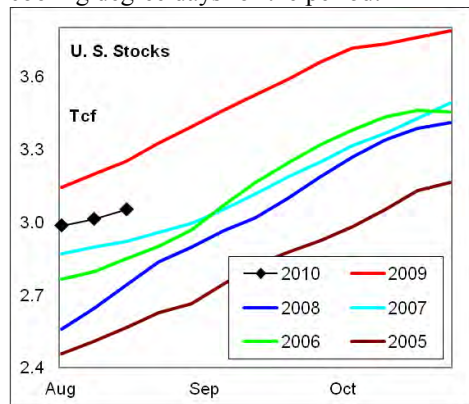
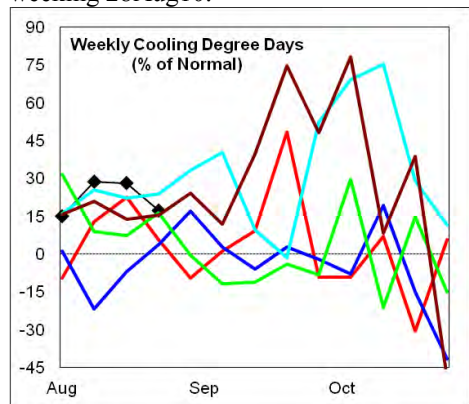




**Summary**<sup>1</sup> Stocks increased +40 Bcf last week, a level that was at the low end of the historic range, driven by record high cooling degree days for the period.



Cooling degree days were +28% above normal for the week ending 21Aug10, and forecast to be +17% above normal for the week ending 28Aug10.



In the East Region stocks increased +48 Bcf, which was above the mid range for the week. The - Bcf draw in the West Region was a record draw for the week. The stock draw of -5 Bcf in the Producing Region was at the low end of the historic range for the period.

Cooling degree days were +31% above normal in the East Region, +27% above normal in the West Region and +23% above normal in the Producing Region for the week ending 21Aug10.

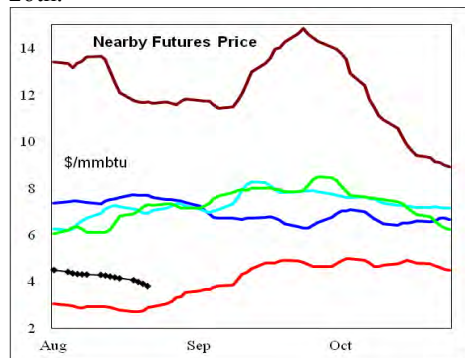
**Cooling degree days** were +28% above

normal for the week ended 21Aug10, and forecast to be +17% above normal for the week ending 28Aug10.

The 6-10 day NWS forecast for the week ending September 4th is for above normal cooling degree days in the eastern 1/2 of the country and below normal in the western 1/2 of the country.

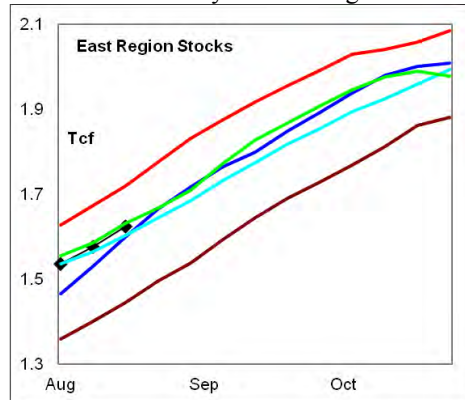
The 8-14 day NWS forecast for the week ending September 8th is for an extension of the 6-10 day forecast.

**Prices:** Nearby gas futures prices decreased -\$0.37/mmbtu for the week ending August 26th.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended lower in favor of the deferred contract months. The spread remains extremely narrow in favor of the prompt month; reflecting expectations of ample winter quarter supply.

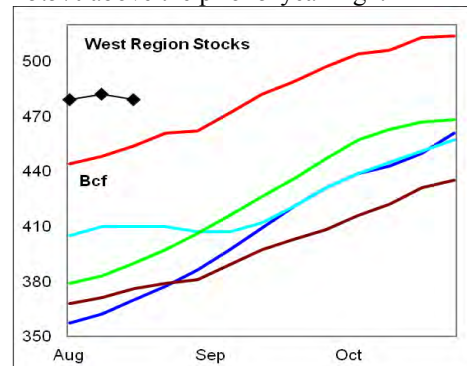
**East Region** stocks increased +48 Bcf on the week, which was above the historic mid range for the period. The latest 4-wk stock build matched the mid range. Stock levels match the 5-year mid range.



Cooling degrees in the region were +31% above normal for the week ended 21Aug10, and forecast to be +8% above normal for the week ending 28Aug10. Above normal cooling degree days are forecast for the next 10-days.

