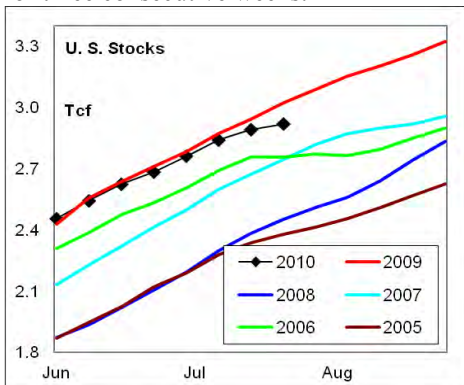
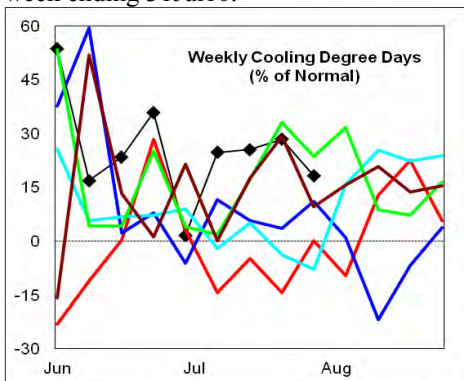




Summary ¹ Stocks increased +28 Bcf last week, a level that was below four of the last five years; the result of cooling degree days that matched/exceeded historic highs for three consecutive weeks.



Cooling degree days were +28% above normal for the week ending 24Jul10, and estimated to be +18% above normal for the week ending 31Jul10.



In the East Region stocks increased +34 Bcf, which was below four of the last five years for the week. The -1 Bcf draw in the West Region was at the low end of the historic range. The stock draw of -5 Bcf in the Producing Region a larger draw than four of the last five years.

Cooling degree days were +41% above normal in the East Region, +12% above normal in the West Region and +11% above normal in the Producing Region for the week ending 24Jul10.

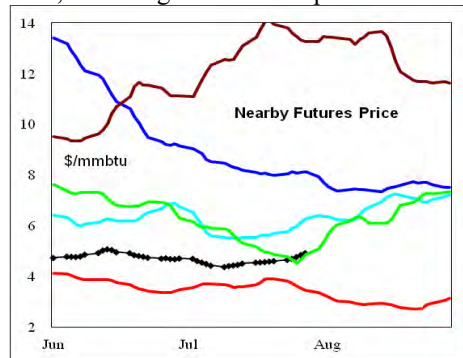
Cooling degree days were +28% above normal for the week ended July 24th, and

estimated to be +18% above normal for the week ending July 31st.

The 6-10 day NWS forecast for the week ending August 11th is for much above normal cooling degree days in the eastern 1/2 of the country and near normal in the western 1/2.

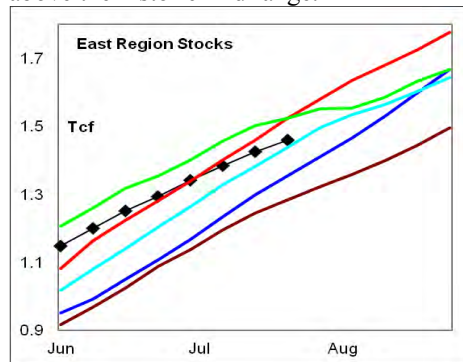
The 8-14 day NWS forecast for the week ending August 15th is for an extension of the 6-10 day outlook, with above normal cooling degree days in eastern 1/2 of the country and near normal in the western 1/2.

Prices: Nearby gas futures prices increased +\$0.34/mmbtu for the week ending July 30th, including the roll to September.



The 1st - 4th month forward price curve expanded last week in favor of the deferred contract months. The spread remains well below the 5-year range in favor of the prompt month; reflecting expectations of ample winter quarter supply.

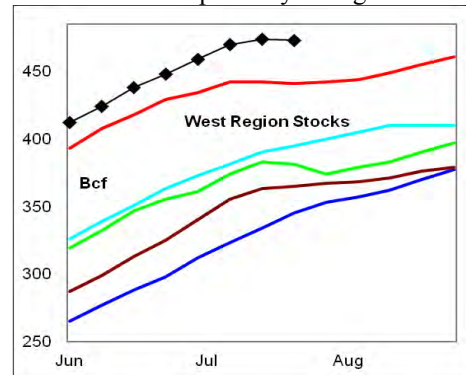
East Region stocks increased +34 Bcf on the week, which was below four of the last five years. The latest 4-wk stock build was below the 5-year range. Stock levels are above the historic mid range.



