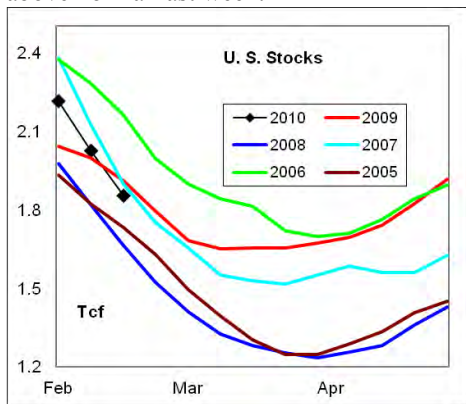


Summary¹ Stocks decreased -172 Bcf last week, the third consecutive near record draw. Heating degree days were +9% above normal last week.



In the East Region stocks declined -95 Bcf, which was greater than the historic mid range for the period. The -11 Bcf draw in the West Region was a record low draw for the week. The stock draw of -66 Bcf in the Producing Region was the third consecutive weekly record draw.

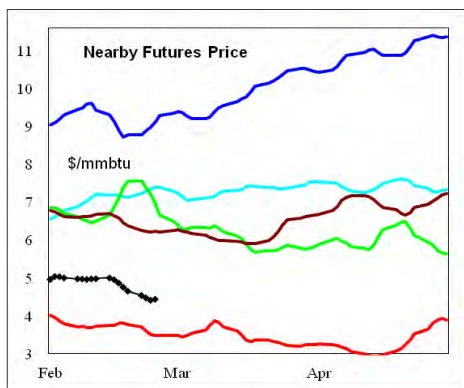
Heating degree days were +7% above normal in the East Region, -4% below normal in the West Region and +35% above normal in the Producing Region for the week ending February 20th.

Heating degree days were +9% above normal for the week ending February 20th and forecast to be +10% above normal for the week ending February 27th.

The 6-10 day NWS forecast for the week ending March 6th is colder than normal temperatures in the southeast 1/3rd of the country and near normal elsewhere.

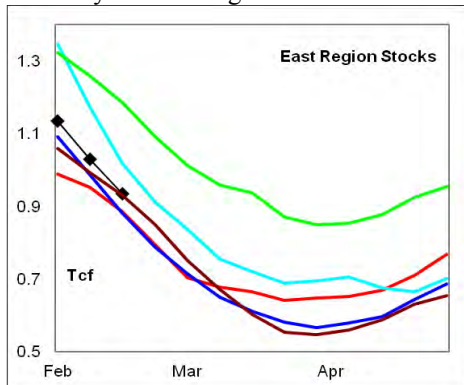
The 8-14 day NWS forecast for the week ending March 10th, is for colder than normal in the southern 1/2 of the country and near normal in the northern 1/2 of the country.

Prices: Nearby gas futures prices decreased -\$0.33/mmbtu for the week ending February 25th.

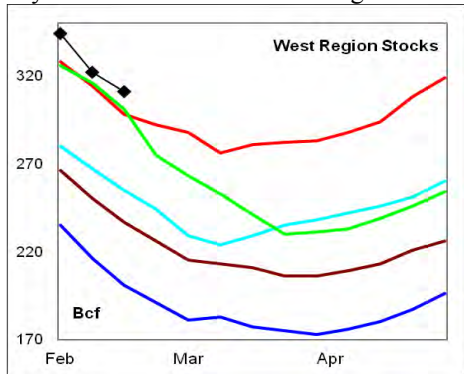


The 1st - 4th month forward price curve extended a recent downtrend in favor of the deferred months as a result of ample supply for peak heating demand. The spread ended the week at the upper end of the historic range.

East Region stocks decreased -95 Bcf on the week, which was greater than the historic mid range for the period. The latest 4-wk stock draw was at the mid range for the period. Stock levels are now at the 5-year mid range.



Heating degrees in the region were +7% above normal for the week ending February 20th and are forecast to be +7% above normal for the week ending February 27th. Colder than normal temperatures are forecast for the next 10-days across much of the East Region.

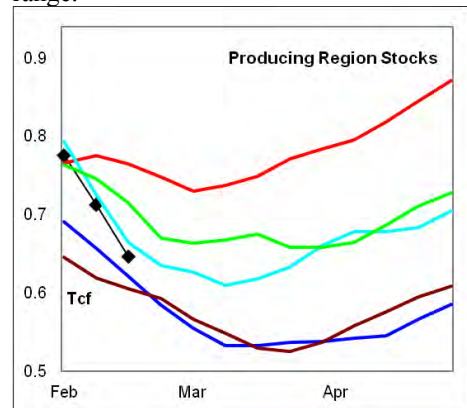


West Region stocks decreased -11 Bcf on

the week, which was a record low draw for the week. The latest 4-wk stock draw was greater than the mid range for the period. Stock levels remain above the 5-year range.

Heating degree days were -4% below normal for the week ending February 20th, and are forecast to be +9% above normal for the week ending February 27th. Near normal temperatures are forecast for the next 10 days.

