



March 3, 2022

Week Ending 02-25-22	EIA Last Year	EIA 5-Year Avg.	Average Weekly Withdrawal to Reach 4000 Bcf	Withdrawal Weeks Remaining
-139	-132	-98	471	5
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
1643	1859	1898	-129	-255

Natural Gas – This morning the NYMEX natural gas futures price is \$4.70 MMBtu, down 7 cents from yesterday’s close. March NYMEX settlement price was \$4.568/MMBtu. Looking ahead the NG NYMEX futures price is around \$4.85 /MMBtu for the 6-month period between April 2022 and September 2022. As noted below, one must look back to 2014 to find a March settlement price higher than that posted in 2022.

- The NYMEX price for March 2022 - \$4.568/MMBtu
- The NYMEX price for March 2021 - \$2.854/MMBtu
- The NYMEX price for March 2020 - \$1.821/ MMBtu
- The NYMEX price for March 2014 - \$4.855/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.

Energy News – Crude oil prices in Europe settled above the \$100 mark earlier this week, and settled at \$112.93 per barrel on March 2nd, as the fighting grows in Ukraine where Russian soldiers attempted to surround the capitol of Kyiv. Global benchmark Brent crude for April delivery went up \$3.06 and finished the day at \$100.99 a barrel in ICE Futures Europe. Oklahoma energy stock soared along with the increase in crude. The impact on Oklahoma energy stocks was obvious as all but one (Mammoth Energy Services Inc.) of the local stocks saw gains for the day including more than 17% for Cypress Environmental Partners along with 8% for Devon Energy and 6% for Continental Resources and Helmerich & Payne, Inc.

NYMEX NG Price Summary Data as of 03-02-22		
Month	Price \$/MMBtu	Change
March – ‘22	\$4.762	\$0.189
12-month strip	\$4.570	(\$0.144)
Summer 2021	\$5.501	\$0.928
Winter 21-22	\$4.845	\$0.184

Crude Oil –Two weeks ago West Texas Intermediate Crude reached a 7-year high and closed at \$95.46 per barrel, the highest price since September 2014, and the EIA reported that oil inventories dropped 5 million barrels to the lowest level since 2018. Indicative of what is happening to the crude oil supply in the U.S., the amount in storage at the Cushing hub fell again in the past week. The EIA reported 23,778 million barrels on hand in Cushing. That’s a decline of 2,049 barrels of oil over a week. At the start of the year, Cushing has storage of 34,838 million barrels of oil and a year ago, the hub had storage of 48,044 million barrels of oil. This morning WTI price is \$110.60 per barrel up 7%.

The Oklahoma Development Finance Authority (ODFA) will determine the fate of bonds to cover the Winter Weather Event, Uri. The ratepayer-backed bonds include \$1.45 billion for ONG, \$725 million for PSO and \$95 million for Summit Utilities Oklahoma. The ODFA has already approved \$800 million for OG&E. While at the same time ONEOK reported large increases in 2021 earnings. Earnings in 2021 were up 24% from 2020; and it also managed a total debt reduction of more than \$600 million in 2021.

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March 17, 2022

Week Ending 03-11-22	EIA Last Year	EIA 5-Year Avg.	Average Weekly Withdrawal to Reach 4000 Bcf	Withdrawal Weeks Remaining
-79	-16	-65	853	3
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
1440	1784	1744	-124	-304

Natural Gas – This morning the NYMEX natural gas futures price is \$4.961/MMBtu. In recent weeks that NYMEX futures contract has moved up and down reaching a high of \$5.06/MMBtu to a low of \$4.49/MMBtu. The Market is BULLISH with resistance at \$4.814 - \$4.927 and support at \$4.572 - \$4.443.

- The average NYMEX price for April – September 2022 - \$4.926/MMBtu
- The average NYMEX price for April – September 2020 -\$1.846/ MMBtu
- The average NYMEX price for April – September 2014 - \$4.36/MMBtu

Electrical Restructuring – Oklahoma is a monopoly state where all the customers served by the three utilities (PSO – OG&E – Liberty) must purchase their power requirements from their utility. Lack of competition is driving up prices. Studies show that in the monopoly states like Oklahoma, utilities cost have increased by about 21% since 2008. In the 14 free market states, which represent 1/3 of the U.S.’s power consumers, they’ve decreased by 7%. The value propositions are these: 1). Competitive Pricing; and, 2). Price Certainty resulting in cost savings and predictability. Go to www.goaero.org to become one of thousands who have joined the coalition and are working to support greater cost savings, convenience and choice in Oklahoma.