Cooling degrees in the region were +41% above normal for the week ended July 24th, and estimated to be +22% above normal for the week ending 31Jul10. Much above normal cooling degree days are forecast for the next 10-days.

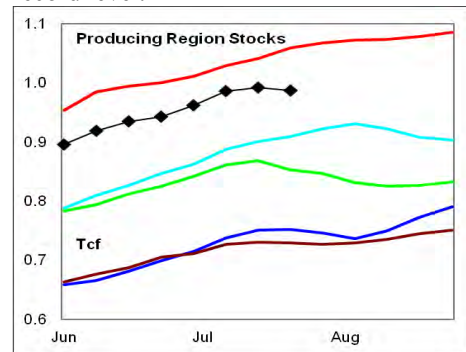
West Region stocks decreased -1 Bcf on

the week, which was at the low end of the historic range. The latest 4-wk stock build was below the mid range. Stock levels are +7.3% above the prior 5-year high.



Cooling degree days were +12% above normal for the week ended July 24th, and estimated to be +19% above normal for the week ending 31Jul10. Near normal cooling degree days are forecast for the next 10-days.

Producing Region stocks decreased -5 Bcf on the week, which was a larger draw than four of the last five years. The latest 4-wk stock build was below the mid range. Stock levels were -6.8% below last years' record level.



Cooling degree days were +11% above normal for the week ending July 17th, and estimated to be +8% above normal for the week ending 31Jul10. Slightly above normal cooling degree days are forecast for the next 10-days.

Residual Fuel Oil Switching: The price spread between fuel oil and natural gas remains highly favorable for gas.

Outlook: Cooling degree days have been above normal for nine consecutive weeks; and at record highs for five of those weeks. Cooling degree days are forecast to remain extremely high through mid August in the eastern 1/2 of the country. Even with high stock levels this unprecedented demand for electric power should provide continued support to prices during the quarter.

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: August 1, 2010

For the week ending: 23-Jul-10

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

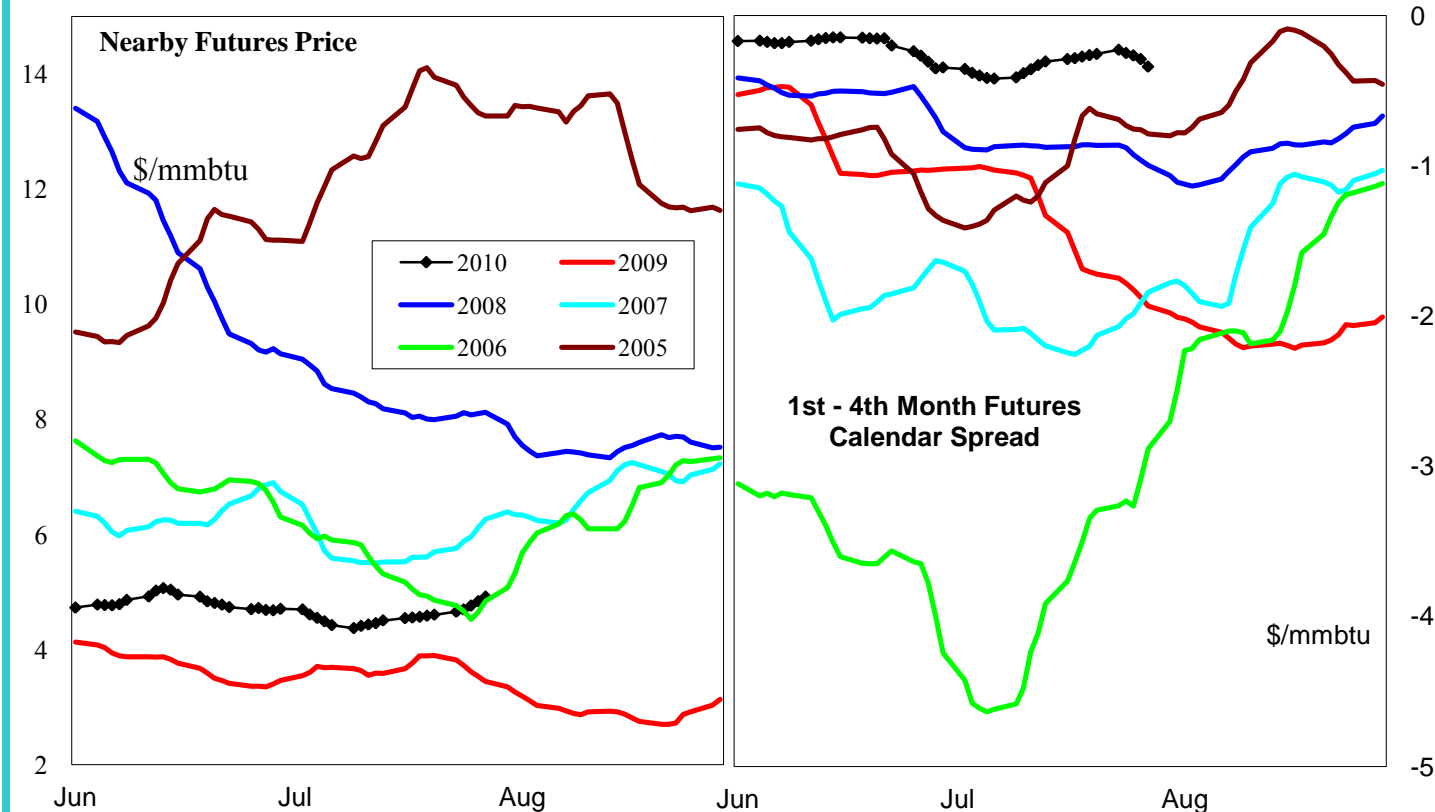
Week ending:	23-Jul-10			17-Jul-10		24-Jul-10		31-Jul-10	
Region	Weekly Stocks			Weekly Cooling Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,919	28	-3.4	5	26%	2	28%	-7	18%
East	1,459	34	-4.2	-7	30%	10	41%	-14	22%
West	473	-1	7.3	24	33%	-16	12%	8	19%
Producing	987	-5	-6.8	21	10%	1	11%	-2	8%