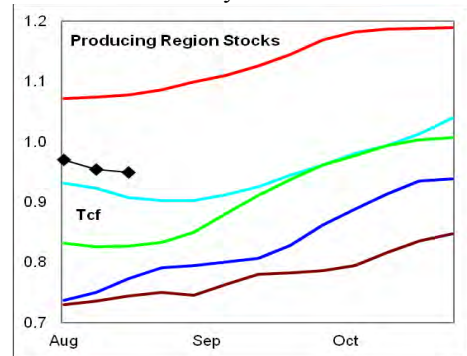
**West Region** stocks decreased -3 Bcf on the week, which was a record draw for the

period. The latest 4-wk stock build was below the historic range. Stock levels are +5.5% above the prior 5-year high.



Cooling degree days were +27% above normal for the week ended 21Aug10, and forecast to be +42% above normal for the week ending 28Aug10. Below normal cooling degree days are forecast for the next 10-days.

**Producing Region** stocks decreased -5 Bcf on the week, which was at the low end of the historic range for the week. The latest 4-wk stock draw was greater than the historic range. Stock levels remain above four of the last five years.



Cooling degree days were +23% above normal for the week ending 21Aug10, and forecast to be +18% above normal for the week ending 28Aug10. 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 are now past the season peak so that demand for electric power demand will now trend lower. Industrial demand remains lackluster on slow economic growth. With ample stocks and excess production capacity, prices should trend lower during the 30-60 days.

#### <sup>1</sup> 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 26, 2010

For the week ending: 20-Aug-10

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

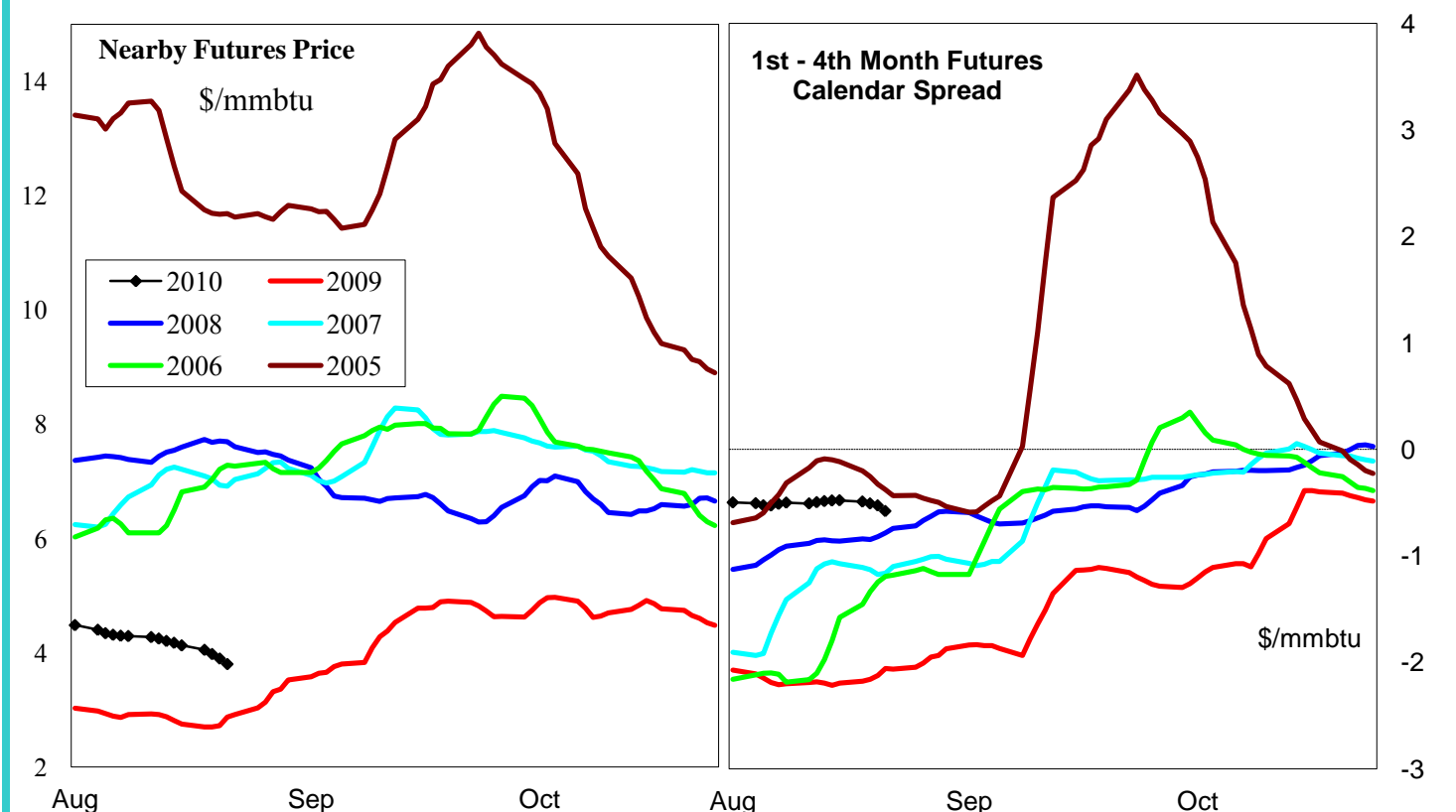
Week ending:	20-Aug-10			14-Aug-10		21-Aug-10		28-Aug-10	
Region	Weekly Stocks			Weekly Cooling Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,052	40	-6.1	6	29%	-8	28%	-15	17%
East	1,624	48	-5.5	12	46%	-18	31%	-21	8%
West	479	-3	5.5	-9	-19%	20	27%	0	42%
Producing	949	-5	-12.0	5	27%	-10	23%	-14	18%