Producing Region stocks decreased -66 Bcf on the week, the 3rd consecutive record weekly draw. The latest 4-wk draw was larger than four of the last five years. Stock levels are now below the 5-year mid range.



Heating degree days were +35% above normal for the week ending February 20th, and forecast to be +36% above normal for the week ending February 27th. Much colder than normal temperatures are forecast for the next 10 days.

Residual Fuel Oil Switching: The price spread between residual fuel oil and natural gas trended sharply higher last week, in favor of natural gas, and remains well above the historic range. Residual fuel oil demand (including exports) was -3.5% below year ago levels for the latest 4-wk period.

Outlook: Temperatures are forecast to moderate during the next 10-days across the northern 1/2 of the country. By mid March the wind down of winter heating demand will be near complete. The market remains well supplied, with non heating demand weak. These fundamental trends should keep prices under pressure during the next quarter.

¹ **Related Web Sites:**

[Data Source is EIA Weekly Statistics](http://www.eia.doe.gov)

[National Weather Service 6-10 Day](http://www.noaa.gov)

[National Weather Service 10-14 Day](http://www.noaa.gov)



NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: February 25, 2010

For the week ending: 19-Feb-10

Weekly Trends in Stocks and Heating Degree Days for the week ending:

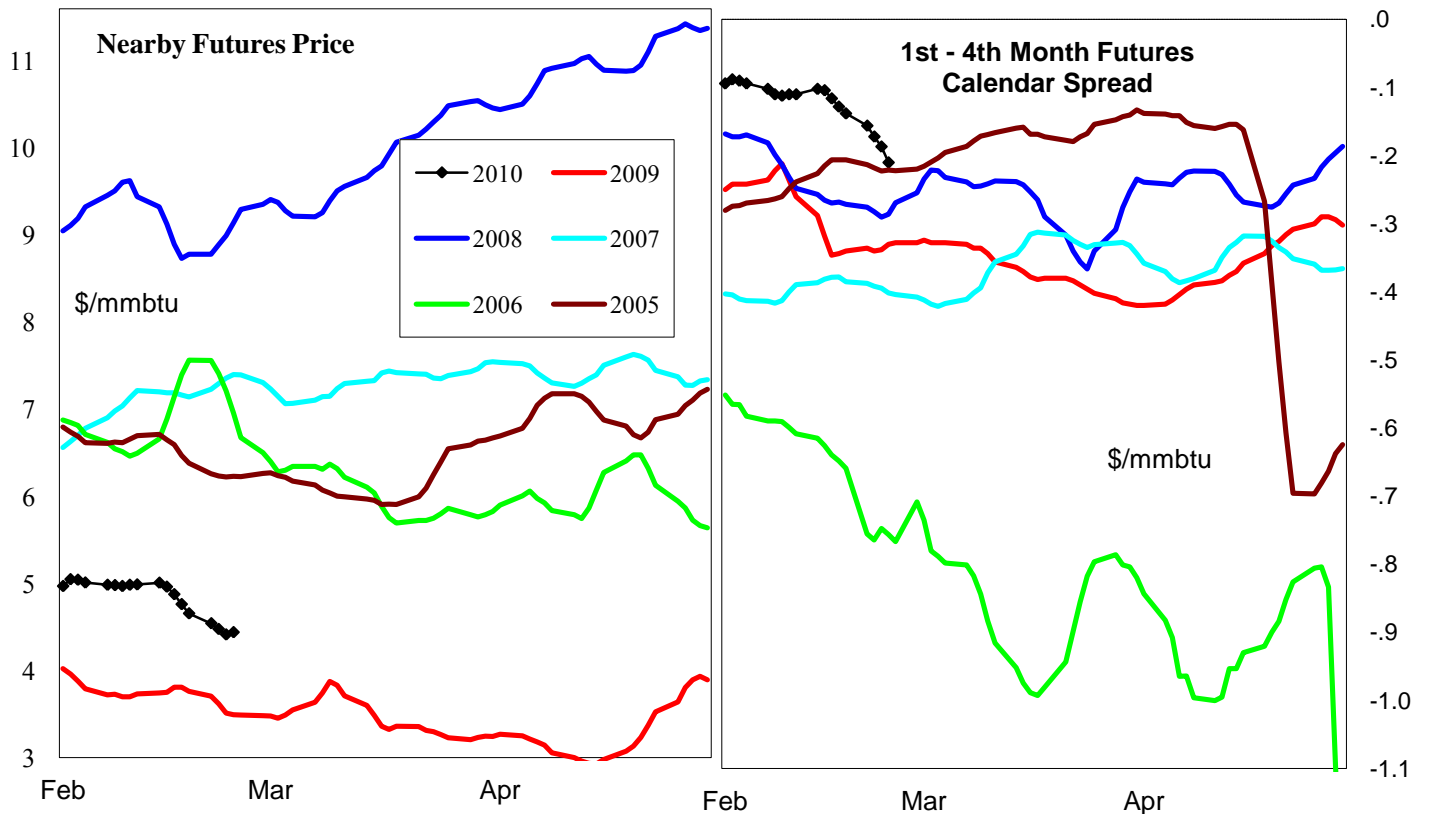
| Week ending: | 19-Feb-10 | | | 13-Feb-10 | | 20-Feb-10 | | 27-Feb-10 | |
|--------------|---------------|------------------|----------|----------------------------|-------------|----------------------|-------------|----------------------|-------------|
| Region | Weekly Stocks | | | Weekly Heating Degree Days | | | | | |
| | Bcf | Change vs prior: | | Change vs prior week | % of normal | Change vs prior week | % of normal | Change vs prior week | % of normal |
| | | Week Bcf | Year (%) | | | | | | |
| U.S. Total | 1,853 | -172 | -2.9 | 15 | 17% | -31 | 9% | -13 | 10% |
| East | 935 | -95 | 5.5 | 16 | 14% | -33 | 7% | -17 | 7% |
| West | 311 | -11 | 4.4 | 8 | 6% | -27 | -4% | 13 | 9% |
| Producing | 607 | -66 | -16.3 | 18 | 40% | -24 | 35% | -16 | 36% |

