

Henry Hub Natural Gas Spot Prices 2008

Shut-in natural gas production in the Gulf was at 95.4 percent of production capacity on Wednesday, September 3, and later in the day was reduced to 91.6 percent. Although Hurricane Gustav caused less damage than expected when he made landfall, rigs and platforms in the Gulf of Mexico were evacuated.

Sabine Pipeline LLC, operator of the Henry Hub, declared a force majeure before Hurricane Gustav's landfall, taking effect on Sunday, August 31. Service and trading were restored at the Henry Hub on Wednesday, September 3, after it was determined that no damage was sustained. The last time that the operators at the Henry Hub declared a force majeure was in September 2005 when Hurricane Katrina struck Louisiana. The Henry Hub is a key trading location and the delivery point for NYMEX natural gas futures contracts.

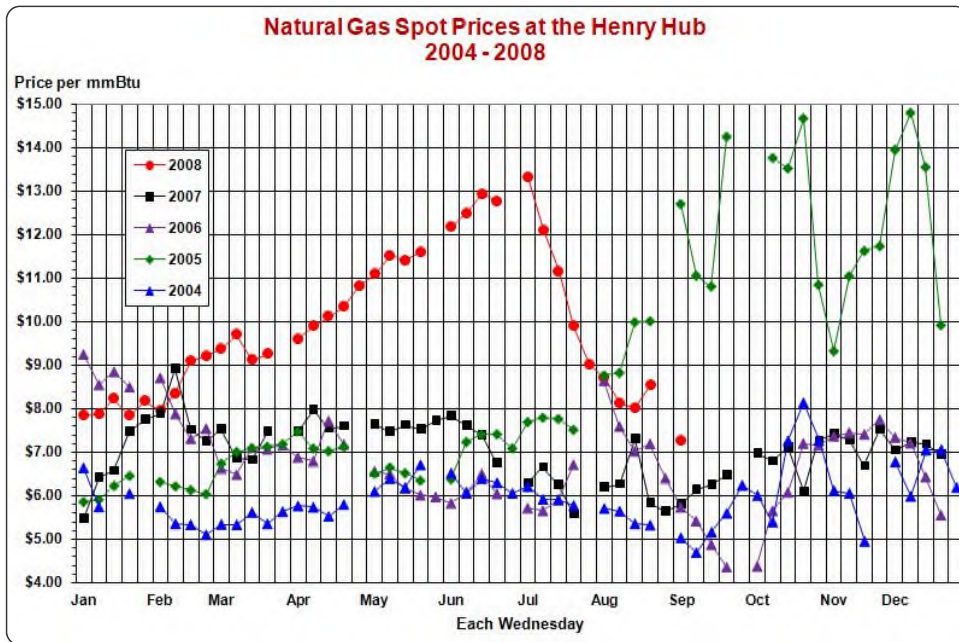
Natural gas spot prices remain below 2005 record-high levels. On September 3, the Henry Hub natural gas spot price was \$7.26 per million British thermal units (mmBtu), which was \$1.29, or 15.1 percent, lower than the price of \$8.55 last Wednesday. This Wednesday's price of \$7.26 was 25 percent higher than the price of \$5.81 per mmBtu on the first Wednesday in September 2007.

The amount of natural gas in storage in the East Region increased 4.2 percent to 1,676 billion cubic feet for the week ending August 29, which was 100 billion cubic feet above the five-year average. Nebraska is a part of the East Region (see map) which is a major natural gas consumer, particularly in the residential and commercial sectors. The industrial sector, which includes agriculture, is also a major consumer in this state. Most of the gas is supplied from the Producing Region with a fair amount imported from Canada. The Henry Hub in southern Louisiana is a major market center with interconnections for many of the pipelines that transport U.S.-produced gas to the East Region. Furthermore, the Henry Hub is the preferred reference point for prices for most of the domestic gas destined for the East. Therefore, market conditions and developments in the East Region and price movements and trends at the Henry Hub are usually highly correlated.

Notes: An archive is available. A forecast of Henry Hub prices to the year 2030 is available in Table 104 on line 635. To obtain the price per hundred cubic feet (ccf) or the approximate price per therm, divide the price by ten (10).



