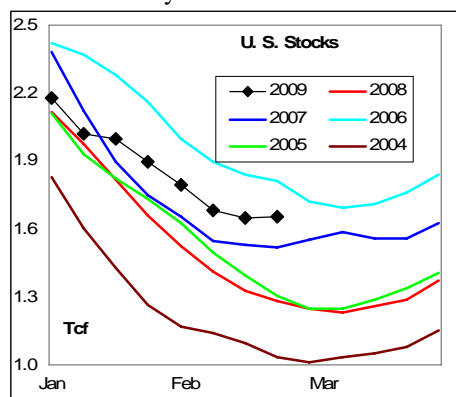


**Summary**<sup>1</sup> The +3 Bcf stock build last week was the only build for this period in the last five years on heating degree days that were -18% below normal for the week ending March 21<sup>st</sup>. Stock levels are now +29% above last year and well above four of the last five years.



Stocks declined -13 Bcf in the East Region, which was the second consecutive record low weekly draw. The +5 Bcf build in the West Region matched the five year high build for the week. The stock build of +11 Bcf in the Producing Region was only slightly below the five year record high build for the period.

Heating degree days were -15% below normal in the East Region, -23% below normal in the West Region and -33% below normal in the Producing Region for the week ending March 21<sup>st</sup>.

Heating degree days were -18% below normal for the week ending March 21<sup>st</sup> and are forecast to be -19% below normal for the week ending March 28<sup>th</sup>.

The 6-10 day NWS forecast for the week ending March April 4<sup>th</sup> for colder than normal temperatures in the West and normal in all regions East of the Rockies.

The 8-14 day NWS forecast for the week ending April 8<sup>th</sup> is for an extension of the 6-10 day forecast; colder than normal west of the Rockies and normal East of the Rockies.

**Prices:** Nearby gas futures prices increased

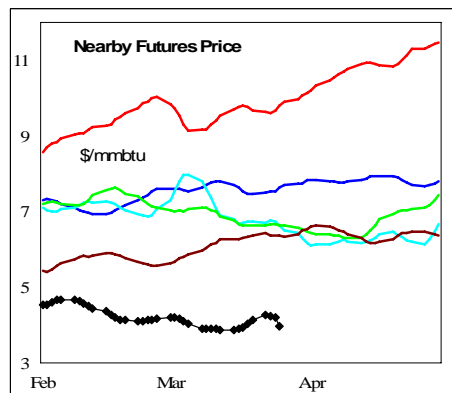
#### <sup>1</sup> Related Web Sites:

[Data Source is EIA Weekly Statistics](#)

[National Weather Service 6-10 Day](#)

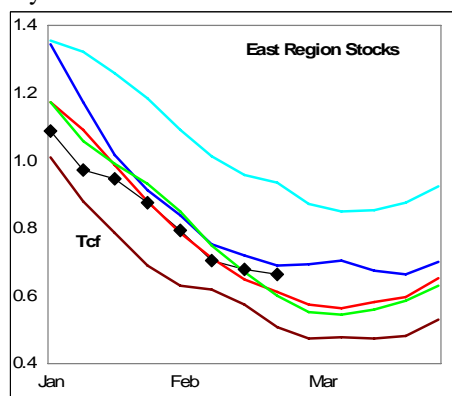
[National Weather Service 10-14 Day](#)

-\$0.21/mmbtu on the week ending March 26<sup>th</sup>, after surging early in the week. The market surged on announcement of actions to support the U.S. financial system, and then fell sharply on weekly stock data showing above average stock builds for the week.



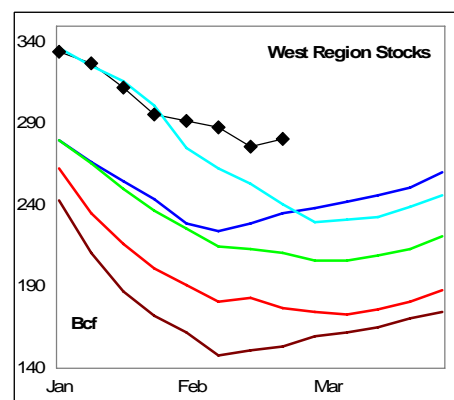
The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended lower on the week, ending at the low end of the historic range.

East Region stocks declined -13 Bcf on the week, which was the second consecutive record low draw for the period on heating degree days that were -15% below normal for the week. Stock levels are now +9% above a year ago and above the historic mid range. Heating degrees in the region are forecast to be -18% below normal for the week ending March 28<sup>th</sup>, followed by normal temperatures during the next 10 days.

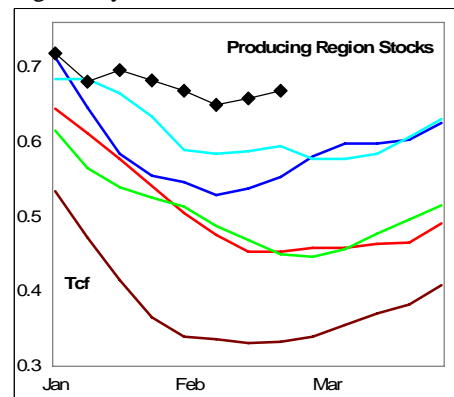


West Region stocks are now +59% above last year, and at a five year high for the period. The +5 Bcf build last week matched the largest build for the period during the last five years on heating degree days that were +23% below normal.

Heating degree days are forecast to be -8% below normal for the week ending March 28<sup>th</sup>, followed by a forecast of colder than normal temperatures for the next 10 days.



Producing Region stocks are +44% above last year and at a new five year high for the period. The stock build of +11 Bcf last week was slightly below the five year record high build for the period on heating degree days that were -33% below normal.



Heating degree days are forecast to be -38% below normal for the week ending March 28<sup>th</sup>, followed by a forecast of normal temperatures for the next 10 days.

**Residual Fuel Oil Switching:** The price spread between residual fuel oil and natural gas remains near the record high in favor of natural gas. This trend should lead to maximum fuel switching in favor of gas for the balance of the heating season.

**Outlook:** Stock levels continue to increase relative to the historic range with levels now +29% above last year and higher than four of the last five years. Heating degree days are forecast to be -19% below normal this week. Production cuts will be required during 2009 to balance supply. These supply cuts will be necessary to stabilize prices from the current low levels.

