US Coal Review 23 December 2022 – A lot of folks, prices, events behind The Year That Was

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Market Round-up

U.S.: Central Appalachian railed and barged prices both took substantial hits this past week. CSX rail fell $20 from last Friday to mark at $155/ton. NYMEX-spec barged coal fell $25 to price at $150/ton. PRB prices stayed flat, with 8,800-Btu/lb marking at $15.50 and 8,400-Btu at $12.50/ton.

International: Asian thermal market activity eased up ahead of the Christmas and New Year holidays. Indonesian low-rank and sub-bituminous prices continued to find support amid tight supply.

Key physical spot markers

	Delivery/loading	CV	Marker	WoW change
Nymex[1]	FOB barge	12,000Btu GAR	151.00	-23.00
PRB[1]	FOB railcar	8,800Btu GAR	15.50	-0.15
CSX[1]	FOB railcar	12,500Btu GAR	152.50	-19.00
NAPP[2]	FOB railcar	12,900Btu GAR	128.40	-4.60
NAPP[2]	FOB barge	12,500Btu GAR	141.67	-12.83
ILB[2]	FOB railcar	11,500Btu GAR	133.17	-13.08
ILB[2]	FOB barge	11,500Btu GAR	138.83	-11.17
East Coast export[3]	FOB vessel	6,000kc NAR	178.71	-19.49
US Gulf High-Sulphur[3]	FOB vessel	6,000kc NAR	174.33	-17.67
NW Europe (DES ARA)[3]	CIF	6,000kc NAR	197.20	-30.51
Richards Bay[3]	FOB	6,000kc NAR	178.27	-27.78
Colombian[3]	FOB vessel	6,000kc NAR	190.00	-20.00
Indonesian Sub-Bit[3]	FOB vessel	4,700kc NAR	121.72	0.89

1 next quarter delivery.

2 90 days out delivery

3 next two months

Source: McCloskey by OPIS

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Customer notice

Please note this will be the final edition of the US Coal Review for 2022. USCR will resume publication on 6 January 2023. We wish you Season's Greetings and a prosperous and peaceful New Year.

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Leads

A lot of folks, prices, events behind The Year That Was

By Bob Hodge, bhodge@opisnet.com

Picking the top coal stories of 2022 is sort of like picking your favorite donut: You may like one better than the rest, but there's a lot of good choices out there.

As far as odd years go, '22 was close to the top but coming so soon on the heels of 2020 with its pandemic and lockdowns and depression-like economy for a quarter or so, what was bizarre this year still takes a back seat to what was bizarre that year.

Still, who saw a war in Europe, record-high prices for both metallurgical and thermal coal, the Mississippi River almost running dry, Europe on a razor's edge of not having enough power to keep the lights on, railroads turning down business because there wasn't enough people or power to move all the coal and a labor market that almost had employers standing on street corners waving wads of cash hoping somebody – almost anybody – would take a job.

And none of that was, in our opinion, the top story of the year.

At the end of the year, the biggest story for an industry that historically had found a way to produce itself out of good markets was ... a lack of production response in the US.

There were domestic thermal prices, at one point, climbing over $200/ton for bituminous coal. There were seaborne met prices, at one point, over $600/metric tonne. And yet it's expected total coal production in the US, according to McCloskey estimates, will jump about 23 million tons over last year from 578 million tons to 601 million tons, about a 4% increase.

Many of the things mentioned above — war, tight labor, lack of transportation, etc. — played a role in prices hitting record highs and production staying sort-of-middling. Prices were a sleek racecar that flashed by while production was that old reliable family wagon that doesn't go from 0 to 60 in 2.5 seconds, but just keeps grinding down the road.

"I just don't think the industry in the US is capable of ramping up production like it was 20 years ago or 10 or maybe even 5," one industry veteran said.

"This year I think the labor market played a role in that, but I think beyond that is you look at how many coal companies there are left. You look at how expensive it is to get money to pump into your operations. There was a time when companies would invest millions in operations that wouldn't make a dime for two or three years. Nobody plays the game that way anymore."

The one region of the country that can still ramp up production fairly quickly, the Powder River Basin, was also the one region that saw prices steadily erode as the year went on. While other basins have saw hefty spikes then some retreat, prices in the PRB started the year strong and have slid since.

Views vary on what will come down the road in 2023 – more on that next week – but the one not expected to happen is a market suddenly flooded with new coal.

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"Most of the gamblers in the industry are gone," another source on the production side said. "I think you might have seen more coal produced this year but where was the labor to do it? Some operations were just trying to stay even because the natural attrition in the workforce was hard to replace."

War in Europe and EU ban on Russian coal

In several ways, 2022 could be called a 1979 reboot. But instead of a revival of disco music and leisure suits, we ended up with something far worse – a global energy crisis. This time, it wasn't due to a Mideast geopolitical crisis. The New Energy Crisis hit Europe squarely as Russia wielded its economic power as a major energy provider (coal, natural gas and oil) as Vladimir Putin's military invasion of Ukraine didn't break its western neighbor's resistance and resolve.

Thanks to Russia's aggression, a good part of Europe became a battlefield for the first time since World War II as the world dealt with the first major energy war. In the process of tightening the economic screws on Putin and his oligarchs, the EU banned its members' purchases of Russian coal in August. And while pre-ban Russian coal stockpiles continue to draw down as this is written, US producers in the Illinois Basin and in Appalachia benefited greatly in filling the anticipated void.

While both thermal and met coal prices have backed off, they are still far above "the bad old days" in the PPE (Pre-Pandemic Era). Central Appalachia barge and rail thermal prices remain at relatively astronomical levels compared with $40/ton or below in the second half of the last decade. US East Coast and Gulf thermal export prices, while backing off $200-plus/tonne, are still close enough to that price at the port to yield substantial profits. However, a new round of high inflation (again, see late '70s-early '80s) has bitten into that embarrassment of riches. Everything from roof bolts to heavy-duty vehicles costs more at the end of this year.

Supply chain issues (rails, Mississippi River, etc.)

Missing several shipments a week from your railroad? You were far from alone. The deterioration of Class I railroad service was so acute in '22 it prompted a week of "emergency" hearings in April hosted by the Surface Transportation Board. Thousands of pages of testimony filed with the STB, including from coal shippers, thoroughly castigated the railroads' operations. The only thing railroad-positive in the filings was from the railroads themselves, defending their service efforts and saying they were doing the best that they could. By the end of the year – with a railroad workers' strike narrowly averted thanks to Congress – sources report rail service has improved; some might say significantly.

Meanwhile, the railroads must submit weekly reports to the STB, hopefully convincing the board of their progress – better cycle times, better retention of crew and simply overall better performance. The proof, as they say, will be in the pudding. It might be "business as usual" again since industry participants doubt the STB's clout. But, this time, rail service got President Biden's and Congress' attention. Still, the midterm elections are past and Congress is now taking its long winter's nap.

The Mississippi River's low-water crisis also eased toward the end of the year with improved rainfall. A shortage of barges and crew, however, remained a problem: As with the railroads' equipment, barge containers were scrapped or sidelined while coal markets languished in the 2010s.

Mines struggling with fire, geology, etc.