Seasonal Trends in Stocks and Cooling Degree Days

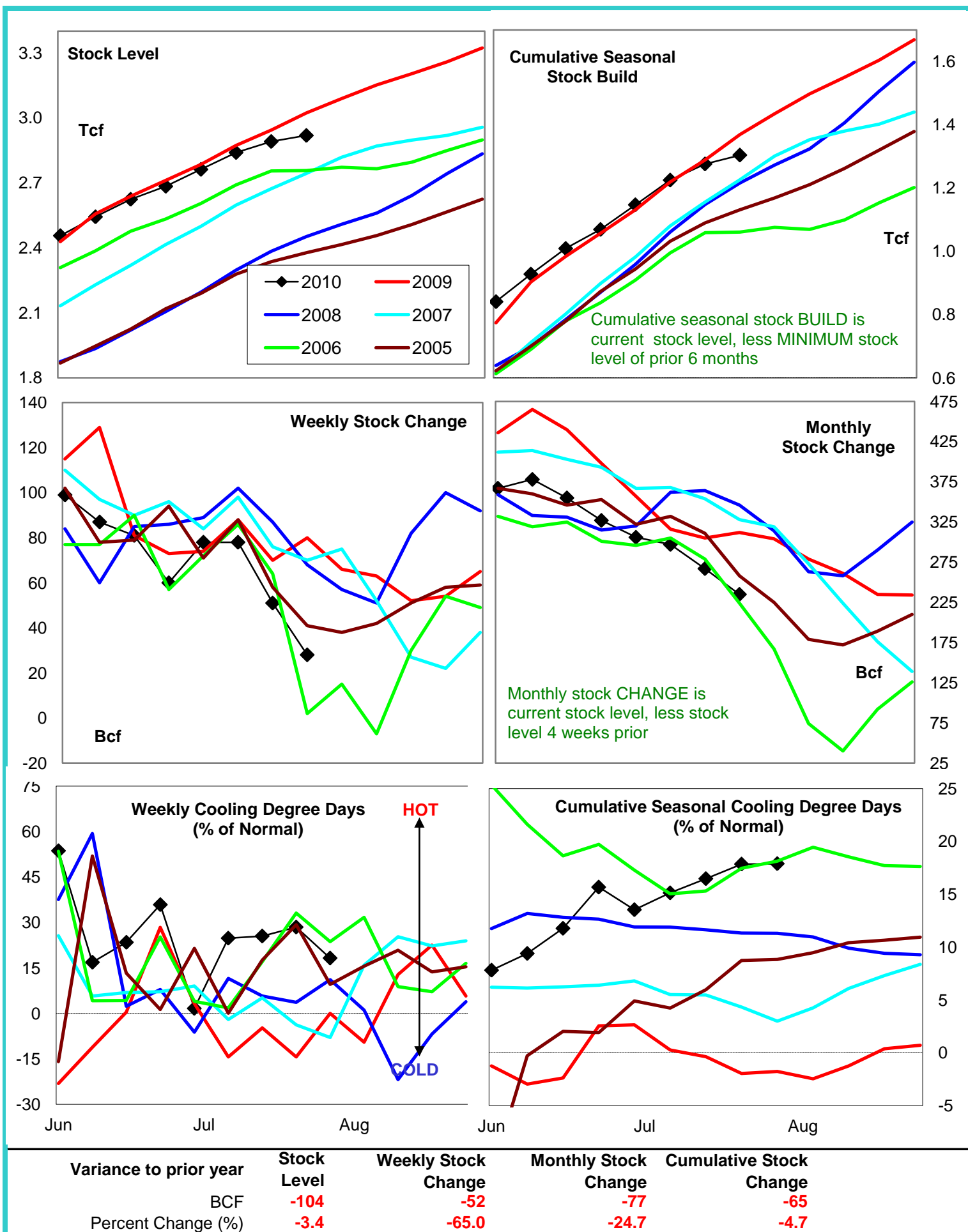
	Cumulative Stock change			Cumulative Cooling Degree Days					
	Bcf	Change vs prior year Bcf	%	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal
U.S. Total	1,304	-65	-5.0	95	16%	116	18%	130	18%
East	709	-170	-24.0	111	30%	124	32%	133	31%
West	190	27	14.2	-72	-18%	-66	-15%	-56	-11%
Producing	439	73	16.6	111	10%	124	10%	133	10%

