CANADIAN GAS ASSOCIATION
ASSOCIATION CANADIENNE DU GAZ

CGA by the Numbers:

How is the natural gas heating season looking?

In this issue we look at how this winter's heating season is progressing in Canada and how natural gas markets are responding.

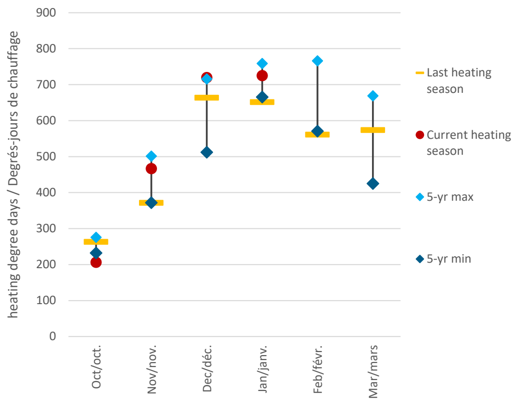
What we see, after a fairly tame start, is that a colder pattern settled in over December and set a new maximum for the month. This pattern continued into January.

The cold temperatures led some natural gas utilities to post record setting levels for daily natural gas use. But their systems have been able to handle the demand. The cold also means that natural gas storage levels – close to their historic maximums at the start of the heating season – are now being drawn down. So far storage is tracking close to last year's levels and well above 5-year minimum levels.

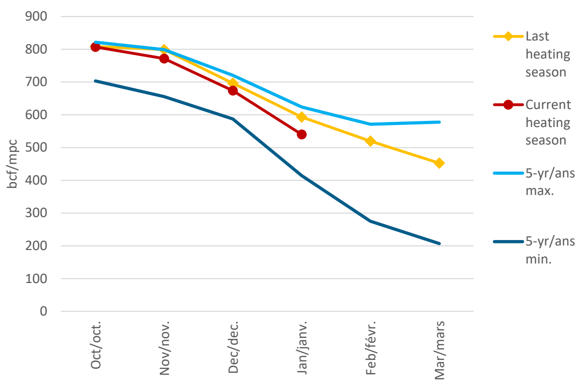
To date natural gas utility commodity costs (i.e. the cost for the natural gas molecules exclusive of other charges) remain very low, with most close to their five year minimum levels. This is not a surprising result given the abundance of natural gas resources in Canada and across North America.

Certain regional differences do emerge from the commodity data. Generally, these are due to infrastructure issues, such as constrained pipeline connectivity between a particular consuming region and a natural gas supply basin, and/or less local storage capacity.

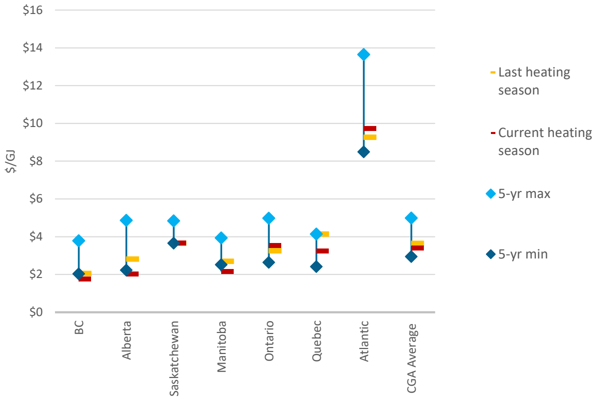
This is most evident when looking at the Atlantic region where supply basin connectivity and storage are most limited. Projects to improve pipeline connectivity and/or storage capacity in the region would be expected, over time, to address this difference.



Source: CGA, Environment Canada



Source: GMP First Energy, CGA



Source: CGA, Statistics Canada 326-0009