VICTOR G. CARRILLO, Chairman
ELIZABETH A. JONES, Commissioner
MICHAEL L. WILLIAMS, Commissioner

RAILROAD COMMISSION OF TEXAS
Gas Services Division
Market Oversight Section

March 9, 2009

Natural Gas Trends

Highlights

HAYNESVILLE SHALE ACTIVITY RAMPS UP

ANR Haynesville Lateral open season. TransCanada ANR Pipeline initiated on 3/3/09 a binding open season to accept bids on its proposed 175-mile Haynesville Lateral pipeline which would move up to 1.8 Bcf/d of natural gas between Carthage, Texas and ANR's Delhi compressor station east of Perryville, Louisiana. While the new pipeline is targeted at Haynesville shale gas, it would also provide an alternative route to market for natural gas production from the Barnett, Woodford, and Bossier shale formations. ANR's open season runs through 4/17/09.

Source: Platts Gas Daily, 3/4/09

ETP Tiger Pipeline open season. Dallas-based Energy Transfer Partners, L.P. began on 2/20/09 a binding open season to accept bids on its 180-mile Tiger Pipeline Project which will move up to 2 Bcf/d of natural gas from the "increasingly constrained Carthage Hub area in East Texas." The pipeline will transport gas from the "rapidly expanding" Haynesville shale formation in East Texas and Northern Louisiana. It will also be situated to transport gas away from the Carthage Hub, including gas produced at the Barnett, Bossier and Permian basins. Once regulatory approvals are obtained, the Tiger Pipeline is expected to be in service in the first half of 2011. The Tiger Pipeline open season ends 3/20/09.

Source: www.energytransfer.com

CenterPoint to transport Chesapeake gas. Houston-based CenterPoint Energy Gas Transmission Company (CenterPoint) and Chesapeake Energy Marketing, Inc. (Chesapeake) entered into two agreements on 3/2/09 for the transport of Haynesville shale natural gas production between Perryville, Louisiana and Carthage, Texas. Beginning 4/1/09, CenterPoint will backhaul up to 500,000 Mcf/d of Chesapeake's gas from the Perryville Hub to the Carthage Hub. Once a planned compression expansion is completed, CenterPoint will forward haul up to 230,000 Mcf/d from Carthage to Perryville. Source: www.centerpointenergy.com

Regency's Haynesville Expansion Project. Dallas-based Regency Energy Partners LP, Alinda Capital Partners LLC, and an affiliate of GE Energy Financial Services announced on 2/27/09 the formation of a joint venture to finance and construct Regency's Haynesville Expansion Project, a pipeline that will transport natural gas from the Haynesville Shale. As of that date, Regency had secured commitments from shippers for 84% of the pipeline capacity. The initial 1.1 Bcf/d Haynesville Expansion Project is expected to be in service by the end of 2009.

Source: www.regencygasservices.com

Maps of the Haynesville and Bossier shale formations are on the Commission's website at: http://www.rrc.state.tx.us/bossierplay/index.php

Data

- April Natural Gas Futures Contract (March 6), NYMEX at Henry Hub closed at $3.945
- April Light, Sweet Crude Oil Futures Contract (March 6), NYMEX at Cushing closed at $45.52 per Bbl. or approximately $7.25 per MMBtu

Heating Degree Days

From 3/1/09 thru 3/7/09, Texas experienced warmer than normal weather while the U.S. had cooler than normal weather. For the heating season (7/1/08 to present), cumulative heating degree days are 15% below normal for Texas and normal for the U.S. Source: NOAA (www.cpc.ncep.noaa.gov)

Heating Degree Days (HDD) *Week ending 3/7/09*

City or Region	Week Total HDD	Week HDD +/- from Normal *	Year-to-date Total HDD	YTD, % +/- from Normal *
Amarillo	49	-95	2925	- 17 %
Austin	50	-3	1381	- 7 %
DFW	53	-24	1584	- 25 %
El Paso	23	-56	1743	- 22 %
Houston	47	-3	1022	- 25 %
San Antonio	30	-19	950	- 34 %
Texas**	54	-12	1492	- 15 %
U.S.**	169	+13	3546	0 %

* A plus (+) value = cooler than normal; a minus (-) value = warmer than normal.
** State and U.S. degree-days are population-weighted by NOAA.

U.S. Gas Storage Level Buoyant at 1,793 Bcf

For the week ending 2/27, U.S. working gas in storage declined from 1,895 to only 1,793 Bcf, as compared to 1,523 Bcf in storage a year ago and 1,575 Bcf for the 5-year average from 2004 to 2008. Working gas in storage in the producing region (which includes Texas) dropped from 723 to 708 Bcf, as compared to 545 Bcf in storage a year ago and 536 Bcf for the 5-year average from 2004 to 2008.