### Seasonal Trends in Stocks and Cooling Degree Days

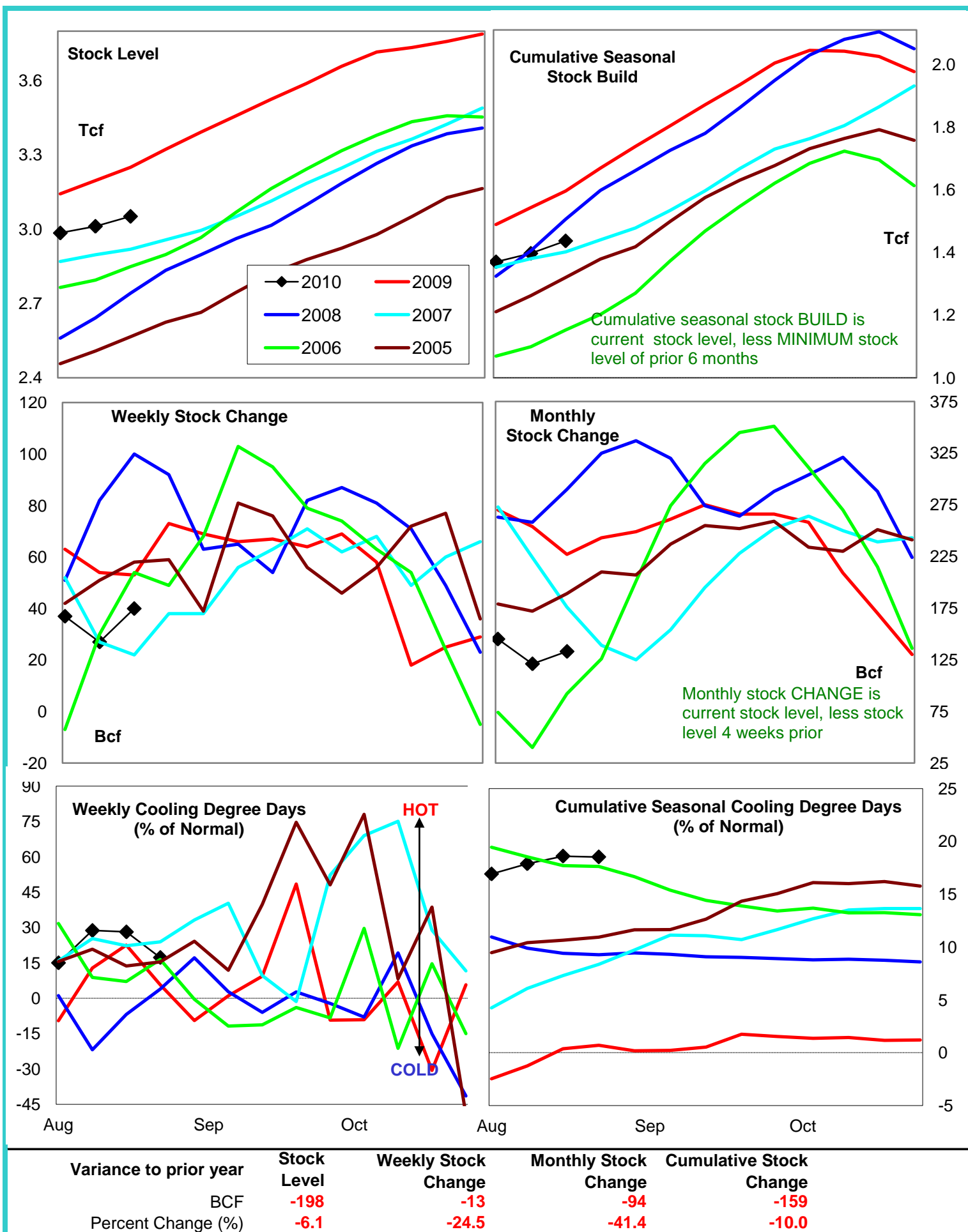
	Cumulative Stock change			Cumulative Cooling Degree Days					
	Bcf	Change vs prior year Bcf	%	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal
<b>U.S. Total</b>	<b>1,437</b>	<b>-159</b>	<b>-11.1</b>	<b>156</b>	<b>18%</b>	<b>174</b>	<b>19%</b>	<b>184</b>	<b>19%</b>
<b>East</b>	<b>874</b>	<b>-200</b>	<b>-22.9</b>	<b>185</b>	<b>31%</b>	<b>211</b>	<b>31%</b>	<b>230</b>	<b>29%</b>
<b>West</b>	<b>196</b>	<b>20</b>	<b>10.2</b>	<b>-83</b>	<b>-13%</b>	<b>-69</b>	<b>-10%</b>	<b>-50</b>	<b>-7%</b>
<b>Producing</b>	<b>401</b>	<b>16</b>	<b>4.0</b>	<b>185</b>	<b>12%</b>	<b>211</b>	<b>13%</b>	<b>230</b>	<b>13%</b>