Seasonal Trends in Stocks and Heating Degree Days

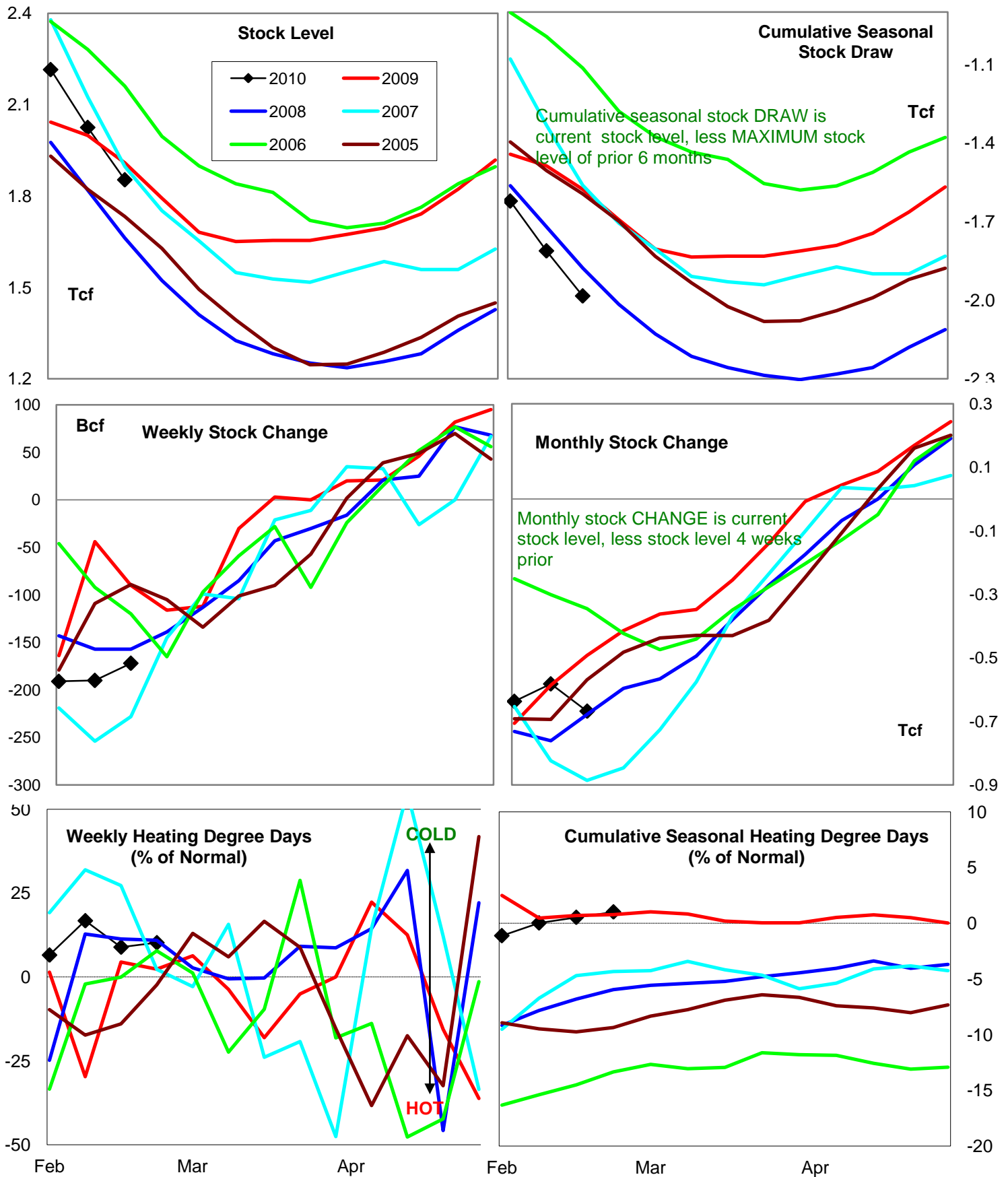
| | Cumulative Stock Draw | | | Cumulative Heating Degree Days | | | | | |
|-------------------|-----------------------|-----------------------------|-------------|--------------------------------|----------------|---------------------|----------------|---------------------|----------------|
| | Bcf | Change vs prior year Bcf | % | CHDD's vs normal | % of normal | CHDD's vs normal | % of normal | CHDD's vs normal | % of normal |
| U.S. Total | -1,984 | -407 | 20.5 | 256 | 0.0 | 225 | 0.5 | 212 | 1.0 |
| East | -1,166 | -11 | 0.9 | 283 | -0.9 | 250 | -0.4 | 233 | -0.1 |
| West | -215 | -41 | 19.1 | 201 | -3.9 | 174 | -3.9 | 187 | -3.3 |
| Producing | -612 | -365 | 59.6 | 193 | 8.9 | 169 | 10.3 | 153 | 11.6 |

