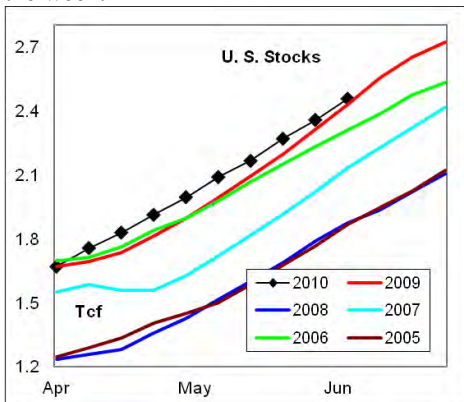


Summary¹ Stocks increased +99 Bcf last week, a level which matched the 5-year weekly mid range for the period. Heating degree days were -81% below normal for the week.



In the East Region stocks increased +53 Bcf, which was below the mid range for the period. The +18 Bcf build in the West Region was another weekly record build. The stock build of +28 Bcf in the Producing Region was at the upper end of the historic range for the period.

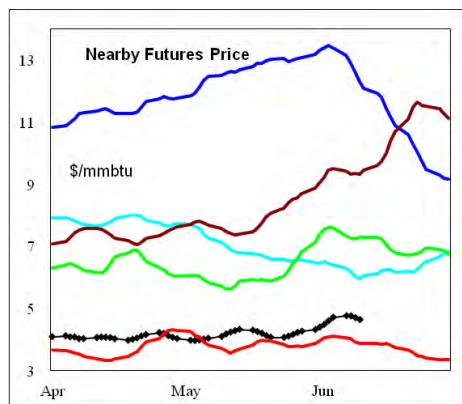
Heating degree days were -93% below normal in the East Region, -35% below normal in the West Region and -96% below normal in the Producing Region for the week ending June 5th.

Heating degree days were -81% below normal for the week ended June 5th, and forecast to be -38% below normal for the week ending June 12th.

The 6-10 day NWS forecast for the week ending June 20th is for warmer than normal weather in the southern plains states and normal elsewhere.

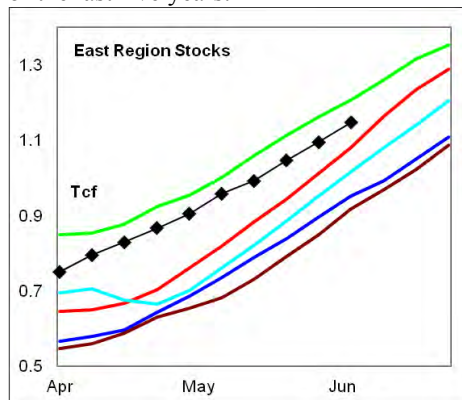
The 8-14 day NWS forecast for the week ending June 24th is for warmer than normal temperatures across the southern plains and south central states while near normal in other regions.

Prices: Nearby gas futures prices decreased -\$0.04/mmbtu for the week ending June 10th.



The 1st - 4th month forward price curve traded sideways on the week. The forward curve was above the historic range, indicating the market expects very ample supplies during the foreseeable future.

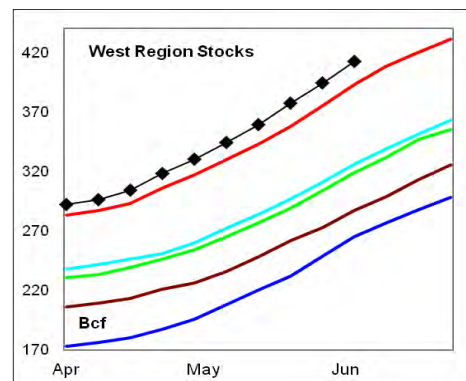
East Region stocks increased +53 Bcf on the week, which was below the mid range for the period. The latest 4-wk stock build was below the historic range. Stock levels were +6.2% above last year and above four of the last five years.



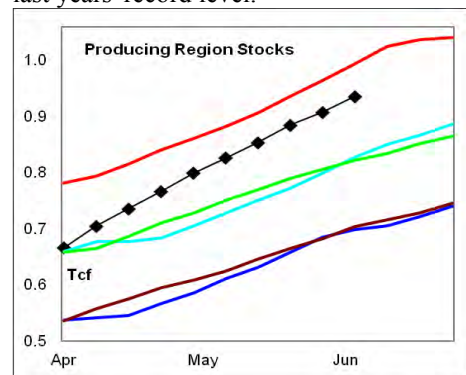
Heating degrees in the region were -93% below normal for the week ended June 5th, and forecast to be -27% below normal for the week ending June 12th. Near normal temperatures are forecast for the next 10-days.

West Region stocks increased +18 Bcf on the week, which was another weekly record stock build. The latest 4-wk stock build was above the historic range. Stock levels are +4.8% above the prior 5-year high.

Heating degree days were -35% below normal for the week ended June 5th, and forecast to be -61% below normal for the week ending June 12th. Near normal temperatures are forecast for the next 10-days.



Producing Region stocks increased +28 Bcf on the week, at the upper end of the historic range. The latest 4-wk stock build matched last years' record weekly build for the period. Stock levels are -6.1% below last years' record level.



Heating degree days were -96% below normal for the week ended June 5th, and forecast to be -100% below normal for the week ending June 12th. Much warmer than normal temperatures are forecast for the next 10 days.