# NATURAL GAS: Graph Link and Weekly Summary



Report prepared as of: March 26, 2009

For the week ending: 24-Apr-09

## Weekly Trends in Stocks and Heating Degree Days for the week ending:

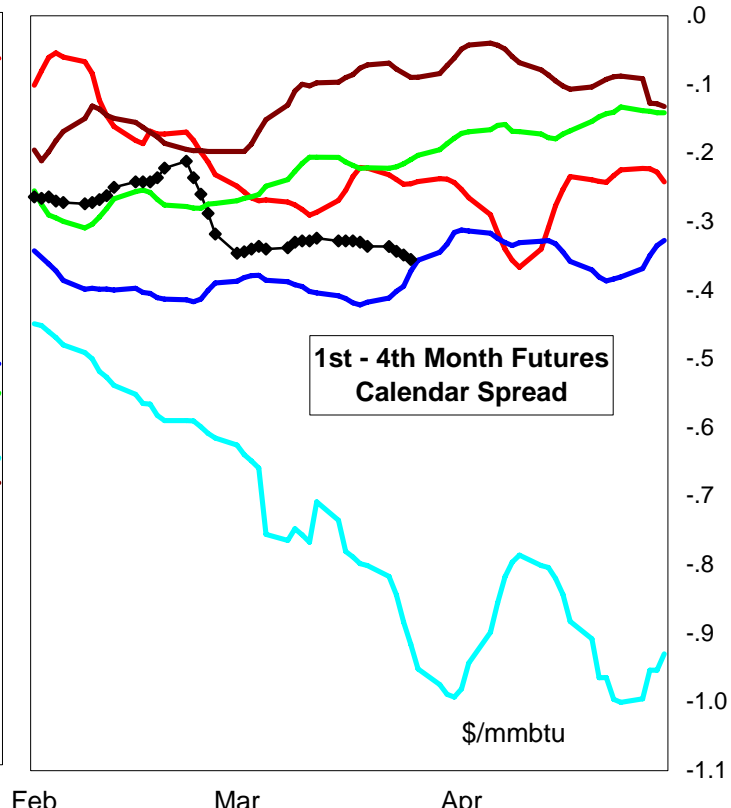
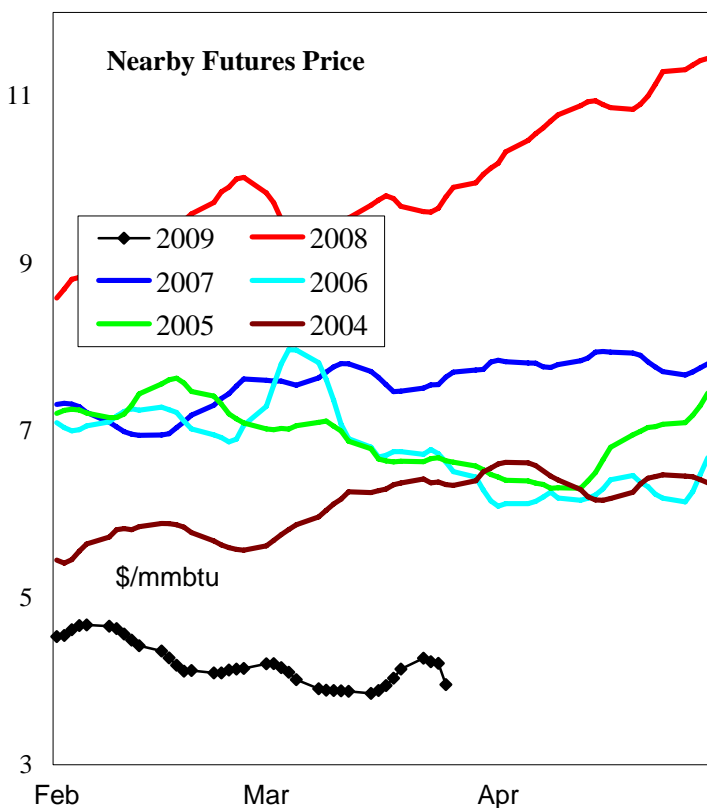
Week ending:	24-Apr-09			14-Mar-09		21-Mar-09		28-Mar-09	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
Week Bcf	Year (%)								
<b>U.S. Total</b>	<b>1,654</b>	<b>3</b>	<b>29.0</b>	<b>-31</b>	<b>-4%</b>	<b>-36</b>	<b>-18%</b>	<b>-13</b>	<b>-19%</b>
<b>East</b>	<b>664</b>	<b>-13</b>	<b>8.5</b>	<b>-52</b>	<b>-9%</b>	<b>-26</b>	<b>-15%</b>	<b>-18</b>	<b>-18%</b>
<b>West</b>	<b>281</b>	<b>5</b>	<b>58.8</b>	<b>35</b>	<b>26%</b>	<b>-83</b>	<b>-23%</b>	<b>14</b>	<b>-8%</b>
<b>Producing</b>	<b>709</b>	<b>11</b>	<b>43.8</b>	<b>2</b>	<b>6%</b>	<b>-42</b>	<b>-33%</b>	<b>-11</b>	<b>-38%</b>