As of this writing, the Lila Canyon mine in Utah remains shut down indefinitely due to an underground fire. It was a double-whammy for American Consolidated Natural Resources, whose associated producer Foresight

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Energy had recently resolved similar issues at its Sugar Camp operations in Illinois. Each of those mining operations has contributed significant shares of production in their respective basins.

Scattered throughout the year were various short-lived outages at assorted operations, both met and steam, due to geological intrusions, equipment failure, etc., which were mostly resolved as the fourth quarter kicked in.

Labor issues

You've read about a narrowly averted nationwide railroad strike just three weeks ago. You've also read about the struggles of coal producers and supporting industries to recruit new crews (often to replace old crews) in the face of a largely unexpected (in the early days of the pandemic, at least) uptick in coal demand. You've certainly read that it's costing more, by double-digit percentages, to retain this manpower. See: inflation.

As for labor walkouts, Westshore Terminals in Canada was able to resolve a short strike waged by its workers and quickly resume exporting coal and other commodities. However, moving into a third year is a still-unresolved United Mine Workers of America strike against Warrior Met Coal in Alabama that began in early April 2021. Warrior continues to produce coal despite the ongoing labor battle.

Natural gas

Henry Hub natural gas hitting $10/MMBtu in late August was prompted by Russia's "maintenance" on the Nord Stream Baltic pipeline in Europe. Then, news of price caps and strong efforts to curtail gas use in Europe gave prices acrophobia and they began to slide. Later, a mysterious sabotage of both the Nord Stream 1 and 2 pipelines on Sept. 26 meant Europe was on its own to replace most of the Russian natural gas.

Enter the US to the rescue (again), but not so fast. A June fire at the Freeport LNG export terminal in Texas meant that roughly 10% of this export capacity was knocked offline – stranding the gas that was to be liquefied to the domestic market. This was followed by weak electric power demand and strong natural gas production from August through the end of the year. This has allowed gas to displace some coal for domestic power generation and also replenish depleted inventories. By mid-November, US natural gas stocks clawed back to where they were a year ago. Strong demand in December has kept US natural gas prices above $5/MMBtu, but there are concerns about next year.

Coal conservation

What do you do when you're running low on toilet paper and CVS is not getting deliveries? You look for alternatives while guarding the remaining rolls in your closet. In the case of US power plants, they conserved the coal they had and tried to rebuild stocks for the upcoming winter. Most of the generators turned to natural gas where they could, despite paying exorbitant prices. The stuff was at least available. Since utilities cannot store the gas at the plants, it was critical for them to rebuild coal inventories to cover any emergencies in the winter.

Reducing coal burn allowed US coal inventories to grow from 82 million tons at the end of August to 94 million tons at the end of November – and just in time, as Storm Elliott in December will require a lot of coal and natural gas to keep the US warm. And winter is just beginning.

PRB prices fall?!

I get no respect . . . says the PRB. A year ago, prices were in the dreamy $30s/ton, but now it's about half that. While prices are still providing solid margins for the producers, it is small consolation when looking at the

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magnitude of price changes for virtually all other coal. As was the case for most of the year, PRB producers struggled to get coal moved out of the mines. Plans at the beginning of the year were aimed at greater production. Yet, it appears that PRB production volume will increase only about 8.5 million tons (+3.3%) over 2021.

The inability to increase deliveries has left production stranded, further given utilities could not get incremental coal moved, and market participation languished. Finally, limited port capacity off the West Coast and rail capacity to move it meant only a small fraction of PRB coal was able to participate in the seaborne markets.

"Maybe next year" seems to be the refrain in the PRB – but being able to be part of the party is far from a given.

(This Market Commentary was also authored by Steve Hooks and Andy Blumenfeld. Thanks for sticking with us as we head into the holiday season and Happy New Year! We couldn't do it without you, Dear Readers.)

Coal burn up y-o-y with a lot of cold coming on

By Bob Hodge, bhodge@opisnet.com

Sometimes you look at a snapshot. Sometimes you look at the big picture.

Earlier this week, a utility fuel manager talked about how the first few weeks of winter were going at his place and, if you like burning coal, his snapshot wasn't a pretty picture.

The fuel guy said this winter had started a lot like last winter and his coal burn wasn't anything that would make the utility run headlong into the 2023 marketplace.

Then there's the big picture.

Through the first 18 days of December coal generation is up a whopping 14.6% over last year, according to McCloskey estimates. While the month still had 13 days to go when the data was tallied, the year-on-year increase for December is doubled, more or less, from the second-best month of the year when compared to '21 numbers.

January of this year saw a 7.4% increase in coal-fired generation compared to January of '21. The only other month where coal was in the black y-o-y was in April, when the increase was 1.8%.

Through the first 18 days of December, total electric power generation is up about 3.5% over the same time period last year.

Of course, a little perspective is needed.

While December is off to a great start for coal generation compared to last year, it still trails the first 18 days of 2020 by 14.5%, 39.6 million megawatt hours to 46.3 million megawatt hours. Still, it's a reversal of fortune in a year when coal-fired power has mostly been on the back burner.

As always, the numbers come from McCloskey Data Analytics Director Andy Blumenfeld. Reading the tea leaves – or in this case, the coal burn – there's a couple of reasons why December of this year is looking good.

"First, December 2021 was the warmest December on record," Andy said.

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Looking back on 2021's early December temperatures, a big swath of the US was setting temperature records. From Texas north into southern Iowa, it wasn't just warmer than normal, it was warmer than ever ... that's how records were set. Most of the rest of the country was still warmer than normal, with a few fringes of below-average temperatures in areas where coal is mostly an afterthought.

In contrast, the start of this year hasn't been particularly cold if you look at weather maps, but just being average cold is better than where things were last year.

"If anything, it is more 'normal', especially across the coal consumption regions," Andy said. "Not especially cold, just normal ... which in itself is a big contrast to 2021."

Now that some really cold temperatures are showing up, it could be good news for coal burn. As mentioned several times before, natural gas has been uncooperative by hitting prices that — while high compared to past years — are low compared to where some predictions had them going.

Henry Hub's January price kept falling Tuesday despite the cold snap, losing just over 52 cents to end the day at $5.33/MMBtu. That's a $1.27 drop in the past week.

"I've been as surprised by that as I have anything so far," a utility coal buyer said about the first few weeks of winter. "If we get really cold, it doesn't have much of an impact and coal will run because it has to. If it's a middling winter? Then coal will probably stay mostly flat for us."

But Winter Storm Elliott is tracking eastward and, according to the National Weather Service, it's going to be really cold in the Midwest, East and South. While Elliott is not a name that makes you shiver – just think if it was Winter Storm Rambo or Winter Storm Dirty Harry – there should some shivering going on ... here in Knoxville, the high Friday is expected to be 12 degrees Fahrenheit.

All that points to coal generation spiking. Many utilities have rebuilt their inventories to the point that they may not have all the coal they would like, but there's a good cushion.

"We think coal conservation measures are over and utilities are more willing to dispatch their coal units," Andy said. "Also in the frigid temperatures, many utilities will not have a choice as the coal units become must-run to meet load.

"December 2022 is going to turn out to be pretty good from a coal burn perspective."

So, you can look at that two different ways: It's either a good way to end 2022, or it's a good way to start 2023.

