

WSI: US Summer Warmth to Persist Longer than Usual into Fall Season

*WSI and ESAI Expect Cooling Demand during August-October Period to
Increase 15% Year-Over-Year*

Andover, MA, July 20, 2010 - WSI (Weather Services International) expects the upcoming period (August-October) to average warmer than normal across most of the US, with the exception of parts of the Southeast and California coastal cities. The WSI seasonal outlooks reference a standard 30-year normal (1971-2000).

"The combination of a newly-emerging La Nina event, a relatively cold north Pacific, and a record warm north Atlantic are quite bullish for a very warm late summer and early fall period," said WSI Chief Meteorologist Dr. Todd Crawford. On the other hand, very high soil moisture levels across the Plains, along with a lack of any significant drought conditions in the US, will temper the overall magnitude of the heat a little. For the August-October period as a whole, we are forecasting 571 population-weighted cooling degree days, 15% more than both last year and the 1971-2000 mean."

In August, WSI predicts regional temperature anomalies as follows:

- Northeast - Warmer than normal
- Southeast - Cooler than normal
- N Central - Warmer than normal
- S Central - Cooler than normal
- Northwest - Warmer than normal
- Southwest - Warmer than normal

According to Chris Kostas, a Senior Analyst at ESAI, "In August, WSI is forecasting warmer-than-normal temperatures in the Northeast, Midwest, and Northwest; much warmer-than-normal temperatures are expected in the Central Rockies. Slightly cooler-than-normal temperatures are expected in Texas, the South, and along the California Coast. Gas demand from the power sector will run slightly above normal on-balance with continued firm implied market heat rates in PJM and the Northeast." According to Kostas, "Gas prices are unlikely to move significantly higher on the August heat, however, as cooler temperatures in California and the South will combine with strong production figures to keep the market well supplied."

In September, WSI sees the monthly breakdown as:

- Northeast - Warmer than normal
- Southeast - Cooler than normal
- N Central - Warmer than normal
- S Central - Warmer than normal
- Northwest - Warmer than normal
- Southwest - Warmer than normal

"In September, WSI is forecasting warmer-than-normal temperatures across most of the country with the exception of the Southeast and California Coast. Although seasonal temperatures in the North begin to decline below levels that draw significant cooling demand in September, generator maintenance in PJM will begin the second week of the month. This should keep Northeast heat rates firm and gas demand above normal through

the end of summer. The above-normal weather-related demand that WSI expects in September will be needed to keep gas prices from collapsing under the weight of increasing shale gas production and rising inventory levels. Prices should be supported, but we do not expect much upside without a hurricane disruption." Kostas added that, "It's important to note WSI's latest hurricane forecast suggests above normal hurricane activity this season; and there is upside price risk associated with hurricane tracks through the Gulf of Mexico."

In October, WSI forecasts:

Northeast	- Much warmer than normal
Southeast	- Warmer than normal
N Central	- Warmer than normal
S Central	- Warmer than normal
Northwest	- Cooler than normal
Southwest	- Warmer than normal

"In October, WSI is forecasting warmer-than-normal temperatures throughout nearly the entire country (with the only exception along the Pacific Coast). The largest anomalies above seasonal normal temperatures are expected in the Northeast and Midwest." According to Kostas, "Although Northeast power demand and heat rates should be firm on higher-than-normal cooling demand, the increase in gas demand for power will be more than offset by the reduction in heating demand in the Consuming East. An extension of the summer cooling season in the South, however, will increase gas demand in the Producing Region. On balance, gas demand is likely to begin October above normal but end the month below normal. This should pressure spot prices lower as the injection season wraps up."

WSI, which provides customized weather information to energy traders, will issue its next seasonal outlook (for the September-November period) on August 24.

About WSI

WSI (Weather Services International) is the world's leading provider of weather-driven business solutions for professionals in the energy, aviation, and media markets, and multiple federal and state government agencies. WSI is a member of The Weather Channel Companies and is headquartered in Andover, Massachusetts with offices in Birmingham, England. The Weather Channel Companies are owned by a consortium made up of NBC Universal and the private equity firms The Blackstone Group and Bain Capital. More information about WSI can be found at www.wsi.com.

About ESAI

Since its inception in 1984, Energy Security Analysis Inc. (ESAI) has been dedicated to monitoring, analyzing, and synthesizing information about world-wide energy markets. Tapping the talents of its senior-level staff, ESAI provides clients with unparalleled insight into where the markets have been and where they are headed. ESAI provides ongoing systematic analysis of energy prices in the oil, natural gas, and energy markets. For more information on ESAI services, see www.esai.com.