## Seasonal Trends in Stocks and Heating Degree Days

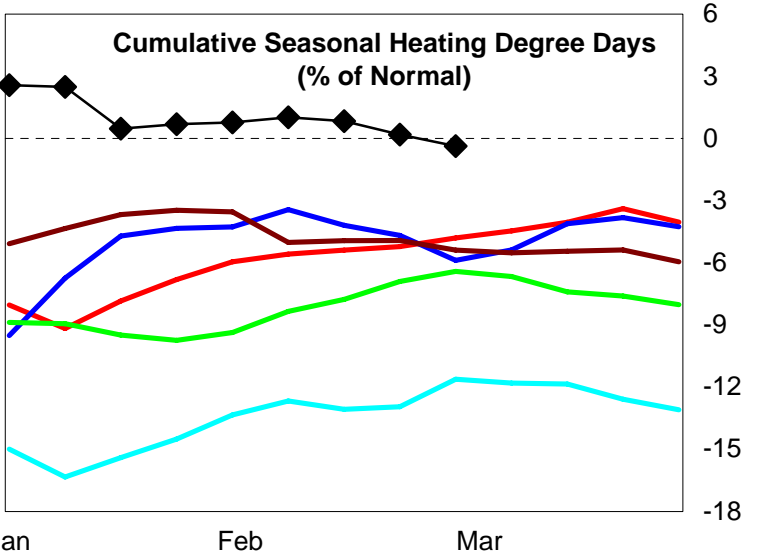
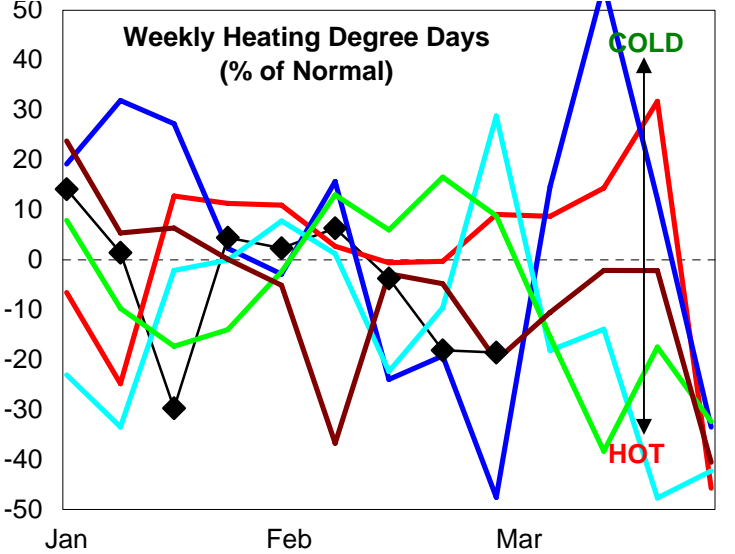
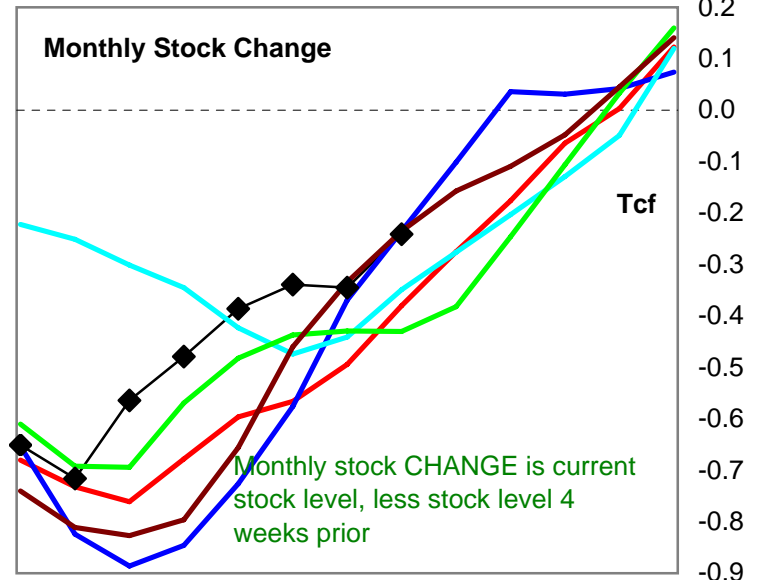
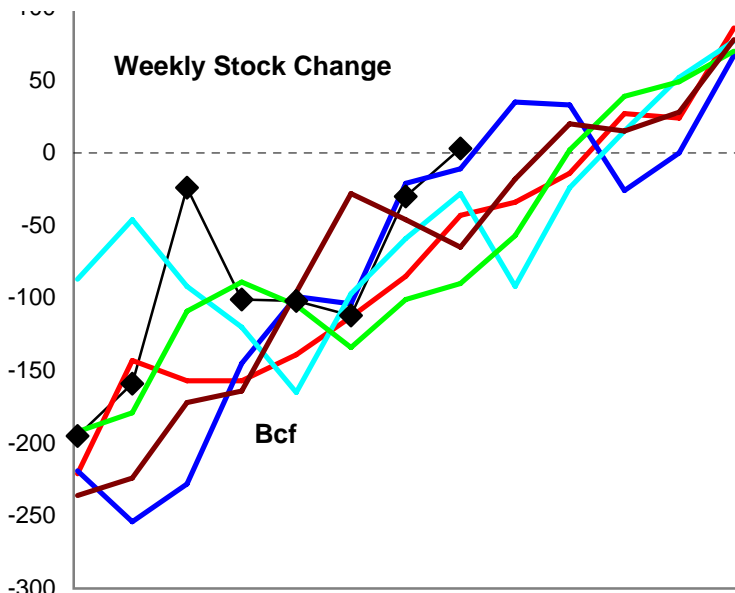
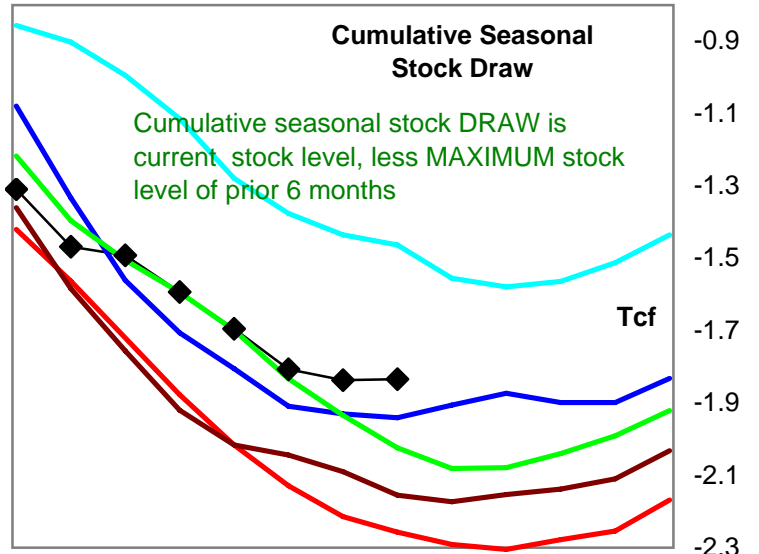
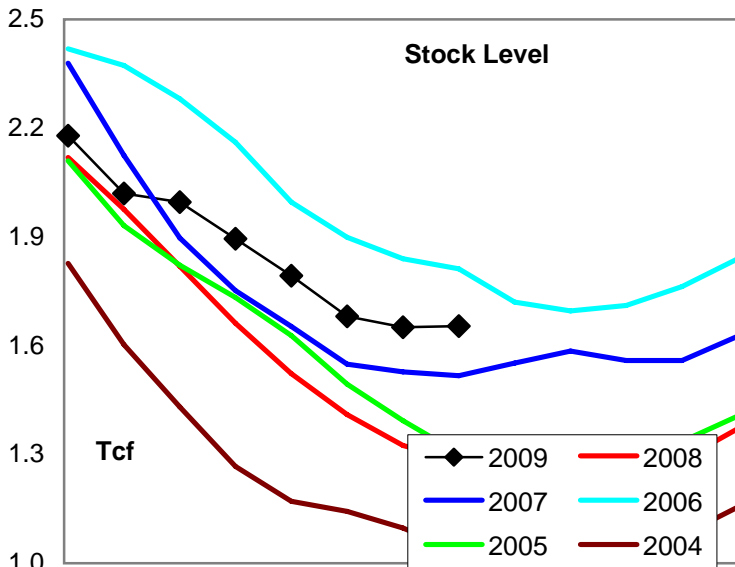
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year		CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
Week Bcf	Bcf	%							
<b>U.S. Total</b>	<b>-1,834</b>	<b>423</b>	<b>-23.1</b>	<b>157</b>	<b>0.8</b>	<b>122</b>	<b>0.2</b>	<b>109</b>	<b>-0.4</b>
<b>East</b>	<b>-1,377</b>	<b>24</b>	<b>-1.7</b>	<b>170</b>	<b>2.9</b>	<b>144</b>	<b>2.2</b>	<b>126</b>	<b>1.6</b>
<b>West</b>	<b>-192</b>	<b>108</b>	<b>-56.3</b>	<b>194</b>	<b>-4.1</b>	<b>111</b>	<b>-4.8</b>	<b>125</b>	<b>-4.9</b>
<b>Producing</b>	<b>-265</b>	<b>315</b>	<b>-118.9</b>	<b>93</b>	<b>-7.4</b>	<b>52</b>	<b>-8.1</b>	<b>41</b>	<b>-8.8</b>

## Futures Market Price Trends

Date:	24-Mar-09	Change vs prior week, month, year		
		18-Mar-09	25-Feb-09	24-Mar-08
<b>1st month Futures</b>	<b>3.96</b>	<b>-0.27</b>	<b>-0.23</b>	<b>-6.10</b>
<b>% change</b>	xxxxx	<b>-6.4</b>	<b>-5.5</b>	<b>-60.6</b>