Residual Fuel Oil Switching: The price spread between residual fuel oil and natural gas fell to the lowest level of the last year on continued weakness in residual fuel prices and strength in natural gas prices. The spread is now below last years' record high, but still highly favorable for natural gas substitution. Residual fuel oil demand (including exports) was +5% above year ago levels for the latest 4-wk period.

Outlook: Well above normal cooling degree days during the last two weeks limited the rate of stock building and provided recent support to prices. The forecast of near normal temperatures for the next 10 days should drive above average stock builds, limiting further price increases in the near term.

¹ **Related Web Sites:**

Data Source is EIA Weekly Statistics

National Weather Service 6-10 Day

National Weather Service 10-14 Day



NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: June 10, 2010

For the week ending: 4-Jun-10

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

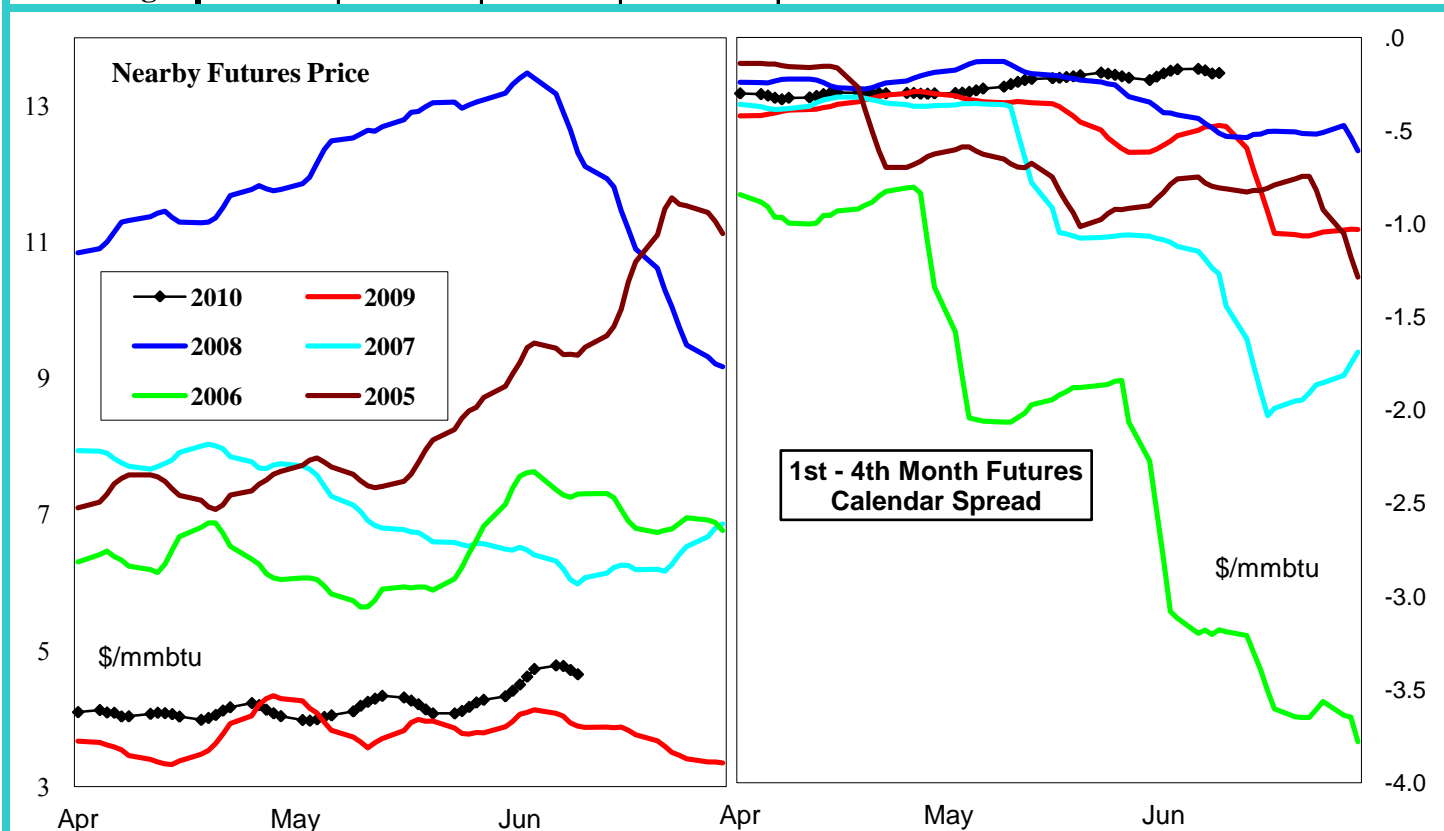
Week ending:	4-Jun-10			29-May-10		5-Jun-10		12-Jun-10	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,456	99	1.2	-23	-70%	-4	-81%	4	-38%
East	1,148	53	6.2	-32	-93%	0	-93%	8	-27%
West	412	18	4.8	6	32%	-33	-35%	-11	-61%
Producing	896	28	-6.1	-7	-85%	-1	-96%	0	-100%

