

June 27, 2011

**Natural Gas Trends****Highlights****WILDFIRE TESTS ATMOS' EMERGENCY RESPONSE PREPAREDNESS**

**Sweetwater, Texas.** On June 20, 2011 a Texas wildfire burned within **125 feet** of Atmos Energy Corporation's Maryneal



compressor station near Sweetwater, Texas and within **30 feet** of a pipeline on Atmos' premises. The Texas Forest Service arrived just in time to bulldoze a swath along the fence surrounding Atmos' premises, a yard measuring 450 feet by 590

feet. The Texas Forest Service used Atmos' yard as a staging area to fight the fire, using two D9 Dozers, four pickup trucks and a Ranger all-terrain vehicle.

**Emergency shutdown.**

Atmos' personnel tracked the speed and direction of the fire as it approached the compressor station. About 12 hours before the fire arrived at the fence bordering the premises, an **emergency shutdown** of the compressor station was performed.

**Back-up electric power and communications.**

Electrical power lines went down due to the fire, but Atmos had prepared in advance, and operated on **back-up power**. Atmos was also prepared to use its back-up satellite communications capability in the event the telephone network went down. **According to Atmos, there was no impact on natural gas service to any customer due to the fire.**

Source: Charles Yarbrough, Atmos Energy Corporation  
Photo: Courtesy of Atmos Energy Corporation

**"Everything is fine at the Maryneal Compressor."**

**"We are the only place in town with lights."**

Anthony O'Dell,  
Atmos employee  
June 20<sup>th</sup>, 11:25pm

**Data**

- July Natural Gas Futures Contract (as of June 24), NYMEX at Henry Hub closed at \$4.229 per million British thermal units (MMBtu)
- July Light, Sweet Crude Oil Futures Contract (as of June 24), NYMEX at Cushing closed at \$91.16 per U.S. oil barrel (Bbl.) or approximately \$14.52 per MMBtu

**Last week: Texas, U.S. still hotter than normal**

For the week beginning 6/19/11 and ending 6/25/11, cooling degree days were significantly higher than normal for Texas and the U.S. For the cooling season (1/1/11 to 12/31/11), cumulative cooling degree days are 41% above normal for Texas and 27% above normal for the U.S. Source: [www.cpc.ncep.noaa.gov](http://www.cpc.ncep.noaa.gov)

**COOLING DEGREE DAYS (CDD)**

City or Region	Total CDD for week ending 6/25/11	* Week CDD +/- from Normal	Year-to-date total CDD	* YTD % +/- from Normal
Amarillo	122	+ 46	620	+ 85 %
Austin	151	+ 27	1355	+ 41 %
Dallas – FW	145	+ 23	1130	+ 52 %
El Paso	160	+ 34	1089	+ 45 %
Houston	144	+ 25	1457	+ 50 %
San Antonio	144	+ 18	1502	+ 48 %
Texas**	137	+ 23	1213	+ 41 %
U.S.**	64	+ 7	419	+ 27 %

\* A minus (-) value is cooler than normal; a plus (+) value is warmer than normal. NOAA uses 65° Fahrenheit as the 'normal' basis from which CDDs are calculated.

\*\* State and U.S. degree days are population-weighted by NOAA.

**Last week: U.S. Gas Storage Rises to 2,354 Bcf**

For the week ending 6/17/11, U.S. working gas in storage increased from 2,256 to 2,354 Bcf, compared to 2,612 Bcf in storage a year ago and compared to an average of 2,418 Bcf in storage during the 5-year period from 2006 to 2010. Working gas in storage in the producing region (which includes Texas) increased from 944 to 960 Bcf. Source: [www.eia.doe.gov](http://www.eia.doe.gov)

**U.S. WORKING GAS IN STORAGE**

Region	Week ending 6/16/11	Prior Week	One-week Change	Current Δ from 5-YR Average (%)
East	1,072	1,008	+ 64	- 10.5 %
West	322	304	+ 18	- 12.7 %
Producing	960	944	+ 16	+ 12.8 %
Lower 48 Total	2,354	2,256	+ 98	- 2.6 %

Lower 48 states, underground storage, units in billion cubic feet (Bcf)

**Last week: Gas Rig Count up 3 to 873**

The gas rig count for the U.S. was up 3 last week when compared to the prior week, and down 85 when compared to 12 months ago. The U.S. total rig count was up 22 when compared to the prior week, and up 330 when compared to 12 months ago.

