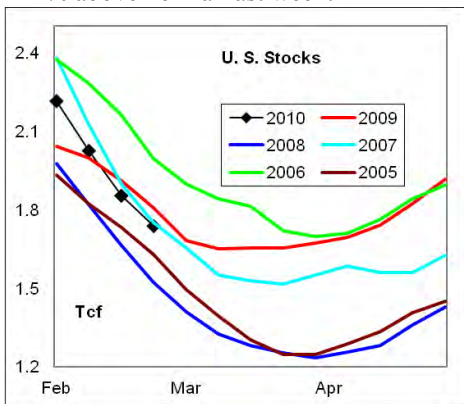




**Summary** <sup>1</sup> Stocks decreased -116 Bcf last week, a draw that was less than average for the period. Heating degree days were +12% above normal last week.



In the East Region stocks declined -74 Bcf, which was a 5-year low draw for the period. The -15 Bcf draw in the West Region was a larger draw than four of the last five years for the week. The stock draw of -27 Bcf in the Producing Region was less than the average draw for the week.

Heating degree days were +7% above normal in the East Region, +13% above normal in the West Region and +44% above normal in the Producing Region for the week ending February 27th.

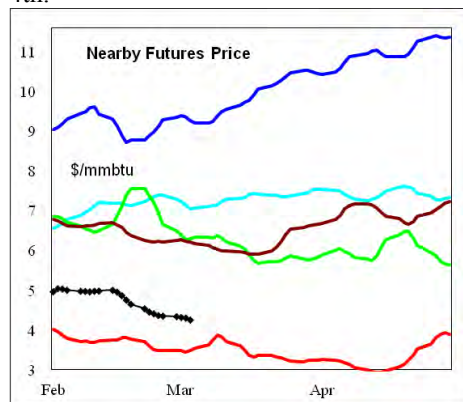
**Heating degree days** were +12% above normal for the week ending February 27th and forecast to be +2% above normal for the week ending March 6th.

The 6-10 day NWS forecast for the week ending March 13th is colder than normal temperatures in the west and south, and above normal in the Great Lakes and New England region.

The 8-14 day NWS forecast for the week ending March 17th, is for a continuation of the 6-10 day pattern; colder than normal temperatures in the west and south, and above normal in the Great Lakes and New England region.

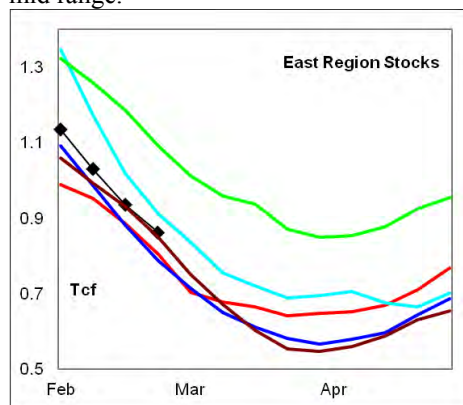
**Prices:** Nearby gas futures prices decreased -\$0.11/mmbtu for the week ending March

4th.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended sideways last week with minimal differential across the price curve. The spread ended the week at the upper end of the historic range; pointing to limited expectations of higher prices in the future.

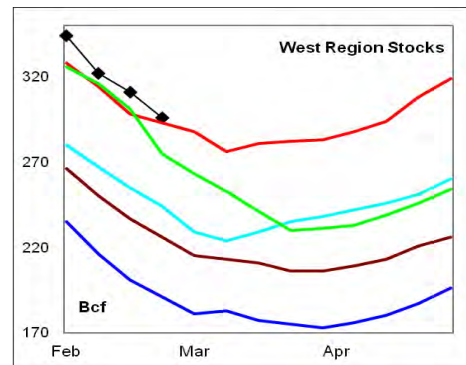
**East Region** stocks decreased -74 Bcf on the week, which was a 5-year low draw for the period. The latest 4-wk stock draw was greater than the mid range for the period. Stock levels are now at the 5-year mid range.



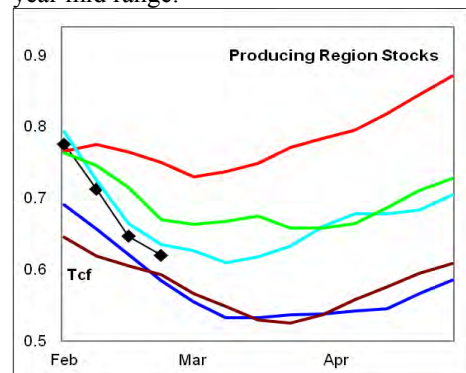
Heating degrees in the region were +7% above normal for the week ending February 27th and are forecast to be +1% above normal for the week ending March 6th. Near normal temperatures are forecast for the next 10-days across much of the East Region.

**West Region** stocks decreased -15 Bcf on the week, which was a larger draw than four of the last five years. 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 +13% above normal for the week ending February 27th, and are forecast to be -12% below normal for the week ending March 6th. Colder than normal temperatures are forecast for the next 10 days.