Seasonal Trends in Stocks and Heating Degree Days

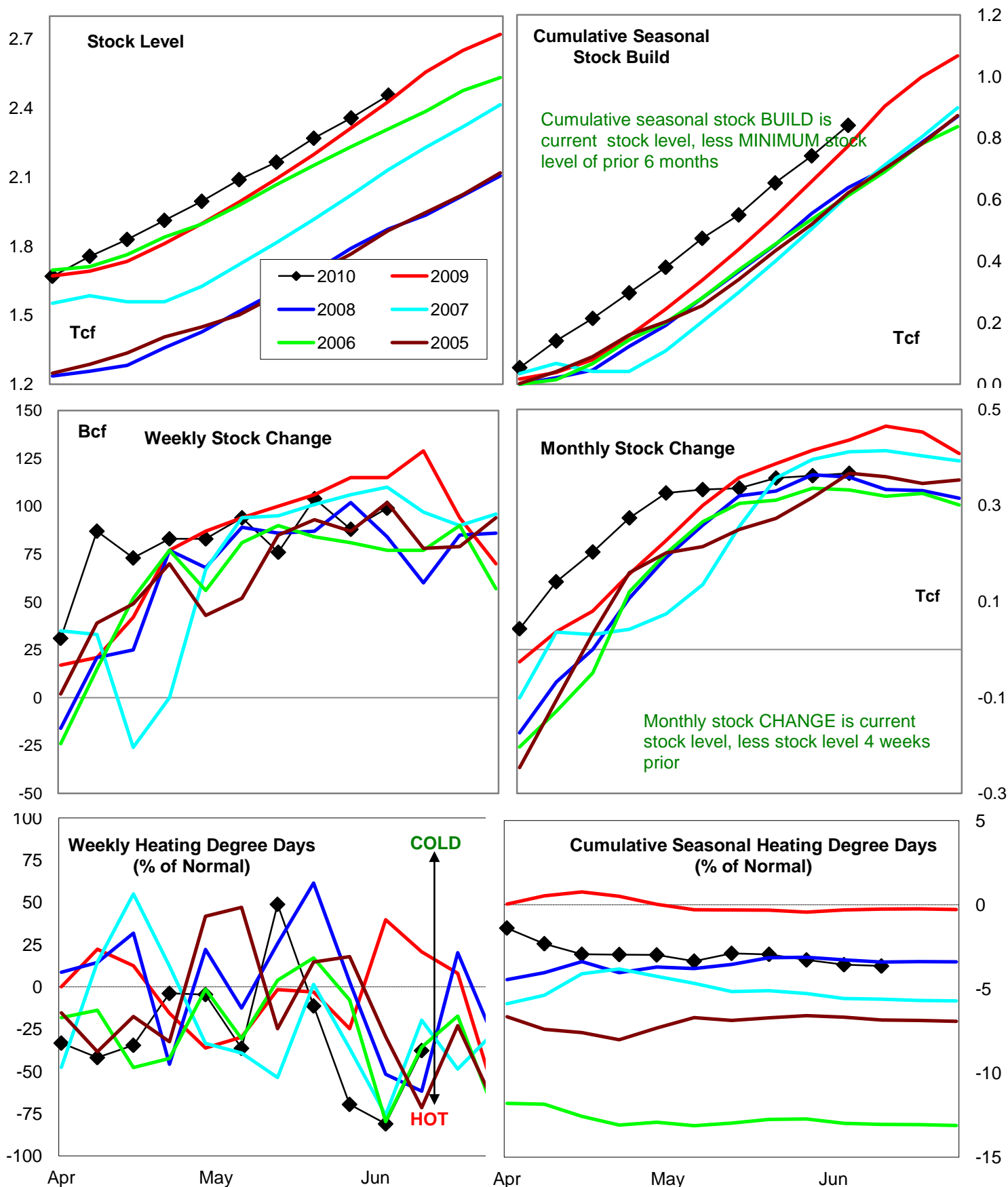
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	841	67	8.0	8	-3.3	3	-3.6	8	-3.6
East	398	-39	-9.8	2	-5.6	1	-5.9	9	-5.9
West	129	14	10.9	54	-2.2	22	-2.4	11	-2.7
Producing	348	87	25.0	1	10.7	0	10.5	0	10.5

Futures Market Price Trends

Date:	30-Jun-10	Change vs prior week, month, year		
		24-Jun-10	3-Jun-10	29-Jun-09
1st month Futures	4.65	-0.15	0.34	0.89
% change	xxxxx	-3.1	7.9	23.7



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)