Futures Market Price Trends

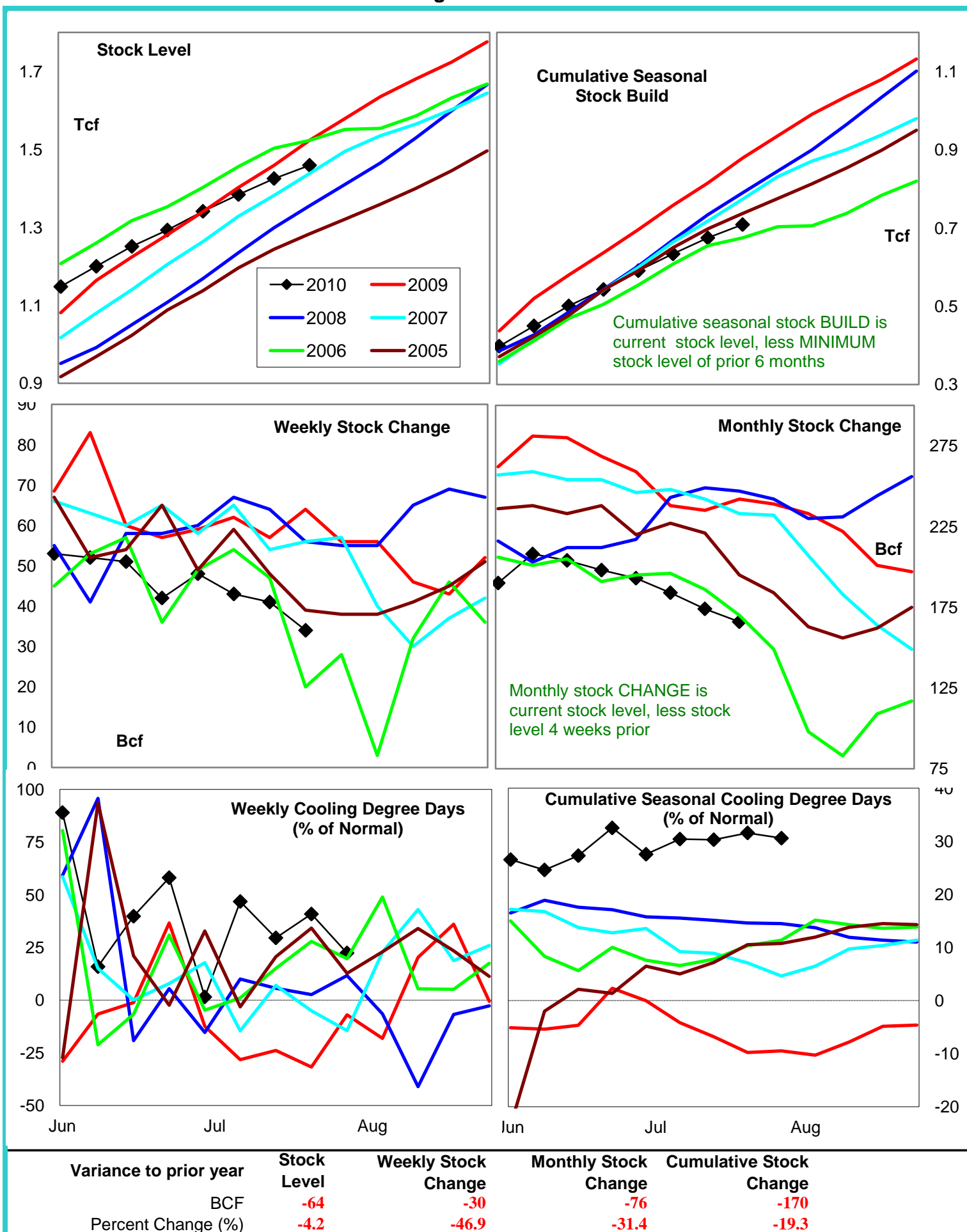
Date:	18-Aug-10	Change vs prior week, month, year		
		12-Aug-10	22-Jul-10	7-Aug-09
1st month Futures	4.92	0.31	0.23	1.58
% change	xxxxx	6.7	4.9	47.3