Futures Market Price Trends

| Date: | 30-Apr-10 | Change vs prior week, month, year | | |
|------------------------------|--------------|-----------------------------------|--------------|-------------|
| | | 26-Apr-10 | 5-Apr-10 | 30-Apr-09 |
| 1st month Futures | 4.84 | -0.20 | -0.29 | 1.04 |
| % change | xxxxx | -4.0 | -5.7 | 27.4 |



United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock
Level

Weekly Stock
Change

Monthly Stock
Change

Cumulative Stock
Change

BCF
Percent Change (%)

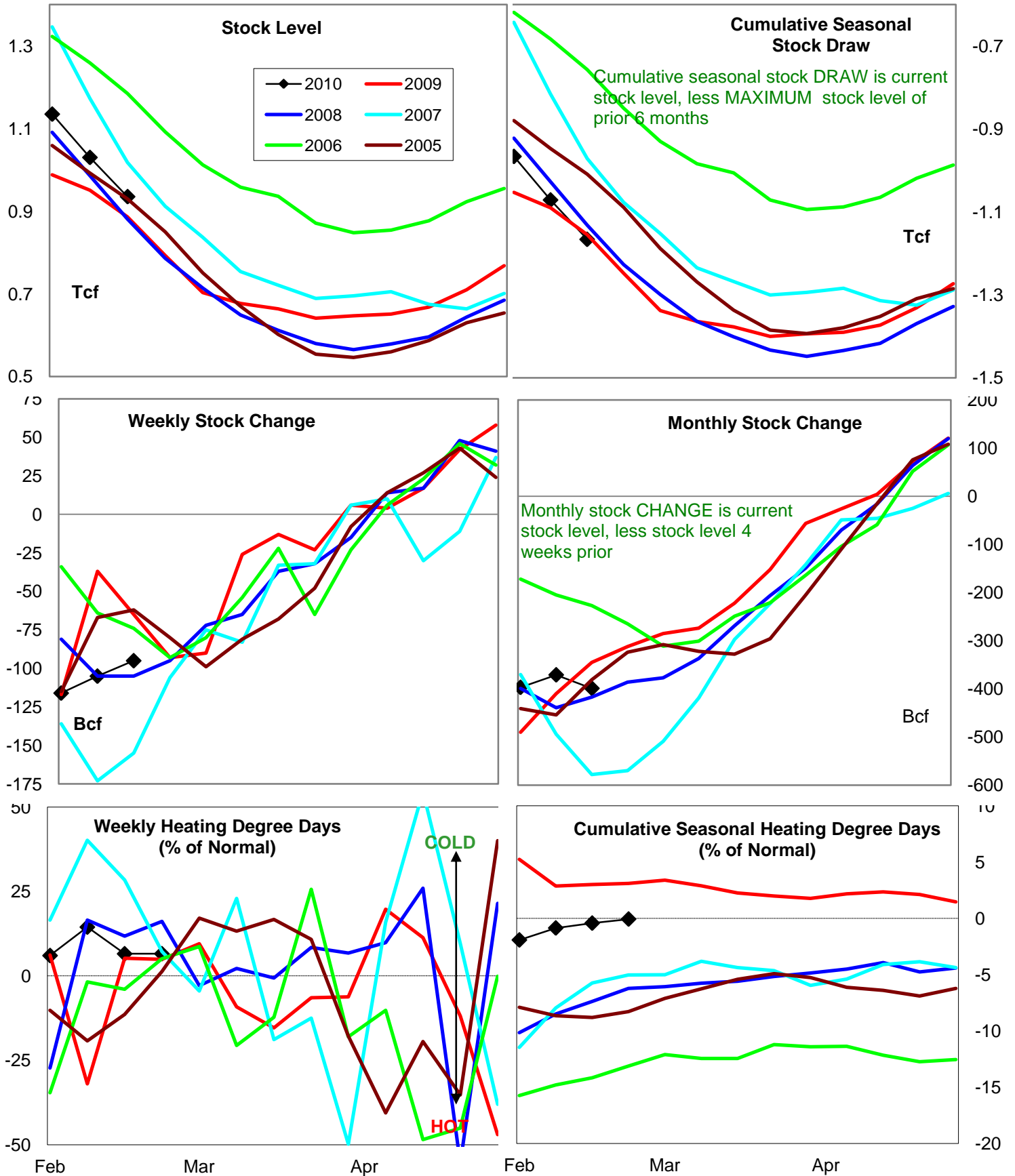
-56
-2.9

-82
91.1

-176
35.8

-407
25.8

Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock
Level

Weekly Stock
Change

Monthly Stock
Change

Cumulative Stock
Change

BCF

49

-30

-54

-11

Percent Change (%)

