.708	2.848	2.813	2.730	2.632	2.631	2.673	2.743	2.770	2.735	2.733	2.827
D/D Change	0.054	0.074	0.069	0.053	0.057	0.052	0.049	0.048	0.048	0.047	0.047	0.047
<b>South Texas</b>												
NGPL S Tx	2.705	2.842	2.809	2.729	2.631	2.660	2.697	2.737	2.764	2.709	2.675	2.831
D/D Change	0.054	0.074	0.068	0.053	0.057	0.052	0.049	0.048	0.048	0.047	0.048	0.047
Tenn Zn 0 South	2.619	2.754	2.748	2.693	2.582	2.619	2.656	2.691	2.713	2.660	2.644	2.723
D/D Change	0.040	0.073	0.071	0.056	0.057	0.053	0.049	0.048	0.048	0.047	0.048	0.048
TETCO S Tx	2.724	2.859	2.841	2.755	2.642	2.682	2.708	2.756	2.778	2.730	2.691	2.845
D/D Change	0.047	0.075	0.069	0.053	0.057	0.053	0.049	0.048	0.048	0.047	0.048	0.047
South Texas Average*	2.683	2.818	2.799	2.726	2.618	2.654	2.687	2.728	2.752	2.700	2.670	2.800
D/D Change	0.047	0.074	0.069	0.054	0.057	0.053	0.049	0.048	0.048	0.047	0.048	0.048
<b>West Texas</b>												
El Paso Permian	2.306	2.616	2.606	2.470	2.347	2.317	2.443	2.516	2.543	2.503	2.474	2.648
D/D Change	0.026	0.077	0.071	0.038	0.061	0.058	0.053	0.053	0.053	0.052	0.053	0.052
Waha	2.266	2.634	2.618	2.493	2.365	2.367	2.466	2.521	2.553	2.523	2.489	2.635
D/D Change	0.001	0.077	0.071	0.038	0.062	0.058	0.054	0.053	0.053	0.052	0.053	0.052
<b>Rockies</b>												
El Paso San Juan	2.534	2.721	2.726	2.573	2.285	2.254	2.373	2.603	2.620	2.585	2.396	2.583
D/D Change	0.042	0.077	0.071	0.046	0.054	0.050	0.046	0.045	0.045	0.044	0.045	0.047
<b>California</b>												
SoCal Border	3.249	3.436	3.321	2.903	2.512	2.399	2.556	3.316	3.458	3.153	2.659	3.083
D/D Change	-0.028	0.057	0.041	-0.009	0.051	0.047	0.044	0.043	0.043	0.042	0.043	0.055