Energy News – The conflict in Ukraine and the invasion from Russia continue to be the headlines. Russia is threatening that the companies pulling out of Russia will have their assets frozen. This means that Russia will likely acquire any western asset that is left behind. The nationalization of western assets could be disastrous for oil markets over the long term. Western oil majors have been instrumental in bringing Russian oil to the heights it has reached but majors would be very hesitant to reengage if they believe their financial interests can be stolen by the government at any time. Without assistance Russia’s oil businesses could flounder struggling to keep pace with their customers demand. A dwindling Russia would mean less oil hitting global markets keeping prices higher.

NYMEX NG Price Summary Data as of 03-16-22		
Month	Price \$/MMBtu	Change
April – ‘22	\$4.748	\$0.180
12-month strip	\$4.766	\$0.021
Summer 2022	\$4.841	\$0.158
Winter 21-22	\$5.089	\$0.256

Crude Oil – This morning WTI crude is trading at \$102.00 up \$6.97 from yesterday’s close. The futures market for WTI in the coming months: April - \$101.76; May - \$100.44; June - \$98.15; and, July - \$95.62. The commodity markets have been volatile following Russian’s February 24th invasion of Ukraine, and are expected to remain so. The EIA reported that U.S. crude inventories rose by 4.3 million barrels for the week ending March 11th.

RIG COUNT - According to Baker Hughes the most recent rig count stands at 663 as compared to 402 a year ago and up 13 from the previous week, +8 oil rigs and +5 natural gas rigs. The current US rig count is up 75 from the first week in January 2022. The rig count in Oklahoma remained at 49 for the week which is up 17 from this time last year. There are 312 working rigs in Texas and 95 in New Mexico.

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March 31, 2022

Week Ending 03-25-22	EIA Last Year	EIA 5-Year Avg.	Average Weekly Withdrawal to Reach 4000 Bcf	Withdrawal Weeks Remaining
26	7	-23	2585	1
EIA Level	EIA Level Last Year	EIA 5-Year Avg. Level	EIA Prior Week	Comparison to 5 Year Avg.
1415	1762	1659	-51	-244

Natural Gas – The NYMEX natural gas futures price for April settled earlier this week at \$5.336/MMBtu. Last year the April settlement price was \$2.586/MMBtu; in 2020 the price was \$1.634/MMBtu; and, in 2014 the price was \$4.584/MMBtu. In recent weeks the NYMEX futures contract has moved up and down reaching a high of nearly \$6.00/MMBtu earlier this month.

- The average NYMEX price for April – September 2022 - \$5.582/MMBtu
- The average NYMEX price for April – September 2020 -\$1.846/ MMBtu
- The average NYMEX price for April – September 2014 - \$4.36/MMBtu

Electrical Restructuring – Oklahoma is a monopoly state where all the customers served by the three utilities (PSO, OG&E & Liberty) must purchase their power requirements from their utility. Lack of competition is driving up prices. Studies show that in the monopoly states like Oklahoma, utilities cost have increased by about 21% since 2008. In the 14 free market states, which represent 1/3 of the U.S.’s power consumers, they’ve decreased by 7%. The value propositions are these: 1). Competitive Pricing and 2). Price Certainty, resulting in cost savings and predictability. Go to www.goaero.org to become one of thousands who have joined the coalition and are working to support greater cost savings, convenience, and choice in Oklahoma.

Energy News – The Oklahoma Corporation Commission (OCC) issued in Cause No. PUD 202100079, Order No. 723033, Title: Application of Oklahoma Natural Gas Company, for a financing order approving securitization of costs arising from the February 2021 winter weather event. Pursuant to the “February 2021 regulated Utility Consumer Protection Act” approved the estimated issuance costs and ongoing financing costs of \$18,866,378. This \$18 million in costs are OVER and ABOVE the cost on natural gas that ONG purchased; and represents the cost to finance the bonds by the Council of Bond Oversight. The single largest expense is \$8,145,500 to be paid to the “Counsel of Bond Oversight Fee”. The \$18,866,378 will be charged to rate payers and is in addition to the actual cost of gas purchased of \$1.45 Billion.

NYMEX NG Price Summary Data as of 03-29-22		
Month	Price \$/MMBtu	Change
April – ‘22	\$5.336	(\$1.172)
12-month strip	\$5.435	(\$0.184)
Summer 2022	\$5.398	(\$0.194)
Winter 21-22	\$5.487	(\$0.169)

Crude Oil – This morning WTI crude is trading at \$102.70 after closing yesterday at \$107.82. Prices fell sharply earlier this week to around \$100.00 per barrel after reaching highs late last week of \$113.90 per barrel. The commodity markets have been volatile following Russian’s February 24th invasion of Ukraine and are expected to remain so.

RIG COUNT - According to Baker Hughes the most recent rig count stands at 670 up +7 from the previous week, and up +253 from this time last year. Oklahoma’s rig count currently stands at 49 which is down 3 from mid-February.

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