### Futures Market Price Trends

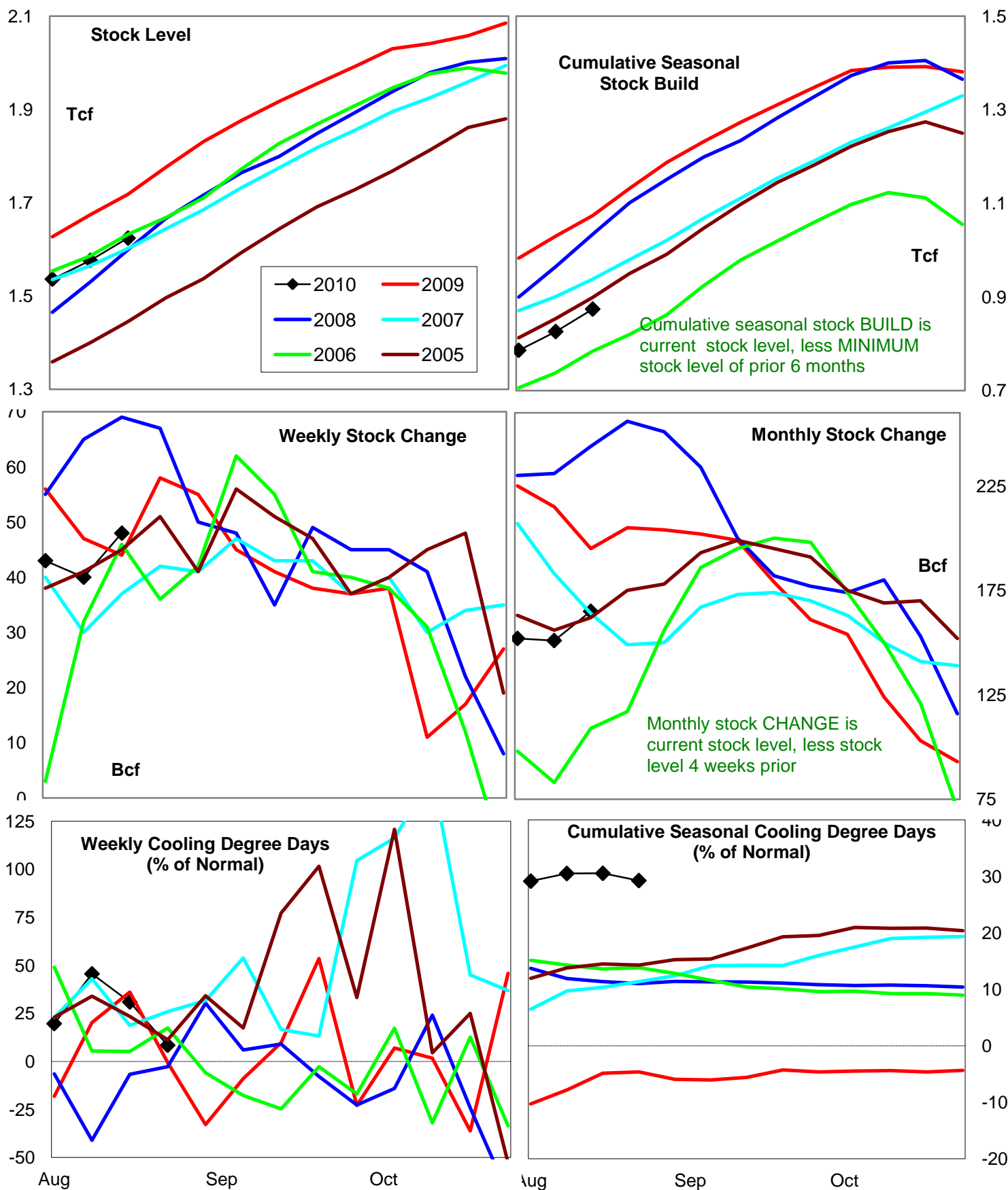
Date:	29-Oct-10	Change vs prior week, month, year		
		25-Oct-10	4-Oct-10	21-Oct-09
<b>1st month Futures</b>	<b>3.80</b>	<b>-0.32</b>	<b>-1.12</b>	<b>0.97</b>
<b>% change</b>	xxxxx	<b>-7.8</b>	<b>-22.8</b>	<b>34.3</b>