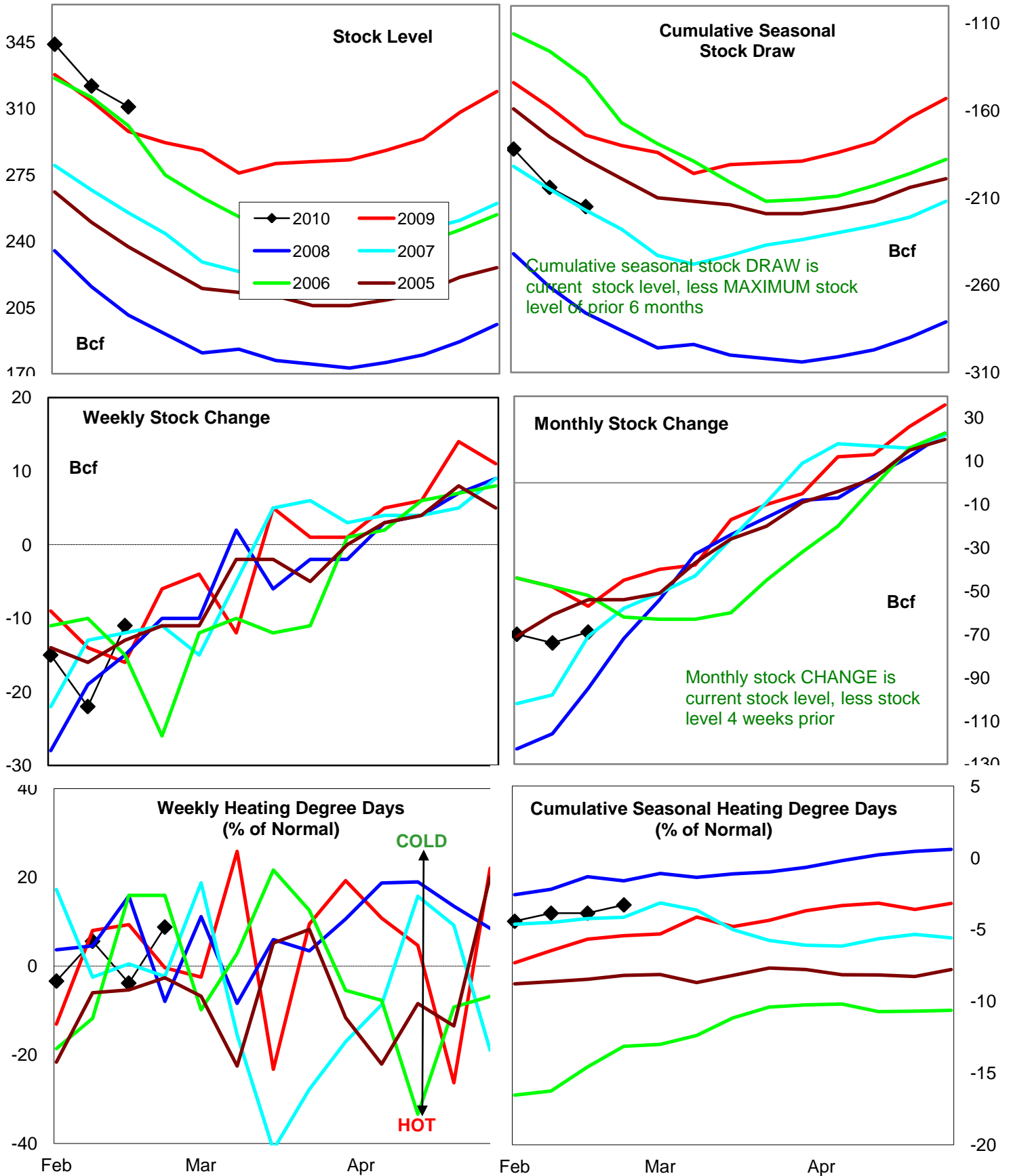
5.5

46.2

15.7

1.0

Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock
Level

Weekly Stock
Change

Monthly Stock
Change

Cumulative Stock
Change

BCF
Percent Change (%)