**Producing Region** stocks decreased -27 Bcf on the week, which was less than average for the week. The latest 4-wk draw matched the record draw set in 2007 for the week. Stock levels are below the 5-year mid range.



Heating degree days were +44% above normal for the week ending February 27th, and forecast to be +17% above normal for the week ending March 6th. 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 remains at a record high for the current year, in favor of natural gas, and remains well above the historic range. Residual fuel oil demand (including exports) was +37% above year ago levels for the latest 4-wk period.

**Outlook:** The peak in winter heating demand has passed. While heating degree days are forecast to be colder than normal in the south and west regions, the east region should be near normal for the next two weeks. Weak non heating demand and increased production capacity has offset a record cumulative seasonal stock draw. Combined with average carry out stock levels, these fundamental trends point to continued weak gas prices.

#### <sup>1</sup> Related Web Sites:

[Data Source is EIA Weekly Statistics](#)

[National Weather Service 6-10 Day](#)

[National Weather Service 10-14 Day](#)



## NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: March 4, 2010

For the week ending: 26-Feb-10

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

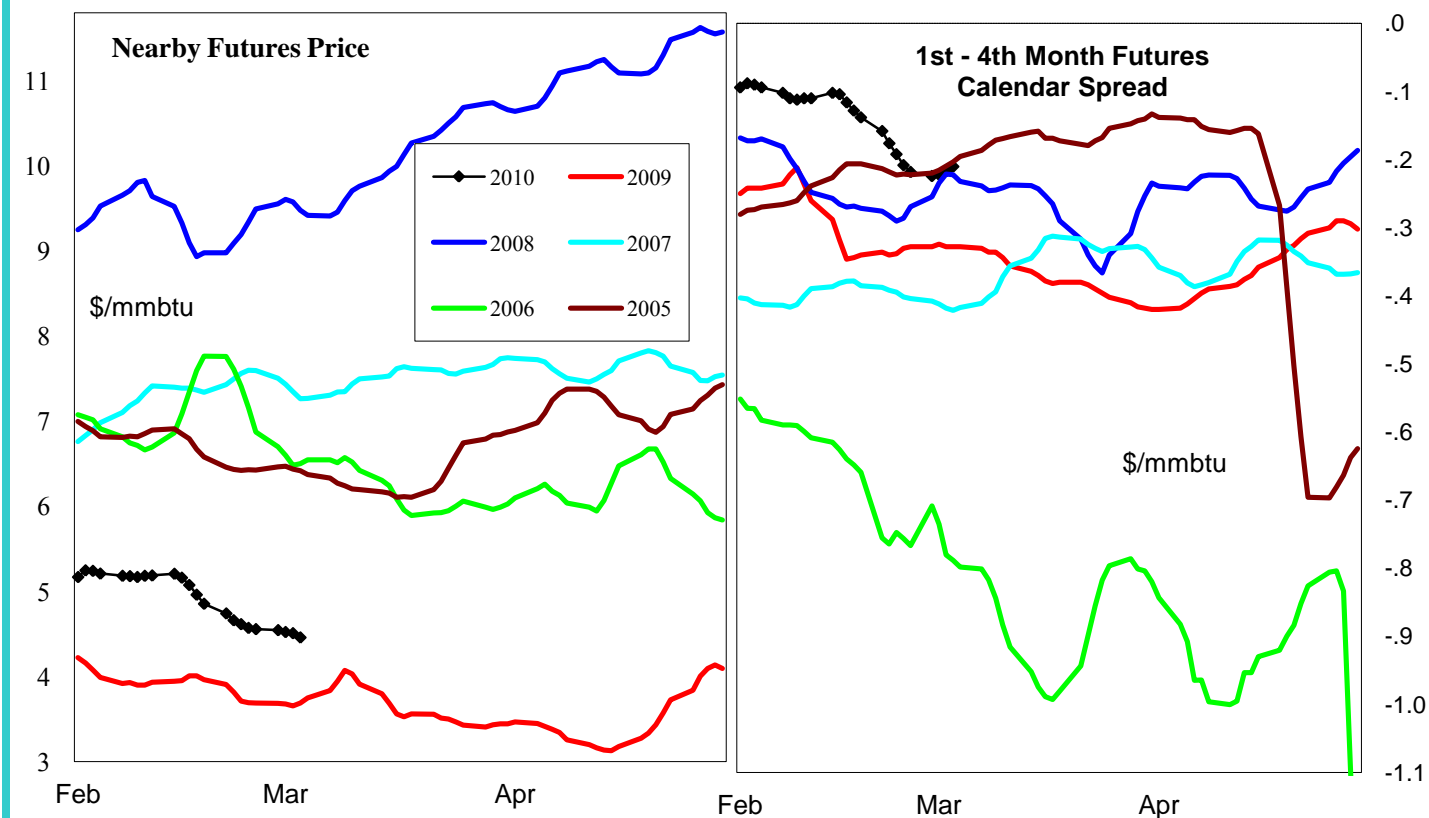
Week ending:	26-Feb-10			20-Feb-10		27-Feb-10		6-Mar-10	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	1,737	-116	-3.9	-31	9%	-9	12%	-34	2%
East	861	-74	7.0	-33	7%	-15	7%	-28	1%
West	296	-15	1.0	-27	-4%	20	13%	-50	-12%
Producing	580	-27	-18.3	-24	35%	-6	44%	-44	17%