# United States Natural Gas Stock and Weather Trends



# Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

-94

4

-30

-200

Percent Change (%)

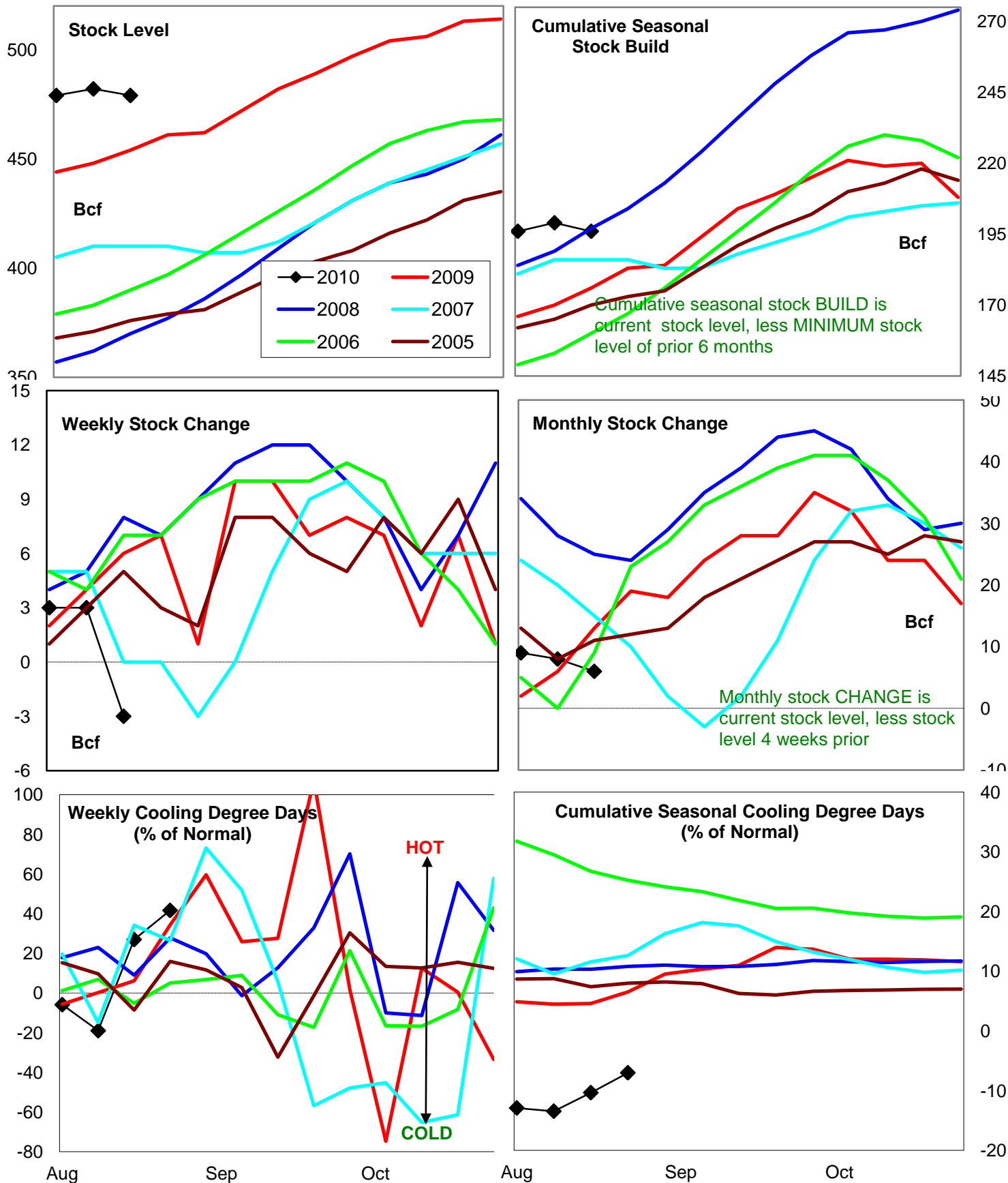
-5.5

9.1

-15.4

-18.6

# Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock  
Level

Weekly Stock  
Change

Monthly Stock  
Change

Cumulative Stock  
Change

BCF  
Percent Change (%)