Met market in a lull but margins remain healthy

By Bob Hodge, bhodge@opisnet.com

There are a lot of eyes on the 2023 thermal market right now and it's not just the typical thermal producers looking for signs of where things are going.

It's expected that both next year and the year after are going to have metallurgical coal producers eyeing the seaborne thermal market again because that's where the money will be. At least a chunk of it.

Estimates vary on how much met-to-thermal movement there was this year. Crossing over became a thing in the third quarter as worldwide met prices were slipping from their record highs in the spring and were replaced for a while by record highs in the thermal market.

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As McCloskey's John Lowell pointed out in the Dec. 15 edition of Inside Coal & Steel Raw Materials, it's been the leastest of the US met coals that has been helped the mostest by the met-to-thermal crossover market.

High-vol B prices "have defied gravity" in relation to other US met coals because of its popularity in the European thermal market. Since Russian thermal coal has been ixnayed in Europe since Aug. 10, countries have been scrambling to find replacement coal and US high-vol B is a good fit.

That fit is why prices for high-vol B rival other US met coals that are usually more in favor across the globe. A source told Lowell: "In prior markets, it was practically impossible to give high-vol B away, so it has been remarkable to see it assessed in terms of pricing so close, or even at times above, higher rank coals."

McCloskey estimates around 5.5 million to 6 million tons of US met has been allocated for next year and 2024 to move over into the thermal market and a big chunk of that is expected to be high-vol B.

It's one thing to follow the seaborne numbers and expect the crossover business to get done when the API 2 is hovering in the $250 to $275/metric tonne range, but of late it's been a fickle index. Just two weeks ago the McCloskey Northwest Europe marker climbed to over $270/tonne as Europe turned to coal, but as soon as the weather changed the prices fell.

Monday the marker closed at $200.50/tonne as wind generation took up some of the slack from coal and the weather moderated. But some in the US don't think the prices have to be much above $200 to keep the crossover business moving because of the weakness in the typical met markets.

A source wondered, "How many transactions (at $200) are actually getting done?" He then answered his own question by pointing out that longwall met producers with costs around $60/ton would still be in the money and even some of the producers with continuous miners and higher costs closer to $100/ton wouldn't be left out.

"They can still make money," he said.

Even though the margins would be slimmer, the Atlantic met market has weakened to the point that some US producers are circling the globe in search of better deals. The source believes that's why a lot of the attention from met producers has turned to China, even though new deals there have been hard to come by.

A quick note on China: Another US met producer believes the Chinese are going to jump back into the seaborne met market and when that happens, "prices will be shaken up quite a bit." If and when that jump comes, it could have reverberations back into the thermal markets because even though prices have moderated over the past couple of weeks, "coal supplies are going to be tight all over again in 2023."

For now, most of the US met producers aren't finding much traction in the spot market this late in the year although there have been some inquiries of late for first-quarter coal. Another met source believes that the current lull in the API 2 pricing is going to be short-lived and by the second quarter, "prices will be on the rise." That's when he believes the crossover market will come back to the forefront.

If you're looking for flat-out optimism about crossover met-to-thermal coal, one trader said he believes there could be enough of a pull on US met coal before the end of '23 that prices will be back over $300/tonne before summer is over.

"As of now, Europe is still living off a lot of Russian coal that was delivered earlier this year," is his thought process. "That will probably be gone before the winter is over and that's when they'll start planning for next

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winter. I think you'll see a lot of interest (from Europe) in buying as much low-sulfur, high-Btu coal as they can get and that high-vol B coal is a good fit."

He also sees how tenuous the world's economic situation is and that's going to leave more met coal looking for a home.

"If you can get $250 for your met coal or $325 for the same coal going into the thermal market, what are you going to do?"

If that's where the money is ...

(Steve Hooks and Ron Shoop contributed to this report. John Lowell was basically plagiarized).

Teck departs Peace River, Conuma buys Quintette

By John Lowell, jlowell@opisnet.com

Canadian metallurgical coal producer Teck Resources has consolidated its operations in southeast British Columbia's Elk Valley in keeping with its strategy to harvest cash from coal while growing its copper franchise.

The miner announced it is selling all the assets and liabilities of its idled Quintette met operation in the Peace River coalfields in the northeast portion of the province to rival, privately held Conuma Resources.

The asset will be sold for C$120 million (US$88.3 million) in staged payments in the next 36 months and an ongoing 25% share of net profits interest royalty, first payable after Conuma recovers its investment in the property.

Quintette, 20 km south of Tumbler Ridge, was placed on care and maintenance in 2000, following almost 18 years of producing semi-hard mid-vol coking coal. In the mid-1990s, it was shipping around 4 million metric tonnes/year. Production moved by the Canadian National Railway (CN) to the export terminal at Prince Rupert.

In its annual update earlier this year, Teck reported measured, indicated, and inferred raw coal resources of 31.8 million tonnes, 92.0 mt and 114.0 mt respectively at Quintette.

Teck investigated re-opening Quintette, but this initiative never bore fruit. In 2014, the miner estimated the cost to re-open Quintette at C$858m (US$631.6m) for an operation averaging 3.5 mt/y of clean production over a 12-year lifespan. This was not including escalation or interest during construction.

Picking up Quintette could be very helpful for Conuma to optimize the evacuation of production from its existing 1.5+ mt/y Wolverine mine producing mid-vol hard coking coal.

Wolverine's Perry Creek Pit is nearing depletion, and mining is to transition to the Hermann Pit. Hermann is a 26 km truck haul from Wolverine's existing wash plant and CN-served rail loadout.

Quintette mine's wash plant and rail loadout sits around 14 km from Hermann.

Conuma's majority private-equity investor, AMCI Group, has other growth projects nearing completion. These include the Ironbark No. 1 longwall mine in Queensland, due to be in longwall production late next year, and the Longview longwall high-vol mine in West Virginia. The latter is targeting loading its first unit train early next year followed by longwall startup later in the year.

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Canadian met exports in January-October were 24.5 mt, up 6.7% year on year and annualize to around 29.4 mt, versus 26.3 mt in CY21. While there is improvement versus last year, volumes remain below the 32.8 mt or more shipped in CY18 and CY19 prior to the pandemic.

Additionally, prior to the pandemic, there was considerable bullishness about the prospects for met coal projects in neighboring Alberta. Subsequent regulatory developments have made the eventual commercialization of these projects less likely while also enhancing the value of the existing Quintette property.

AMCI is also an owner, along with others, of Prince Rupert's largest marine terminal, Trigon (formerly Ridley Terminals). If Quintette were eventually to restart it would have the benefit of increasing utilization of this AMCI holding.

