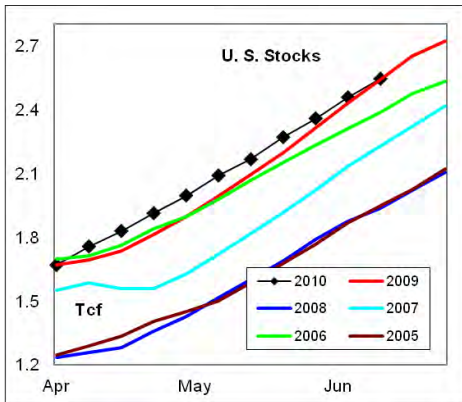




**Summary**<sup>1</sup> Stocks increased +87 Bcf last week, a level above the 5-year weekly mid range for the period. Heating degree days were -12% below normal for the week.



In the East Region stocks increased +52 Bcf, which was at the mid range for the period. The +12 Bcf build in the West Region was at the low end of the historic range, and the lowest build of the last 6-wks. The stock build of +23 Bcf in the Producing Region was at the upper end of the historic range for the period.

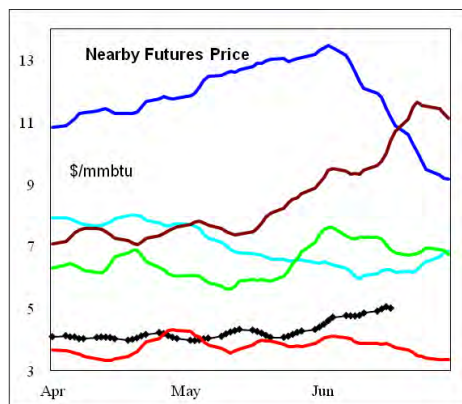
Heating degree days were -7% below normal in the East Region, -19% below normal in the West Region and -93% below normal in the Producing Region for the week ending June 12th.

**Cooling degree days** were -12% below normal for the week ended June 12th, and forecast to be -72% below normal for the week ending June 19th.

The 6-10 day NWS forecast for the week ending June 26th is for much above normal cooling degree days in the eastern 2/3rds of the country.

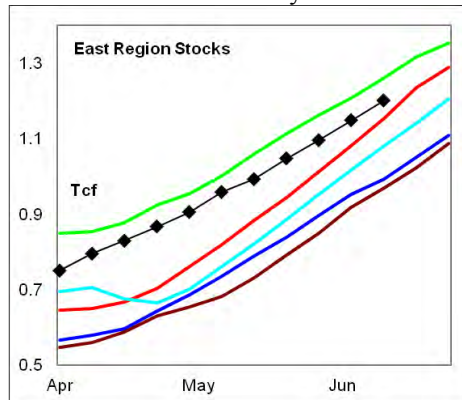
The 8-14 day NWS forecast for the week ending June 30th is for above normal cooling degree days in the eastern 2/3rds of the country.

**Prices:** Nearby gas futures prices increased +\$0.37/mmbtu for the week ending June 17th.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended higher on the week. The forward curve remains well above the historic range, indicating the market expects very ample supplies during the foreseeable future.

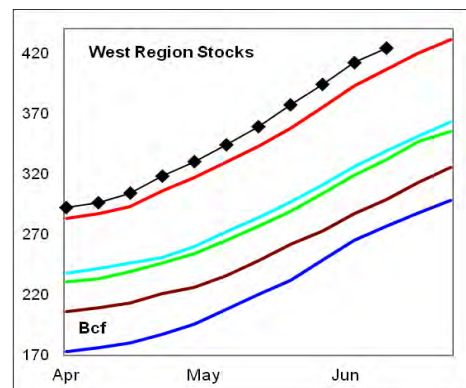
**East Region** stocks increased +52 Bcf on the week, which was at the mid range for the period. The latest 4-wk stock build was at the low end of the historic range. Stock levels were +4% above last year and above four of the last five years.



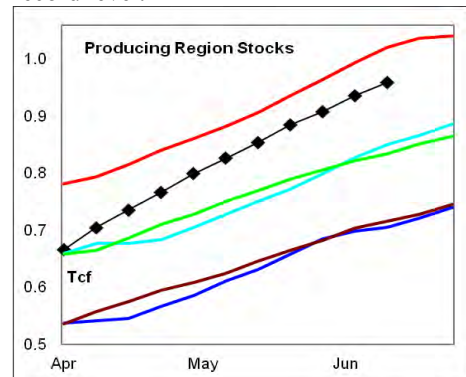
Heating degrees in the region were -7% below normal for the week ended June 12th, and forecast to be -88% below normal for the week ending June 19th. Much above normal cooling degree days are forecast for the next 10-days.

**West Region** stocks increased +12 Bcf on the week, the lowest stock build of the last 6-wks. The latest 4-wk stock build was above the historic range. Stock levels are +4.4% above the prior 5-year high.