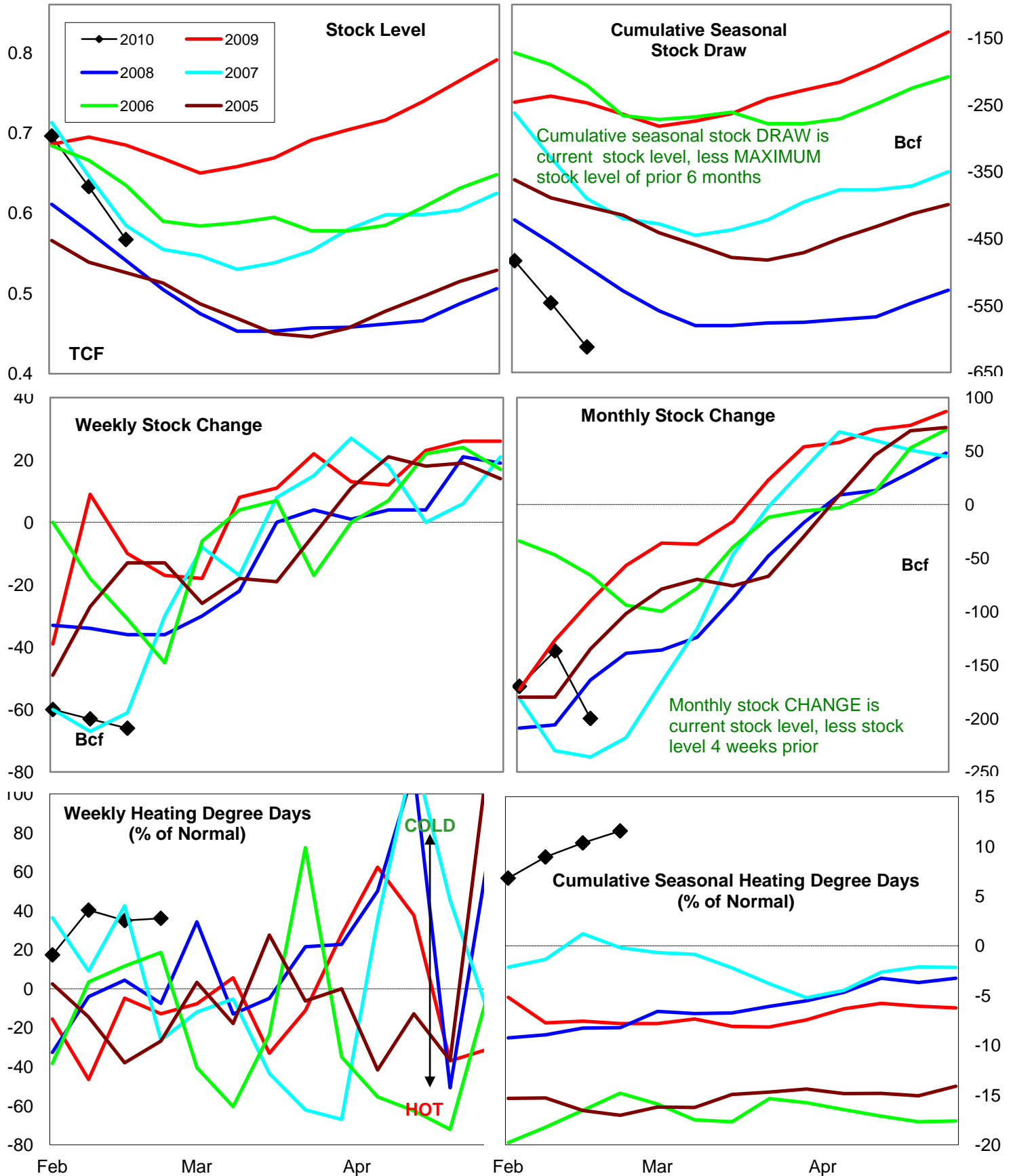
13
4.4

5
-31.3

-12
21.1

-41
23.6

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock
Level

Weekly Stock
Change

Monthly Stock
Change

Cumulative Stock
Change

BCF

Percent Change (%)