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OTC Traded Coal

Term	Marker	Bid	Offer
OTC NYMEX Coal (12,000 Btu/lb., 1% sulfur)			
Jan	152.00	151.50	152.50
Feb	152.00	151.50	152.50
Q1'23	152.00	151.50	152.50
Q2'23	149.00	148.50	149.50
Q3'23	148.00	147.50	148.50
Q4'23	147.00	146.50	147.50
Q1'24	146.00	145.50	146.50
Q2'24	144.00	143.50	144.50
Q3'24	143.00	142.50	143.50
CY'23	149.00	148.50	149.50
CY'24	143.00	142.50	143.50
CY'25	130.00	129.50	130.50
OTC PRB 8800 (at 0.8 lbs. SO2)			
Jan	15.60	15.40	15.80
Feb	15.60	15.40	15.80
Q1'23	15.60	15.40	15.80
Q2'23	15.50	15.30	15.70
Q3'23	15.60	15.40	15.80
Q4'23	15.70	15.50	15.90
Q1'24	15.85	15.65	16.05
Q2'24	15.95	15.75	16.15
Q3'24	16.05	15.85	16.25
CY'23	15.60	15.40	15.80
CY'24	16.00	15.80	16.20
CY'25	16.40	16.20	16.60
CSX-BSK < 1%			
Jan	150.00	149.50	150.50
Feb	150.00	149.50	150.50
Q1'23	150.00	149.50	150.50
Q2'23	147.00	146.50	147.50
Q3'23	146.00	145.50	146.50
Q4'23	145.00	144.50	145.50
Q1'24	144.00	143.50	144.50
Q2'24	142.00	141.50	142.50
Q3'24	141.00	140.50	141.50
CY'23	147.00	146.50	147.50
CY'24	141.00	140.50	141.50
CY'25	128.00	127.50	128.50

Source: McCloskey by OPIS

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Utility Markers

Btu/lb#'s	SO2/MMBtu	Trans	Next quarter $	Next year $
Illinois Basin				
11,800	4.8	Barge	155.00	130.00
11,000	3.5	Barge	138.00	118.00
10,500	4.5	Barge	122.00	108.00
Central App.				
12,500	1.2	CSX	171.00	153.00
12,500	1.2	NS	171.00	153.00
12,500	1.6	CSX	165.00	146.00
12,500	1.6	NS	165.00	146.00
12,000	2.0	CSX	160.00	153.00
12,000	1.2	BS	166.00	152.00
12,000	1.2	KAN	166.00	152.00
12,000	1.6	BS	164.00	145.00
12,000	1.6	KAN	164.00	145.00
11,500	1.6	BS	159.00	138.00
11,500	1.6	KAN	159.00	138.00
Northern App.				
13,000	3.4	MGA	129.00	122.00
13,000	4	MGA	128.00	118.00
13,000	3.6	Barge	133.00	120.00
12,500	7	Barge	120.00	120.00
Western				
8,400	0.8	Joint Line	12.90	12.50
8,800	0.8	Joint Line	15.95	15.70
8,800	0.55	Joint Line	18.50	17.50
11,500	1.2	Utah	132.00	115.00
11,000	1.2	Colorado	128.00	105.00

*OTC price marker

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Insight & analysis

Catching up with met markets a la Ramaco's Randy Atkins

By Ron Shoop, rshoop@opisnet.com

Today my Q&A is an interview with another young-minded, dynamic chief executive officer in the coal industry. I am excited to talk with Ramaco Resources CEO Randy Atkins.

Ron: Welcome, Randy! Let's get right into it, maybe start with a little introduction about Ramaco — a new, dynamic Central Appalachia metallurgical coal producer. What is your story, vision, etc.?

Randy: We started Ramaco about 11 years ago as a coal reserve development company. About 5 years in, we took the leap to become a producer. Looking out another 5 years, we hope to produce roughly 6-7 million tons of met coal in the East and are exploring the potential to become a critical mineral rare earth producer in Wyoming, as well as incubate a coal-to-products development platform.

I guess our corporate mantra has been to follow the "3 i's: "invest, insure and innovate". In this business, there are going to be things that go bump in the night layered on top of the inherent volatility of producing a commodity. With some luck, some operational and financial conservatism and hard work, hopefully we will get there.

Ron: I thought the 3 i's were iPhone, iPad and iWatch? But I do like your i's better! Can you give a little more background on Ramaco?

Randy: We are uniquely growing like a weed. As an Appalachian met coal producer, we hope to be almost three times larger than we are today over the next several years. We will grow from internal funds but continue to prudently return shareholder capital along the way. We are also doing some exciting new things in our Wyoming operations and have a tracking stock being registered with the U.S. Securities and Exchange Commission, which we will dividend a portion to our existing shareholders as a separate stock next year. We have a wonderful group of talent working with us and hope to profitably do some interesting things.

Ron: What will Ramaco produce in 2022? 2023 target?

Randy: In 2022, we will produce about 2.6 million tons. Obviously, we had hoped to produce about 700,000 more before the ignition event last July closed our Berwind complex for the year. In 2023, we have guided to production a range of 3.0-3.5 million tons. However, we have retained some optionality on the level we deploy of growth capex dependent on market conditions. We can either add or pivot dependent on more clarity on how the met markets behave next year and into 2024.

Ron: Can you give a breakdown of the met (HVA, HVB, LV, PCI, etc.) and thermal?

Randy: For 2022, we were about 50% HVA, 14% HVB, 20% LV/MV and 16% PCI, etc. Looking ahead, we have guided that by 2025 we will have a quality slate that looks more like 40% HVA, 14% HVB, 36% LV/MV and about 10% PCI. Down the road, we are basically looking at producing a predominantly HVA and LV profile.

Ron: Talk about the crossover met-to-thermal story that happened for the first time ever in 2022. Can you give a sense to what Ramaco has done to participate in this opportunity?

Randy: We started to sense this opportunity last summer and positioned ourselves with some meaningful sales in Q3 and Q4 to European utilities. Our sales are a mix of fixed and indexed contracts, which provide the

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normal volatility on pricing in the API 2 markets. I suspect we will see this business continue into 2023 and perhaps 2024. However, we do not consider ourselves a thermal producer and these niche sales were clearly a reaction to the Russian embargo and macro events that are not susceptible to much long-term prediction.

Ron: Are the current prices sustainable going forward for the industry? Quarterly earnings reports for all public coal companies have been "very good to best ever" for the past three-to-four quarters. Where does the pricing and market head in 2023? 2024?

Randy: I think most public groups surfed the price wave in Q1-Q2 and then watched the market somewhat hit the rocks in Q3-Q4 as the benchmark dropped over $200 per ton. High prices both masked and accelerated a good deal of cost creep this year, topped up with a good dose of inflation. Pricewise, I think 2023 will see a muted first half, with some promise in the back half of the year. With luck, the US and Europe can avoid too deep of a recession and start to rebuild (think steel utilization) later in the year. Also, with luck China digs itself out of its covid woes, which look like they will get worse before they get better.

On price, I am usually an optimist, although dependent on the depth of a potential recession that may get tested. I can see benchmark prices bump along in a band around $250 per ton until there is some clarity on the economy and general steel demand. We recently saw some domestic steel producers successfully raise prices. Hopefully, that is a positive canary in the mine!

My instinct is that we might see some upward price movement beginning sometime in Q2 of next year. There is still a distinct long-term supply-demand imbalance, so at some point I believe you have potential for some future plus-$300-per-ton pricing again as the overall domestic and European markets recover. Fundamentally, there has been very low growth capex in the space for over a decade. That will come home to roost at some point.

Ron: Can you talk about the headwinds that have impacted Ramaco?

