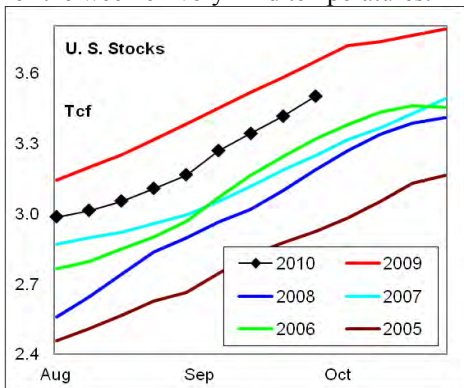
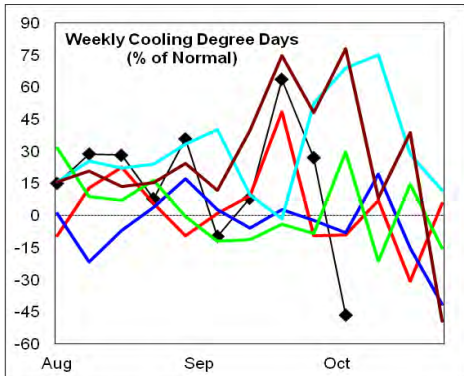




**Summary**<sup>1</sup> Stocks increased +85 Bcf last week, a level that matched the 5-year high for the week on very mild temperatures.



Cooling degree days were +27% above normal for the week ending 02Oct10. Cooling degree days are forecast to be -46% below normal for the current week.



In the East Region stocks increased +53 Bcf, which was a record build for the period. Stocks were unchanged in the West Region, the third consecutive weekly record low for this time of year. The stock build of +32 Bcf in the Producing Region matched the record high for this period.

Cooling degree days were -5% below normal in the East Region, +175% above normal in the West Region and -30% below normal in the Producing Region for the week ending 02Oct10.

**Cooling degree days** were ++27% above normal for the week ended 02Oct10, and forecast to be -46% below normal for the week ending 09Oct10.

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

[Data Source is EIA Weekly Statistics](#)

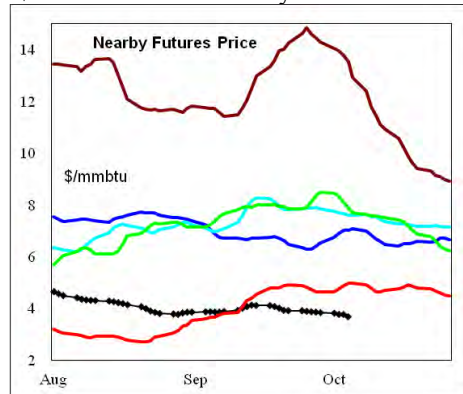
[National Weather Service 6-10 Day](#)

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

The 6-10 day NWS forecast for the week ending October 16th is for above normal cooling degree days across the northern regions of the country from the Great Lakes to the Pacific Ocean, with below normal cooling degree days along the east coast.

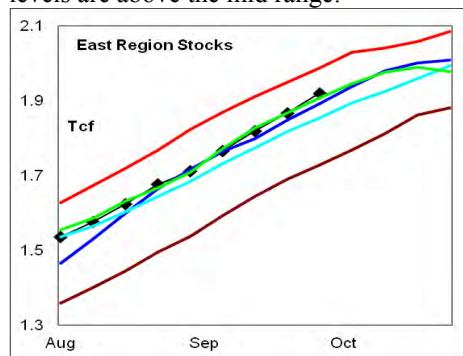
The 8-14 day NWS forecast for the week ending October 20th is for above normal cooling degree days in the western 2/3rds of the country and below normal cooling degree days along the eastern seaboard.

**Prices:** Nearby gas futures prices decreased -\$0.23/mmbtu for the week ending October 7th. Prompt month futures prices are now -\$1.15/mmbtu under last years' record low.



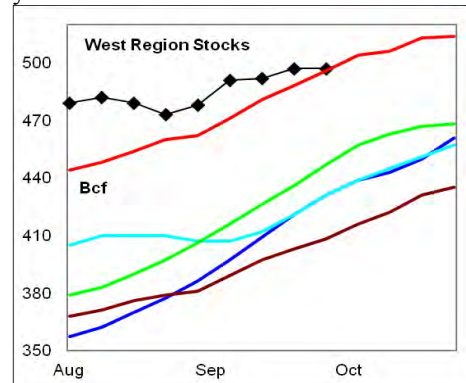
The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended lower last week in favor of deferred contract months. The spread ended the week below four of the last five years.

**East Region** stocks increased +53 Bcf on the week, which was a record build for the period. The latest 4-wk stock build was a record high for this time of year. Stock levels are above the mid range.