-118

-16.3

-56

560.0

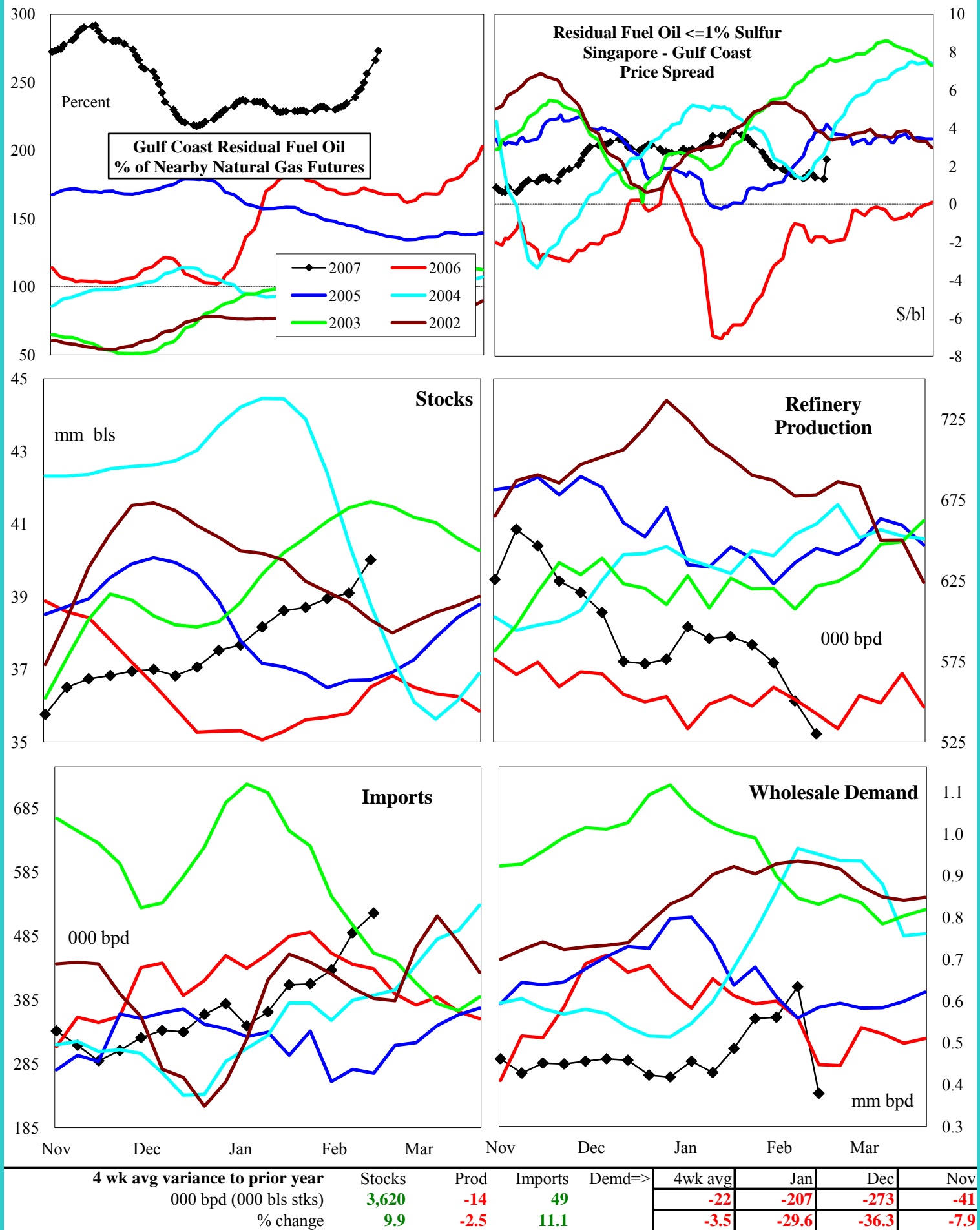
-110

122.2

-365

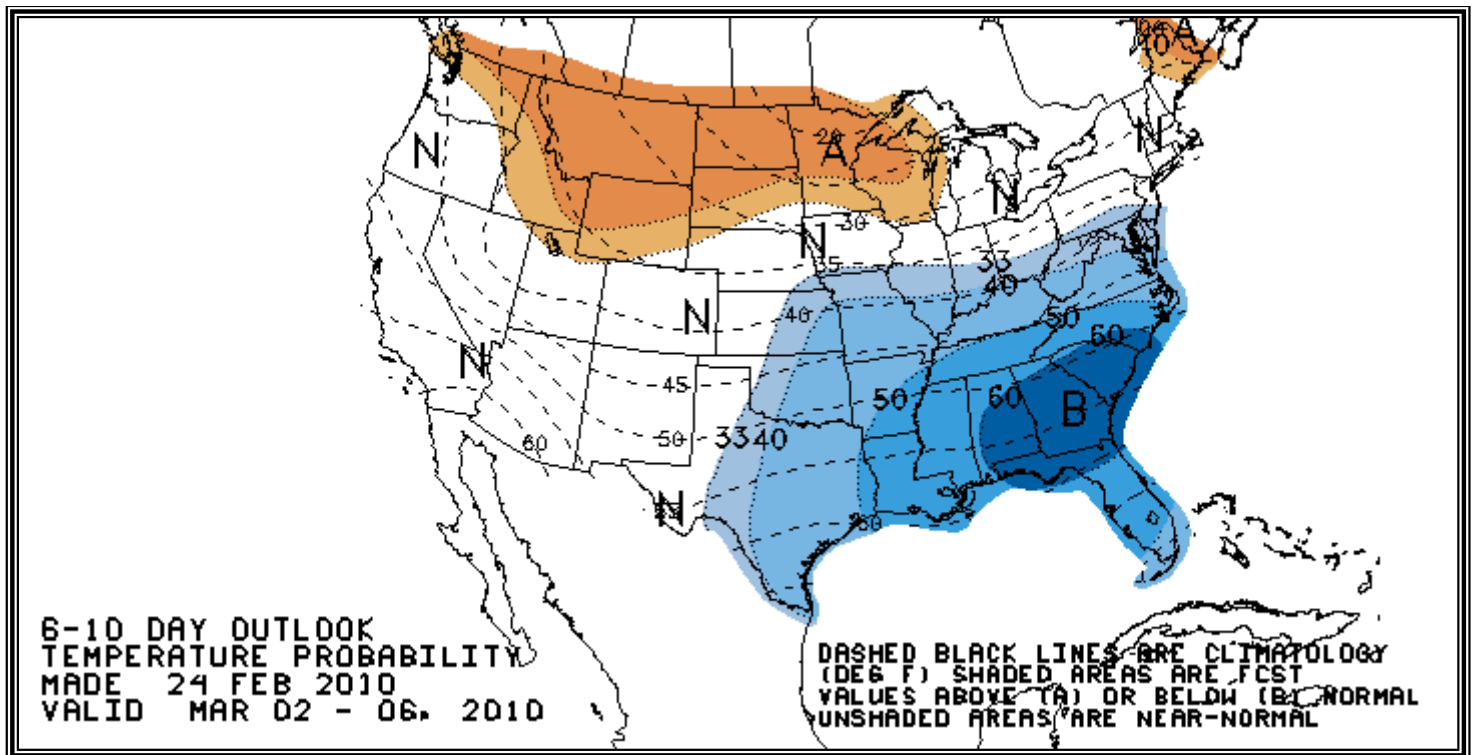
147.8

U.S. Residual Fuel Oil Price Spreads and Supply Balance



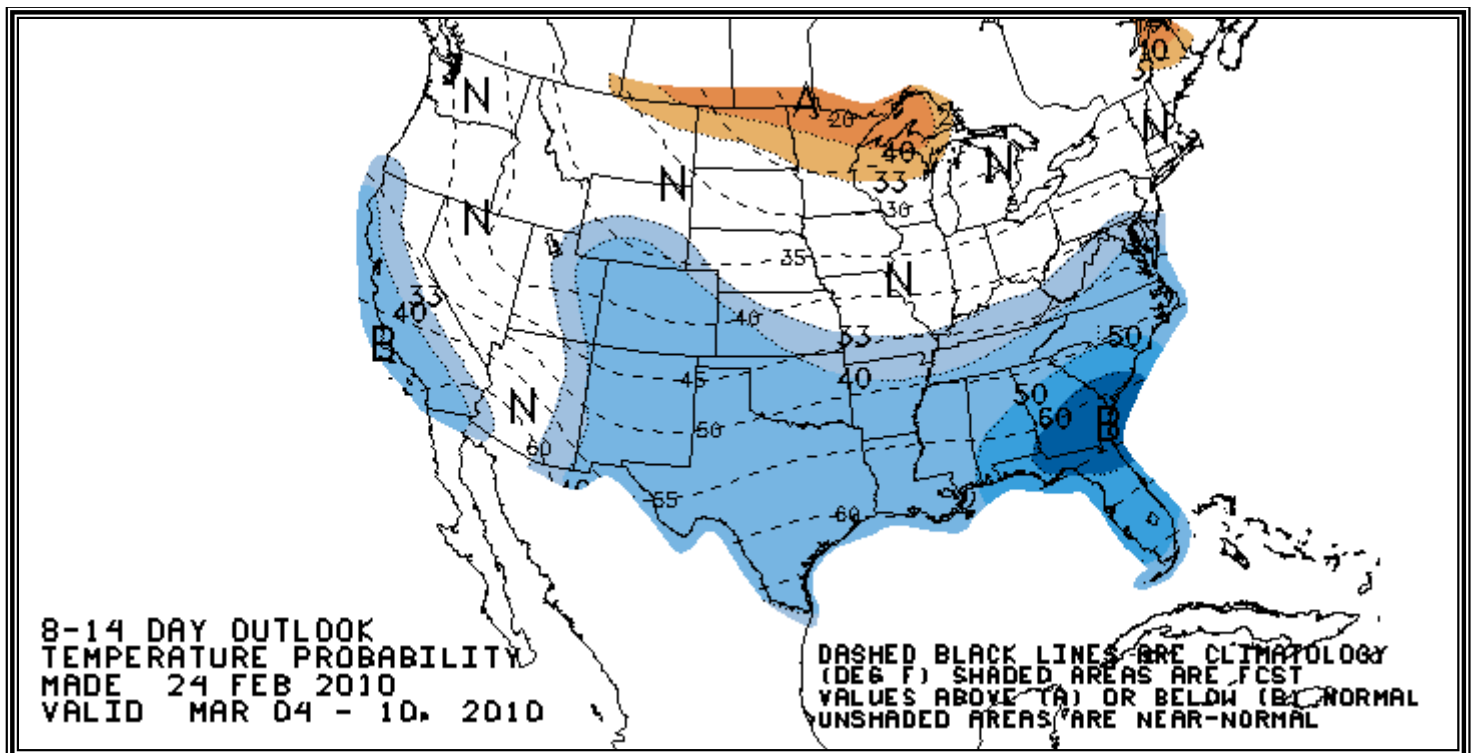
National Weather Service Climate Prediction Center Cooling

Degree Days 6 - 10 Day Forecast



National Weather Service Climate Prediction Center Cooling

Degree Days 8 - 14 Day Forecast



American Gas Association Regions