28

1.2

-16

-13.9

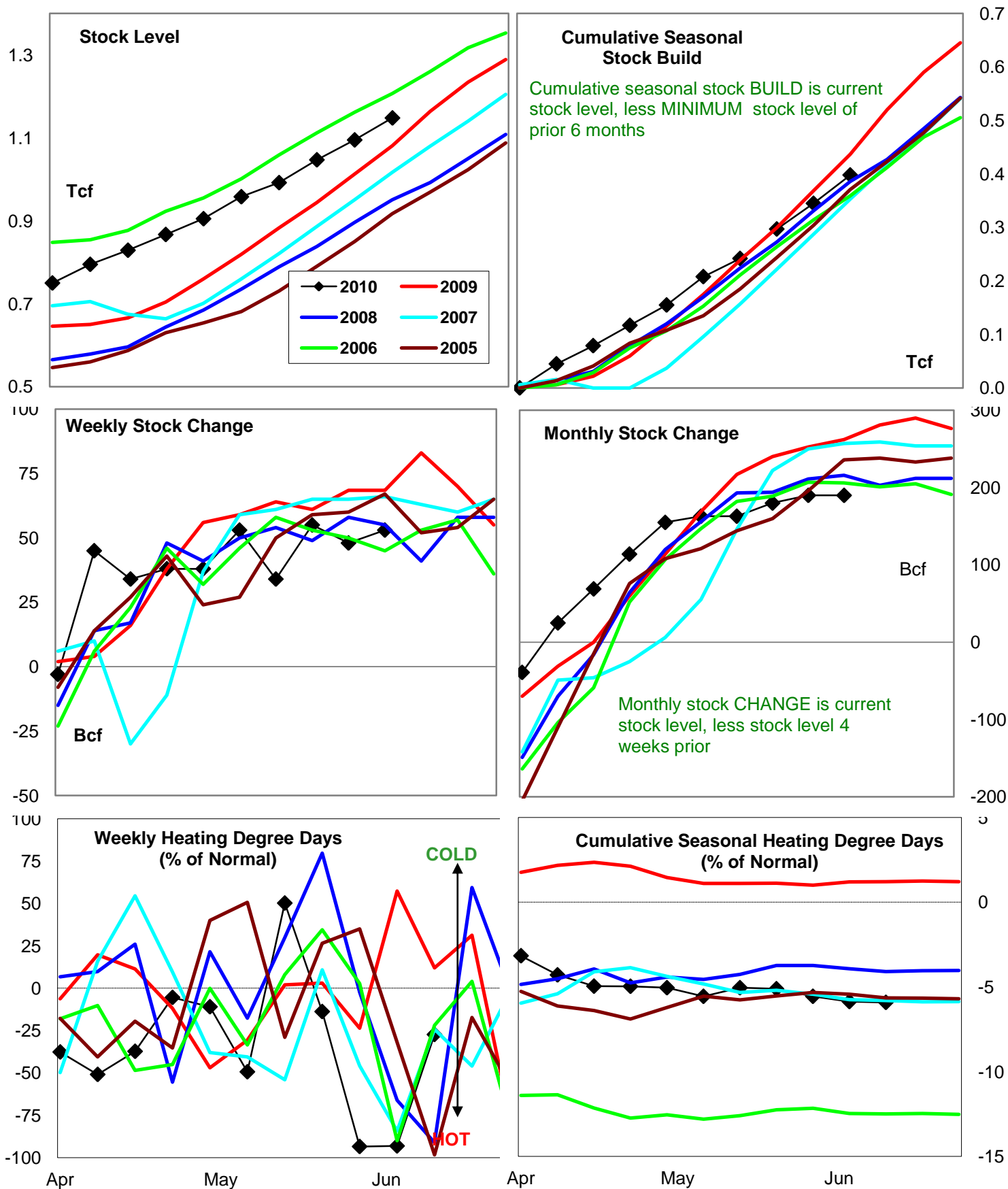
-69

-15.8

67

8.7

Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

67

-16

-72

-39

Percent Change (%)