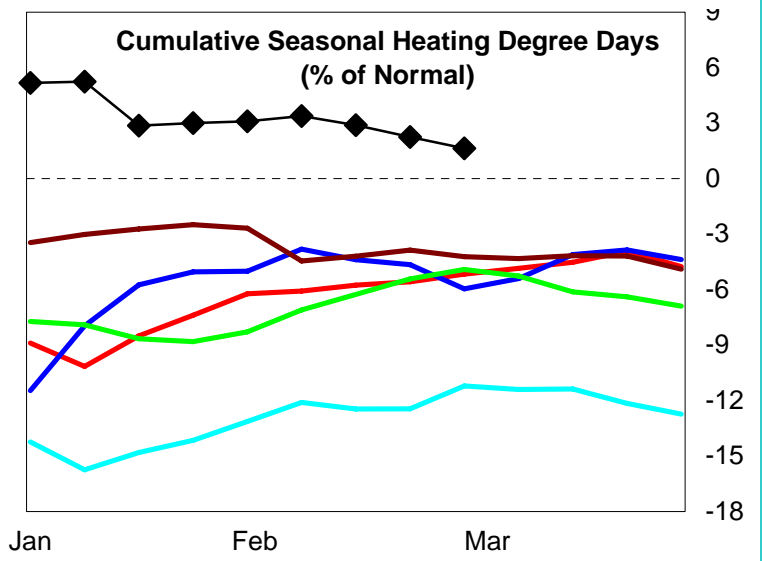
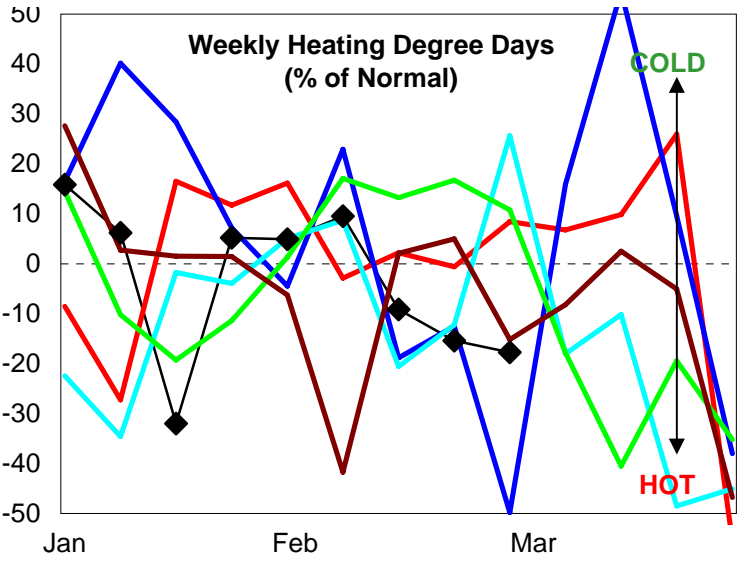
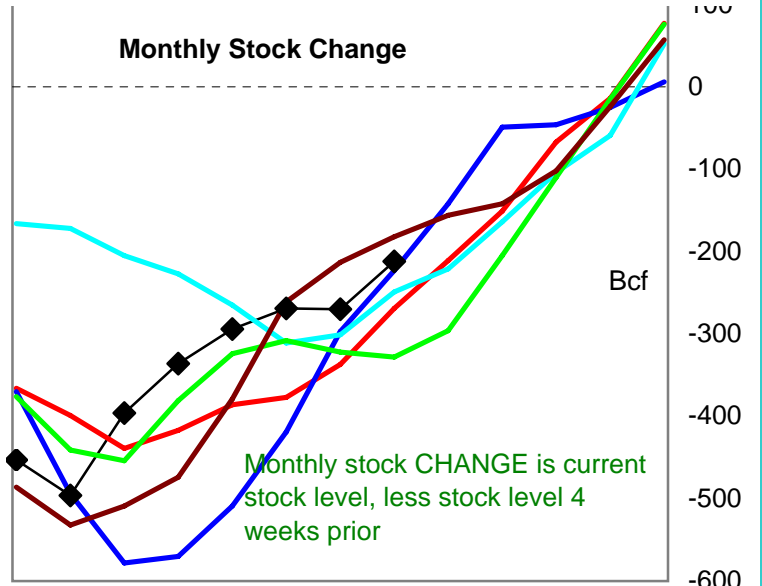
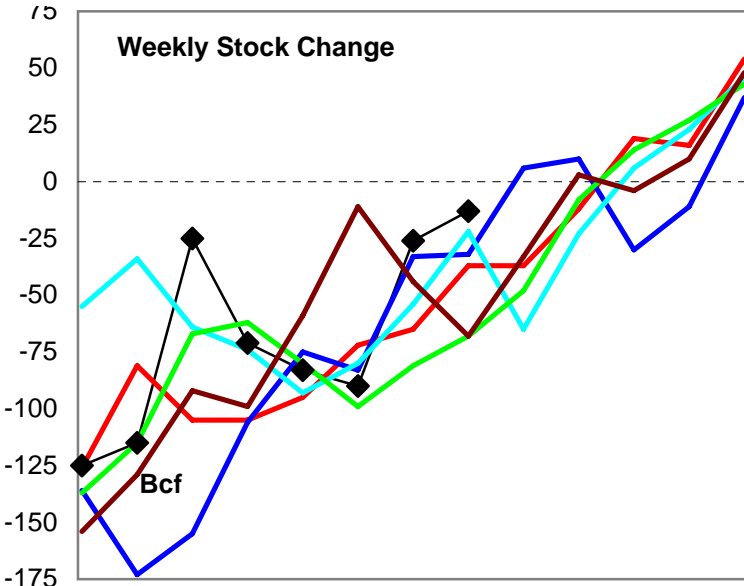
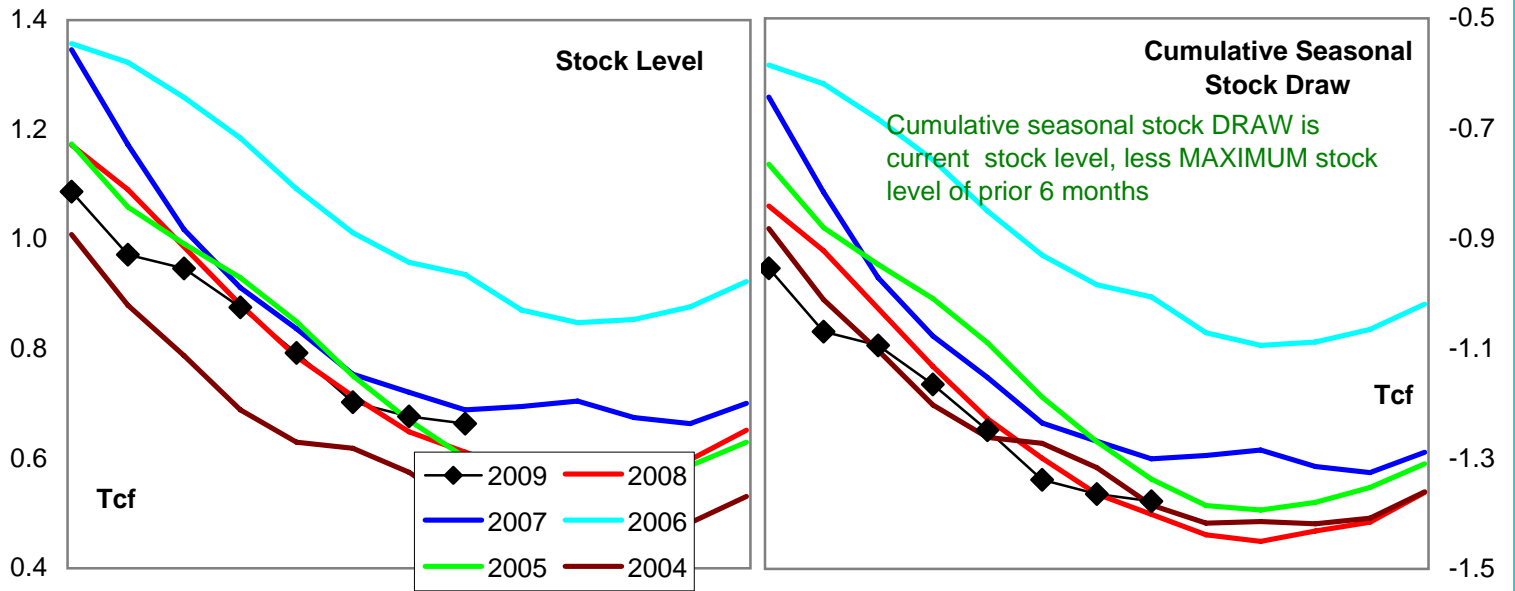


