



January 6, 2022

Week Ending 12-31-2021	EIA Last Year	EIA 5-Year Avg.	Average Weekly Injection to Reach 4000 Bcf	Withdrawal Weeks Remaining
-31	130	-155	62	13
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
3195	3349	3099	-136	96

Natural Gas – This morning the NYMEX natural gas futures price is \$3.827 MMBtu (up 20 cents from two weeks ago) as compared to \$5.083/MMBtu just six weeks ago, a decrease of \$1.256/MMBtu. Looking ahead the NG NYMEX future price is around \$3.71/MMBtu for the 6-month period between April 2022 – September 2022.

- The NYMEX price for February 2022 – March 2022 is now \$3.75/MMBtu
- The NYMEX prices for February 2021 – March 2021 averaged \$2.807/MMBtu
- The NYMEX prices for February 2020 – March 2020 averaged \$1.847/ MMBtu

Electrical Restructuring – The Alliance for Electrical Restructuring in Oklahoma (AERO) is a 501 C 4, organization that is working to impact and change public policy allowing **Consumer Choice** for the purchase of electricity for commercial and industrial power consumers in Oklahoma. Mirroring the natural gas model of unbundling, your company can realize savings through a restructured or unbundled electric market of up to 18%. The passage of the **Competitive Commercial Power Act** in the Oklahoma Legislature will allow you an alternative to the traditional electric utility provider. The value propositions are these: 1). Competitive pricing; and, price certainty.

PSO Winter Weather Event of February 2021 – An Administrative Law Judge at the Oklahoma Corporation Commission is recommending that \$688 million of February storm costs be allocated to rate payers over 20-years. The impact will be \$4.05 increase on top of a recently approved PSO rate hike, meaning ratepayers will be hit with a nearly \$9 to \$10 per month increase. Interesting the settlement proposal included a stipulated agreement reached by the Oklahoma Attorney General, The Public Utility Division of the OCC, Walmart, and the Oklahoma Industrial Energy Consumers. The AARP did NOT sign the Joint Stipulation.

NYMEX NG Price Summary Data as of 01-06-22		
Month	Price \$/MMBtu	Change
February – '22	\$3.882	\$0.165
12-month strip	\$4.256	\$0.274
Summer 2021	\$3.882	\$0.165
Winter 21-22	\$3.716	\$0.489

Crude Oil – Crude oil is trading at \$76.85 per barrel today down from yesterday's close of \$77.85 per barrel. Francisco Blanch, head of commodities and derivatives research at Bank of America indicated in a recent interview that he thinks prices could reach \$120 per barrel in 2022.

It is interesting to note the nation's rig count:

- January 2017 – 410
- January 2018 – 630
- January 2019 – 770
- January 2020 – 600
- July 2021 – 175
- January 2022 - 586

*For further information, please contact Regina Fort at (405) 842-9200 or rfort@wegas.com



January 20, 2022

Week Ending 01-14-22	EIA Last Year	EIA 5-Year Avg.	Average Weekly Withdrawal to Reach 4000 Bcf	Withdrawal Weeks Remaining
-206	-179	-167	108	11
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
2810	3036	2777	-179	33

Natural Gas – This morning the NYMEX natural gas futures price is \$3.87/MMBtu. However, the ONG index is trading about \$1.75/MMBtu above NYMEX, making the natural gas price on ONG, \$5.62/MMBtu. Looking ahead the NG NYMEX future price is around \$4.078/MMBtu for the 6-month period between April 2022 – September 2022.

- The NYMEX price for February 2022 – March 2022 is now \$3.93/MMBtu
- The NYMEX prices for February 2021 – March 2021 averaged \$2.807/MMBtu
- The NYMEX prices for February 2020 – March 2020 averaged \$1.847/MMBtu

Electrical Restructuring – The Alliance for Electrical Restructuring in Oklahoma (AERO) is a 501 C 4, organization that is working to impact and change public policy allowing **Consumer Choice** for the purchase of electricity for commercial and industrial power consumers in Oklahoma. Mirroring the natural gas model of unbundling, your company can realize savings through a restructured or unbundled electric market of up to 18%. The passage of the **Competitive Commercial Power Act** in the Oklahoma Legislature will allow you an alternative to the traditional electric utility provider. The value propositions are these: 1). Competitive Pricing; and, 2). Price Certainty.

OG&E Winter Weather Event of February 2021 – Another former legislator is one of three more challengers to the use of state-backed bonds to secure the February 2021 winter storm costs of \$739 million by OG&E. Former Representative Davis of OKC filed his challenge on Monday, arguing the use of ratepayer-backed bonds was an amendment to the Oklahoma Constitution without a vote of the people. A protest was also filed by Thomas Austin who suggest OG&E is asking the Court to cram down a Financing Order. A third challenge was also filed by James Pickel, a customer, who argued the Financing Order changed without compensation and consent his vested private contractual rights under his OG&E service agreement. He also charged the OCC as repeatedly and retroactively changed the vested rights of customers under the fuel adjustment clause in a slap-dash way adding the bond process gives no assurance that it will work and imposes a long-term debt and interest obligations on residential customers who did not request it or consent to it. A Supreme Court referee has scheduled a hearing on the case to be held January 26, 2022 at 10:30 AM.

NYMEX NG Price Summary Data as of 01-19-22		
Month	Price \$/MMBtu	Change
February – '22	\$4.031	\$0.252
12-month strip	\$4.570	\$0.408
Summer 2021	\$4.031	\$0.252
Winter 21-22	\$3.886	\$0.156

Crude Oil – While oil prices are soaring and U.S. prices are above the \$80 level, the federal government predicts they won't hold throughout this year and next. The EIA prediction was that prices will fall from the 2021 levels. "We forecast that the price of oil will average \$75 in 2022 and \$68 in 2023". The declining prices are driven by a shift from global petroleum inventory declines during 2021 to inventory increases in 2022 and 2023.

It is interesting to note the nation's rig count: There are 601 active rigs currently an increase of 13 from last week, and up 228 from this month last year (2021).

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