## Basis Prices

	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21
<b>East Texas/South Louisiana</b>												
Henry Hub	0.002	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001	0.001
D/D Change	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Houston Ship Channel	-0.067	-0.052	-0.064	-0.079	-0.059	-0.047	-0.044	-0.029	-0.024	-0.054	-0.087	-0.067
D/D Change	-0.010	-0.003	-0.002	-0.005	0.003	0.002	0.003	0.003	0.003	0.003	0.002	0.000
<b>South Texas</b>												
NGPL S Tx	-0.070	-0.058	-0.068	-0.080	-0.060	-0.018	-0.020	-0.035	-0.030	-0.080	-0.145	-0.063
D/D Change	-0.010	-0.003	-0.003	-0.005	0.003	0.002	0.003	0.003	0.003	0.003	0.003	0.000
Tenn Zn 0 South	-0.156	-0.146	-0.129	-0.116	-0.109	-0.059	-0.061	-0.081	-0.081	-0.129	-0.176	-0.171
D/D Change	-0.024	-0.004	0.000	-0.002	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.001
TETCO S Tx	-0.051	-0.041	-0.036	-0.054	-0.049	0.004	-0.009	-0.016	-0.016	-0.059	-0.129	-0.049
D/D Change	-0.017	-0.002	-0.002	-0.005	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.000
South Texas Average*	-0.092	-0.082	-0.078	-0.083	-0.073	-0.024	-0.030	-0.044	-0.042	-0.089	-0.150	-0.094
D/D Change	-0.017	-0.003	-0.002	-0.004	0.003	0.003	0.003	0.003	0.003	0.003	0.003	0.001
<b>West Texas</b>												
El Paso Permian	-0.469	-0.284	-0.271	-0.339	-0.344	-0.361	-0.274	-0.256	-0.251	-0.286	-0.346	-0.246
D/D Change	-0.038	0.000	0.000	-0.020	0.007	0.008	0.007	0.008	0.008	0.008	0.008	0.005
Waha	-0.509	-0.266	-0.259	-0.316	-0.326	-0.311	-0.251	-0.251	-0.241	-0.266	-0.331	-0.259
D/D Change	-0.063	0.000	0.000	-0.020	0.008	0.008	0.008	0.008	0.008	0.008	0.008	0.005
<b>Rockies</b>												
El Paso San Juan	-0.241	-0.179	-0.151	-0.236	-0.406	-0.424	-0.344	-0.169	-0.174	-0.204	-0.424	-0.311
D/D Change	-0.022	0.000	0.000	-0.012	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>California</b>												
SoCal Border	0.474	0.536	0.444	0.094	-0.179	-0.279	-0.161	0.544	0.664	0.364	-0.161	0.189
D/D Change	-0.092	-0.020	-0.030	-0.067	-0.003	-0.003	-0.002	-0.002	-0.002	-0.002	-0.002	0.008

Waha-to-Houston Ship Channel Spread -0.442 -0.214 -0.195 -0.237 -0.267 -0.264 -0.207 -0.222 -0.217 -0.212 -0.244 -0.192

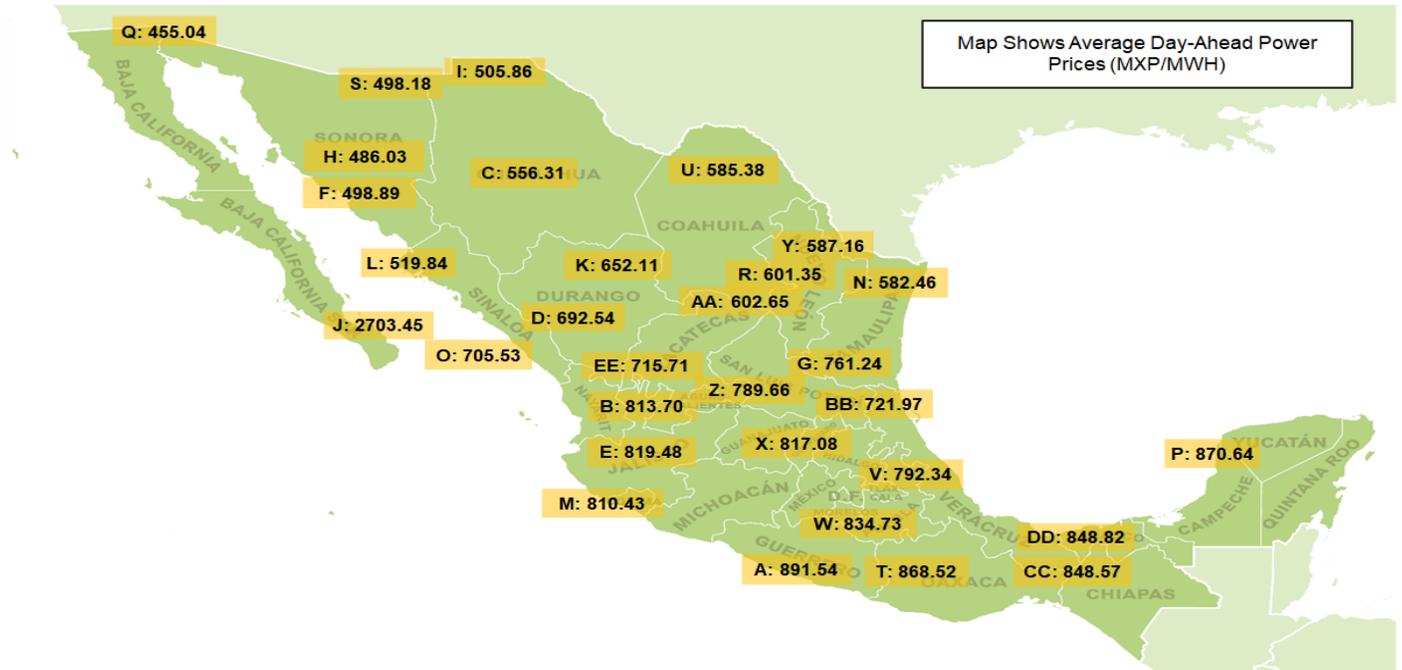
\*Average of the three pipelines that appear in the South Texas section. This is different from the South Texas Regional Average that appears in the various versions of NGI's Gas Price Index newsletters