# United States Natural Gas Stock and Weather Trends



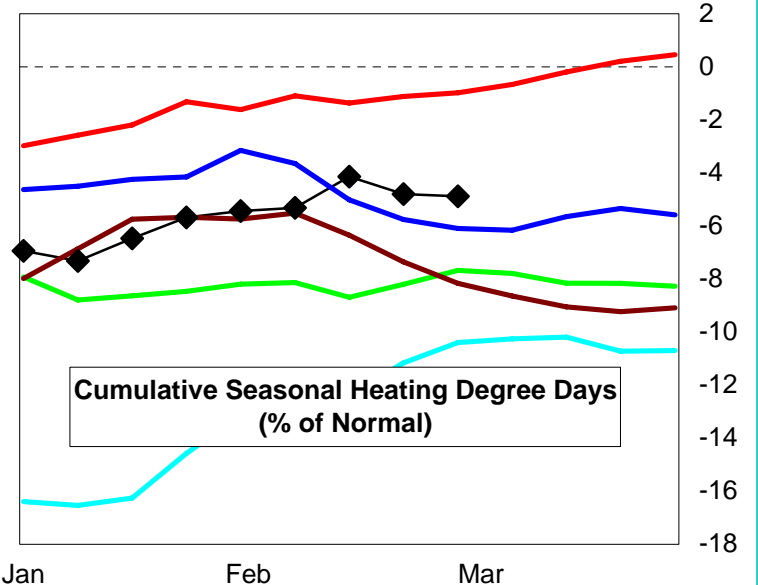
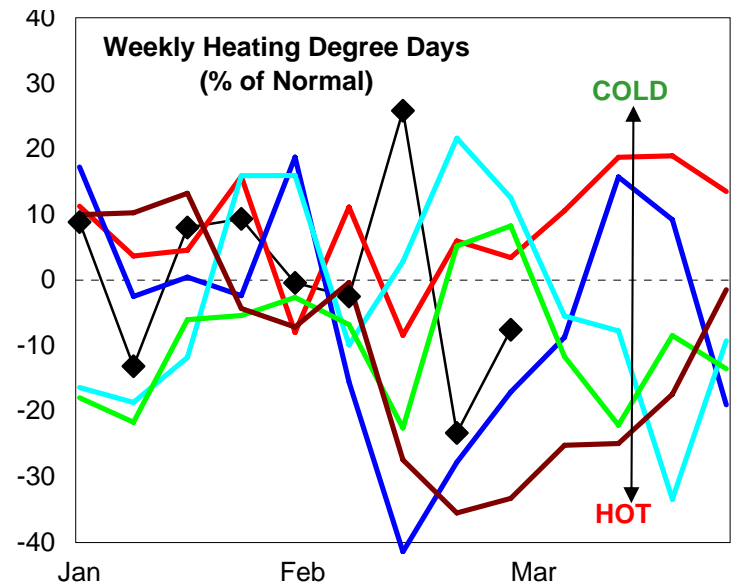
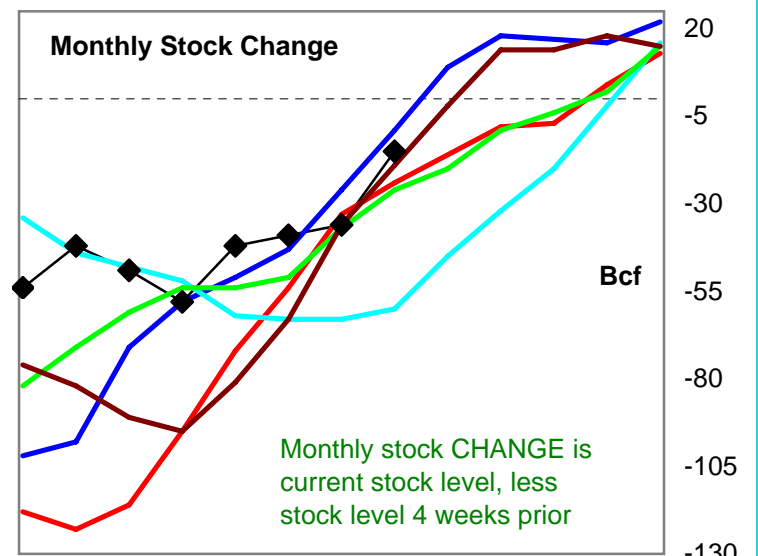
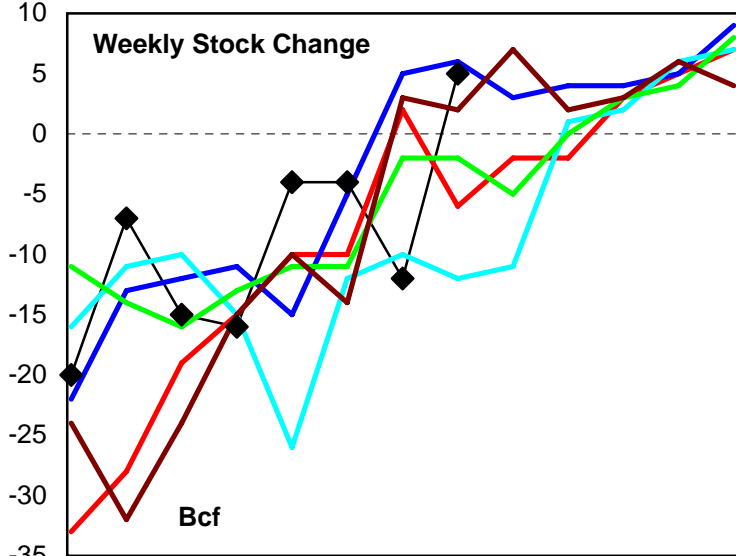
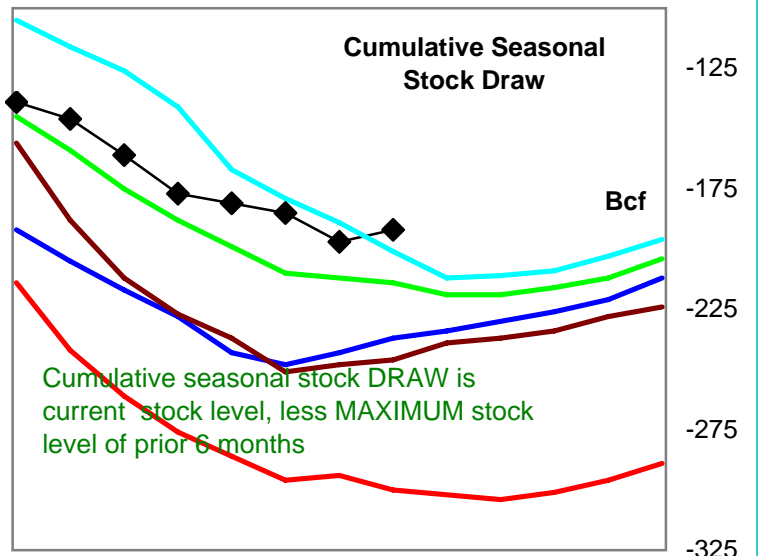
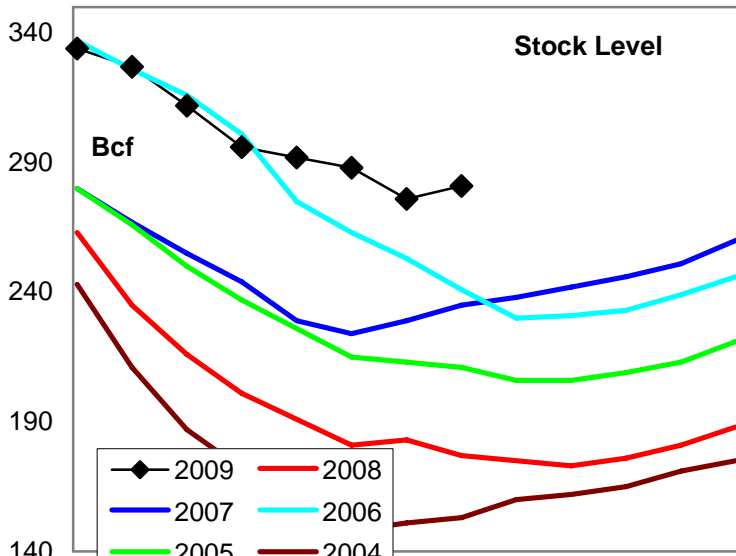
Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	372	46	139	423
Percent Change (%)	29.0	-107.0	-36.6	-18.7