25  
5.5

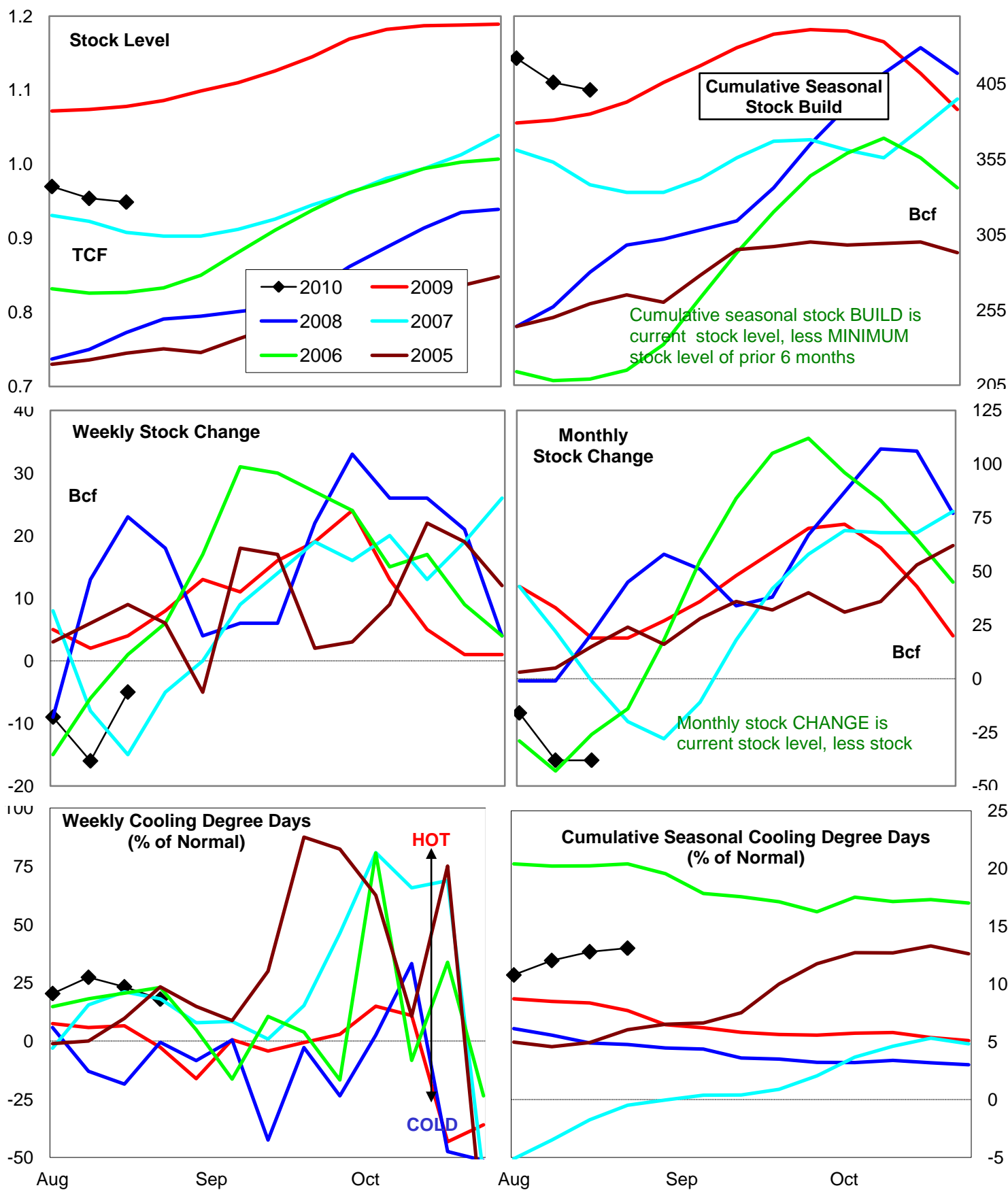
-9  
-150.0

-7  
-53.8

20  
11.4



# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

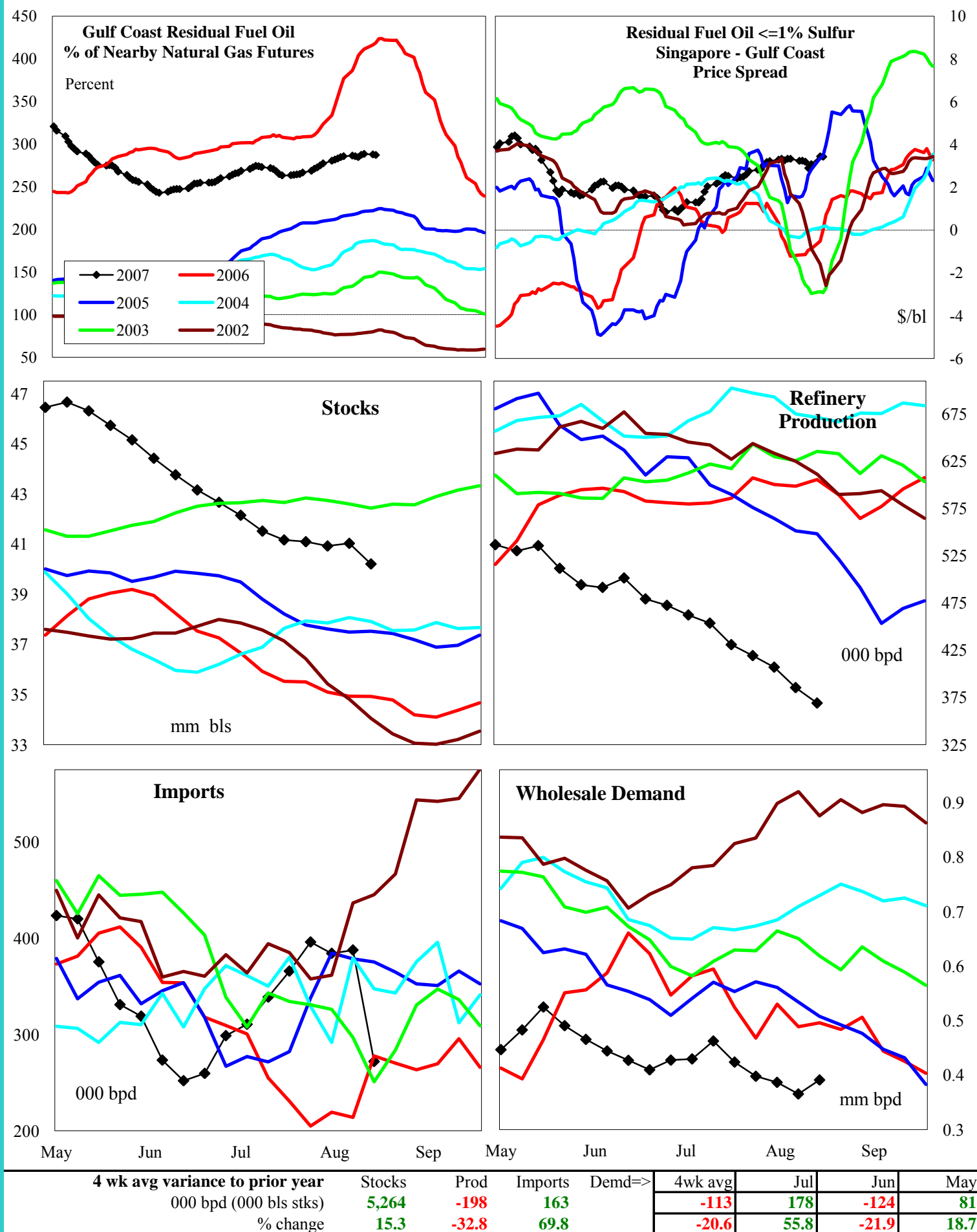