Source: www.eia.doe.gov

U. S. Working Gas in Storage (Bcf) *Week ending 2/27/09*

Region	This Week	Last Week	Change	Current Δ from 5-Year Average (%)
East	793	876	- 83	- 3.9 %
West	292	296	- 4	+ 35.8 %
Producing	708	723	- 15	+ 32.1 %
Lower 48 Total	1793	1895	- 102	+ 13.8 %

Bill Geise, Director, Gas Services Division
Mark Evarts, Director, Market Oversight Section

U.S. Gas Rigs Continue Trending Lower to 916

The U.S. **gas** rig count was down 54 for the week and down 540 when compared to 12 months ago. The U.S. **total** rig count was down 73 for the week and down 632 compared to 12 months ago. Only Colorado, Indiana, Kansas, New Mexico and Pennsylvania added rigs during the week ending 3/6/09. Source: Baker Hughes, Inc.

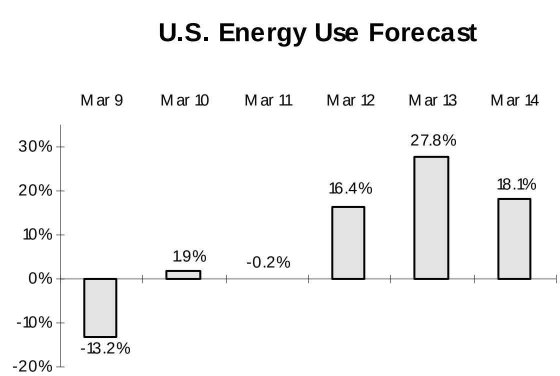
Baker Hughes Rotary Rig Count (3/6/09)

	This Week	+/- Last Week	Year Ago	+/- Year Ago
U.S.	1170	-73	1802	-632
Gas	916	-54	1456	-540
Oil	241	-19	337	-96
Texas	480	-58	884	-404
N. Amer.	1469	-168	2425	-956

Fluctuating Energy Use Forecasted For U.S.

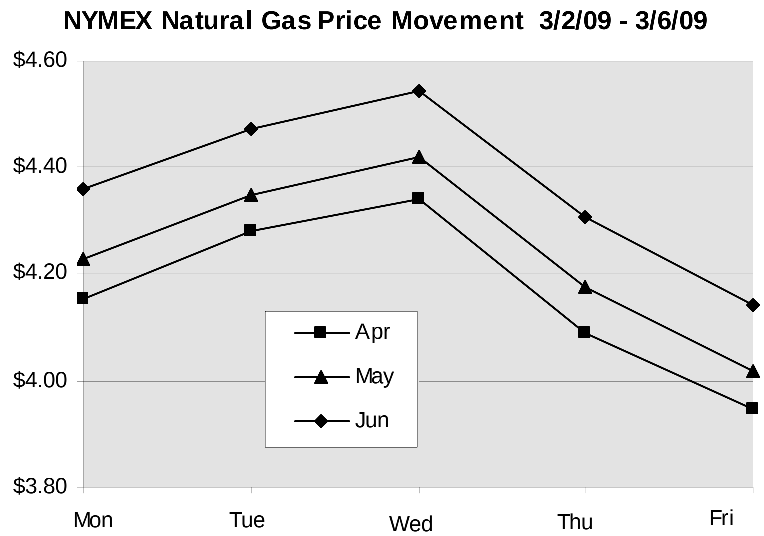
Lower than normal energy use is forecasted for the U.S. on 3/9, followed by nearly normal energy use on 3/10 and 3/11, and above normal energy use on 3/12 thru 3/14, according to the Dominion Energy Index, as shown below. The index forecasts total U.S. residential energy usage, a component of which is natural gas.

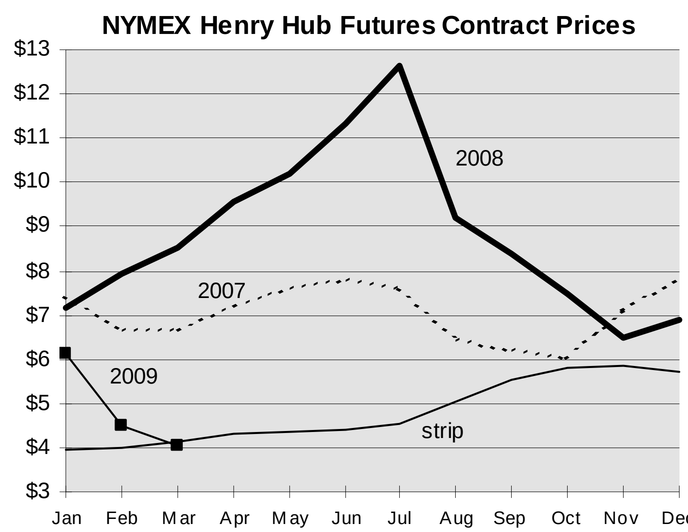
Source: Dominion Energy Index



AGA Chairman Presents at NARUC Winter Meetings

At the recent NARUC winter meetings in Washington, DC, Thomas Skains, Chairman of the American Gas Association, presented ***Natural Gas: America's Responsible Energy Choice***. This informative presentation is at: www.naruc.org.





Gas Price Summary 3/6/09

	This Week	+/- Last Week	+/- Last Year	12-Month Strip Avg.
U.S. (April Futures)				
NYMEX	$3.945	-$0.253	-$5.625	$4.805