..... A general rule of thumb: Add three dollars to the Henry Hub spot price to estimate the residential natural gas price. Likewise, add 30 cents if you have already converted the price from British thermal units to ccf or therms.



Natural Gas Spot Prices at the Henry Hub 2008
[Price per Million British Thermal Units (mmBtu)]

Day	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	Holiday	\$7.89		\$9.92	\$10.66		\$13.28	\$9.05	Holiday	NA		NA
2	\$7.83			\$9.59	\$10.37	\$11.80	\$13.31		NA	NA		NA
3	\$7.84		\$9.07	\$9.68		\$12.27	\$13.00		\$7.26	NA	NA	NA
4	\$7.51	\$7.56	\$9.23	\$9.36		\$12.17	Holiday	\$9.20	NA		NA	NA
5		\$7.80	\$9.37		\$10.77	\$12.49		\$8.66	NA		NA	NA
6		\$7.94	\$9.70		\$11.09	\$12.71		\$8.70		NA	NA	
7	\$7.61	\$7.99	\$9.82	\$9.48	\$11.08		\$12.96	\$8.78		NA	NA	
8	\$7.59	\$8.06		\$9.78	\$11.33		\$12.47	\$8.22	NA	NA		NA

Note: NA = Not available.

Day	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
9	\$7.88			\$9.89	\$11.29	\$12.71	\$12.09		NA	NA		NA
10	\$7.96		\$9.59	\$10.18		\$12.72	\$11.83		NA	NA	NA	NA
11	\$8.13	\$8.38	\$9.85	\$10.06		\$12.49	\$12.15	\$8.18	NA		NA	NA
12		\$8.37	\$9.69		\$11.38	\$12.51		\$8.23	NA		NA	NA
13		\$8.35	\$9.74		\$11.18	\$12.51		\$8.11		NA	NA	
14	\$8.45	\$8.50	\$9.84	\$10.03	\$11.51		\$11.58	\$8.15		NA	NA	
15	\$8.43	\$8.73		\$10.16	\$11.40		\$11.79	\$7.82	NA	NA		NA
16	\$8.23			\$10.11	\$11.31	\$12.73	\$11.15		NA	NA		NA
17	\$8.11		\$9.59	\$10.27		\$12.87	\$11.43		NA	NA	NA	NA
18	\$8.42	Holiday	\$9.10	\$10.08		\$12.93	\$10.54	\$7.74	NA		NA	NA
19		\$8.91	\$9.11		\$11.10	\$13.09		\$7.73	NA		NA	NA
20		\$9.08	\$8.55		\$10.95	\$12.76		\$8.02		NA	NA	
21	Holiday	\$8.90	Closed	\$10.50	\$11.40		\$10.58	\$8.04		NA	NA	
22	\$7.97	\$8.65		\$10.56	\$11.58		\$10.16	\$7.98	NA	NA		NA
23	\$7.84			\$10.33	\$11.57	\$12.92	\$9.89		NA	NA		NA
24	\$7.85		\$8.99	\$10.58		\$12.96	\$9.70		NA	NA	NA	NA
25	\$7.80	\$9.15	\$9.28	\$10.72		\$12.76	\$9.34	\$7.62	NA		NA	NA
26		\$9.21	\$9.25		Holiday	\$12.70		\$8.02	NA		NA	NA
27		\$9.21	\$9.30		\$11.85	\$13.10		\$8.55		NA	NA	
28	\$7.87	\$9.11	\$9.37	\$10.95	\$11.60		\$9.26	\$8.36		NA	NA	
29	\$8.10	\$9.10		\$10.94	\$11.81		\$9.17	\$8.23	NA	NA		NA
30	\$8.17			\$10.81	\$11.43	\$13.19	\$9.01		NA	NA		NA
31	\$8.10		\$9.86				\$9.26			NA		NA

Note: NA = Not available.

Sources: *Natural Gas Weekly Update*. Energy Information Administration, Washington, DC. Nebraska Energy Office, Lincoln, NE.

*This report was updated on September 5.
Typically, there is one week between updates.*