Heating degree days were -19% below normal for the week ended June 12th, and forecast to be -36% below normal for the week ending June 19th. Near normal cooling degree days are forecast for the next 10-days.



**Producing Region** stocks increased +23 Bcf on the week, at the upper end of the historic range. The latest 4-wk stock build was at the upper end of the historic range. Stock levels are -6.3% below last years' record level.



Heating degree days were -93% below normal for the week ended June 12th, and forecast to be -100% below normal for the week ending June 19th. Much above normal cooling degree days are forecast for the next 10-days.

**Residual Fuel Oil Switching:** The price spread between residual fuel oil and natural gas continued a longer term downtrend, falling the lowest level of the year. Strength in gas prices have driven the spread lower. The spread remains highly favorable for natural gas substitution. Residual fuel oil demand (including exports) was -14% below year ago levels for the latest 4-wk period.

**Outlook:** Stock builds continue at a rate above the 5-year mid range even with much above normal cooling degrees during the 1st half of June. Much above normal cooling degree days are forecast for the next 10-days. Expect strong demand for electric power generation to support prices in the near term, even with stock levels at the 5-year high.

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

[Data Source is EIA Weekly Statistics](http://Data Source is EIA Weekly Statistics)

[National Weather Service 6-10 Day](http://National Weather Service 6-10 Day)

[National Weather Service 10-14 Day](http://National Weather Service 10-14 Day)



## NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: June 17, 2010

For the week ending: 5-Jun-10

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

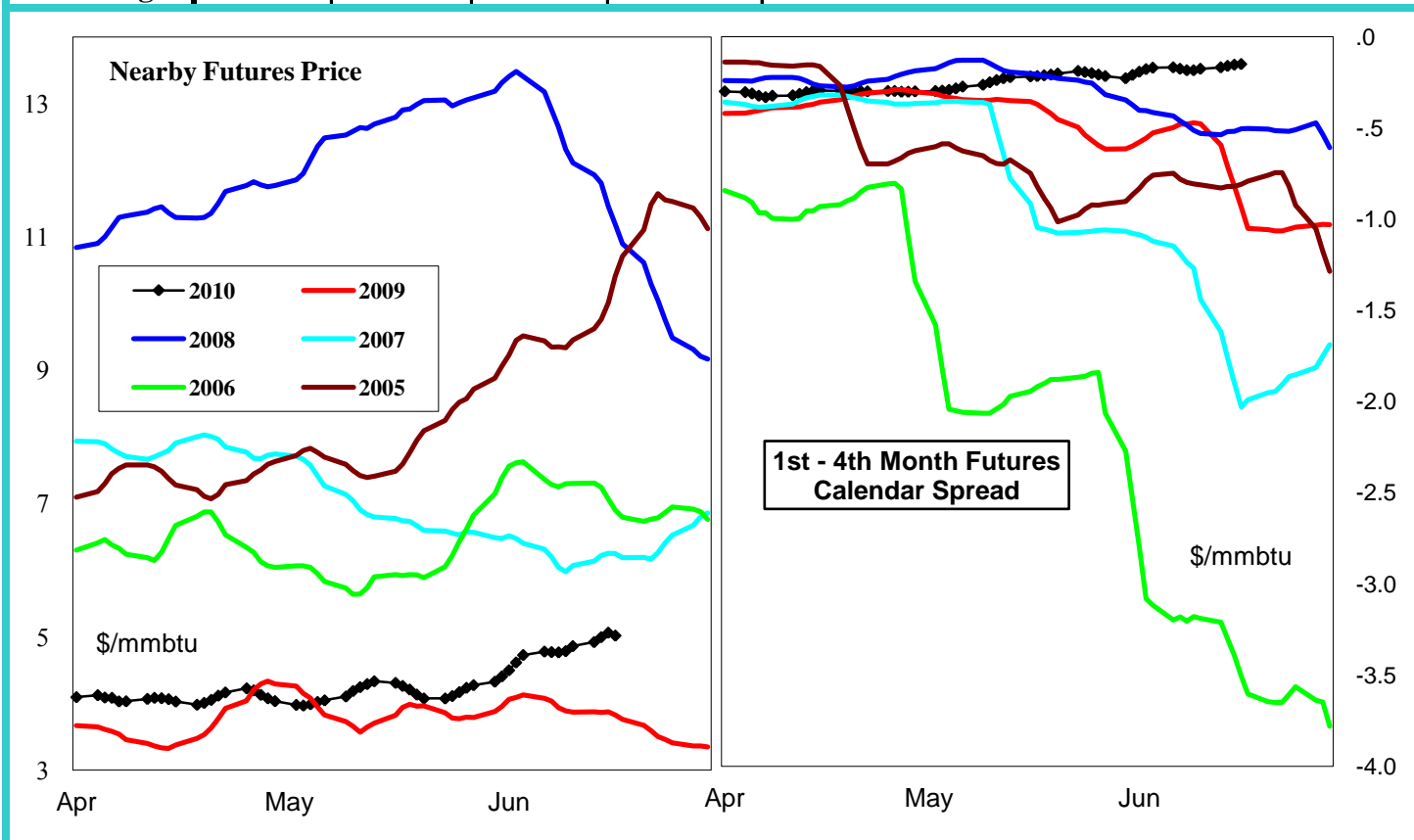
Week ending:	5-Jun-10			5-Jun-10		12-Jun-10		19-Jun-10	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,543	87	0.1	-4	-81%	7	-12%	-9	-72%
East	1,200	52	4.0	0	-93%	11	-7%	-11	-88%
West	424	12	4.4	-33	-35%	0	-19%	-9	-36%
Producing	919	23	-6.3	-1	-96%	0	-93%	0	-100%