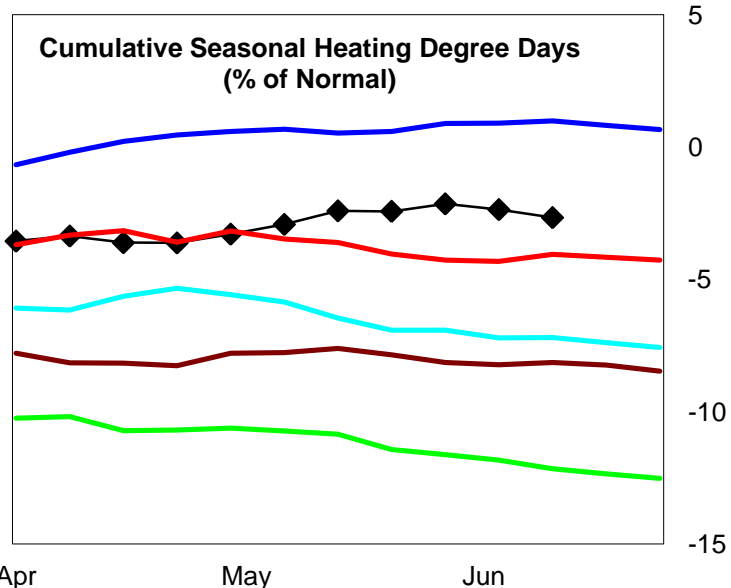
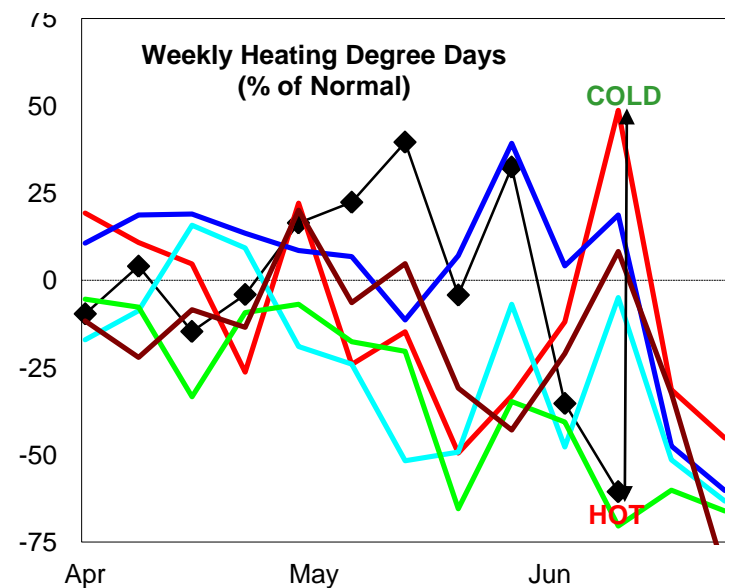
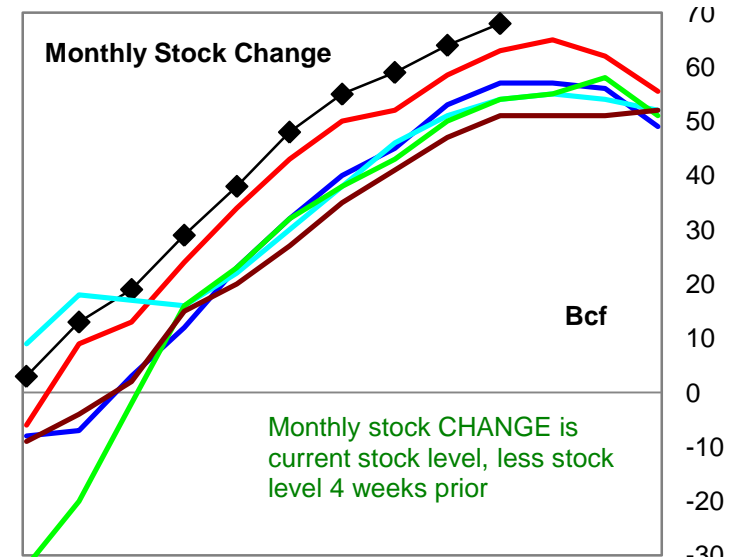
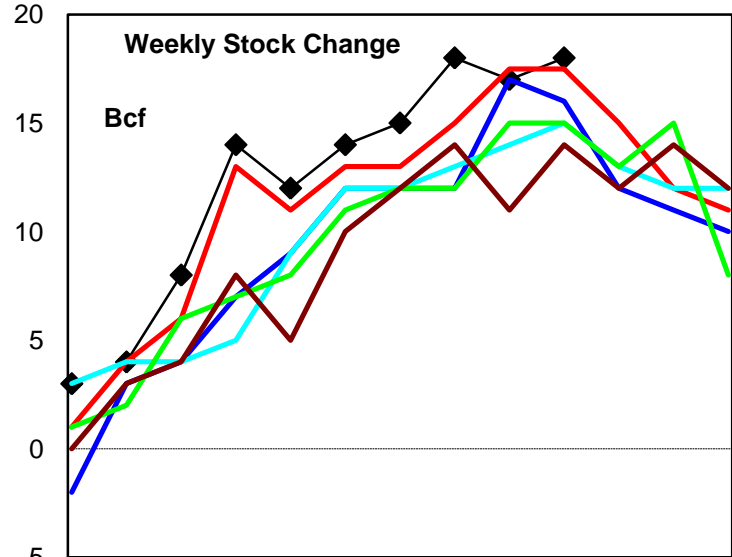
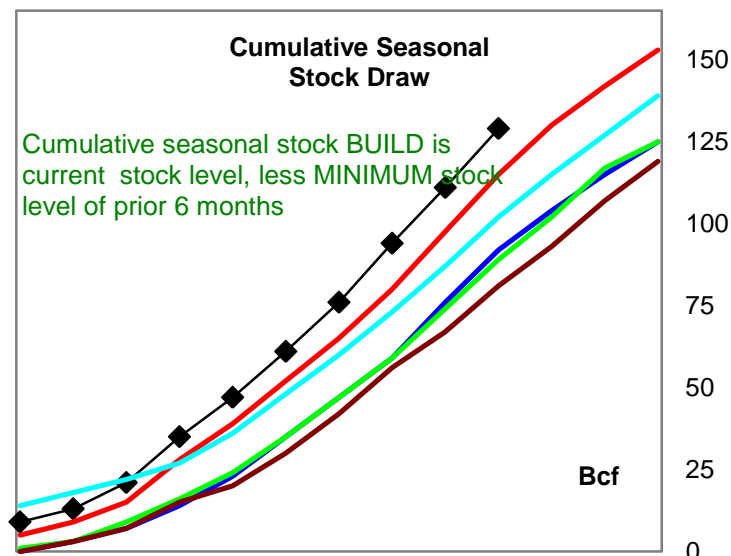
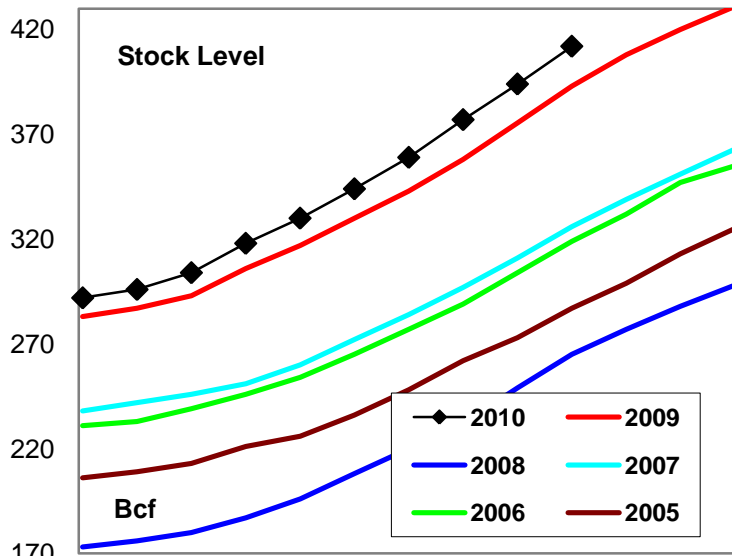
6.2