Source: NGI's Forward Look. For more info on forward curves at 60+ U.S. locations out 10+ years, see [natgasintel.com/forwardlook/locations](http://natgasintel.com/forwardlook/locations)

### Average Mexico Day-Ahead Power Prices at Selected Distributed Nodes 25-Nov-2020

US/MX Exchange Rate: 20.06

Location	Power Prices (MXP/MWH)				Power Prices (USD/MWH)			
	24 Hr. Low	24 Hr. High	24 Hr. Avg.	D/D Chg.	24 Hr. Low	24 Hr. High	24 Hr. Avg.	D/D Chg.
A Acapulco	468.97	1642.62	891.54	56.37	\$23.38	\$81.89	\$44.44	\$2.89
B Aguascalientes	436.87	1555.92	813.70	97.93	\$21.78	\$77.56	\$40.56	\$4.95
C Chihuahua	389.26	994.39	556.31	124.04	\$19.40	\$49.57	\$27.73	\$6.23
D Durango	419.79	1259.65	692.54	113.56	\$20.93	\$62.79	\$34.52	\$5.72
E Guadalajara	439.63	1525.06	819.48	94.87	\$21.92	\$76.02	\$40.85	\$4.80
F Guaymas	350.52	1037.10	498.89	98.55	\$17.47	\$51.70	\$24.87	\$4.95
G Huasteca	426.24	1417.92	761.24	161.43	\$21.25	\$70.68	\$37.95	\$8.11
H Hermosillo	340.68	999.19	486.03	98.04	\$16.98	\$49.81	\$24.23	\$4.93
I Juarez	373.37	905.19	505.86	108.46	\$18.61	\$45.12	\$25.22	\$5.45
J La Paz	1712.09	3650.92	2703.45	-223.74	\$85.35	\$182.00	\$134.77	-\$10.86
K Laguna	419.10	1143.09	652.11	129.44	\$20.89	\$56.98	\$32.51	\$6.50
L Los Mochis	346.35	1091.23	519.84	93.47	\$17.27	\$54.40	\$25.91	\$4.70
M Manzanillo	434.77	1512.56	810.43	91.43	\$21.67	\$75.40	\$40.40	\$4.63
N Matamoros	376.90	1001.66	582.46	164.93	\$18.79	\$49.93	\$29.04	\$8.26
O Mazatlan	416.55	1300.35	705.53	98.82	\$20.77	\$64.82	\$35.17	\$4.99
P Merida	461.76	1609.25	870.64	61.99	\$23.02	\$80.22	\$43.40	\$3.17
Q Mexicali	45.78	768.85	455.04	73.67	\$2.28	\$38.33	\$22.68	\$3.71
R Monterrey	392.62	1025.69	601.35	155.07	\$19.57	\$51.13	\$29.98	\$7.77
S Nogales	345.47	1010.87	498.18	105.55	\$17.22	\$50.39	\$24.83	\$5.30
T Oaxaca	462.70	1611.41	868.52	56.70	\$23.07	\$80.33	\$43.30	\$2.91
U Piedras Negras	386.48	980.74	585.38	153.05	\$19.27	\$48.89	\$29.18	\$7.67
V Poza Rica	434.42	1457.30	792.34	29.35	\$21.66	\$72.65	\$39.50	\$1.54
W Puebla	448.66	1546.58	834.73	52.36	\$22.37	\$77.10	\$41.61	\$2.69
X Queretaro	442.96	1528.97	817.08	82.39	\$22.08	\$76.22	\$40.73	\$4.18
Y Reynosa	379.97	1006.96	587.16	164.30	\$18.94	\$50.20	\$29.27	\$8.23
Z San Luis Potosi	431.94	1487.53	789.66	107.59	\$21.53	\$74.15	\$39.37	\$5.43
AA Saltillo	397.74	1044.56	602.65	154.47	\$19.83	\$52.07	\$30.04	\$7.74
BB Tampico	410.81	1322.70	721.97	165.69	\$20.48	\$65.94	\$35.99	\$8.31
CC Tuxtla	454.50	1571.89	848.57	54.90	\$22.66	\$78.36	\$42.30	\$2.82
DD Villahermosa	452.31	1575.04	848.82	62.54	\$22.55	\$78.52	\$42.31	\$3.20
EE Zacatecas	433.97	1571.44	715.71	50.11	\$21.63	\$78.34	\$35.68	\$2.56