### Seasonal Trends in Stocks and Heating Degree Days

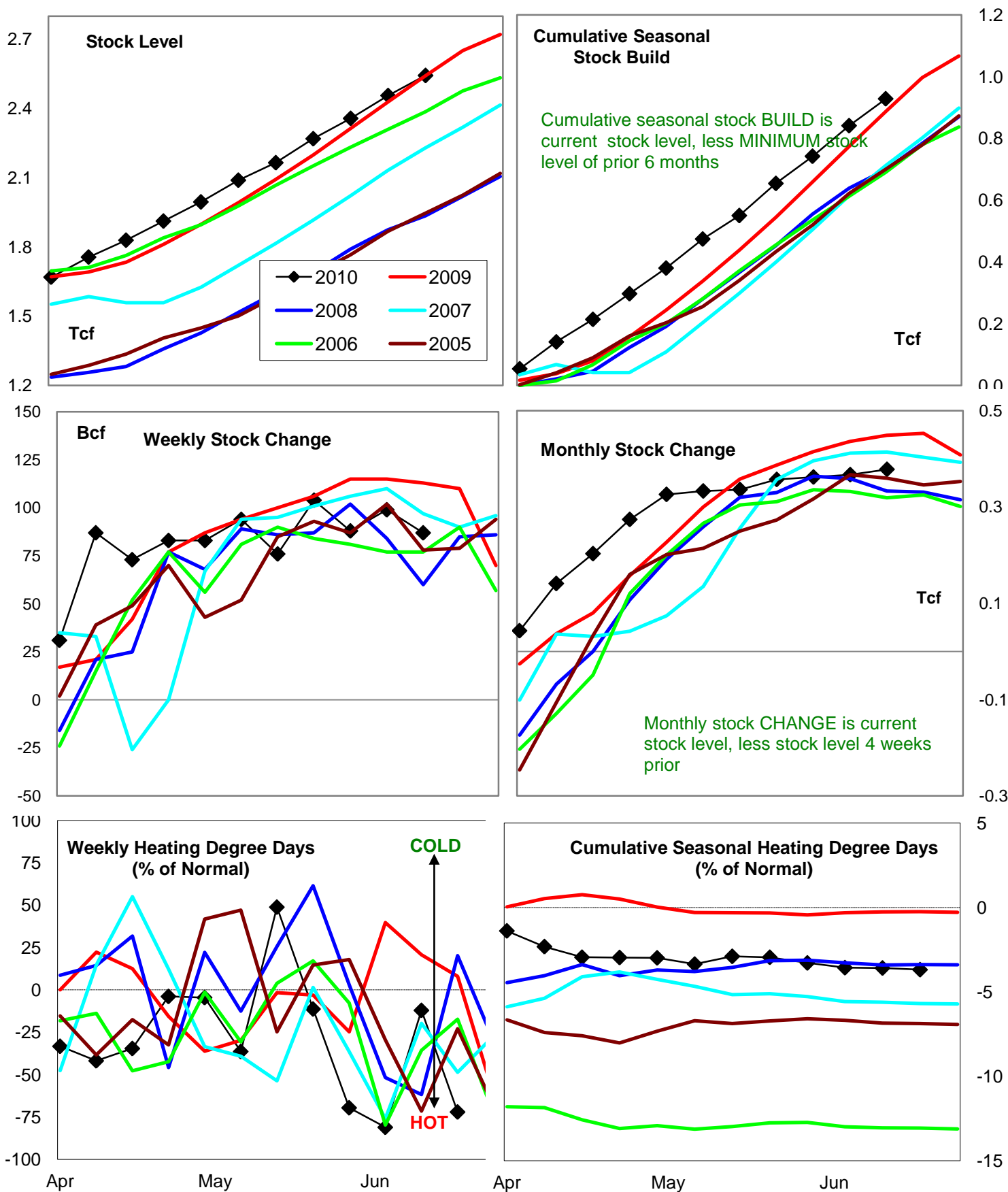
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>928</b>	<b>41</b>	<b>4.4</b>	<b>3</b>	<b>-3.6</b>	<b>11</b>	<b>-3.6</b>	<b>2</b>	<b>-3.7</b>
<b>East</b>	<b>450</b>	<b>-60</b>	<b>-13.3</b>	<b>1</b>	<b>-5.9</b>	<b>12</b>	<b>-5.9</b>	<b>1</b>	<b>-6.0</b>
<b>West</b>	<b>141</b>	<b>13</b>	<b>9.2</b>	<b>22</b>	<b>-2.4</b>	<b>22</b>	<b>-2.5</b>	<b>13</b>	<b>-2.6</b>
<b>Producing</b>	<b>371</b>	<b>83</b>	<b>22.4</b>	<b>0</b>	<b>10.5</b>	<b>0</b>	<b>10.5</b>	<b>0</b>	<b>10.5</b>