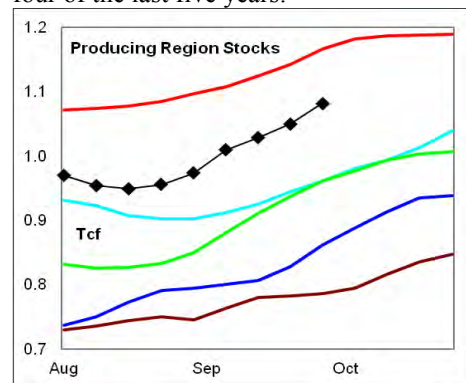
Cooling degrees in the region were -5% below normal for the week ended 02Oct10, and forecast to be -55% below normal for the week ending 09Oct10. Slightly below normal cooling degree days are forecast for the next 10-days.

**West Region** stocks were unchanged on the week, which was the third consecutive weekly record low. The latest 4-wk stock build was also a record low for this time of year.



Cooling degree days were +175% above normal for the week ended 02Oct10, and forecast to be -36% below normal for the week ending 09Oct10. Above normal cooling degree days are forecast for the next 10-days.

**Producing Region** stocks increased +32 Bcf on the week, which matched the record high for the period. The latest 4-wk stock build matched the 5-year high for the period. Stock levels remain well above four of the last five years.



Cooling degree days were -30% below normal for the week ending 02Oct10, and forecast to be -41% below normal for the week ending 09Oct10. Near 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:** Temperatures are forecast to remain very mild for the next 2-wks. Stock levels are very high with the rate of builds matching record highs. These trends should depress all ready low prices.

When there is a colder than normal forecast, prices should bounce higher.



## NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: October 7, 2010

For the week ending: 1-Oct-10

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

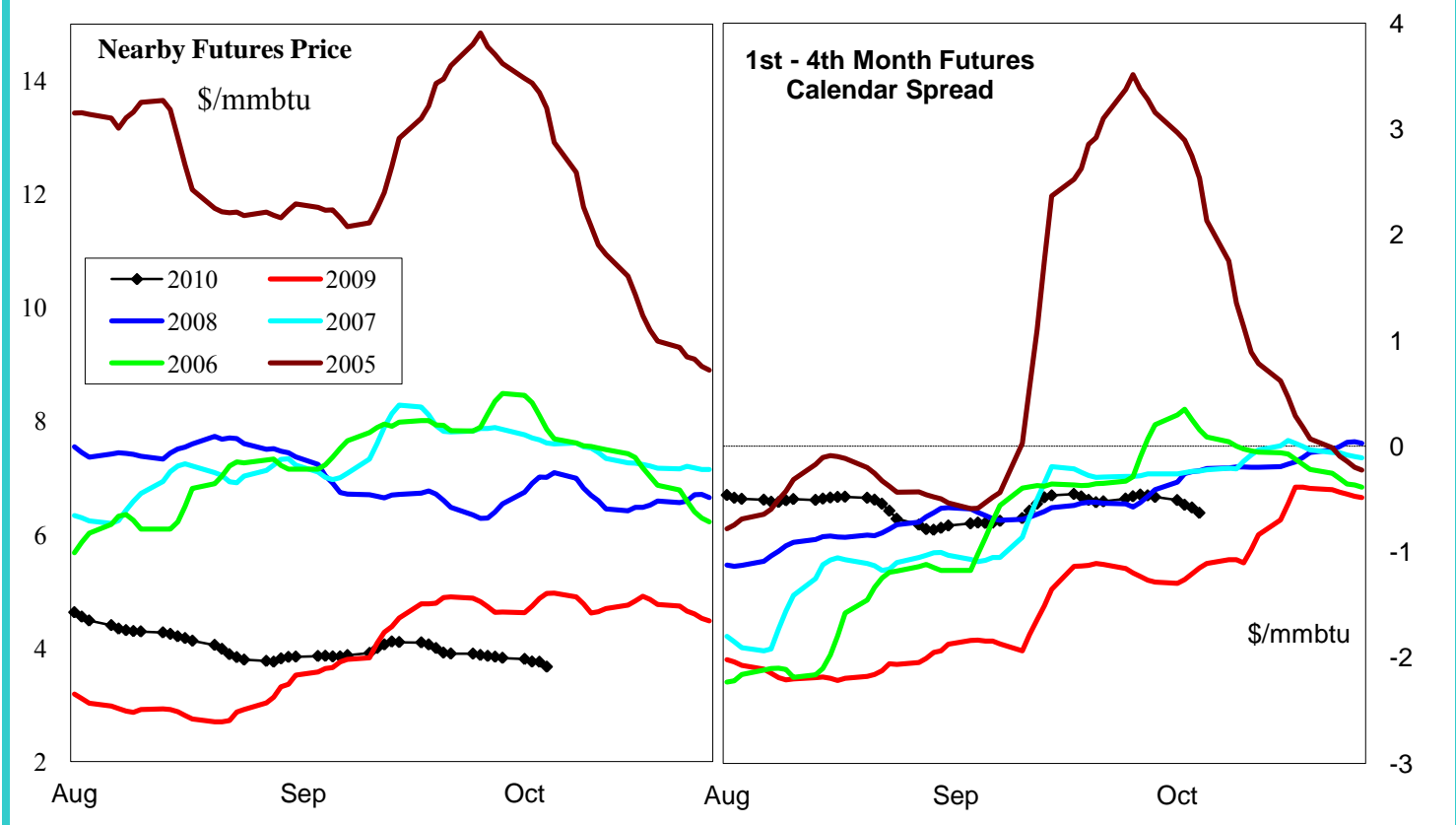
Week ending:	1-Oct-10			25-Sep-10		2-Oct-10		9-Oct-10	
Region	Weekly Stocks			Weekly Cooling Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,499	85	-4.1	9	64%	-20	27%	-21	-46%
East	1,920	53	-3.4	19	106%	-32	-5%	-11	-55%
West	497	0	0.2	-5	-8%	35	175%	-50	-36%
Producing	1,082	32	-7.2	-8	51%	-59	-30%	-12	-41%