Randy: Nobody ever said starting a coal company from scratch would be a cakewalk! Our major private equity investor has instilled in me a long-term perspective as to how to view our development, which has been real benefit to dealing with life's bumps. Indeed, we have had our share of black swans like the collapse of a storage silo at our Elk Creek complex in 2018 and the Berwind mine ignition this summer. The flip side is that as a company we have developed some real operating and financial resiliency from these setbacks. We run our company with a risk management philosophy to try and cover the downside and the upside will somewhat take care of itself. Another corporate mantra, "Stay low … move fast."

Ron: Can you talk about the successes you have seen at Ramaco?

Randy: To go from an "idea" about 10 years ago, to a public company 5 years later and hopefully to become a 6-7 million-ton met producer over the next 5 years is a unique achievement in this current environment. Despite the drumbeat of negativity about the industry, I believe there is still a great deal of exciting opportunity left in this business for many years to come. With some luck and a bit of hard work we hope to keep moving ahead. The real success of this company however is to have watched the development of our human resources and their achievements, which have frankly made it all possible.

Ron: Let's switch gears a bit and talk about something forward-looking like coal-to-products … the future?

Randy: I am afraid I have become somewhat of an evangelist on this subject! We started down this track about 10 years ago when I was stumped how to deploy capital for a Wyoming thermal project that made no sense

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given the forward utility markets. I asked the rhetorical question, "What else can we do with this stuff besides burning it?" Turns out quite a bit.

Indeed, to hit you with another one-liner, we like to say, "Coal is too valuable to burn." I see a future where you have three legs to the "coal stool": coal for power, coal for steel and coal for advanced carbon products and materials. A good roadmap is the report I was proud to chair from the National Coal Council to then-Secretary of Energy Rick Perry called "Coal in a New Carbon Age".

Ron: Talk about your coal-to-carbon products and how that will change the future for coal.

Randy: First, don't date yourself, Old Timer, by calling it "coal"! We coined the phrase "carbon ore" since it is really used more as a carbon feedstock for processing. I believe longer term you will see a well-predicted decline in coal use for power to some lower base level. Coal use for coke for blast furnace steel production, I believe, will remain dominant for at least another 15-20 years. But I think coal use for carbon products will find a significant niche starting at some point over the next five years as a lower-cost feedstock for a variety of carbon products that currently use petroleum as a precursor. Think products like carbon fiber, graphene, synthetic graphite for batteries and building-related products. It is a long list and research and development being done today, I believe, will add to the list and yield some exciting results.

Ron: Well, there is always a first for everything and getting called an old-timer is my first! Some say it is a brave, new world. Could you highlight some trends/factors you are watching domestically and internationally?

Randy: I would agree that our industry's best years are ahead, especially in met coal and coal-for-carbon products. The driver will be a greater emphasis on new technologies, which I am afraid our industry has not been great about focusing on. Last month, I spoke at an International Energy Agency-sponsored conference in Europe on "transitions" in the overall energy space. Looking at Europe, there is a great deal of focus on hydrogen technologies for power, which looks promising but very expensive. Hydrogen as a possible replacement for coking coal for steel I believe is about 20 years and probably $2 "trillion" away. Carbon-capture technologies will hopefully improve and delay the current rush to the door to abandon coal as a baseload fuel. We got a good preview at how a reckless rush to pure renewable use works out this winter as Europe was cut off from Russian coal and gas. Solar and wind clearly could not substitute, and they began a mad scramble for coal.

Ron: On the M&A front, we have seen Coronado's name in recent months on possible mergers with Arch and then Peabody, but ultimately neither of those deals went anywhere. Can you talk about M&A in the coal space and how you see it going forward?

Randy: As a former investment banker before Ramaco, I always marveled that M&A conversation perked up in higher-priced markets. From an investment standpoint, that is the opposite of an opportune buying window. Coronado is a bit of a special case of a private equity-backed entity that is looking for an exit. I think, given the low multiples in the space, it is tough to pencil an accretive deal. Stock is probably not a great acquisition currency in today's market, and an all-cash deal would require some bank support. If there is any thermal involved, that will spook the banks. Bottom line, I see no big deals but probably some smaller opportunistic bolt-on transactions like we have pursued.

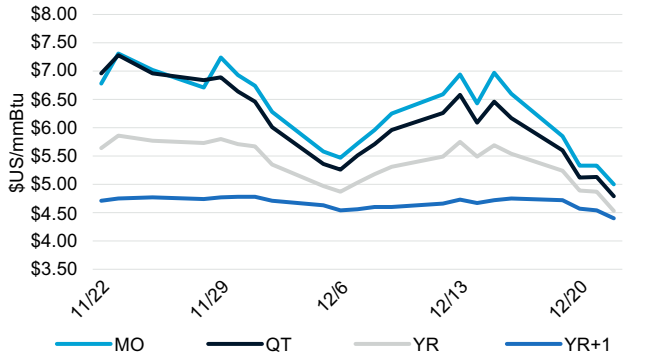
Ron: Anything else you want to add/talk about?

Randy: I hope you have not been naughtier than usual and that we all find lots of lumps of coal under our trees next week!

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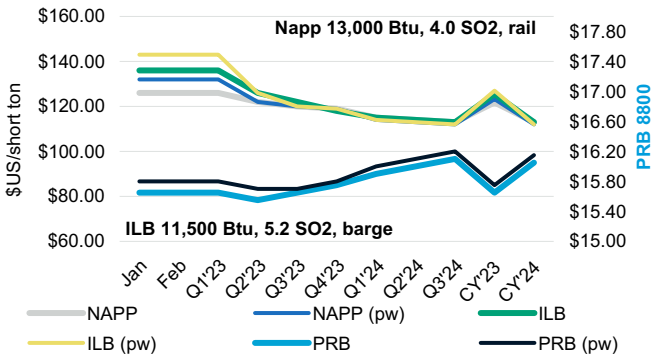
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Henry Hub natural gas futures



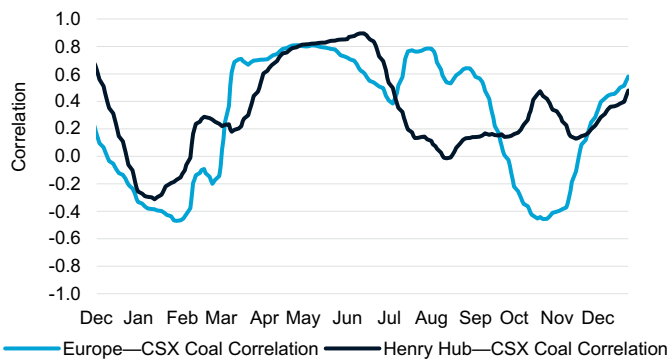
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Financial forwards



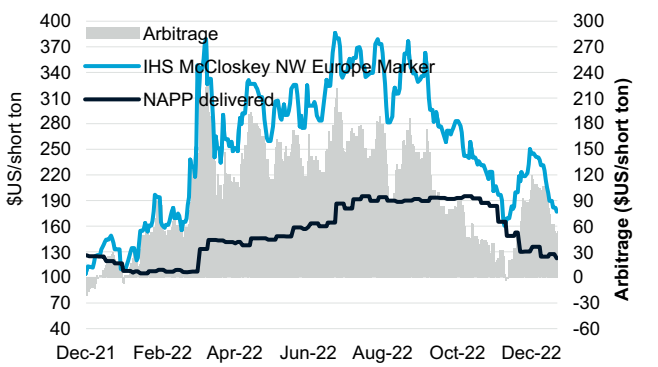
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Coal and gas correlations (90-day)