### Futures Market Price Trends

Date:	30-Jun-10	Change vs prior week, month, year		
		24-Jun-10	3-Jun-10	29-Jun-09
<b>1st month Futures</b>	<b>5.02</b>	<b>0.24</b>	<b>0.98</b>	<b>1.22</b>
<b>% change</b>	xxxxx	<b>5.0</b>	<b>24.3</b>	<b>32.1</b>



# United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

2

-26

41

Percent Change (%)

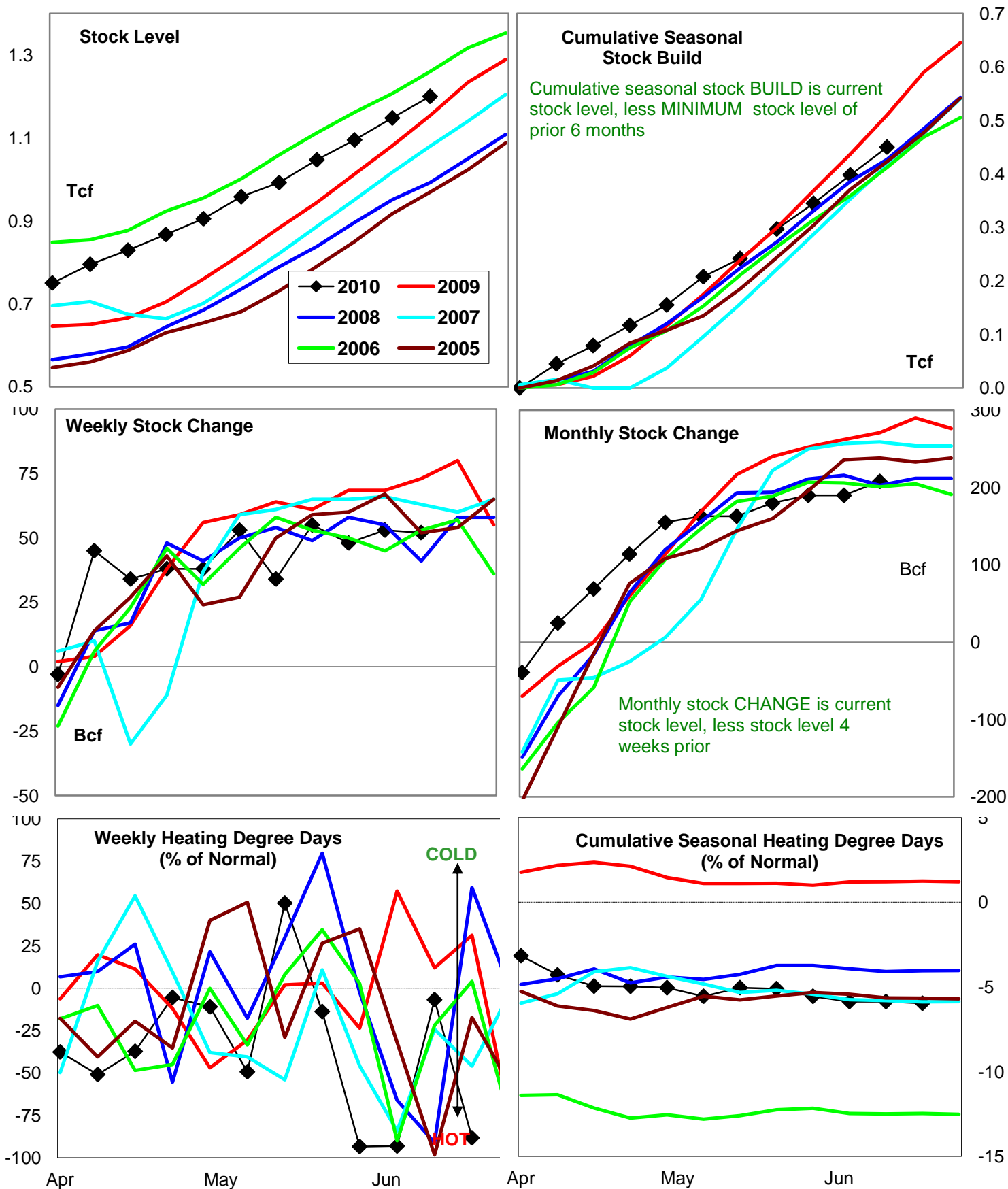
0.1

-23.0

-15.8

4.6

# Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)