### Seasonal Trends in Stocks and Cooling Degree Days

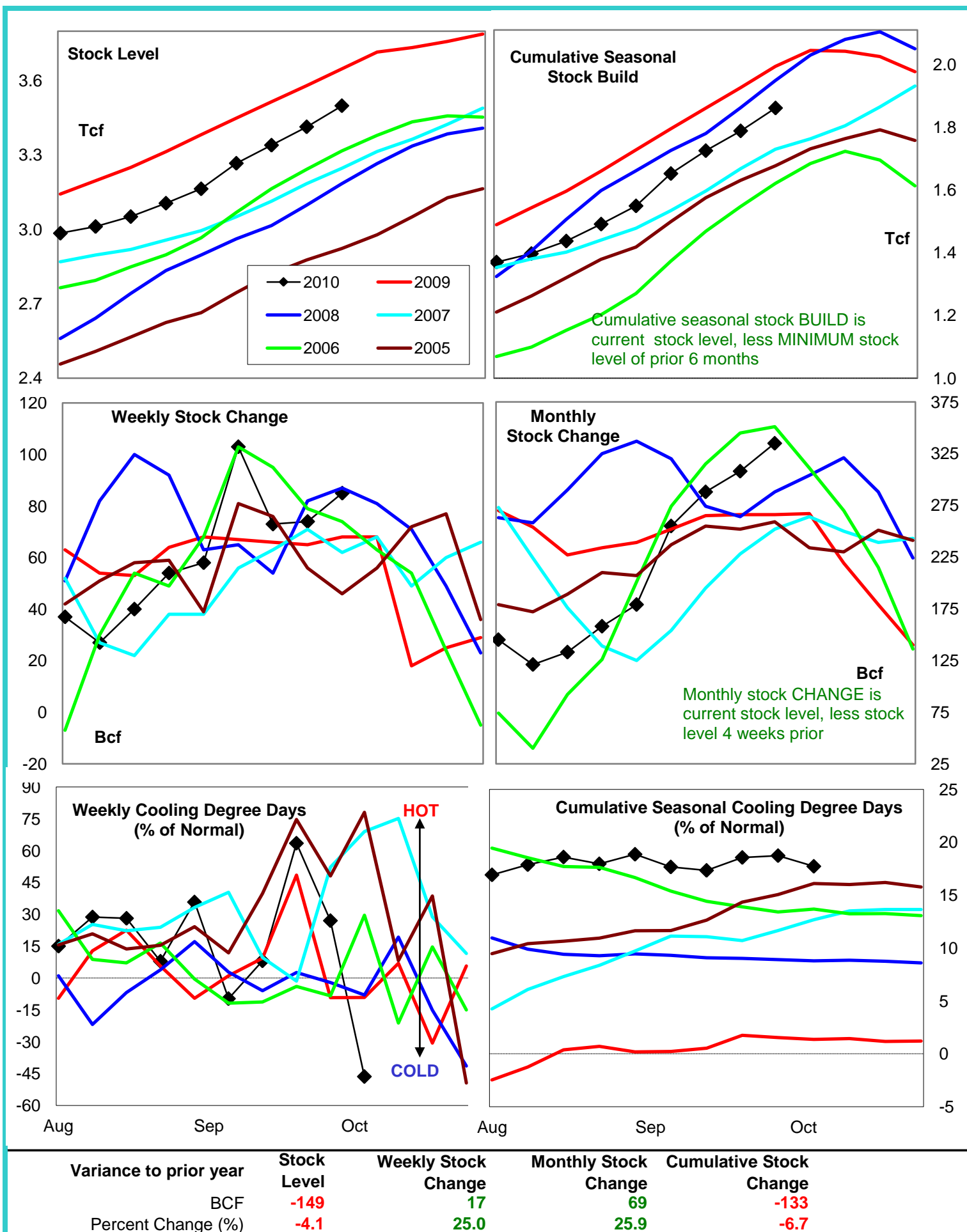
	Cumulative Stock change			Cumulative Cooling Degree Days					
	Bcf	Change vs prior year Bcf	%	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal	CCDD's vs normal	% of normal
<b>U.S. Total</b>	<b>1,861</b>	<b>-133</b>	<b>-7.1</b>	<b>216</b>	<b>19%</b>	<b>223</b>	<b>19%</b>	<b>214</b>	<b>18%</b>
<b>East</b>	<b>1,170</b>	<b>-173</b>	<b>-14.8</b>	<b>298</b>	<b>30%</b>	<b>283</b>	<b>29%</b>	<b>267</b>	<b>28%</b>
<b>West</b>	<b>208</b>	<b>-6</b>	<b>-2.9</b>	<b>-76</b>	<b>-9%</b>	<b>-38</b>	<b>-4%</b>	<b>-44</b>	<b>-5%</b>
<b>Producing</b>	<b>486</b>	<b>48</b>	<b>9.9</b>	<b>298</b>	<b>14%</b>	<b>283</b>	<b>13%</b>	<b>267</b>	<b>12%</b>

