



# Weekly Update

December 29th, 2011



## NYMEX Commodities

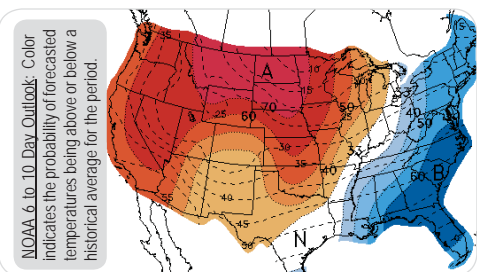
	12/28	12/21	▲	Year Ago
<b>Crude Oil Feb. 2012</b>	\$99.36	\$98.67	\$0.69	\$91.12
<b>Natural Gas Feb. 2012</b>	\$3.08	\$3.16	(\$0.08)	\$4.19
<b>Gas (RBOB) Feb. 2012</b>	\$2.65	\$2.62	\$0.03	\$2.39
<b>Heating Oil Feb. 2012</b>	\$2.89	\$2.91	(\$0.02)	\$2.52

## Platts-ICE Forward Curve, Electricity

Prompt: 1/2012	12/28	12/21	▲	Year Ago
<b>Mass Hub</b>	\$60.25	\$51.00	\$9.25	\$64.75
<b>N.Y. Zone G</b>	\$57.75	\$51.25	\$6.50	\$64.75
<b>PJM West</b>	\$46.75	\$41.75	\$5.00	\$55.15
<b>ERCOT</b>	\$30.50	\$32.00	(\$1.50)	\$35.00

## NYMEX Natural Gas Strip Averages

Prompt: 1/2012	12/28	12/21	▲
<b>Q1 2012</b>	\$3.12	\$3.20	(\$0.08)
<b>Q2 2012</b>	\$3.26	\$3.35	(\$0.09)
<b>Winter '11 -'12</b>	\$3.10	\$3.18	(\$0.07)
<b>Spring 2012</b>	\$3.26	\$3.35	(\$0.09)
<b>Cal. Yr. 2012</b>	\$3.35	\$3.43	(\$0.08)
<b>Cal. Yr. 2013</b>	\$4.02	\$4.07	(\$0.05)
<b>12 Months</b>	\$3.35	\$3.43	(\$0.08)
<b>24 Months</b>	\$3.69	\$3.75	(\$0.06)
<b>36 Months</b>	\$3.92	\$3.98	(\$0.06)



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.

## Oldest U.S. Coal-Fired Plant Converts to Gas

International Business Times | December 29, 2011

Stricter U.S. regulations on pollution control, together with higher costs incurred in burning coal, have prompted Pennsylvania's Sunbury Generation LP, owner of one of the nation's oldest coal-fired power plants, to switch to natural gas by 2015.

Its Shamokin Dam plant recently was included on the list of coal plants facing possible closure following the announcement by the U.S. Environmental Protection Agency of new emission regulations.

Located across the Susquehanna River from Sunbury, Pa., the Shamokin Dam plant began operating in 1949 and produces about 430 megawatts of electricity.

Sunbury Generation's plans include closing five of its six coal-fired generators and replacing them with two natural gas-fired turbines. The closure will allow Sunbury Generation to work on providing additional power for customers out of the PJM Interconnection or grid.

Last week, the EPA said it will start strictly requiring coal-fired plants to adhere to new federal regulations. Coal-fired burning plants were given the options of mounting modern pollution control equipment, closing down or transferring to natural gas.

In July, EPA issued a regulation requiring power plants in 27 states to lessen smokestack pollution that crosses state lines.

Similar conversion projects from coal to natural gas could incur costs of up to nearly \$1 billion.

Once online, Shamokin Dam plant will generate enough electricity to power 500,000 homes.

In November, the Energy Information Administration reported that electricity from coal-fired plants in Pennsylvania had fallen 10 per cent since 2001, while natural-gas generated power grew eightfold.

Coal made up 46 per cent of total power generation in Pennsylvania for the first six months of 2011 while natural gas generation was 17 per cent.

## Oil Trades at One-Week Low as Demand Concern Outweighs Iran Risk

Bloomberg | December 29, 2011

Oil traded near the lowest level in a week in New York as rising U.S. crude inventories outweighed concern that tensions with Iran will lead to a disruption in Middle East exports.