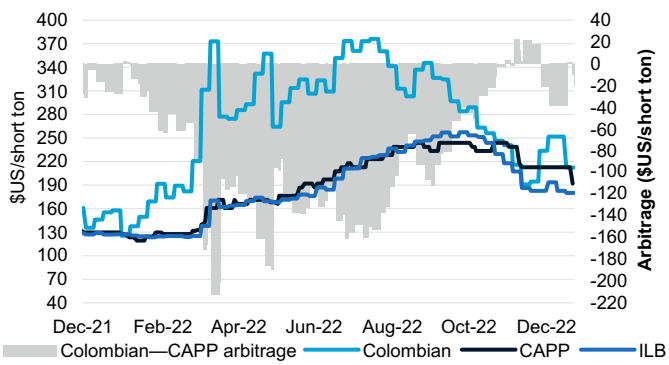
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NAPP delivered to Europe via East Coast (undiscounted)



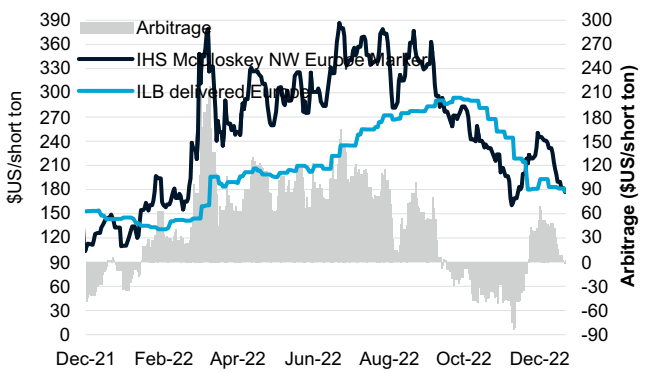
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CAPP/ILB vs Colombian, delivered to Florida



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ILB delivered to Europe via NOLA (undiscounted)



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The Markets

US thermal coal price slides continue

All four McCloskey weekly US thermal coal prices moved down again, with Illinois railed coal being the biggest shedder at slightly more than $13/ton.

Pre-Christmas holiday US coal activity remain subdued. Sources report that utilities are monitoring stockpiles as the dreaded "bomb cyclone" of initial winter weather grabs the headlines. However, utilities are not yet ready to work the phones and gather up some spot purchases.

"Most of them have bought coal for next year," a source said. Now the utilities are coming up with "educated guesses of whether to buy spot coal sooner or later."

The two ILB coal qualities – barged and railed — lost $11.17 and $13.08/ton on week, respectively. ILB barged coal priced at $138.83/ton. Railed ILB coal marked at $133.17/ton. Both coals are spec'd at 11,500 Btu (11,200 Btu min.), max 3% SO2 (5.2 lbs.) and 0.35% chlorine.

Northern Appalachian barged coal priced at $141.67/ton, down $12.83/ton on week. The coal is spec'd at 12,500 Btu/lb. (12,200 Btu min.) and max 6 lbs. SO2/MMBtu. NAPP railed coal, 12,900 Btu/lb. (12,500 Btu min.) and max 4 lbs. SO2/MMBtu, marked at $128.40/ton, down $4.60/ton on week.

The prompt delivery period is January-February-March.

On the global stage, Northwest Europe steam coal prices once again fell below $200/metric tonne this week, marking at $192.50/tonne on Friday. Central App-spec'd US East Coast coal (6,000 NAR or 11,300 Btu as received) lost $19.49/tonne on week to price at $178.71/tonne.

US Gulf-exported ILB coal fell by $17.67/tonne to price at $174.33/tonne. The FOBT USG-exported coal has a c.v. adjusted to a 6,000 kc NAR basis.

The prompt delivery window for the export coals is January-February.

LG&E-KU accelerates closure plans for two coal units

In a filing last week to the Kentucky Public Service Commission, Louisville Gas and Electric-Kentucky Utilities said it now plans to close Mill Creek Unit 2 (356 MW) in 2027 and Ghent Unit 2 (556 MW) in 2028, citing costly regulatory upgrades that would make operating the units uneconomic.

The former is a one-year acceleration from previous plans to close in 2028 while the latter is a six-year acceleration from prior plans for a 2034 retirement.

LG&E-KU stated that its "economic analysis shows that under current and reasonably foreseeable fuel price, regulatory, and avoided cost scenarios, it is consistent with providing lowest reasonable cost service to retire several coal-fired generating units in the near future."

In further testimony supporting its proposed plan, the utility cites specifically the US Environmental Protection Agency's recently promulgated Good Neighbor Plan as one of the causes, since both Mill Creek 2 and Ghent 2 lack NOx-controlling selective catalytic reduction equipment to comply.

Along with the already planned retirement of Mill Creek Unit 1 (356 MW) by the end of 2024, and EW Brown Unit 3 (464 MW) in 2028 (which would require a $28 million overhaul in 2027 if it is to operate safely beyond

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2028), together these closures will result in a loss of coal-fired capacity of more than 1,500 MW by the end of 2028.

Because of this capacity loss, LG&E-KU estimates its reserve margin will plummet to just 3.3% in 2028, down from 23.0% next year and 21.7% in 2027.

As a result, the company is requesting a decision from the state PSC by Oct. 1, 2023, to approve Certificates of Public Convenience and Necessity for "two new 1-on-1 natural gas-fired combined cycle generation units (621 MW summer-net each)", one to be sited at Mill Creek by summer 2027 and the other at EW Brown by summer 2028.

In addition, the company is also planning to add "nearly 1,000 megawatts of solar generation and 125 megawatts of battery storage; and developing 14 new energy efficiency offerings."

Ghent burns a blend of Northern Appalachian and Illinois Basin coals, the bulk of which was supplied this year from Alliance Resource Partners (Tunnel Ridge), American Consolidated Natural Resources (Marshall County), Iron Senergy (Cumberland) and Knight Hawk Coal (Prairie Eagle), according to US Energy Information Administration data. The Mill Creek plant received its supplies from only Illinois Basin mines, including ARLP (Cardinal, River View), ACNR (Pride) and, again, Knight Hawk (Prairie Eagle).

After a short-lived respite in the first eight months this year, when McCloskey catalogued over 15,000 MW of delayed capacity retirements, the nation's coal-fired power plants appear headed for further and faster destruction to US coal demand. This is despite the North American Electric Reliability Corporation's report warning that the nation's energy policymakers need to "manage the pace of generator retirements until solutions are in place that can continue to meet energy needs and provide essential reliability services," particularly in MISO but also the system that covers Ontario in Canada and the Western System that covers California and northwest Mexico (LG&E-KU units dispatch into SERC).

USG petcoke prices rise on demand for January cargoes

US Gulf fuel-grade petroleum coke prices consolidated last week's gains, as spot demand for January cargoes helped lift prices going into 2023.

The latest high-sulfur (5.5-7.0%) deals for Supramaxes closed at $127.00/metric tonne and $130.00/tonne FOB USG, basis 7,500 kc NAR for loading in January. These compare to last week's traded levels at $127.00/t and $127.50/t FOB USG, basis 7,500 kc NAR.