### Futures Market Price Trends

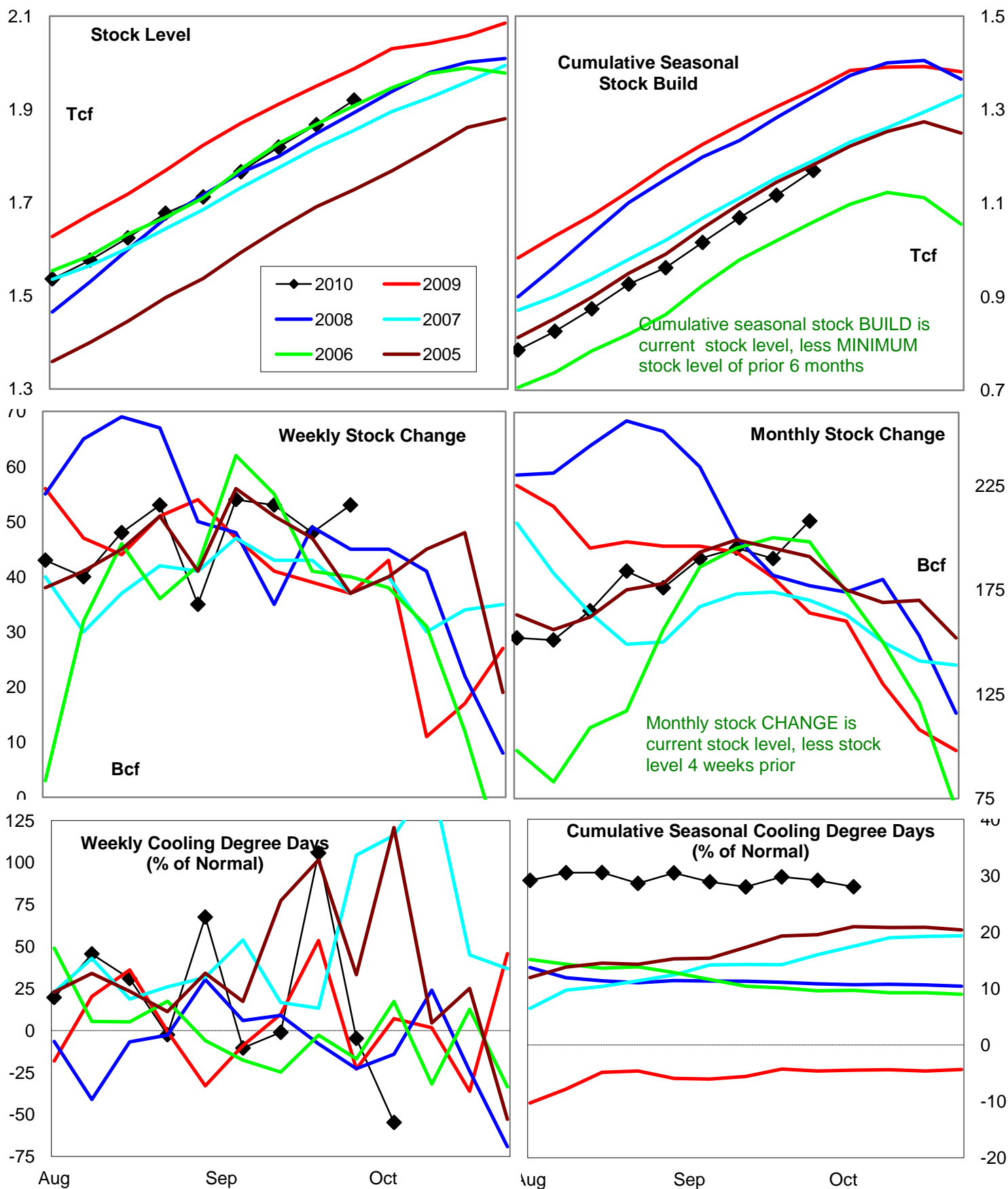
Date:	29-Oct-10	Change vs prior week, month, year		
		25-Oct-10	4-Oct-10	20-Oct-09
<b>1st month Futures</b>	<b>3.67</b>	<b>-0.13</b>	<b>-0.21</b>	<b>-1.43</b>
<b>% change</b>	xxxxx	<b>-3.4</b>	<b>-5.4</b>	<b>-28.0</b>