46

4.0

-21

-28.8

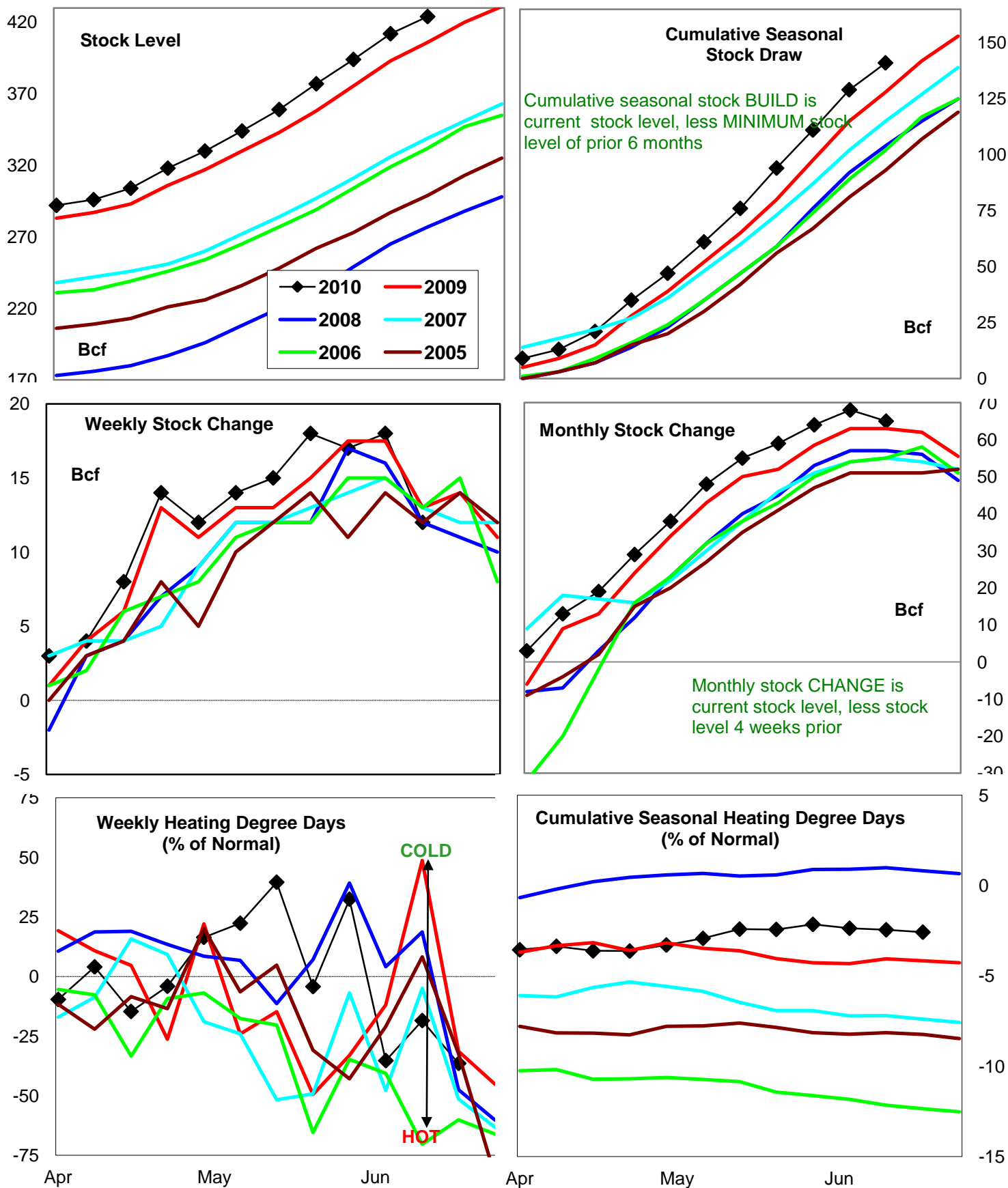
-63

-23.2

-60

-11.8

# Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

18

-1

2

13

Percent Change (%)

