



## Rigzone: NG may hit \$15 by year end, analyst says some areas "will likely see gas lines"

Posted by [Prof. Goose](#) on August 31, 2005 - 11:25pm

Topic: [Supply/Production](#)

[This article from Rigzone](#) does not paint a pretty picture.

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Natural gas prices, which reached a high of \$12.25 in futures trading Wednesday, could hit \$15/MMBtu by the end of December, predicted analyst Philip Verleger, a visiting fellow at the Institute of International Economics and former director of the Office of Domestic Energy Policy at the U.S. Treasury Dept.

"My guess is the coming squeeze will equal or exceed the one in 2002," he said in a written report on Hurricane Katrina's impact on Wednesday. "In that year spot natural gas prices increase by 60% between August and the end of December. This year we can expect a similar if not larger increase." {...}

The worst impact may be on gasoline prices, however, due to the refinery outages from Katrina and apparent consumer insensitivity to cost, he said. "Do I believe retail gasoline prices will reach \$10? In a word 'no.' However, I also do not believe the market will clear. Some parts of the country will likely see gasoline lines."

Verleger, a former Yale professor and vice president at Drexel Burnham Lambert, predicted "very severe economic impacts" from Katrina because it will "force consumers to increase expenditures on energy drastically."

Anyone seen anything on heating oil predictions/discussion?

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