Note: Power prices are the average of hourly day-ahead (MDA) prices for each listing, as published by CENACE, and include energy, congestion, and line loss components. \$US/MWH to MX/GJ exchange rate listed above.

Source: CENACE, Banco de México, NGI calculations

## MARKET STORY

## December Natural Gas Futures Post Third-Straight Gain; Spot Prices Sputter

Natural gas futures posted a modest gain Tuesday, marking a third consecutive day of advances as traders contemplated a mixed weather outlook and wide-ranging expectations for this week's early storage report.

The December Nymex contract advanced 6.4 cents day/day to settle at \$2.775/MMBtu. January rose 7.7 cents to \$2.900.

NGI's Spot Gas National Avg. fell 11.0 cents to \$2.320. Colder northern temperatures moved in on Monday and hung around Tuesday, but warmer conditions were expected by Wednesday.

While mid-range forecasts were bearish at the start of the week, with temperatures expected to be above normal across much of the Lower 48 late this week and into next, forecasts Monday were slightly cooler for early December. The weather data overnight maintained those colder trends, showing systems impacting both northern and southern portions of the country, NatGasWeather said.

The forecaster said the slight weather shift, along with continued solid liquefied natural gas (LNG) volumes, was enough to boost futures. NGI data showed LNG export levels hovering above 10 Bcf on Tuesday, near 2020 highs.

NatGasWeather estimated Lower 48 production reached 91 Bcf/d to start the week and held near that level Tuesday -- up nearly 4 Bcf/d over the past month -- offsetting some of the LNG strength and helping to keep the gains of futures somewhat in check.

"The supply/demand balance is still much tighter year/year, but it would simply be more impressive if not for the recent jump in Lower 48 production," the firm said.

After reporting an unseasonable November injection last week, the Energy Information Administration (EIA) will report this week's storage report at noon ET on Wednesday, a day earlier than normal because of Thanksgiving. The results could drive markets in either direction, as expectations vary widely.

A Bloomberg survey released Tuesday landed at a median 19 Bcf decrease for the week ended Nov. 20, though estimates ranged from a withdrawal of 47 Bcf to a build of 35 Bcf. Reuters' poll found estimates spanning a withdrawal of 47 Bcf to an injection of 33 Bcf, with a median decrease of 21 Bcf.

A survey conducted by the *Wall Street Journal* found analysts, on average, estimating storage levels declined by 8 Bcf. However, forecasts were also spread across a wide spectrum, varying from a withdrawal of 47 Bcf to an increase of 36 Bcf.

NGI's model predicted a 35 Bcf pull from underground stocks. Energy Aspects estimated a withdrawal of 20 Bcf.