# United States Natural Gas Stock and Weather Trends



# Natural Gas East Region Stock and Weather Trends

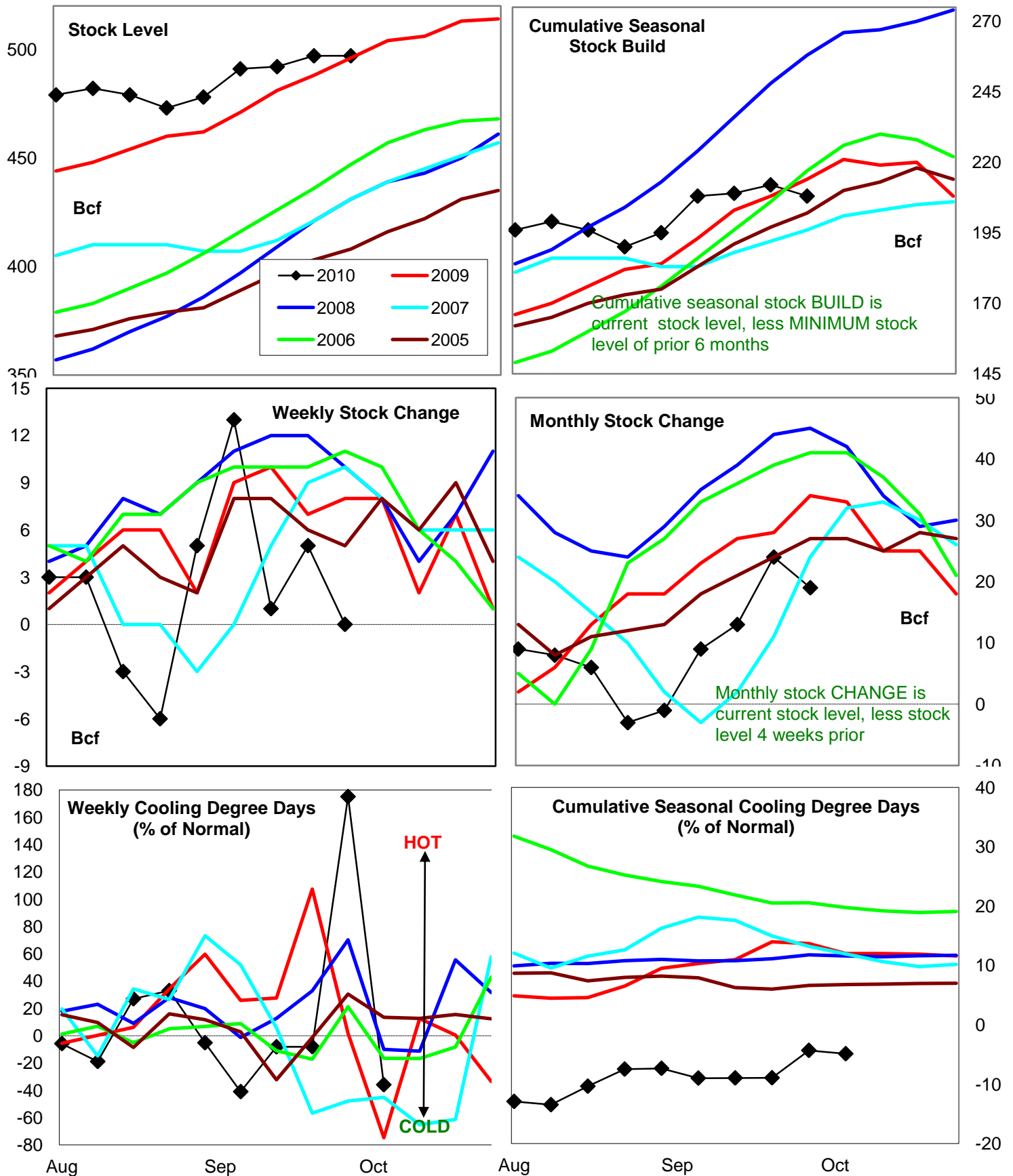


Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)-67  
-3.416  
43.244  
26.8-173  
-12.9



# Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock  
Level

Weekly Stock  
Change

Monthly Stock  
Change

Cumulative Stock  
Change

BCF  
Percent Change (%)