4.4

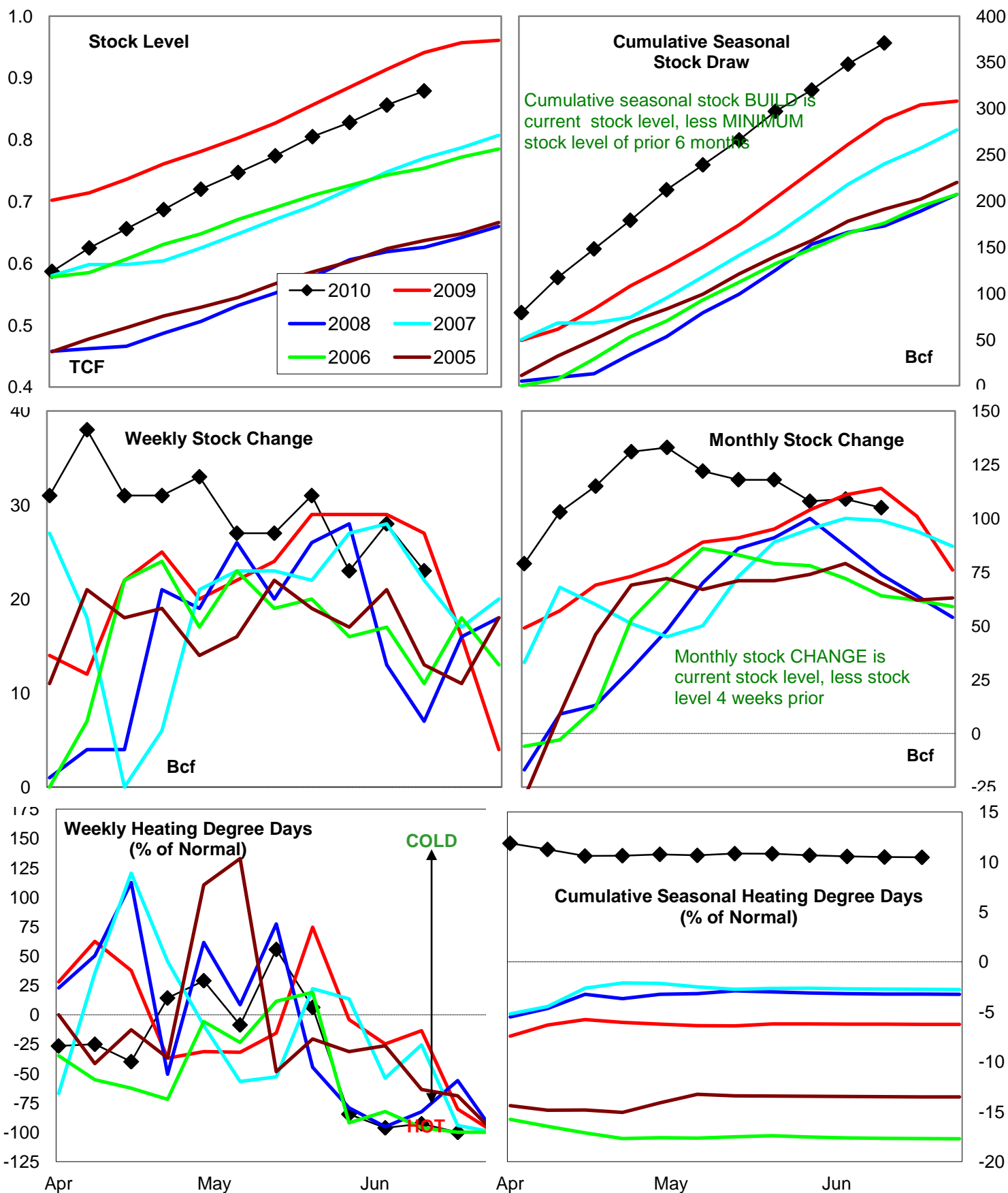
-7.7

3.2

10.2



# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

-62

-4

-9

83

Percent Change (%)