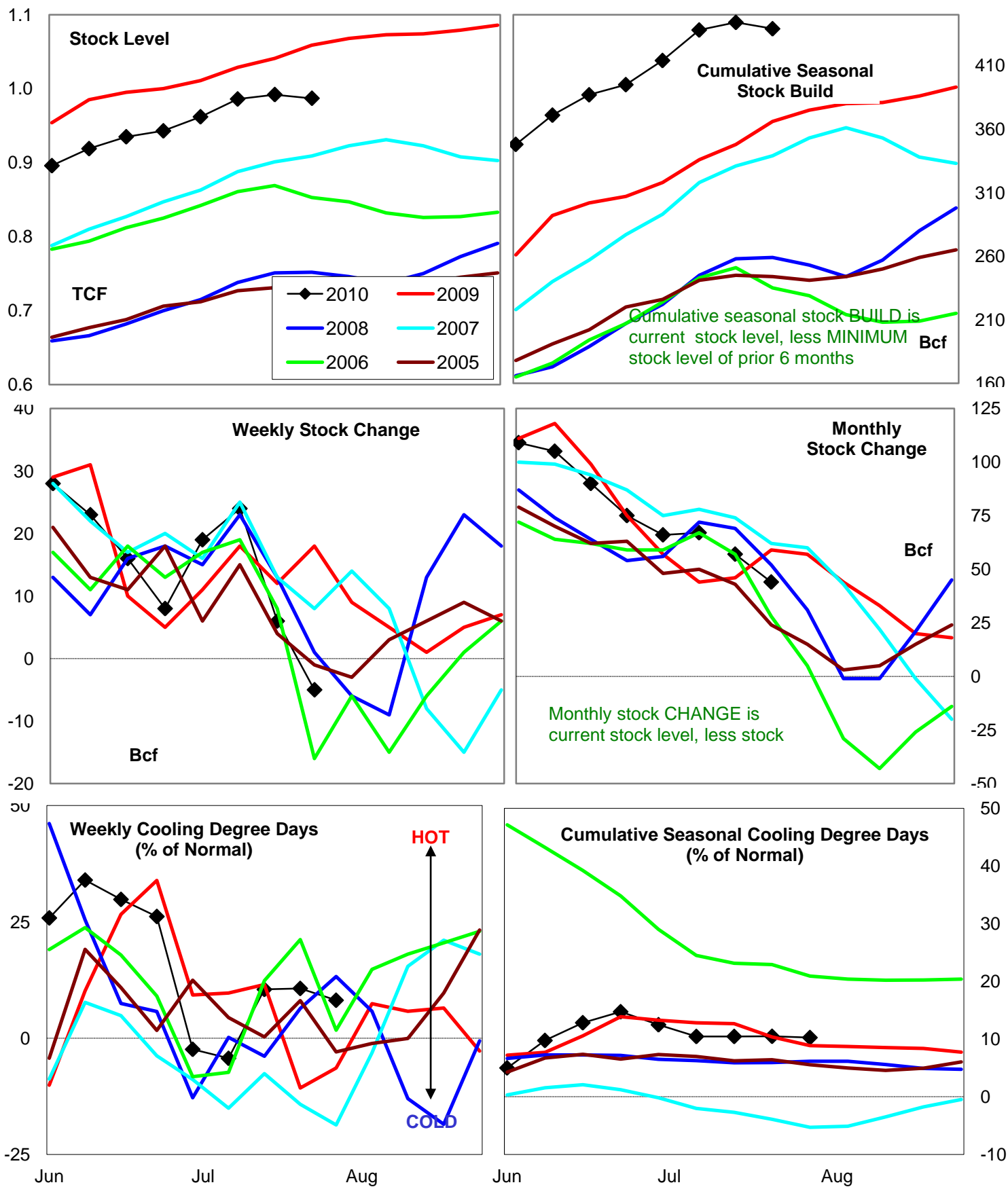
United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



