



July 1, 2021

Week Ending 06-30-2021	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 4000 Bcf	Injection Weeks Remaining
+76	+73	+65	80	18
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
2558	3068	2701	+55	-143

Energy News US natural gas futures climbed to a 29-month high earlier this week as a heatwave boosted power prices in the Pacific Northwest to all time highs and on expectations soaring global gas prices will increase US exports to record levels.

Natural Gas – On their last day of the front-month, gas futures for July delivery on the NYMEX rose 6.2 cents or 1.8% to \$3.558 per MMBtu putting the contract on track for its highest close since January 2019 (\$3.642) for a third day in a row. August futures were up about 6 cents to \$3.58. The July NYMEX settled at \$3.617, an increase of \$2.122 over July 2020. Market is: BULLISH - resistance \$3.662 - \$3.732; support \$3.514 - \$3.436.

2021 Summer – While parts of the US are at an elevated or high risk for potential electricity emergencies this summer, Oklahoma falls into the lowest risk category, according to the North American Electric Reliability Corporation’s (NERC) 2021 Summer Reliability Assessment. According to NERC’s assessment, electric supply shortages may occur in the Western US, Texas, New England and parts of the Midwest.

NYMEX NG Price Summary Data as of 07-01-2021		
Month	Price \$/MMBtu	Change
Aug. 2021	\$3.333	\$0.075
12-month strip	\$3.259	\$0.050
Summer 2021	\$3.340	\$0.072
Winter 21-22	\$3.448	\$0.051

(Sources: EIA, CME Group, Baker Hughes)

Crude Oil – Earlier this week we saw oil prices fall sharply after a previous week in which we saw prices climb to their highest in over two years at \$73.99.

Electrical Restructuring in Oklahoma (AERO) – The Oklahoma Corporation Commission, through its Public Utility Division, continues to explore the benefits (cost savings) that Choice would bring to commercial and industrial power consumers. For more information about electrical restructuring go to: [www.goaero.org](http://www.goaero.org)

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was established itself as a financially solid, experienced, reliable natural gas 2500 customers and is excited to announce its expansion into the Kansas to Index, Nymex basis and Fixed Price Locks. Offices located in Oklahoma

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July 29, 2021

Week Ending 07-23-2021	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 4000 Bcf	Injection Weeks Remaining
+36	+27	+28	92	14
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
2714	3237	2882	+49	-168

**Energy News** – Update on the February Winter Weather Event (WWE) as reported in the Missouri Independent – The Southwest Power Pool (SPP), the regional transmission organization (RTO) spanning 17 states, including Oklahoma, instructed its member utilities to shut off power to shed load to keep the grid stable and avoid uncontrolled outages like those in Texas. At the height of the cold snap SPP had 39,777 Megawatts of power available as compared to a five-year average of 55,733. Prices rose above \$4,300 per megawatt hour compared to \$18 normally. Fuel sources varied in reliability. Less than half of the gigawatts of electricity created by natural gas showed up on February 16<sup>th</sup>. Coal generation was off by almost 25%, but wind met its accredited capacity, the level forecasts by SPP. The shortage of fuel emerged before the SPP implemented blackouts, not as a result of the blackouts. Coal has accredited capacity of 22 gigawatts but during the storm production fell to 17. Natural gas is accredited for 30 gigawatts but on February 16<sup>th</sup> it was only 13. The Federal Energy Regulatory Commission (FERC) is expected to issue a report and state regulators are already dealing with how to spread out extraordinary energy costs stemming from the huge spikes in natural gas prices during the WWE.

**Natural Gas** – It’s noteworthy to see the history of natural gas prices in the recent past. The most recent bid was \$4.044 per MMBtu, and the most recent settlement price was \$3.971 per MMBtu. The 52-week high is \$4.102 per MMBtu and the 52-week low is \$1.799 per MMBtu, a swing of \$2.303 per MMBtu.

**Storage** – Working gas in storage was 2,714 Bcf as of Friday July 23, 2021 per the EIA. This represents a net increase of 36 Bcf from the previous week. Stocks were 523 Bcf less than last year at this time and 168 Bcf below the five-year average of 2,882 Bcf. at 2,714 Bcf, total working gas is within the five-year range.

**Weather** – HEAT in the West continues. Above-normal heat in the Midwest will continue through the next few days and then is expected to moderate as will temperatures in the East and Northeast. The deep South will also continue to be hotter than normal. August is trending above normal.

NYMEX NG Price Summary Data as of 07-15-2021		
Month	Price \$/MMBtu	Change
Aug. 2021	\$4.044	\$0.073
12-month strip	\$3.754	\$0.037
Summer 2021	\$3.993	\$0.043
Winter 21-22	\$4.059	\$0.032

(Sources: EIA, CME Group, Baker Hughes)

**Crude Oil** – Crude oil prices rose in Wednesday’s trading and finished near \$75 a barrel following word that U.S. crude inventories fell more and expected. West Texas Intermediate crude for September rose 74 cents and finished the day at \$72.39 per barrel. The increase came after the EIA reported that crude inventories dropped 4.1 million barrels in the week leading up to July 23.

**Natural Gas Production and Rig Count** – Production of natural gas remains mostly flat at 91.5 Bcf/day. The natural gas rig count remains at 104 as compared to 68 a year ago. Crude rig count is up 2 at 380 according to Baker Hughes.

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*Founded in 1999, Oklahoma based Clearwater Enterprises L.L.C. has established itself as a financially solid, experienced, reliable natural gas supplier to all sizes of customers. Clearwater actively serves over 2500 customers and is excited to announce its expansion into the Kansas and Missouri regions. Products offered include but are not limited to Index, Nymex basis and Fixed Price Locks. Offices located in [Oklahoma City](#), [Tulsa](#), [Kansas City](#), [Louisville](#), [Philadelphia](#).*