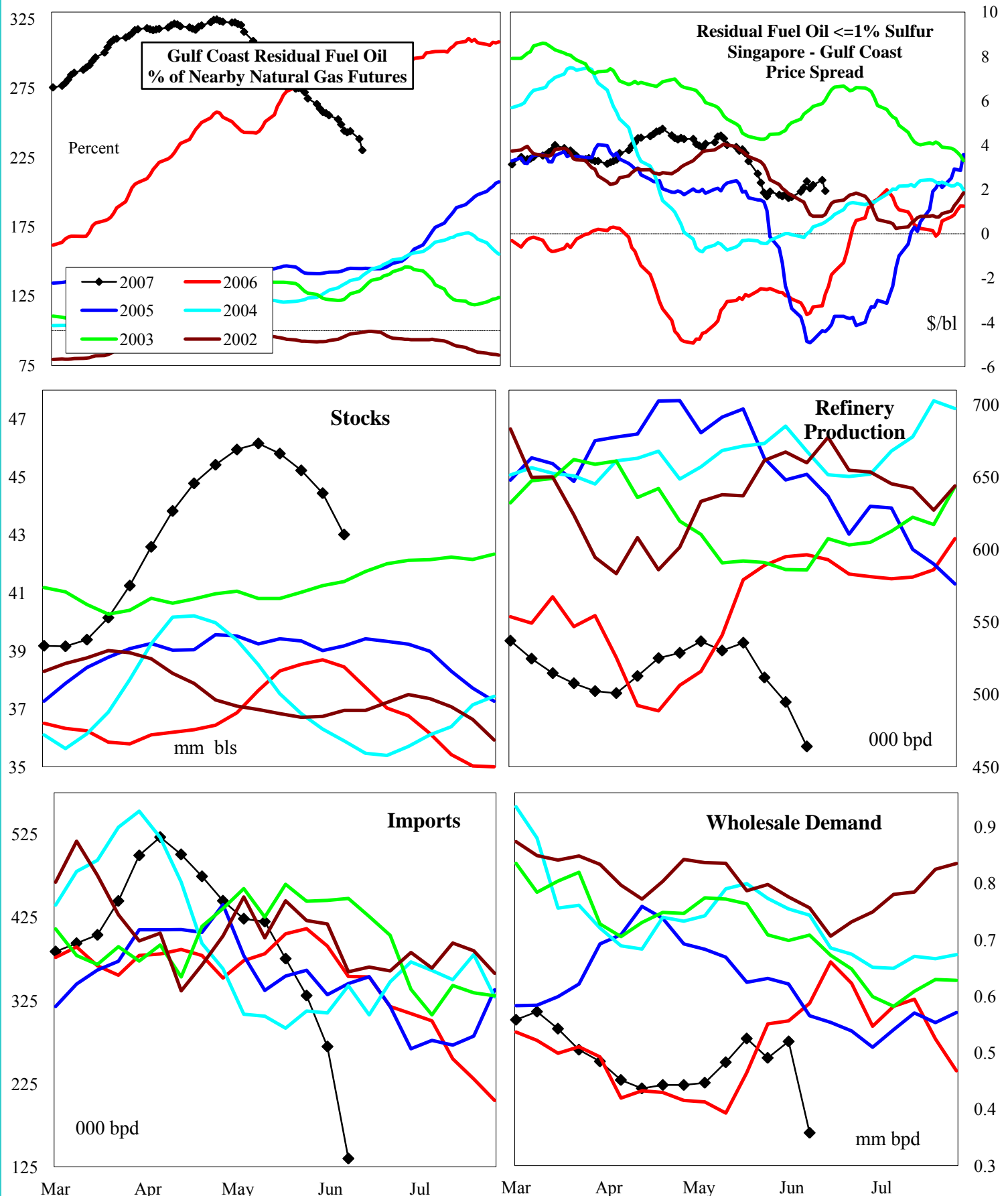
-6.3

-14.8

-7.9

28.8

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


**4 wk avg variance to prior year**

000 bpd (000 bls stks)

% change

Stocks

**5,192**
**13.7**

Prod

**-93**
**-15.6**

Imports

**-107**
**-24.4**

Demd=&gt;