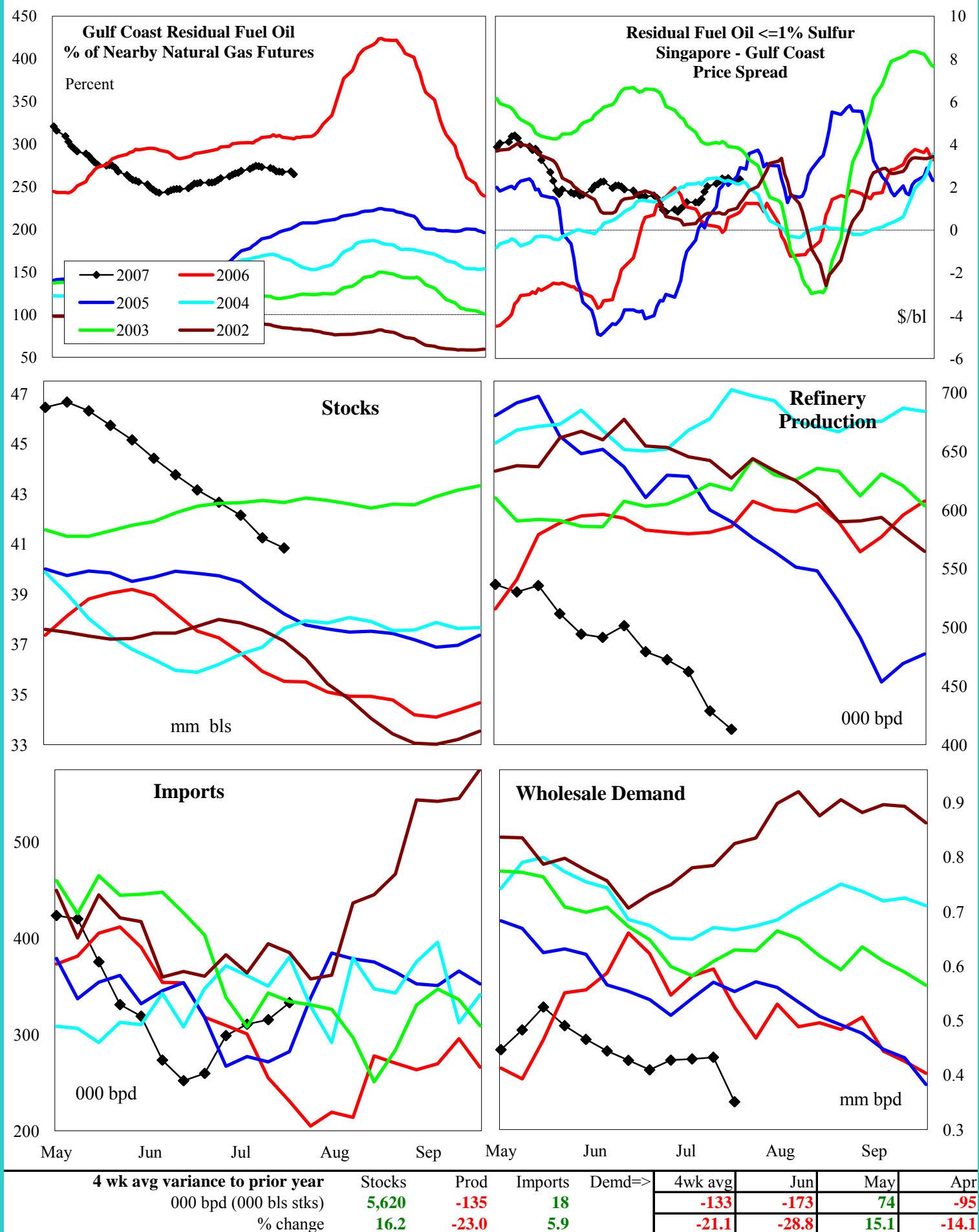
Natural Gas Producing Region Stock and Weather Trends

