



# Weekly Update

December 15th, 2011



## NYMEX Commodities

	12/14	12/7	▲	Year Ago
<b>Crude Oil Jan. 2012</b>	\$94.95	\$100.49	(\$5.54)	\$88.62
<b>Natural Gas Jan. 2012</b>	\$3.14	\$3.42	(\$0.29)	\$4.22
<b>Gas (RBOB) Jan. 2012</b>	\$2.50	\$2.59	(\$0.08)	\$2.31
<b>Heating Oil Jan. 2012</b>	\$2.83	\$2.98	(\$0.15)	\$2.48

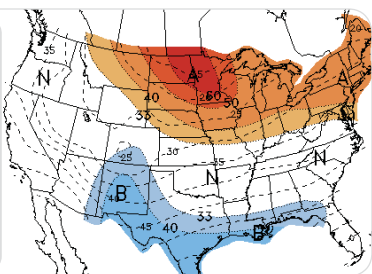
## Platts-ICE Foward Curve, Electricity

Prompt: 1/2012	12/14	12/7	▲	Year Ago
<b>Mass Hub</b>	\$53.75	\$59.25	(\$5.50)	\$64.50
<b>N.Y. Zone G</b>	\$53.00	\$57.75	(\$4.75)	\$65.75
<b>PJM West</b>	\$44.00	\$48.40	(\$4.40)	\$54.55
<b>ERCOT</b>	\$34.25	\$36.00	(\$1.75)	\$35.50

## NYMEX Natural Gas Strip Averages

Prompt: 1/2012	12/14	12/7	▲
<b>Q1 2012</b>	\$3.18	\$3.45	(\$0.27)
<b>Q2 2012</b>	\$3.32	\$3.56	(\$0.24)
<b>Winter '11-'12</b>	\$3.16	\$3.44	(\$0.28)
<b>Spring 2012</b>	\$3.32	\$3.56	(\$0.24)
<b>Cal. Yr. 2012</b>	\$3.40	\$3.65	(\$0.25)
<b>Cal. Yr. 2013</b>	\$4.03	\$4.29	(\$0.26)
<b>12 Months</b>	\$3.40	\$3.65	(\$0.25)
<b>24 Months</b>	\$3.72	\$3.97	(\$0.25)
<b>36 Months</b>	\$3.95	\$4.20	(\$0.26)

NOAA 6 to 10 Day Outlook: Color indicates the probability of forecasted temperatures being above or below a historical average for the period.



Regardless of one's view on whether energy prices will rise or fall, all should determine if there is an opportunity to save money or to mitigate risk. Contact your account representative to explore all current offers and discuss market conditions.

## Oil Rebounds After Biggest Decline Since September Spurs Buying

Bloomberg | December 15, 2011

Oil rebounded from a five-week low in New York on speculation that yesterday's drop, the biggest since September, was exaggerated.

West Texas Intermediate futures gained as much as 1.1 percent after nearing the 50-day moving average, signaling yesterday's sell-off was overdone, according to data compiled by Bloomberg. The euro stabilized after dropping yesterday to the lowest level against the dollar since January. China's purchasing managers' index data showed manufacturing recovered from its biggest contraction since March 2009.

Crude for January delivery rose as much as \$1.04 to \$95.99 a barrel in electronic trading on the New York Mercantile Exchange, compared with the 50-day moving average of about \$94.25 a barrel. It was at \$95.70 at 1:45 p.m. London time. Yesterday, the contract fell \$5.19 to \$94.95, the lowest settlement since Nov. 4. Prices have risen 4.7 percent this year after climbing 15 percent in 2010.

Brent oil for January settlement on the London-based ICE Futures Europe exchange increased 1.11, or 1.1 percent, to \$106.13 a barrel. The contract expires today. The more actively traded February future was up \$1.21 at \$105.46. The European benchmark crude was at a premium of \$10.43 to WTI, compared with a record \$27.88 on Oct. 14.

## Natural Gas Drillers Spend \$630k Lobbying in 3Q

The Associated Press | December 15, 2011

A trade group for natural gas drillers spent \$630,000 lobbying Congress in the third quarter on drilling regulation and proposals to expand use of natural gas.

That's 19 percent less than the \$780,000 America's Natural Gas Alliance spent in the third quarter of last year and 20 percent less than the \$790,000 the group says it spent in the second quarter of 2011.

Natural gas drillers have learned to unlock huge reserves of natural gas in shale formations across the U.S. by combining horizontal drilling with a process called hydraulic fracturing, or fracking. The technique has boosted production, pushed prices down and encouraged more use of the fuel.