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

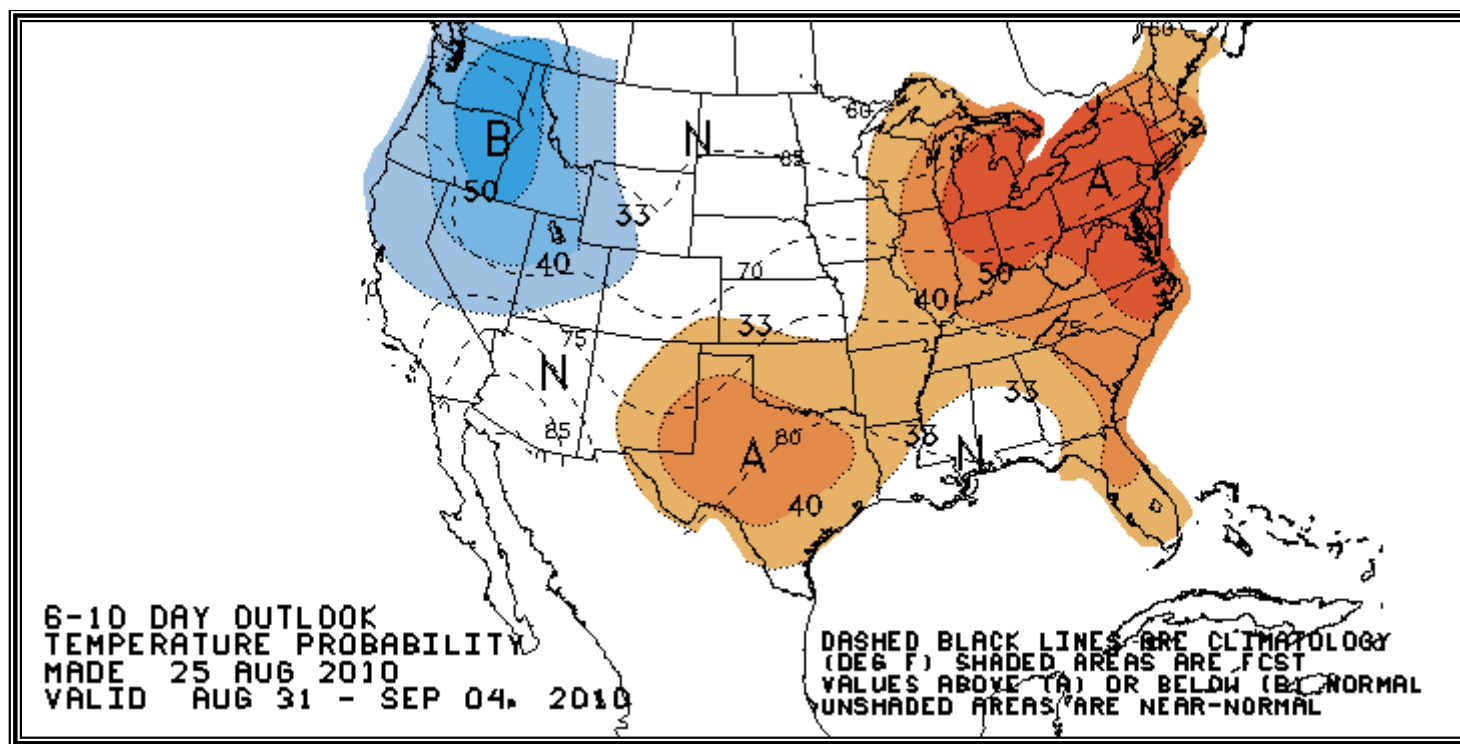
BCF  
Percent Change (%)-129  
-12.0-9  
-225.0-57  
-300.016  
4.2