# Natural Gas East Region Stock and Weather Trends



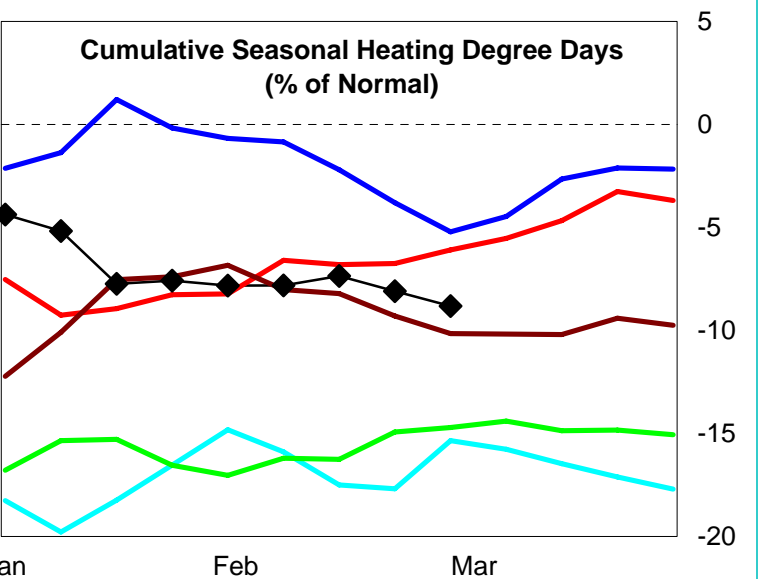
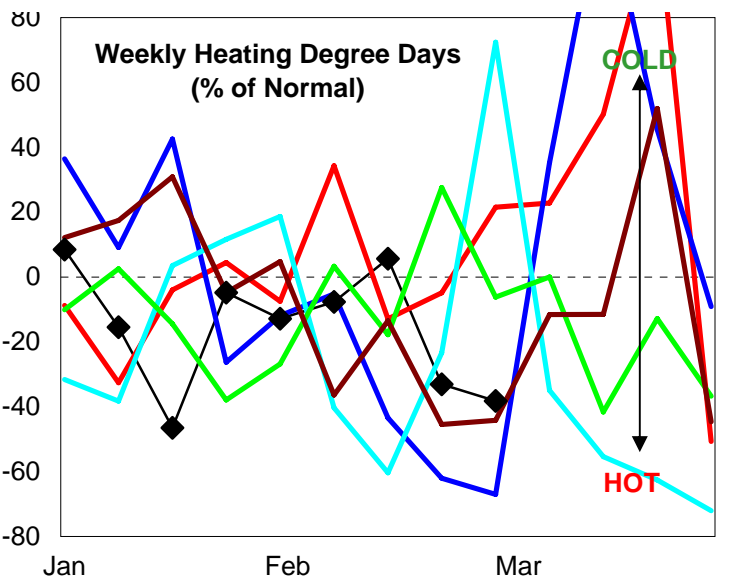
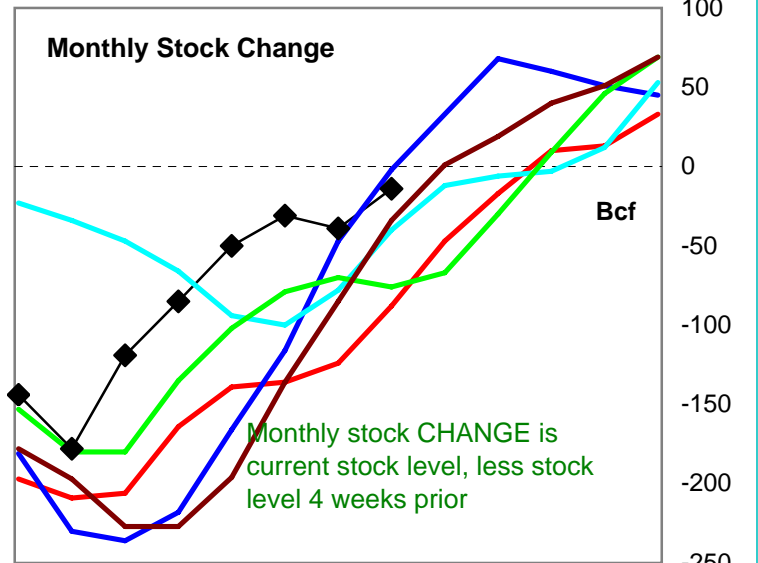
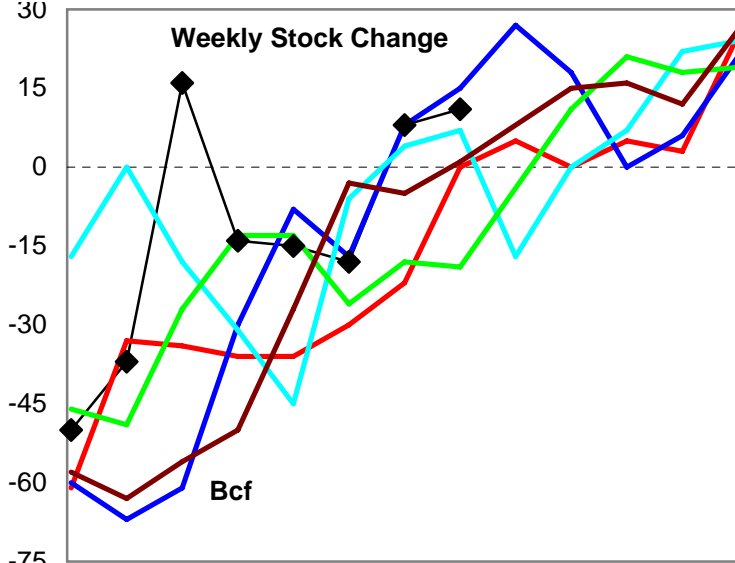
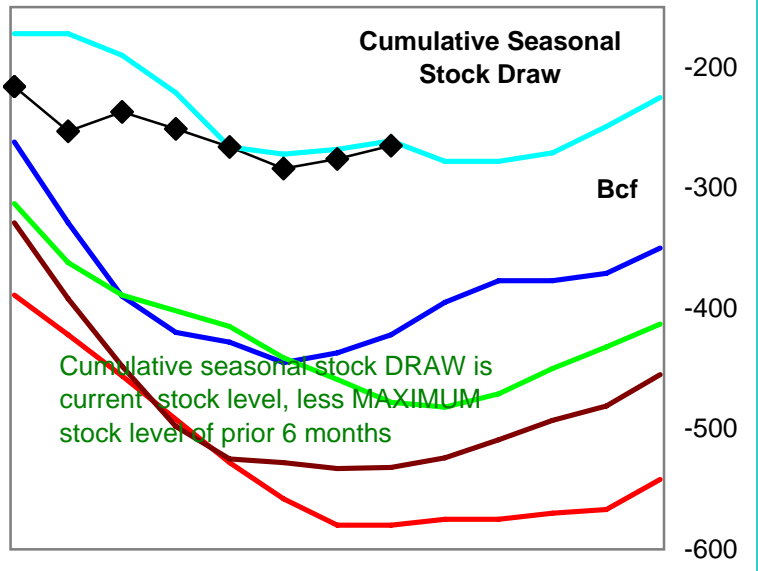
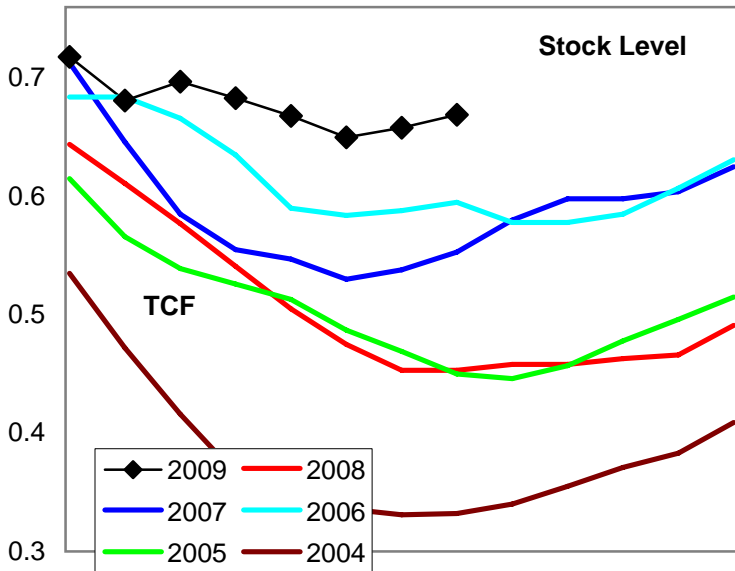
Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	52	24	57	24
Percent Change (%)	8.5	-64.9	-21.2	-1.7