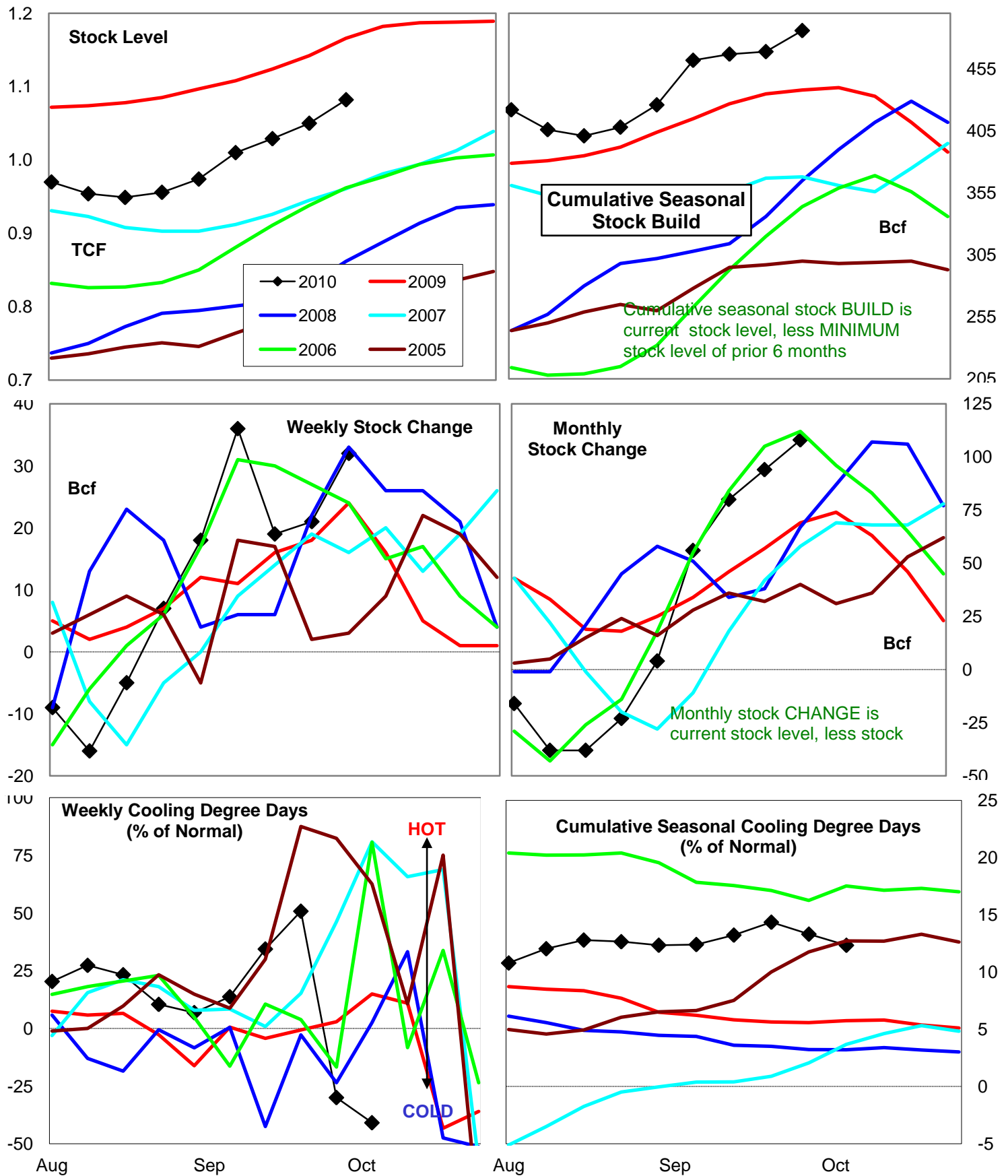
1  
0.2

-8  
-100.0

-15  
-44.1

-6  
-2.8