Source: Baker Hughes

**BAKER HUGHES ROTARY RIG COUNT**

	As of 6/24/11	+/- Prior Week	Year Ago	+/- Year Ago
U.S. total	1882	+ 22	1552	+ 330
Gas	873	+ 3	958	- 85
Oil	1003	+ 19	583	+ 420
Texas	843	+ 5	671	+ 172
N. Amer.	2132	- 5	1825	+ 307

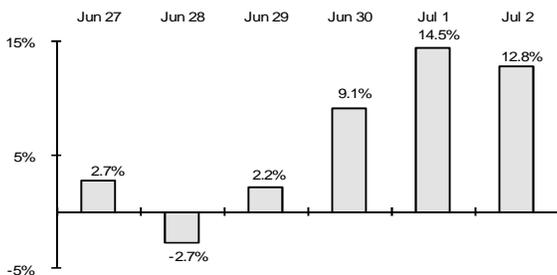
Numbers are excerpted and not meant to be totaled

**This week: U.S. Energy use expected to increase**

U.S. energy use is forecasted to be lower than normal on Tuesday, then higher than normal, according to the Dominion Energy Index, as shown below. Dominion forecasts total U.S. residential energy usage, a component of which is natural gas.

Source: Dominion Energy Index

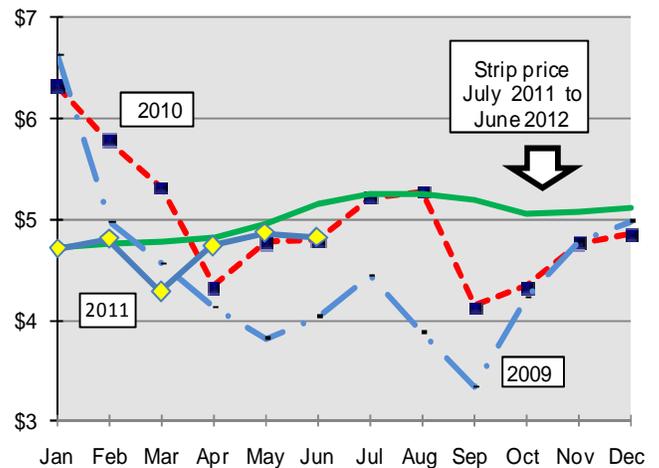
**U.S. ENERGY USE FORECAST**



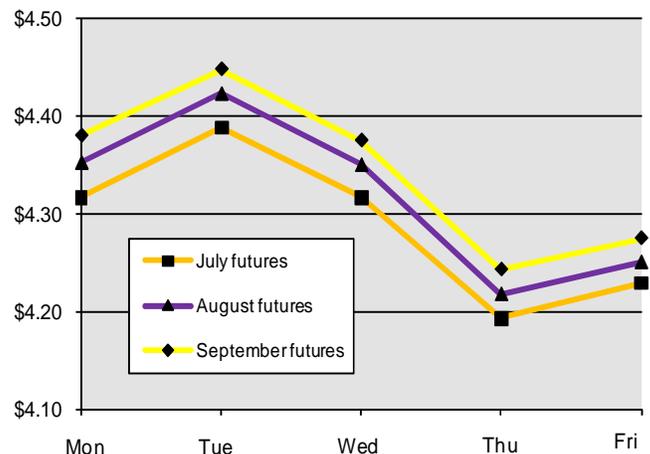
**NATURAL GAS PRICE SUMMARY AS OF 6/24/11**

	This Week	+/- Last Week	+/- Last Year	12-Month Strip Avg.
US July futures				
NYMEX	\$4.229	-\$0.096	-\$0.488	\$4.509

**NYMEX HENRY HUB FUTURES PRICES**



**NYMEX NATURAL GAS PRICE MOVEMENT 6/20/11 - 6/24/11**



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