# Natural Gas West Region Stock and Weather Trends



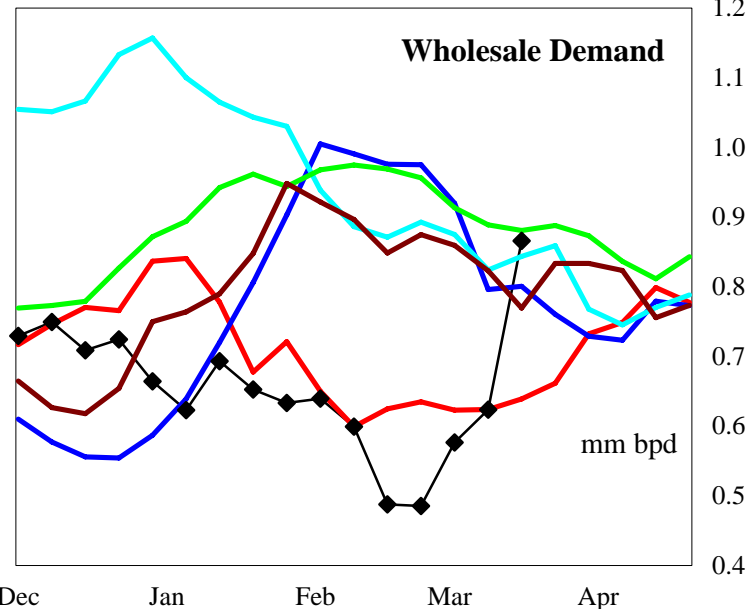
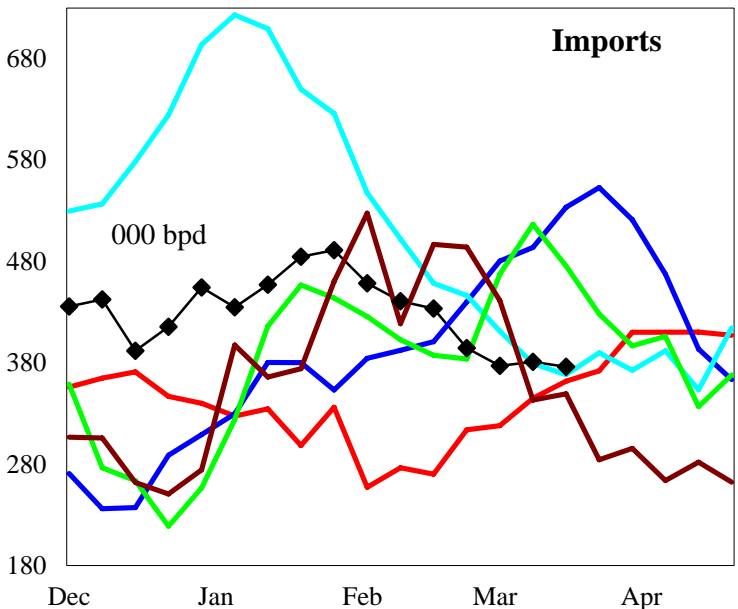
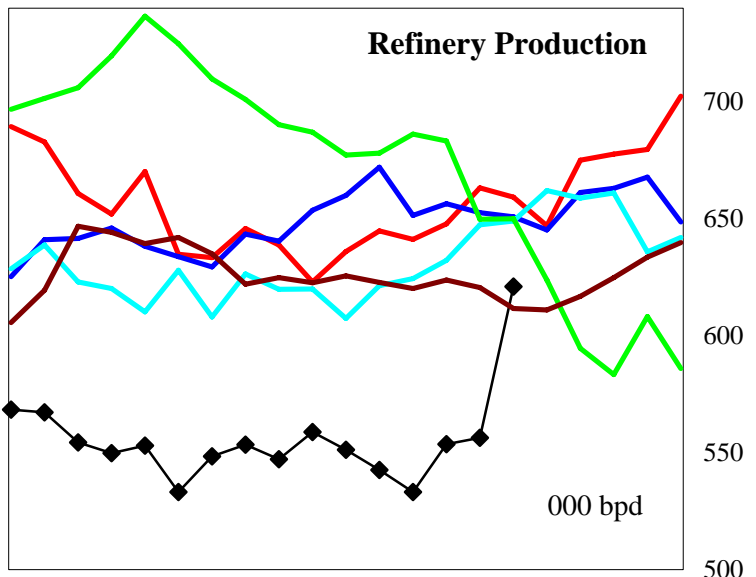
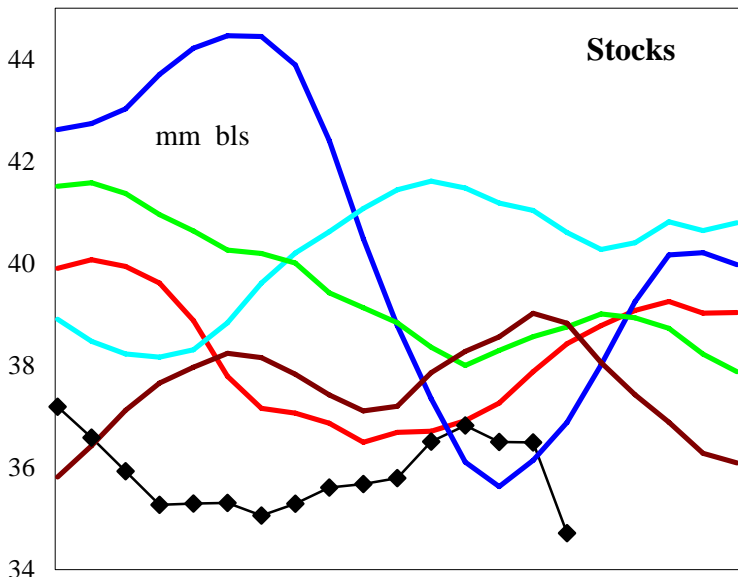
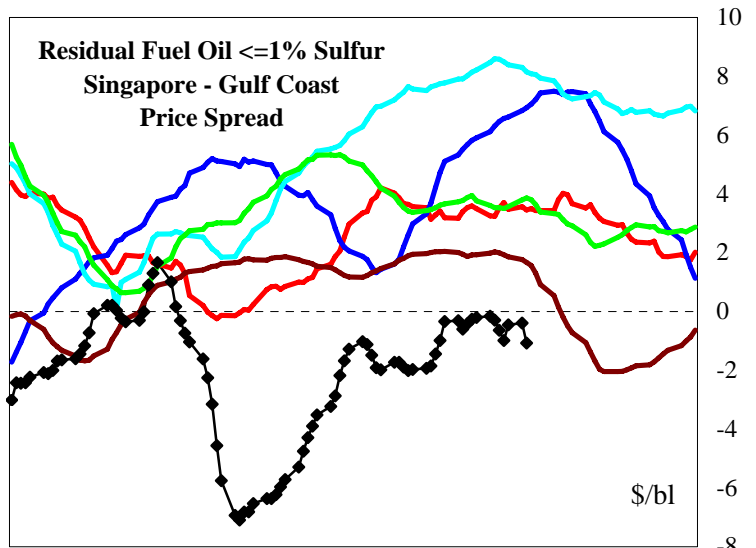
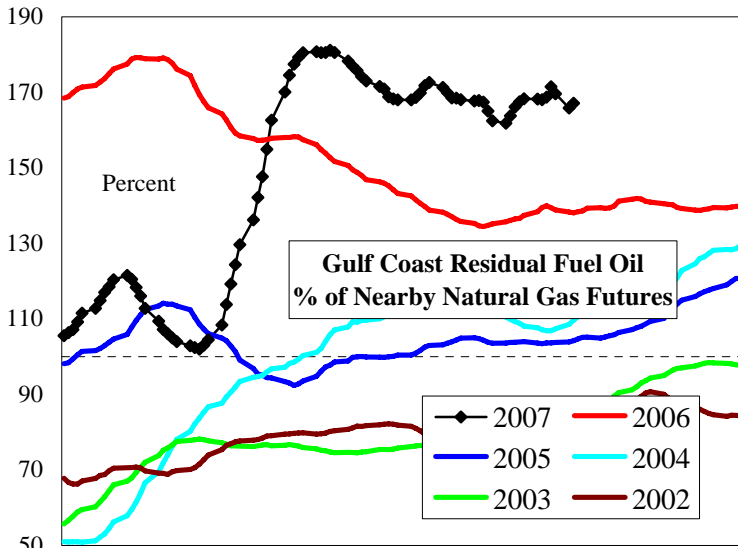
Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	104	11	9	108
Percent Change (%)	58.8	-183.3	-37.5	-36.0