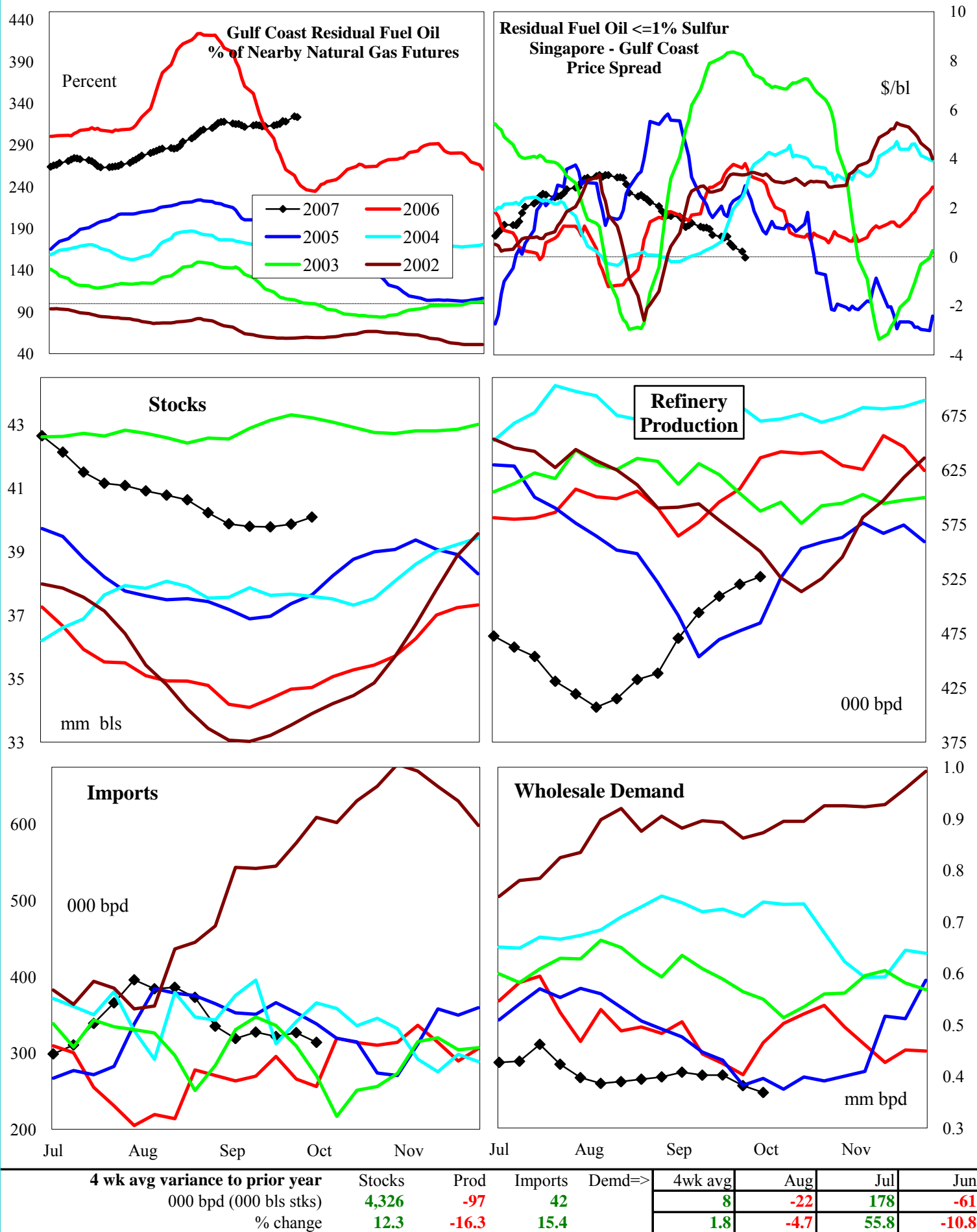
# Natural Gas Producing Region Stock and Weather Trends