Energy Aspects said total heating degree days (HDD) were nearly 10% below the previous 10-year average for the period, while production was strong. However, moderate cold, including below freezing temperatures in the Northeast late in the report week that boosted spot prices, led the firm to model a 75% week/week increase in HDDs. Analysts said that was likely enough to lift residential/commercial demand by 9.5 Bcf/d and result in a storage pull.

Last year EIA recorded a 47 Bcf withdrawal for the similar week, and the five-year average is a decrease of 37 Bcf.

A reduction in storage would represent a bullish turn from the two prior weeks, while an injection would extend a bearish run

that, up to this week, had prevented futures from maintaining any momentum.

EIA reported an injection of 31 Bcf into gas stockpiles for the week ending Nov. 13 and said inventories rose to 3,958 Bcf, above the five-year average of 3,727 Bcf. An injection of 8 Bcf was reported for the week ending Nov. 6.

Looking ahead, analysts said the coronavirus pandemic and its expected impact on holiday travel could hurt overall energy demand but provide a short-term bump in natural gas use.

"Air travel has risen consistently since the low experienced in April, but still hovers around 35% of 2019," said BTU Analytics LLC partner Mason Ender. "Considering the nearly ubiquitous message to cancel your Thanksgiving travel plans, it looks like the holiday won't provide the travel boost it has in past years.

"Planes burn jet fuel, cars burn gasoline. Cutting to the chase, we're doing a lot less of both and thus actively contributing to oil demand destruction. But the one thing we will burn more of is natural gas," he said. "If 32 million people typically travel during the Thanksgiving holiday, and the trend we've seen in airline passengers continues, roughly 21 million people will stay home. Assuming an average of three people traveling per household, roughly seven million additional ovens could fire up this coming Thursday" and more furnaces will likely run through the end of the week.

The U.S. Centers for Disease Control and public health officials in a majority of states have cautioned ...cont' pg. 8

## LNG HAS CHANGED THE NATURAL GAS MARKET

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against travel this week because the virus is spreading rapidly across the country. The United States tallied 169,190 new cases on Monday, according to Johns Hopkins University data, while the number of Americans hospitalized -- 85,836 -- set a record for a 14th straight day.

**Cash Cascades**

Despite bouts of winter weather in parts of the northern United States, spot prices overall declined Tuesday, led lower by hubs in the Northeast.

NatGasWeather said national demand started the day strong after cash prices advanced Monday with “chilly morning lows of 10s to 30s” across the northern United States. Spot prices climbed a bit in the Midwest amid the cold, but demand was not strong enough in the eastern U.S. to support continued price gains.

The forecaster said heating needs will ease Wednesday through the end of the week “as much of the United States experiences comfortable late-November highs of 40s to 70s. There will still be weather systems into the western and southern U.S. this weekend, just mild ones as they fail to tap any truly cold northern latitude air.”

In the Northeast, where prices have been volatile in recent weeks, **Algonquin Citygate** dropped \$1.335 day/day to an average \$ 1.945, and **PNGTS** lost 66.0 cents to \$3.650. These and several other hubs in the region posted robust gains a day earlier.

Elsewhere in the eastern half of the country, **Dominion North** shed 24.5 cents to \$1.430, while **Dominion Energy Cove Point** lost 4.5 cents to \$2.305.

**NGI's Estimated Daily PEMEX First Hand Sales (VPM) Prices**

Flow Dates: 25-Nov-2020 to 25-Nov-2020

SISTRANGAS Regions	\$US/MMbtu	Chg	MX/GJ	Chg
Gulfo	\$2.715	\$0.09	50.46	2.70
Occidente	\$3.212	\$0.07	59.70	2.70
Sur	\$3.005	\$0.08	55.85	2.70
<b>Other</b>	<b>\$US/MMbtu</b>	<b>Chg</b>	<b>MX/GJ</b>	<b>Chg</b>
Gloria a Dios	\$2.702	\$0.17	50.23	4.32
Kinder Morgan Monterrey	\$2.770	\$0.09	51.48	2.73
Naco	\$2.732	\$0.05	50.78	2.06

Note: Prices in this table represent our estimate of the daily base firm VPM price for each region, based on the published VPM formula, and using *Daily GPI* indexes as the price reference. For more information, or if you wish to participate in NGI's Mexico natural gas price survey, please contact Dexter Steis at +1-703-318-8848, or e-mail us at [prices@naturalgasintel.com](mailto:prices@naturalgasintel.com).