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



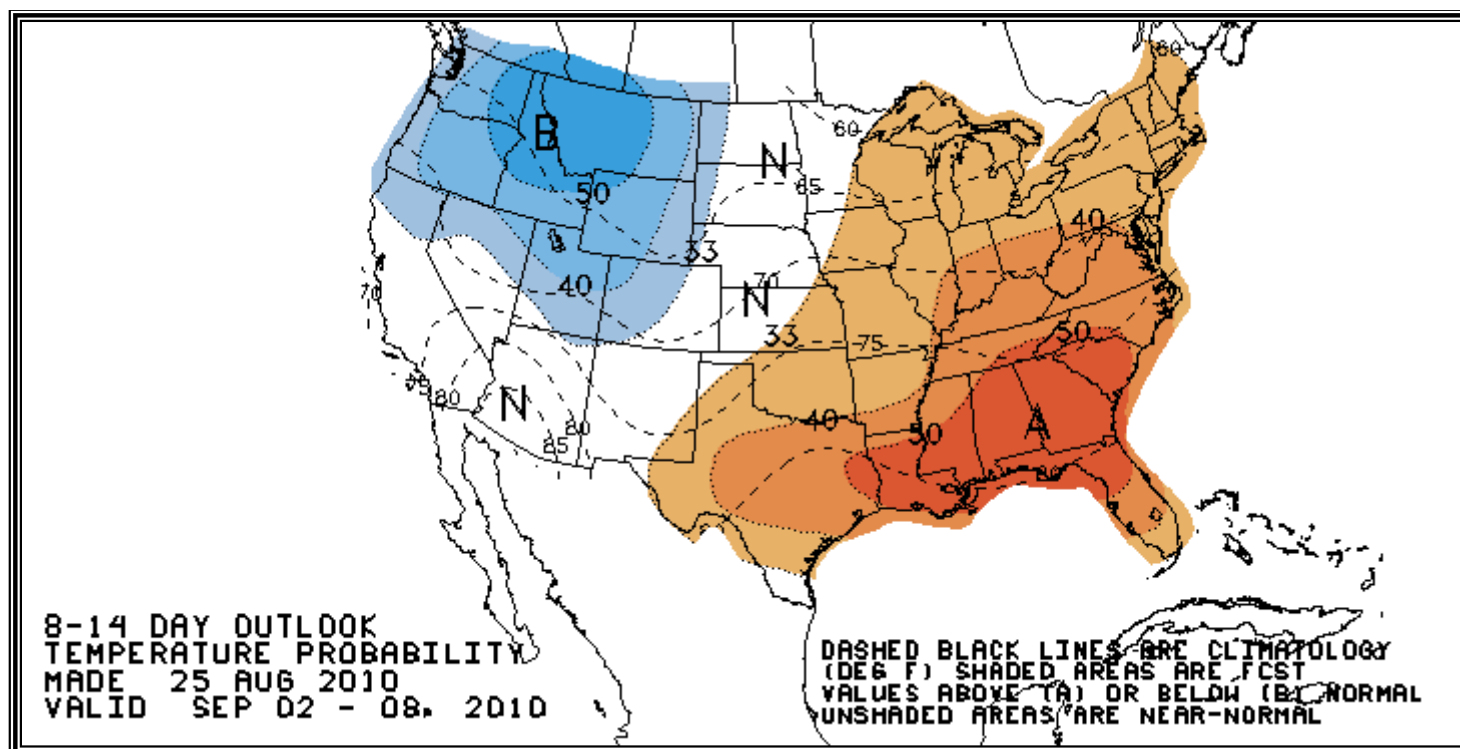
## National Weather Service Climate Prediction Center

## Degree Days 6 - 10 Day Temperature Forecast



## National Weather Service Climate Prediction Center

## Degree Days 8 - 14 Day Temperature Forecast





# American Gas Association Regions