Prices are rising due to refinery maintenance scheduled for the first quarter of 2023 and low inventory levels at refining and export terminal sites. USG refiners were able to reduce inventory in November as demand from India and China strengthened.

Indicative prices for USG material into India are assessed at $181.00/t CFR, basis 7,500 kc NAR and $182.00/t CFR for Saudi material. Venezuelan material for loading in January was assessed at $169.00/t CFR basis 7,500 kc NAR. Russian coal is indicated at $165.00/t CFR east coast India, basis 6,000 kc NAR, or $206.25/t CFR, after heat adjustment to petcoke.

Chinese spot interest continues to be quiet, amid improving domestic solid fuel availability. Indicative prices are assessed at $182.00/t CFR, basis 7,500 kc NAR for USG cargoes and $183.00/t CFR for Saudi origin.

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In Turkey, offers were being collected by a cement producer for prompt-loading Supramaxes. Indicative prices were assessed at $158.00/t CFR, basis 7,500 kc NAR. Interest from Latin America is very quiet, but indicative prices into Brazil are assessed at $153.00/t CFR, basis 7,500 kc NAR.

In the mid-sulfur market, an inquiry was issued by a Turkish cement producer but otherwise interest is very quiet. Indicative prices are assessed at $168.00/t CFR Turkey, basis 7,500 kc NAR for USG material.

Chinese interest for USG and US West Coast cargoes is very slow currently. Indicative prices for USG material are assessed at $192.00/t CFR Rizhao, basis 7,500 kc NAR.

Supramax freight markets extended previous week's gains and increased for Atlantic and Asian routes. Rates to east coast India were assessed at $52.00/t and China at $53.00/t, each up $1.00/t. Rates to Turkey were assessed at $29.00/t, up $3.00/t, Brazil at $24.00/t, up $1.00/t, and Rotterdam at $24.00/t, up $2.00/t. US West Coast freight rates to China and Japan were steady at $32.00/t and $22.00/t, respectively.

Rates from Saudi Arabia to West Coast India moved back up to $15.00/t, a $1.00/t gain.

Transportation

Coal carloads to finish 2022 with small y-o-y increase

After a year roiled by missed coal deliveries, forced stockpile conservation by utilities and increased scrutiny from the federal government, the nation's Class I railroads headed to the finish line with a small percentage increase in loadings compared with 2021.

In Week 50, accumulated year-to-date coal carloads were 3,315,081, averaging 66,302/week and up 3.3% from a year ago, according to Association of American Railroads data.

Week 50, which ended Dec. 17, had 61,577 carloads and was down by 5.1% compared with the year-ago week.

Closer to metallurgical coal markets, weekly railed movements of metallic ores and metals dropped by 0.5% to 21,772 carloads compared with a year ago. Cumulative metallic ores and metals carloads were 1,049,026, averaging 20,981 over the 50 weeks and down 6.6% from 2021, AAR data show.

US Class 1 railroads' weekly coal carloads

	Week 50 2022	Week 50 2021	Y/y chg	Q4TD 2022	Q4TD 2021	Y/y chg	YTD 2022	YTD 2021	Y/y chg
BNSF	24,171	30,628	-21.1%	327,521	339,755	-3.6%	1,490,829	1,471,837	1.3%
CSX	13,926	12,486	11.5%	147,129	133,486	10.2%	616,943	626,390	-1.5%
NS	14,258	12,531	13.8%	137,139	124,329	10.3%	626,826	594,113	5.5%
UP	13,270	13,739	-3.4%	174,723	167,935	4.0%	801,515	730,202	9.8%

Source: McCloskey by OPIS, Company websites

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NTEC sues BNSF over alleged breach of contracted coal deliveries

Navajo Transitional Energy Co., owner of three Powder River Basin coal mines, is suing BNSF Railway for allegedly failing to deliver coal from NTEC's Spring Creek mine in Montana to Westshore Terminals in British Columbia, Canada.

NTEC says in its Dec. 19 federal lawsuit, filed in Montana District Court, that BNSF is responsible for missed deliveries that have cost the Navajo Nation-owned miner $150 million in lost revenue and $15 million in demurrage charges.

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NTEC said that, in December 2021, it had contracted with BNSF to move a maximum 5.5 million tons from Spring Creek to Westshore for 2022. But through Nov. 30, according to the filing, "BNSF had moved a total of only 2.99 million tons of NTEC coal to Westshore (including tons moving under the 2022 contract and tons moving under a different contract for 2021), "which was well short of the pace necessary to transport NTEC's full requirements for the year."

The suit continues: "BNSF's failure to provide NTEC transportation service has imposed – and each day continues to impose – crippling financial hardships upon NTEC amounting to many tens of millions of dollars. BNSF's failure to transport coal has prevented NTEC from realizing the reasonably expected benefits of the 2022 contract – namely the transportation of its 2022 export coal volumes up to 5.5 million tons."

Further, the miner claimed that "BNSF has directly prevented NTEC from meeting its delivery obligations for the 4.6 million tons of coal that NTEC has already committed to sell. As of the date of filing, BNSF's refusal to deliver NTEC's coal to Westshore has resulted in lost revenue of over $150 million, not including spot sales that NTEC declined to make recognizing that BNSF was not meeting its contractual commitments."

BNSF's failures to transport coal, NTEC also alleged, caused the miner "to incur substantial vessel-related demurrage charges at the Westshore terminal due to the inability to load ocean-going vessels in a timely manner." The result was the $15 million in demurrage charges that NTEC was held liable for, it said.

A series of negotiations to correct the problems led to NTEC not being able to reach an agreement with the railroad for shipments during 2023, NTEC said.

"To attempt to mitigate future potential demurrage charges, NTEC has declared force majeure under its export coal sales contracts," the miner said.

After the 1,500-mile railing from the mine to the export terminal, Westshore loads and ships the Spring Creek coal to customers in Japan and South Korea.

Other PRB coal shippers to Westshore are Signal Peak (6-7 million tons/year) and Arch Resources (about 1 million tons/year).

A court calendar shows various filings are due by March 16, 2023.

BNSF has not answered the complaint and did not respond to a request for comment.

International

Fire at Colombian port halts coke exports, some thermal

A major fire has suspended operations at Colombia's Port of Barranquilla, the main export terminal for the country's coke exports that also ships small amounts of thermal coal.

The fire, which started early Wednesday when a fuel tank exploded, has yet to be contained and could take firefighters three to four days to extinguish, sources from the Ministry of Mines reported.

One firefighter has died trying to put out the blaze.

The port terminal where the fire broke out belongs to the Compañía de Puertos Asociados (COMPAS).

Barranquilla is the export hub for Colombia's main coke ovens, which mainly truck their supplies some 900 km from their inland operations.

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The port also handles a small amount of Colombia's thermal coal exports. The fire has delayed the departure of a vessel carrying 10,000 metric tonnes of thermal coal for the United Kingdom, said German trader KSK Handels.

Industry sources told McCloskey that if the fire continues longer than expected, the port would likely need to declare force majeure on shipments.

Colombia increased coke exports in the nine months to September to 3.4 million tonnes, up 16% on the year.