Prices were mixed across the rest of the country, with mostly modest gains or losses.

**Kern River** picked up 8.5 cents to \$3.205 in the Rocky Mountains, while **El Paso S. Mainline/N. Baja** tacked on 18.5 cents to \$3.005 in the Southwest. ■

... from **POWER - Mexico's CFE to Add 642 MW Natural Gas Power Plant**, pg. 1

CFE has already invested 25 billion pesos, or about \$1.25 billion, in the plant and adjoining infrastructure. The

...cont' pg. 9

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**NGI'S MAP OF MEXICO'S EMERGING NATURAL GAS INFRASTRUCTURE**

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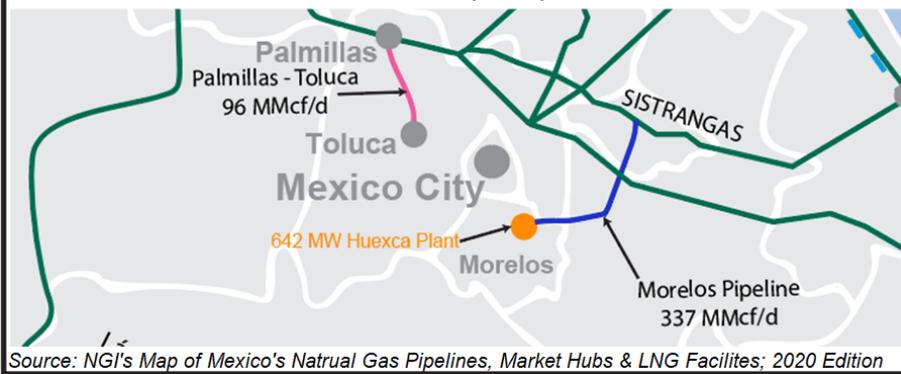
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## Federal Electric Commission (CFE) 642 MW Huexca Plant



controversial project has been seen as a priority for President Andrés Manuel López Obrador.

As part of an initial policy aimed at participatory democracy that has since waned, López Obrador and his government held a [referendum](#) on the plant last February, with close to 60% of respondents voting for the project to go ahead.

There are now no legal impediments for the plant to start operations, said CFE's Luis Bravo, communication coordinator.

Mexico's Guardia Nacional police force oversaw the resumption of work on the water line on Monday, according to CFE, with reports that protestors camped out in the area were removed.

The project is projected up to 80 MMcf/d of natural gas via a 171 kilometer (99.4 mile) pipeline operated by Spanish firms Elecnor and Enagás. The lateral connects to the national pipeline system Sistrangas and travels through neighboring states Puebla and Tlaxcala.

CFE's Proyecto Integral Morelos (PIM) also includes a power transmission line.

Bravo said the project would be in "total harmony" with the environment and would use treated wastewater rather than water from the Cuautla River.

"Generating electricity from the power plant will permit energy prices to remain stable without increases, and will keep tariffs down in neighboring communities," Bravo said.

López Obrador and CFE director general Manuel Bartlett Díaz have been adamant that CFE maintain its primacy in the power generation segment in Mexico by having priority over the private sector in power dispatch.

Bartlett [opposes](#) the independent power producer (IPP) scheme that has been in place since 1994, which allows private sector generators to build and operate plants with CFE as the offtaker under long-term power purchase agreements.

Plants operated by CFE supplied about 54% of Mexico's power generation in 2018, versus 30% for IPPs. Bartlett has said CFE must maintain at least a 54% share of the national total.

According to its 2019-2033 Prodesen power sector development plan, Mexico expects to add an estimated 29,294 MW of combined-cycle gas-fired power generation capacity over the next 15 years. The projects are set to be fueled principally by natural gas imports from the United States. ■

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