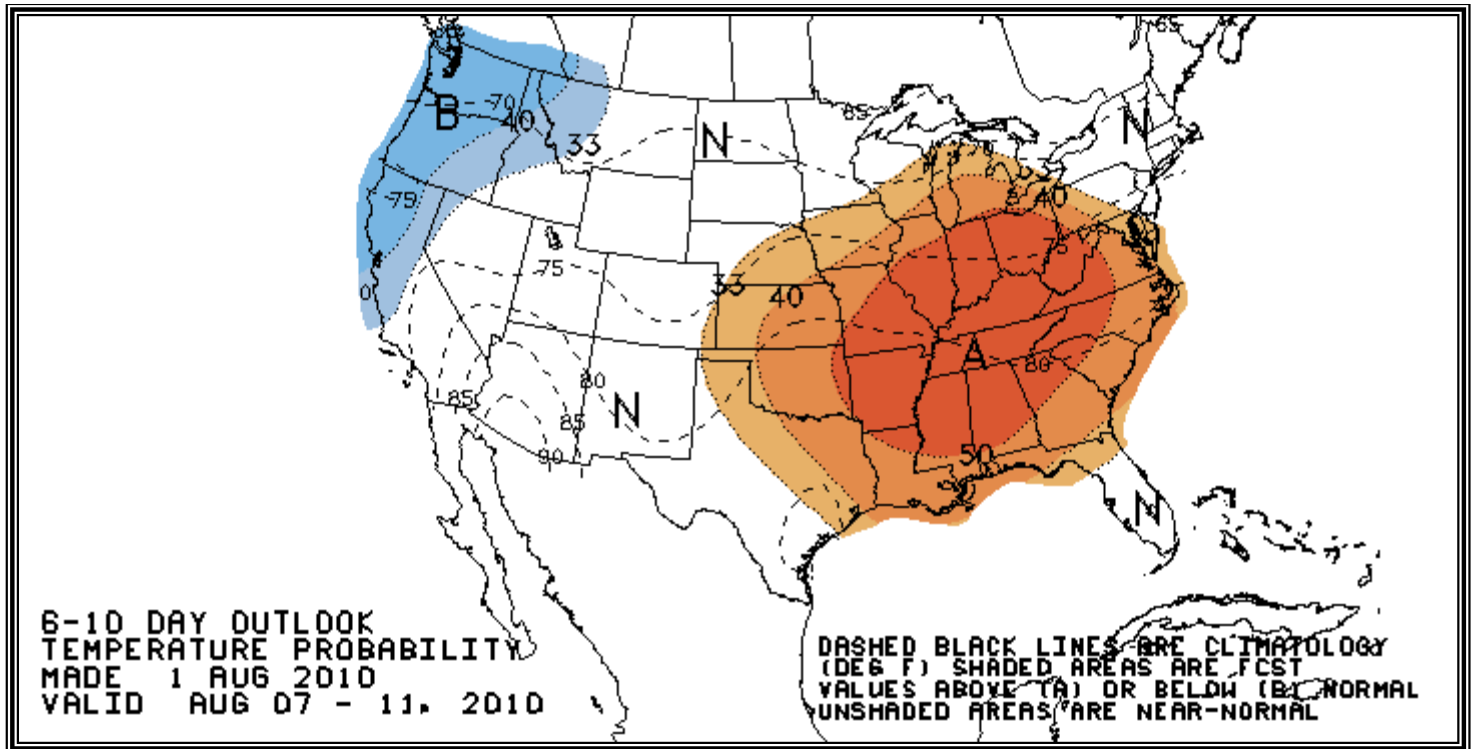
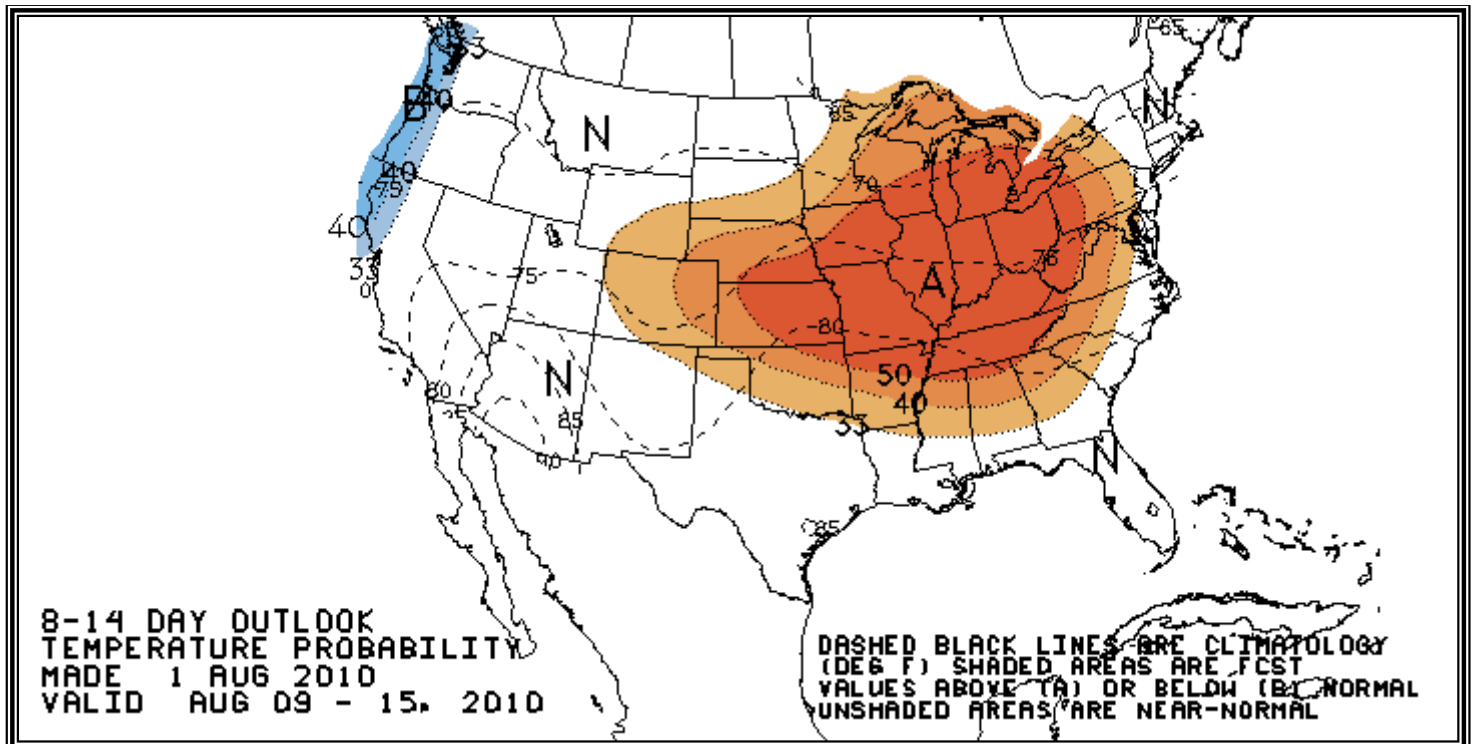


Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-72
-6.8-23
-127.8-15
-25.473
19.9

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



National Weather Service Climate Prediction Center**Degree Days 6 - 10 Day Temperature Forecast****National Weather Service Climate Prediction Center****Degree Days 8 - 14 Day Temperature Forecast**

American Gas Association Regions