# Natural Gas Producing Region Stock and Weather Trends



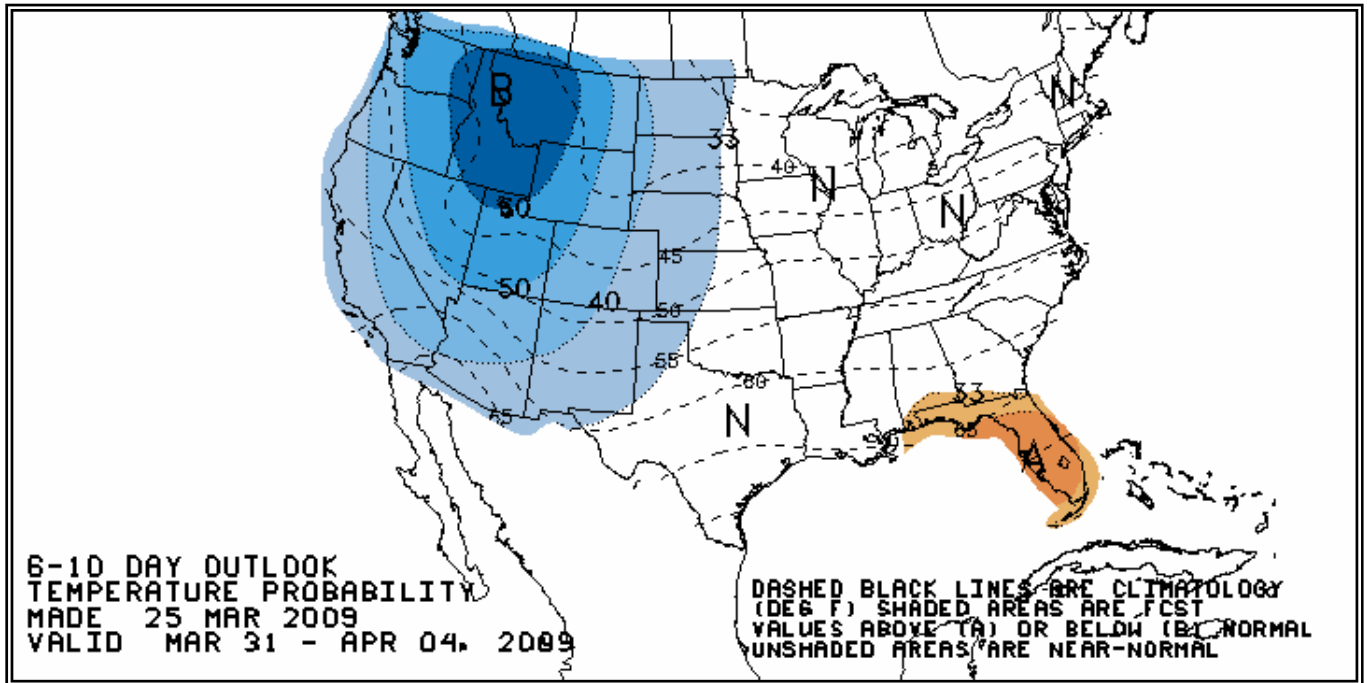
Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	216	11	74	315
Percent Change (%)	43.8	#DIV/0!	-84.1	-54.3

# U.S. Residual Fuel Oil Price Spreads and Supply Balance

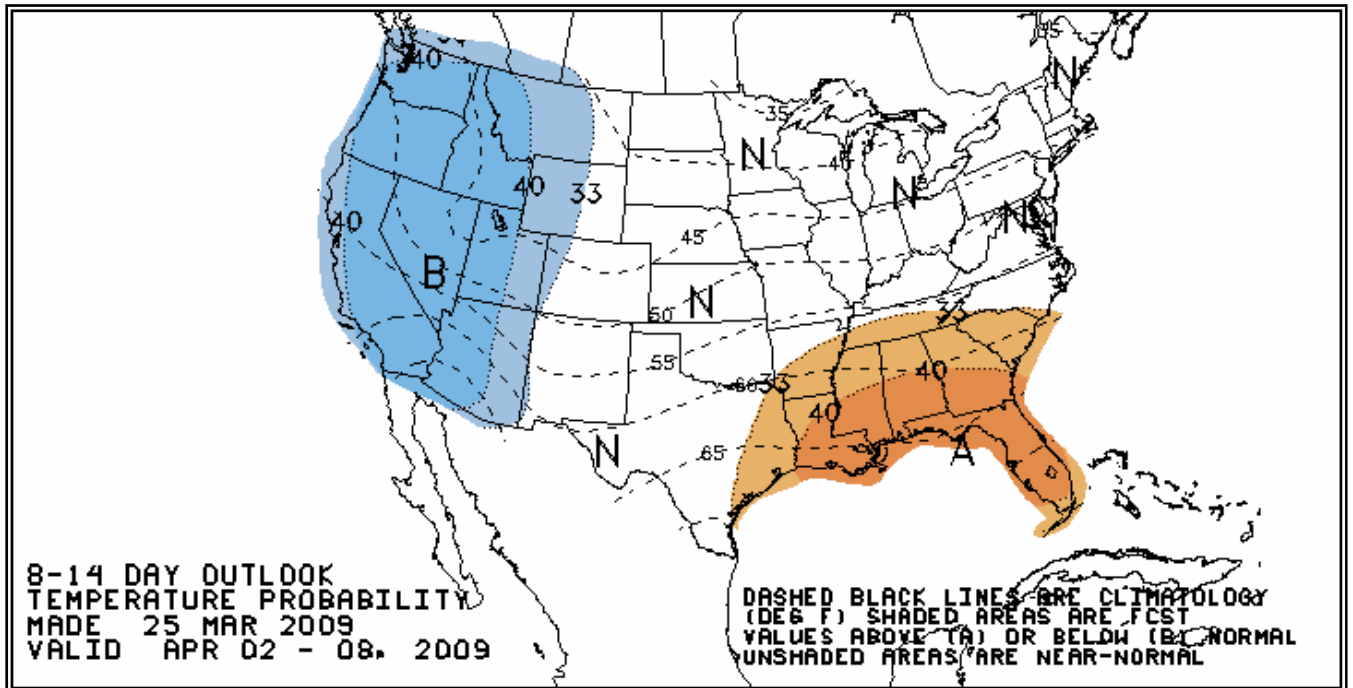


4 wk avg variance to prior year 000 bpd (000 bls stks) % change	Stocks	Prod	Imports	Demd=>	4wk avg	Feb	Jan	Dec
	-3,924	-113	43		-46	-65	0	88
	-10.2	-17.3	12.1		-7.2	-11.8	0.0	13.2

### National Weather Service Climate Prediction Center Cooling Degree Days 6-10 Day Forecast



### National Weather Service Climate Prediction Center Cooling Degree Days 8-14 Day Forecast



# American Gas Association Regions