But environmentalists say the process, which involves pumping water, sand and chemicals deep underground to break up rock, could contaminate drinking water.

ANGA, based in Washington, lobbied the government on regulation of fracking. Drillers contend that states, and not the federal government, should regulate the process.

ANGA also lobbied the government on proposals to increase demand for natural gas. The government is weighing proposals to increase subsidies for natural gas powered vehicles and to include natural gas on a list of "clean" fuels that would become a growing part of the U.S. energy mix in the coming years.

ANGA also lobbied on clean air regulation. The Environmental Protection Agency is in the process of revising clean air standards in order to reduce the amount of pollutants such as mercury, sulfur dioxide and nitrogen oxides that utilities and others are allowed to release into the air.

Natural gas power plants don't emit those pollutants, but coal, the chief competitor to natural gas, does. Coal is used to generate about 47 of the nation's electricity.



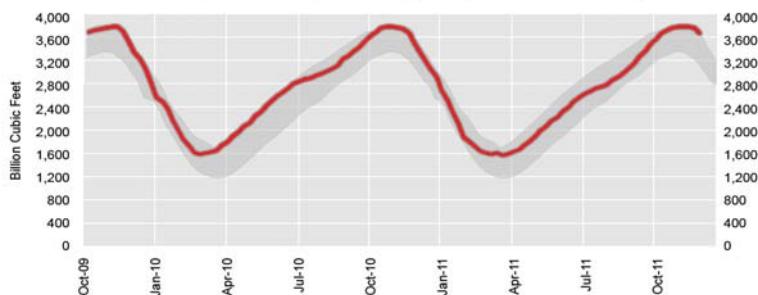
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## EIA - Weekly Natural Gas Storage Report

Working Gas in Underground Storage Compared with 5-Year Range

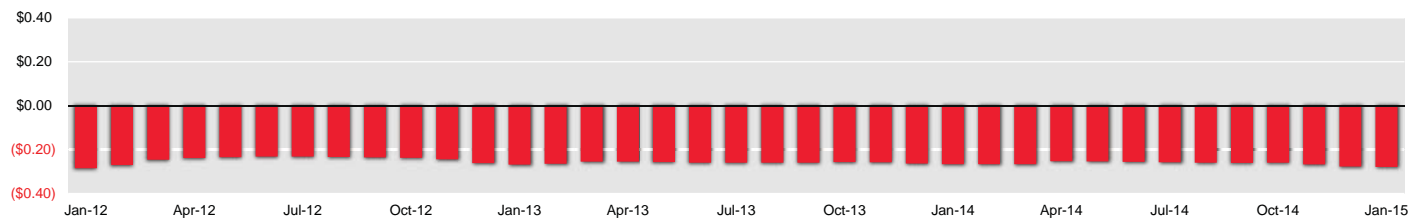


### Summary

Working gas in storage was 3,729 Bcf as of Friday, December 9, 2011, according to EIA estimates. This represents a net decline of 102 Bcf from the previous week. Stocks were 154 Bcf higher than last year at this time and 347 Bcf above the 5-year average of 3,382 Bcf. In the East Region, stocks were 133 Bcf above the 5-year average following net withdrawals of 50 Bcf. Stocks in the Producing Region were 180 Bcf above the 5-year average of 1,048 Bcf after a net withdrawal of 28 Bcf. Stocks in the West Region were 35 Bcf above the 5-year average after a net drawdown of 24 Bcf. At 3,729 Bcf, total working gas is above the 5-year historical range.

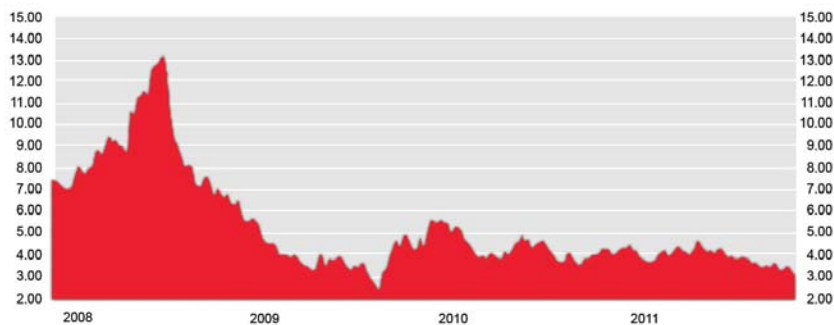
Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2006 through 2010.

## NYMEX Natural Gas Week-to-Week Price Change



## NYMEX Natural Gas Week-to-Week Price Change - Yearly Snapshot

Natural Gas Futures 5 Year Price



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