Met coke prices have seen little change recently amid slow demand from the steel industry. McCloskey assessed 65/63 blast furnace coke at $300.00/t FOB Barranquilla on Dec. 16.

Earlier this year, a fire at the Puerto Brisa coal terminal in La Guajira on Colombia's Caribbean coast disrupted coal and coke loadings for around two weeks.

The majority of Colombia's thermal coal is shipped out of Cerrejón's Puerto Bolivar and Drummond's Puerto Drummond.

Q4 PCI price agreed in Asia

A fourth-quarter (October-December) low-volatile PCI price of $246/metric tonne FOB has been agreed upon by two major steel producers with Queensland coal supplier Foxleigh.

Both South Korea's POSCO and Japan's Nippon Steel agreed to the number, according to sources, a 1.2% uplift on the last quarter's (July-September) price of $243/tonne FOB.

The new price was agreed at a roughly 88% relativity to the lagged three-month index average for prime hard coking coal of between $278/t FOB.

At 88%, the achieved relativity for LV PCI is the highest average ever recorded on a quarterly settlement by McCloskey, highlighting again the tightness in PCI supply linked to the lack of Russian anthracite/PCI in global markets due to the war in Ukraine.

A semi-soft contract price was set in mid-December at $230.00/t FOB, between Japan's Nippon Steel and a Hunter Valley miner, which established a floor for PCI, which generally settles above semi-soft.

Indian steelmaker buys S. African amid limited demand

Indian demand for all origin coals was extremely low during the past week, as buyers opted to wait for a clear direction to emerge after the Christmas and New Year holidays.

A steelmaker bought one Panamax of South African 6,000 kc NAR coal for its sponge iron plant in eastern India. Loading is in January and the price was at a $19.00/metric tonne discount to API 4, which on Thursday was assessed at $197.00/tonne FOB. Arrival will be at an east coast port.

On a fixed-price basis, the deal translates to $178.00/t FOB, basis 6,000 kc NAR. McCloskey's Richards Bay 6,000 kc NAR marker eased to $176.50/t FOB on Thursday, from $180.00/t FOB in the previous session.

This steelmaker last week finalized a Cape of South African 5,500 kc NAR material for loading in early January at a discount of $45.00/t to API 4. It is planning to buy two more Panamaxes of 5,500 kc NAR in early January for loading in February.

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Apart from this transaction, buying interest was limited from sponge iron producers this week due to tepid steel demand and weaker steel prices.

Thermal coal interest from the cement sector was also limited, with inquiries focused mainly on petroleum coke. Offers for US Gulf Coast petcoke emerged in the range of $170.00-173.00/t CFR, but bids were lower by around $5.00/t.

“Overall production of sponge iron and cement seems to be low, and sufficient domestic availability … seems to be keeping the buyers away from the market,” a trader said.

There were a few small and prompt inquiries during the week and those were supplied by stock-and-sale traders. A textile sector buyer continued to negotiate for its requirement of a Panamax of any origin coal, while also coming out with a separate prompt inquiry for 20,000 t for early January delivery.

End-users, especially power plants, were seen exploring off-spec Australian coal at competitive prices, as low c.v Indonesian material is understood to be going into China at above their expected prices.

Interest in Russian coal also remained on the lower side as availability seems tight until February 2023. Offers for high VM (32-34%) Russian coal, suitable for power plants, were heard in the range of $163.00-167.00/t CFR levels. Offers for low VM (22-24%), suitable for sponge iron production, were around $170.00/t CFR east coast port.

High c.v. Russian coal was indicatively assessed by McCloskey at $163.00/t CFR West Coast India this week and at $168.00/t CFR India East Coast, both basis 6,000 kc NAR, unchanged from last week.

South African 5,500 kc NAR offers were heard at around $160.00/t CFR and 4,800 kc NAR at around $133-138.00/t CFR levels. Bids on an FOB basis were heard at around $115.00/t for 4,800 kc NAR, and at $135.00-140.00/t for 5,500 kc NAR.

Separately, Coal India has extended the auction of contracted quantities of coal to the sponge iron sector at the request of the Sponge Iron Manufacturers Association.

Representatives of SIMA met the CIL chairman earlier this week and sought extension of the dates, citing coming holidays, a CIL official said.

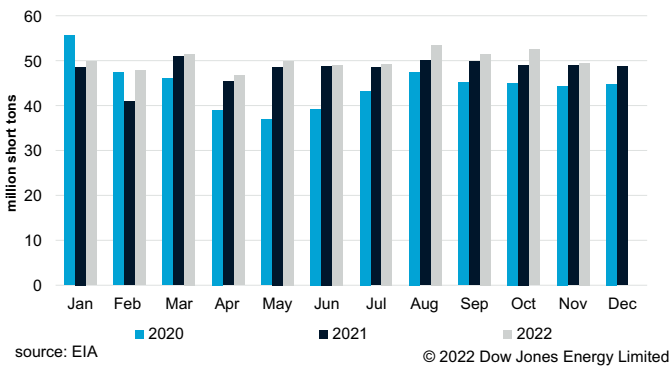
The auction of around 10 million tonnes/year of coal for the next five years was scheduled between Dec. 23-25 but will now be held in January, he said.

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Weekly coal production overview

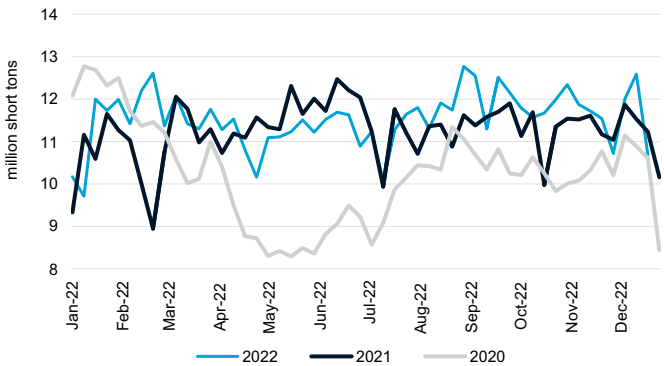
US coal production by month



source: EIA

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US weekly coal production



source: EIA

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EIA Weekly Production (mst)

	Week Ended			Weekly		Year to Date		
	17-Dec-22	10-Dec-22	18-Dec-21	WoW Chg	YoY Chg	YTD 2022	YTD 2021	% Chg
CAPP	1.04	1.24	1.06	-15.9%	-1.8%	57.49	53.25	8.0%
NAPP	1.52	1.80	1.69	-15.5%	-9.9%	84.51	85.71	-1.4%
Ill Bas	1.28	1.53	1.29	-16.1%	-1.1%	74.29	70.25	5.8%
CO/UT	0.47	0.55	0.50	-15.7%	-7.2%	24.19	23.39	3.4%
PRB (all WY&MT)	5.06	5.90	5.31	-14.2%	-4.7%	268.19	257.65	4.1%
East US	4.11	4.88	4.30	-15.9%	-4.4%	231.67	223.50	3.7%
West US	6.58	7.71	6.90	-14.6%	-4.7%	347.61	333.46	4.2%
Total US	**10.69**	**12.59**	**11.20**	**-15.1%**	**-4.6%**	**579.28**	**556.96**	**4.0%**

Source: EIA, McCloskey by OPIS

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