Crude was little changed after falling yesterday as record European Central Bank lending signaled the growing risk of the region's crisis. Crude inventories rose 9.57 million barrels last week, according to the industry-funded American Petroleum Institute. A U.S. aircraft carrier, which Iran said it spotted during naval exercises, passed through the Strait of Hormuz on Dec. 27 on routine transit, the U.S. 5th Fleet said.

Crude for February delivery was at \$99.46 a barrel, up 10 cents, in electronic trading on the New York Mercantile Exchange at 12:07 p.m. London time. The contract closed at \$99.36 yesterday, the lowest since Dec. 21. Prices are up 9 percent this year after climbing 15 percent in 2010.

Brent oil for February settlement was up 1 cent at \$107.57 a barrel on the London-based ICE Futures Europe exchange. The European contract's premium to New York crude was \$8.08, compared with a record \$27.88 on Oct. 14.



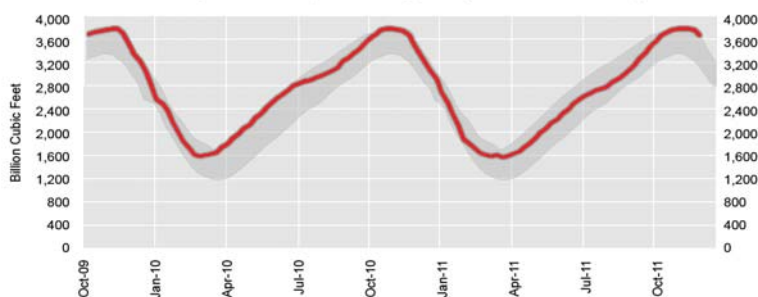
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## EIA - Weekly Natural Gas Storage Report

Working Gas in Underground Storage Compared with 5-Year Range

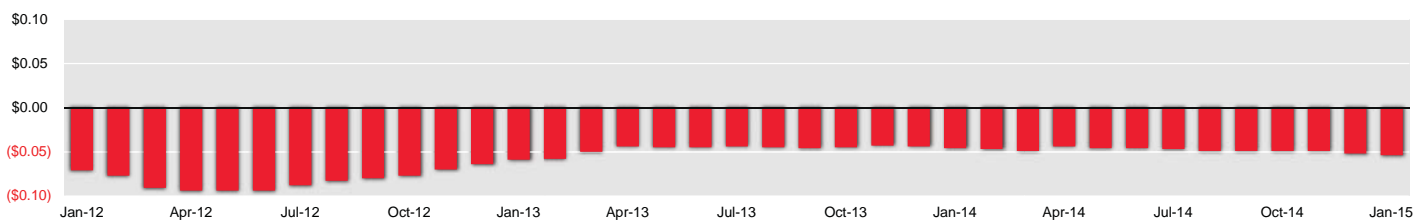


### Summary

Working gas in storage was 3,548 Bcf as of Friday, December 23, 2011, according to EIA estimates. This represents a net decline of 81 Bcf from the previous week. Stocks were 297 Bcf higher than last year at this time and 428 Bcf above the 5-year average of 3,120 Bcf. In the East Region, stocks were 186 Bcf above the 5-year average following net withdrawals of 53 Bcf. Stocks in the Producing Region were 216 Bcf above the 5-year average of 989 Bcf after a net withdrawal of 9 Bcf. Stocks in the West Region were 27 Bcf above the 5-year average after a net drawdown of 19 Bcf. At 3,548 Bcf, total working gas is above the 5-year historical range.

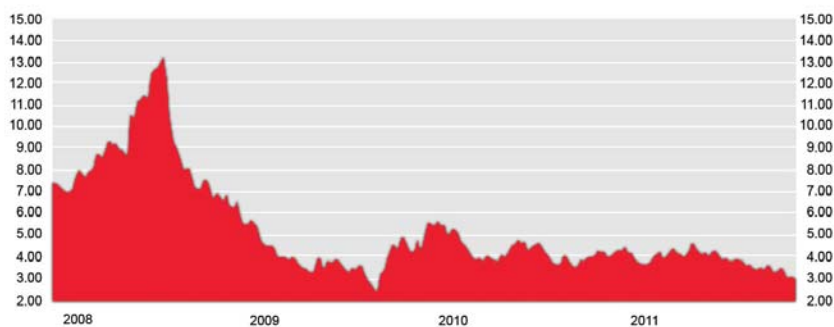
Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2006 through 2010.

## 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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