-22.6

-27.5

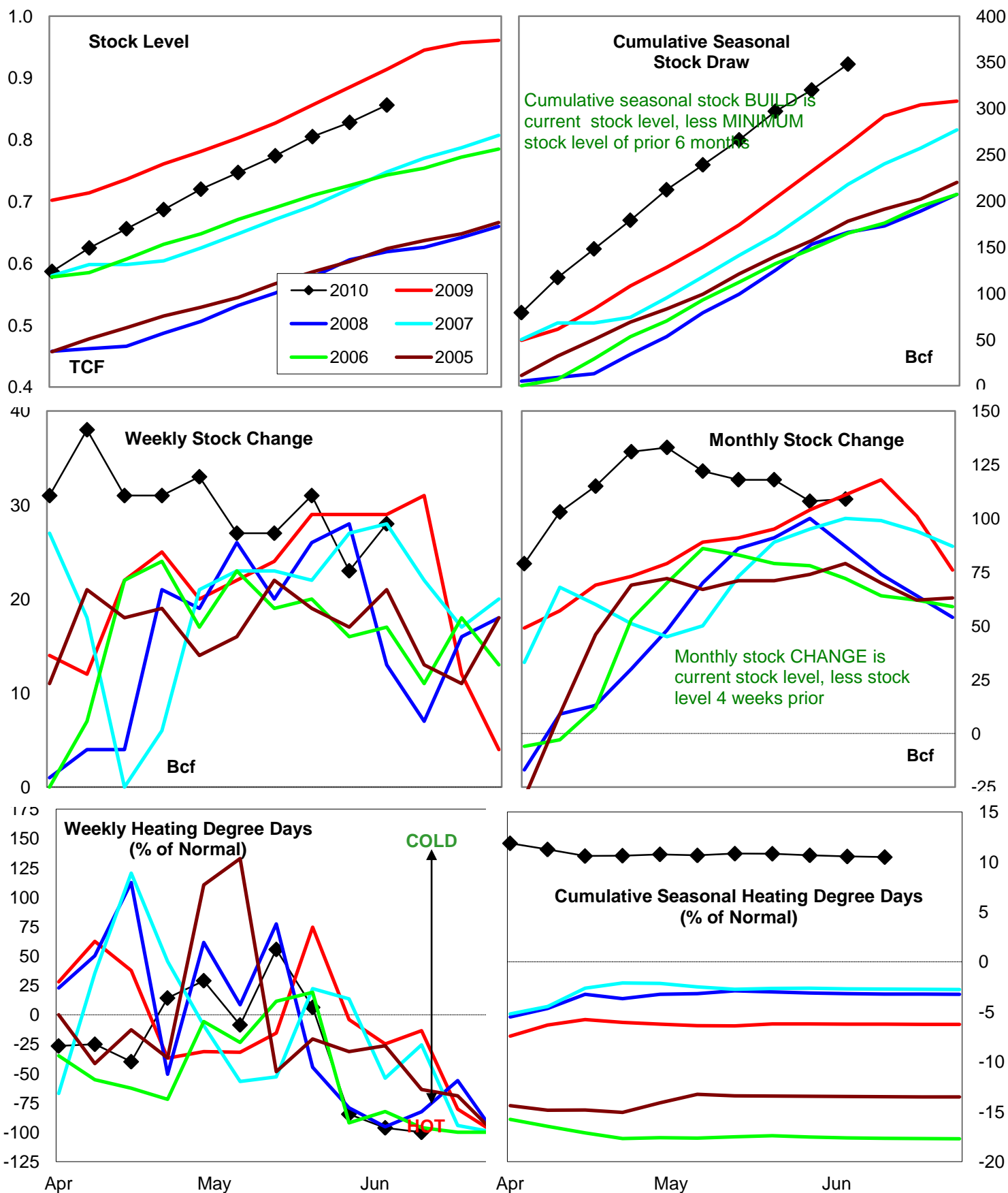
-8.9

Natural Gas West Region Stock and Weather Trends



Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	19	1	5	14
Percent Change (%)	4.8	2.9	7.9	12.2

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

-58

-1

-2

87

Percent Change (%)