4wk avg

**-89**
**-14.2**

May

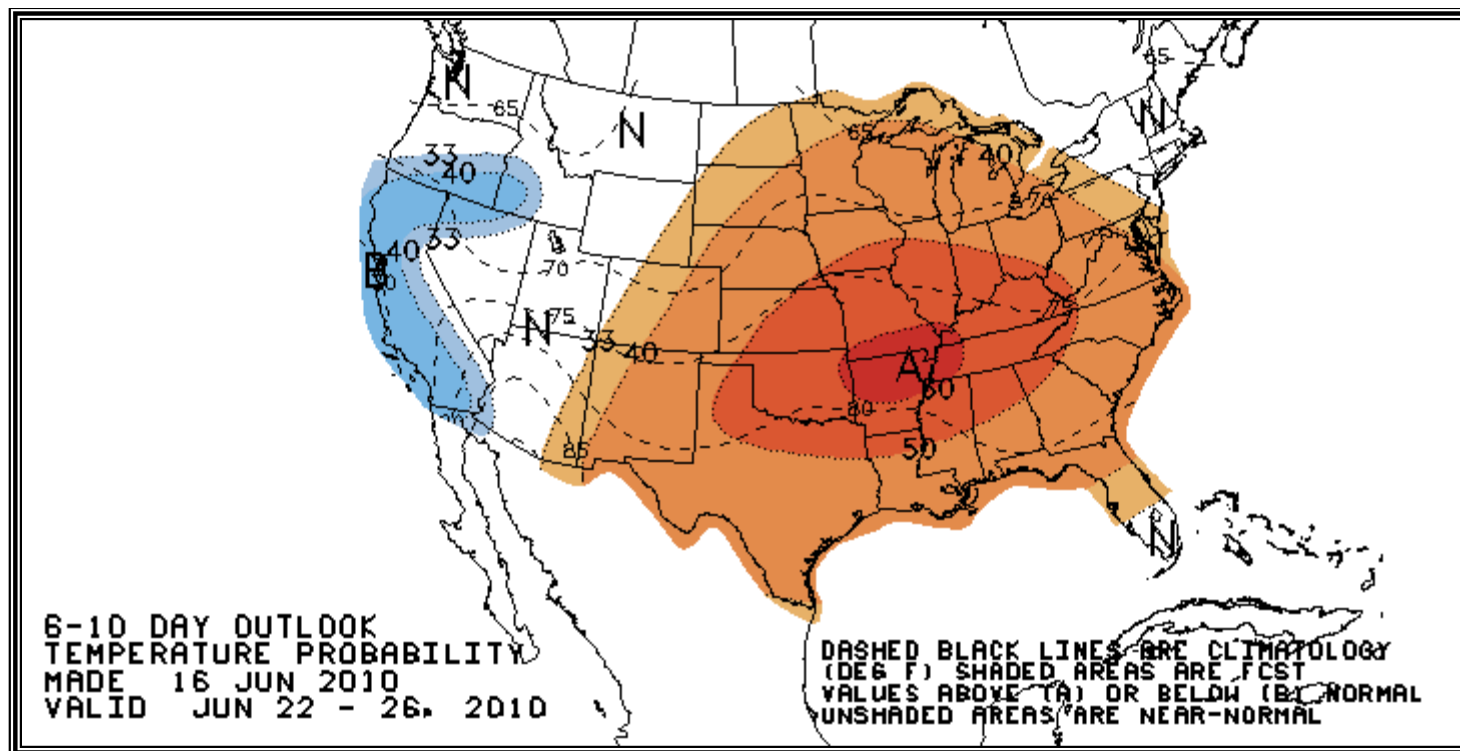
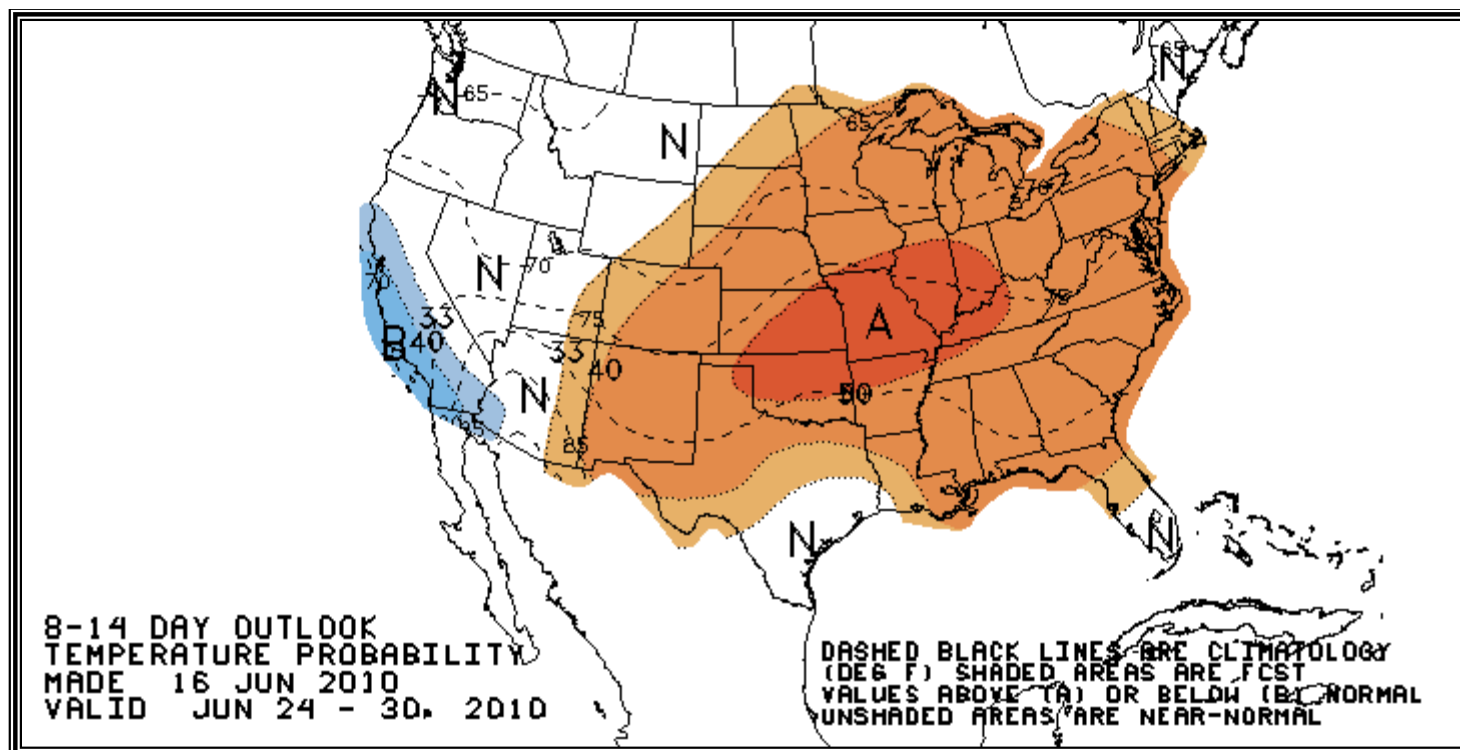
**59**
**12.0**

Apr

**-212**
**-31.5**

Mar

**-60**
**-9.9**

**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