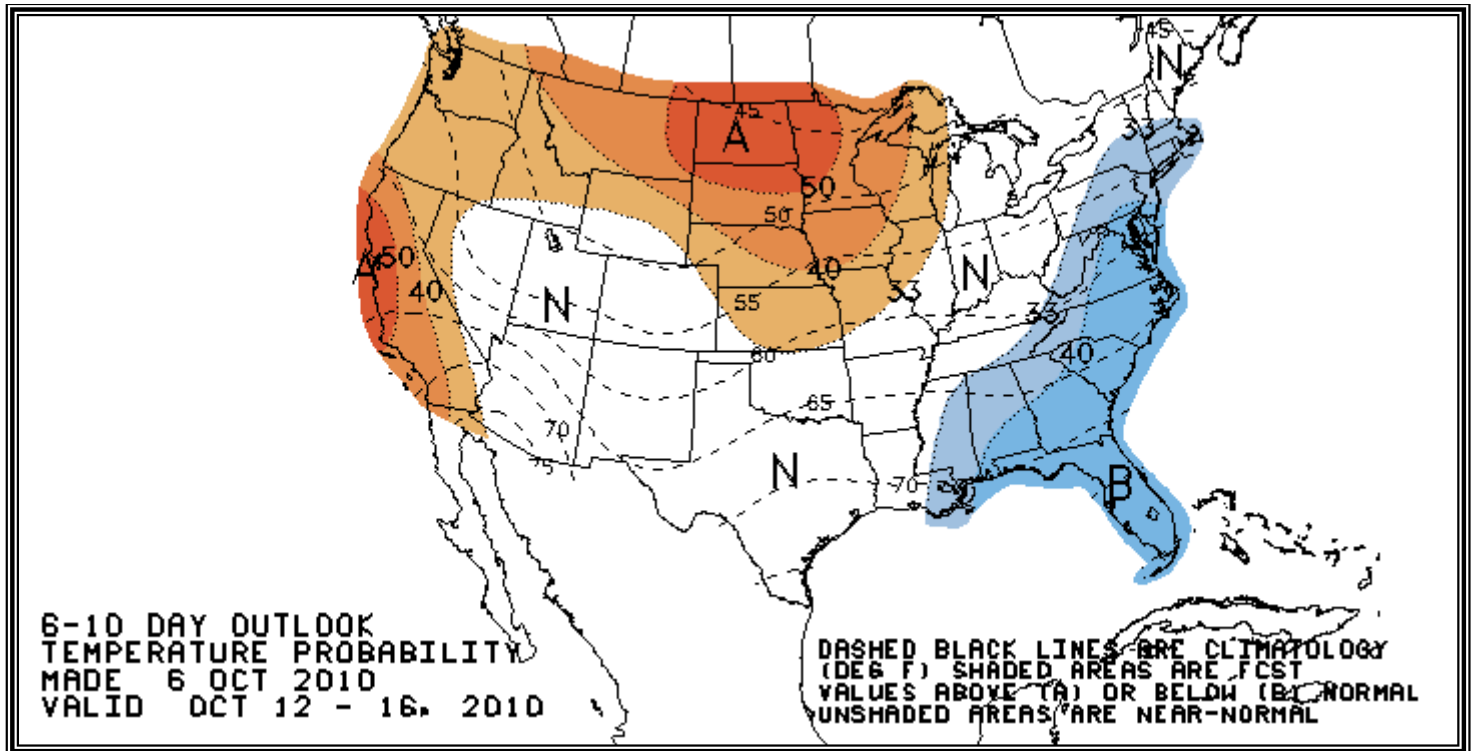
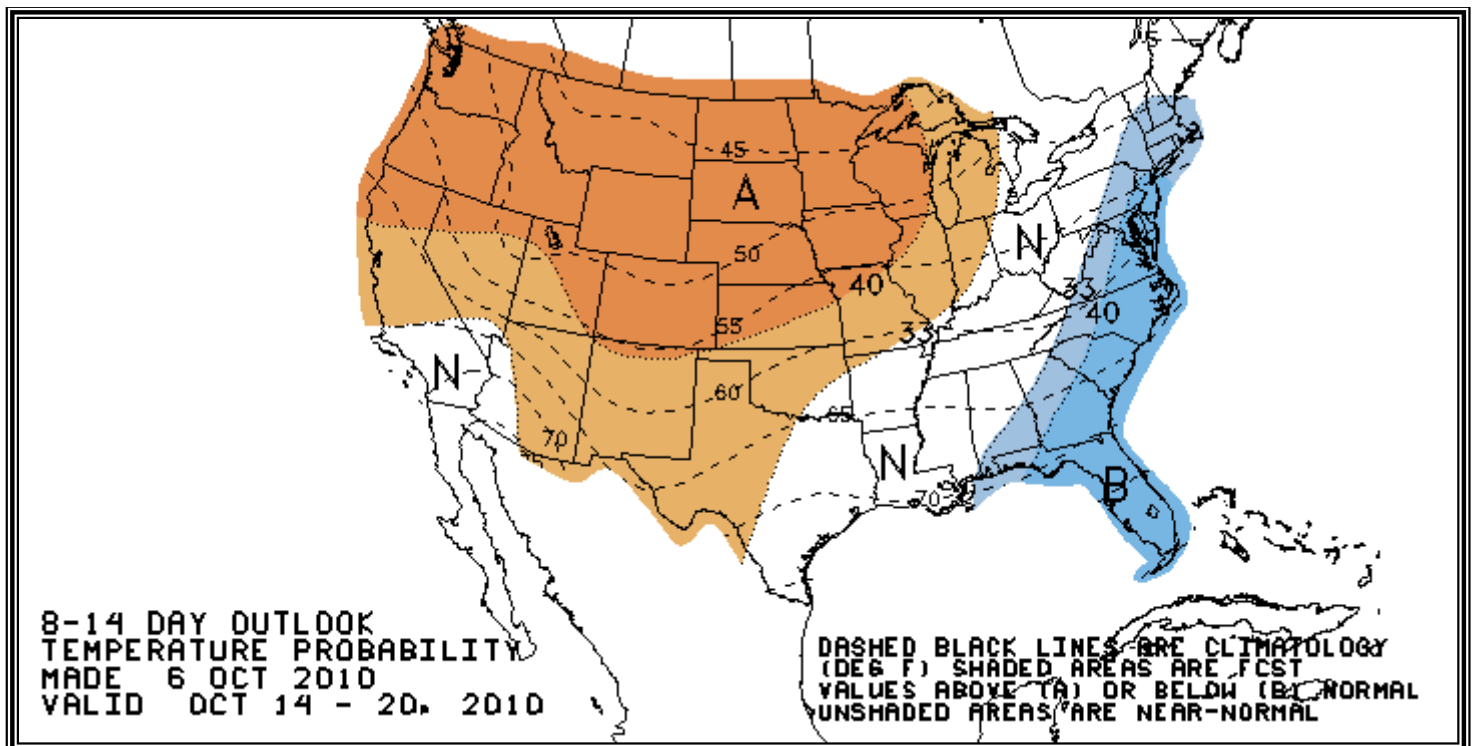


Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)-84  
-7.28  
33.339  
56.548  
11.0

# 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