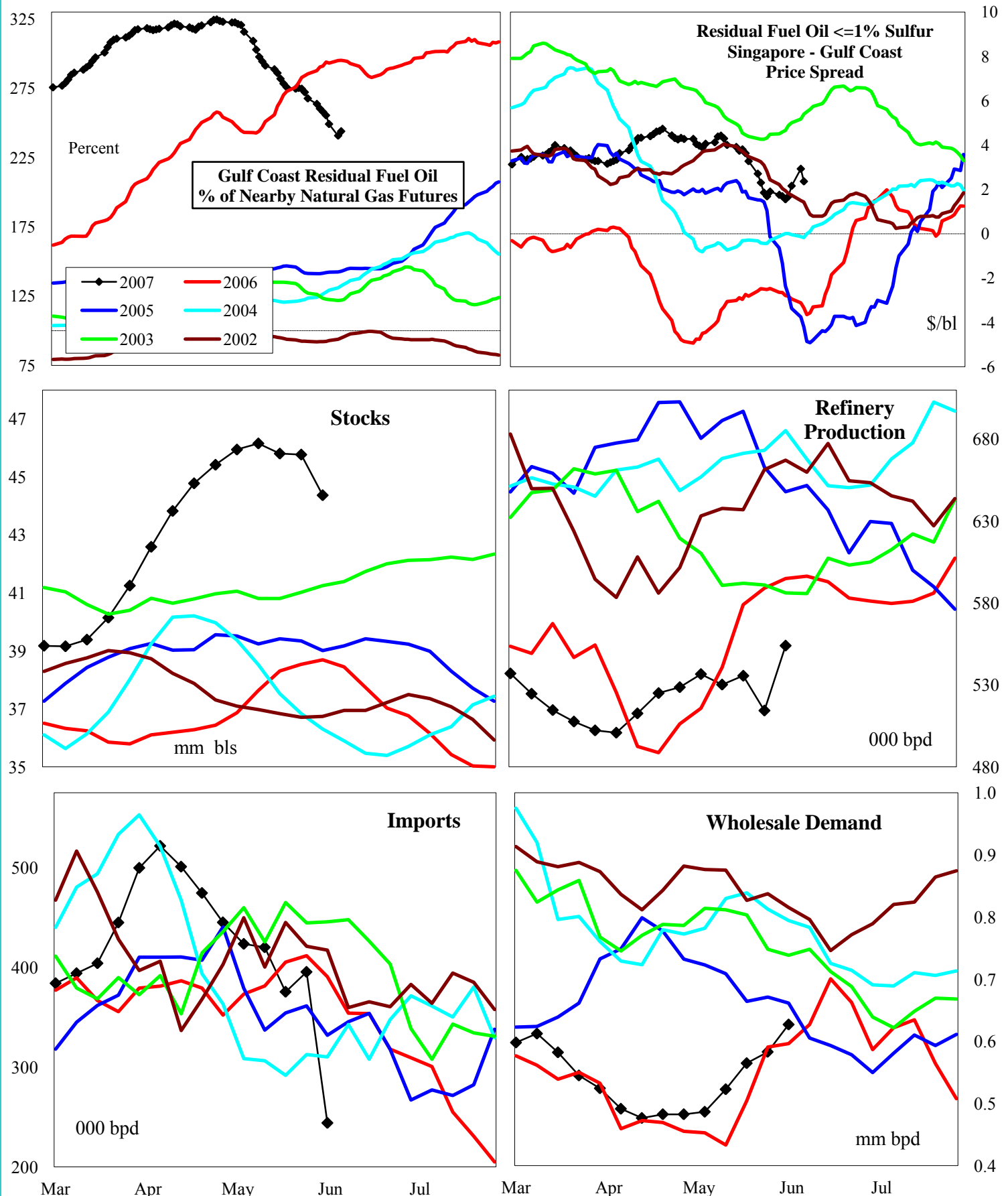
-6.1

-3.4

-1.8

33.3

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



4 wk avg variance to prior year
 000 bpd (000 bls stks)
 % change

Stocks
5,071
12.9

Prod
-60
-10.2

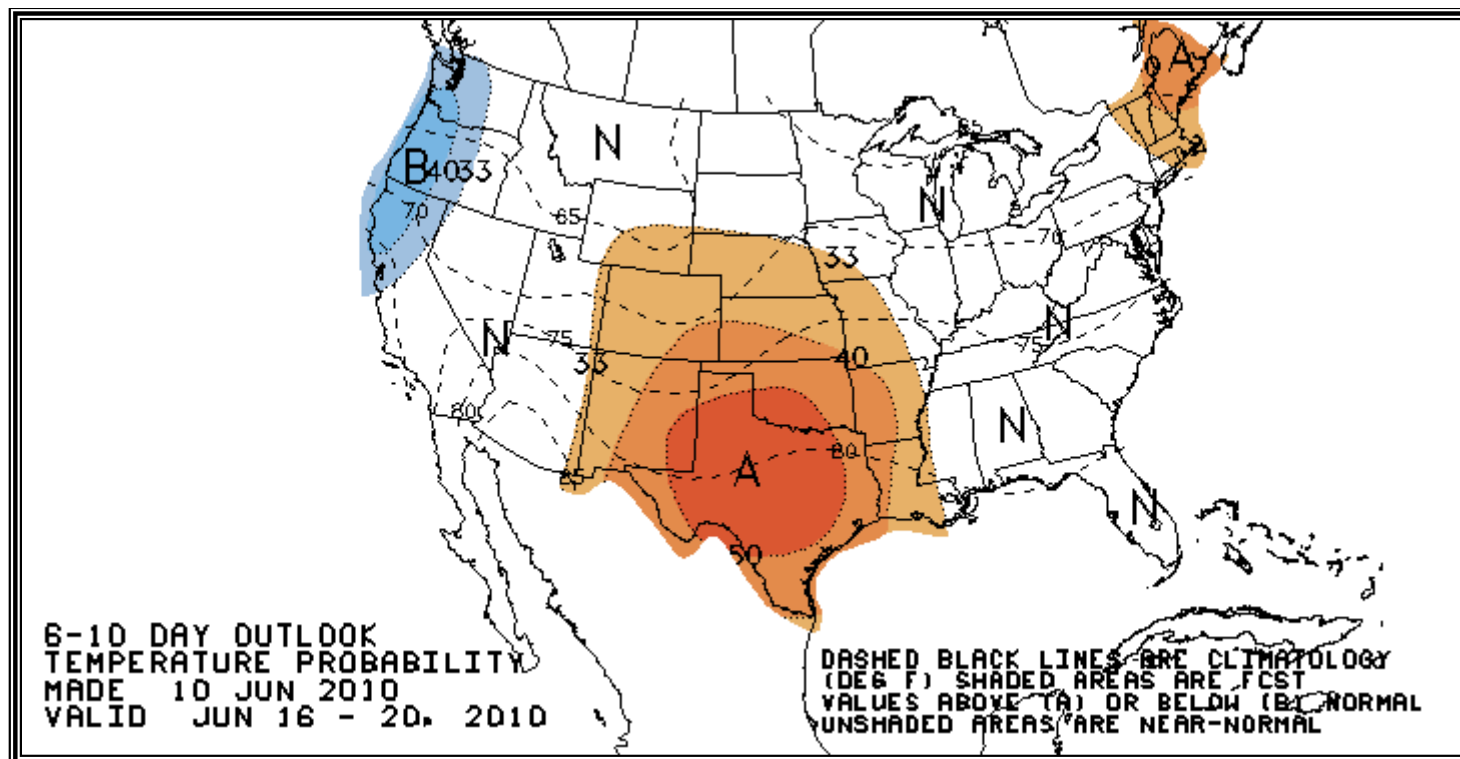
Imports
-55
-12.7

Demd=>

4wk avg	Apr	Mar	Feb
