



February 3, 2022

Week Ending 01-28-22	EIA Last Year	EIA 5-Year Avg.	Average Weekly Withdrawal to Reach 4000 Bcf	Withdrawal Weeks Remaining
-268	-219	-150	186	9
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
2323	2716	2466	-137	-143

Natural Gas – After reaching a high of \$5.85/MMBtu yesterday, this morning the NYMEX natural gas futures price is \$4.903/MMBtu. The NYMEX price for February closed at \$6.265/MMBtu and the ONG index closed at \$7.39/MMBtu – making the basis differential \$1.125/MMBtu. Looking ahead the NG NYMEX futures price is around \$4.90/MMBtu for the 6-month period between April 2022 and September 2022.

- The NYMEX price for March 2022 is \$4.741/MMBtu
- The NYMEX price for March 2021 \$2.854/MMBtu
- The NYMEX price March 2020 \$1.821/ 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.

Impact of Winter Weather Event of February 2021 – The Oklahoma Corporation Commission (OCC) in recent days has approved provisions to allow the states utilities, Public Service Company of Oklahoma (PSO), Oklahoma Gas & Electric Company (OG&E) and Oklahoma Natural Gas Company (ONG) to recover more than \$2.7 billion to cover fuel costs during the Winter Weather Event of 2021. Specifically: PSO - \$688 million; OG&E - \$739 million; and, ONG \$1.3 billion. These additional costs will be charged to rate payers over the next 25 years. OF NOTE: the delivered cost of natural gas to electricity generators grew from \$3.19/MMBtu in January 2021 to over \$5.00/MMBtu in the 4th quarter of 2021.

NYMEX NG Price Summary Data as of 02-02-22		
Month	Price \$/MMBtu	Change
March – '22	\$5.501	\$0.750
12-month strip	\$4.570	\$0.154
Summer 2021	\$5.501	\$0.750
Winter 21-22	\$5.076	\$0.457

Crude Oil – Crude started out the week with another gain as U.S. prices finished at more than \$88 a barrel while Bent crude rose to more than \$91 a barrel. West Texas Intermediate crude for March delivery went up \$1.33 and closed at \$88.15 in trading on the NYMEX. For the month, crude oil futures managed a 17% increase that analysts attribute to the increase anxieties over possible invasion of Ukraine by Russia.

Natural Gas - BULLISH MARKET:
Resistance - \$5.056 - \$5.237
Resistance - \$4.694 - \$4.513

Point of Reference - - -
NYMEX Natural Gas Settlement Prices:
February 2014 - \$5.57
February 2020 - \$1.877
February 2021 - \$2.76
February 2022 - \$6.265

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



February 17, 2022

Week Ending 02-11-22	EIA Last Year	EIA 5-Year Avg.	Average Weekly Withdrawal to Reach 4000 Bcf	Withdrawal Weeks Remaining
-190	-227	-154	298	7
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
1911	2315	2162	-222	-251

Natural Gas – This morning the NYMEX natural gas futures price is \$4.648/MMBtu, down 7 cents from yesterday's close. OF NOTE: Earlier this winter the basis on ONG was plus \$2.20/MMBtu, for March the basis is minus \$0.35/MMBtu making the swing during recent months \$2.55/MMBtu. Looking ahead the NG NYMEX futures price is around \$4.573/MMBtu for the 6-month period between April 2022 and September 2022.

- The NYMEX price for March 2022 is \$4.63/MMBtu
- The NYMEX price for March 2021 \$2.854/MMBtu
- The NYMEX price March 2020 \$1.821/ MMBtu

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EIA – Update demand & price forecasts – The U.S. Energy Information Administration bumped up its US natural gas demand and price forecasts for the first quarter of 2022, following a colder-than-normal January in the Northeast and Midwest and anticipating continued strong demand for US LNG Exports. The EIA raised its natural gas consumption estimates by 3.42 Bcf/d to 102.47 Bcf/d for Q1 and by 650 MMcf/d to 71.56 Bcf/d for Q2. It also pushed up its consumption forecast by 1.50 Bcf/d to 84.27 Bcf/d for 2022 and by 1.01 Bcf/d to 83.85 Bcf/d in 2023. Colder than normal weather in January increased demand for gas used by space heating and power generation noting the spot price at Henry Hub averaged \$4.38/MMBtu for the month up from \$3.76/MMBtu in January.

NYMEX NG Price Summary Data as of 02-16-22		
Month	Price \$/MMBtu	Change
March – '22	\$4.717	\$0.411
12-month strip	\$4.570	\$0.149
Summer 2021	\$5.501	\$1.195
Winter 21-22	\$4.625	\$0.314

Crude Oil – West Texas Intermediate Crude reached a 7-year high and closed at \$95.46 per barrel, the highest price since September 2014. This increase is attributed to the growing threat of a Russian invasion of Ukraine. Additionally, the EIA reported that oil inventories dropped 5 million barrels to the lowest level since 2018. Likely results of these two events will most likely keep prices high in the foreseeable future.

Per Baker Hughes – rig count – Nationally the rig count increased by 22 and stands at a total of 635. The nationwide count is up 238 from a year ago when there were 397 active rigs. Growth included 210 more oil rigs and 28 more gas rigs. Oklahoma gained 3 rigs in the past week to reach a total of 53. Texas has the highest rig count at 300 and New Mexico stands at 92 as compared to Kansas at 39 and North Dakota at 33 rigs.

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