26	-206	-32	7
4.8	-30.6	-5.3	1.4

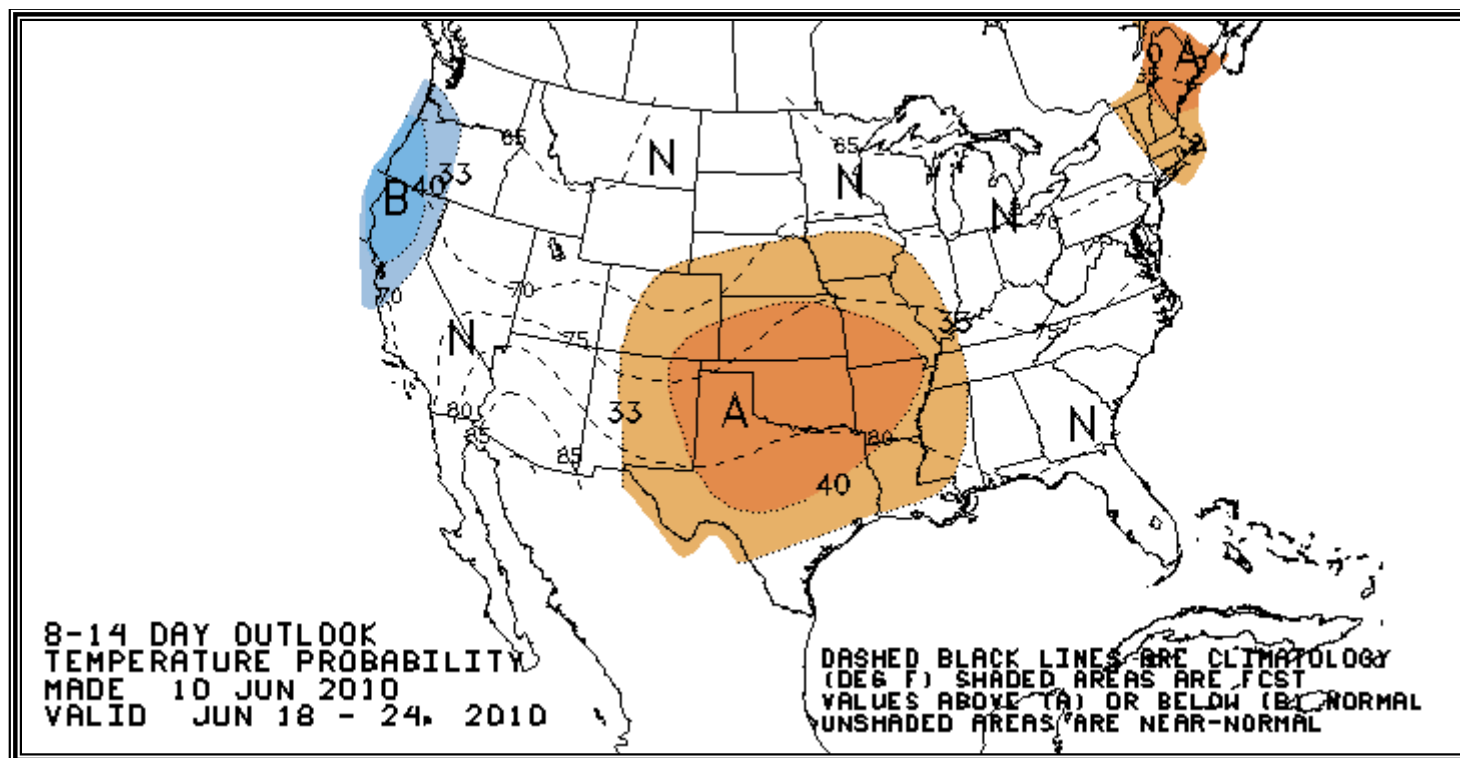
National Weather Service Climate Prediction Center Heating

Degree Days 6 - 10 Day Forecast



National Weather Service Climate Prediction Center Heating

Degree Days 8 - 14 Day Forecast



American Gas Association Regions