### Seasonal Trends in Stocks and Heating Degree Days

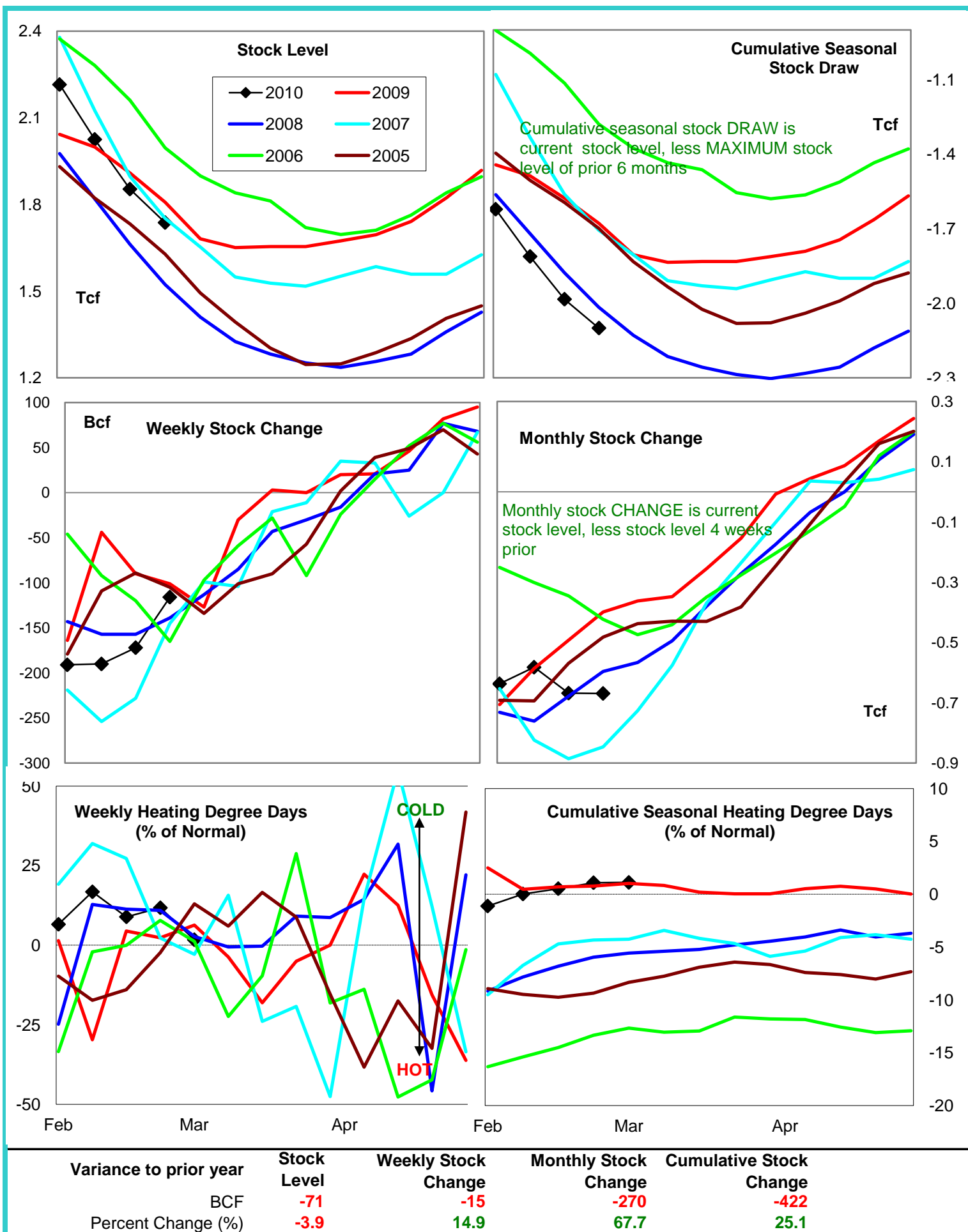
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-2,100</b>	<b>-422</b>	<b>20.1</b>	<b>225</b>	<b>0.5</b>	<b>216</b>	<b>1.1</b>	<b>182</b>	<b>1.1</b>
<b>East</b>	<b>-1,240</b>	<b>-4</b>	<b>0.3</b>	<b>250</b>	<b>-0.4</b>	<b>235</b>	<b>-0.1</b>	<b>207</b>	<b>0.0</b>
<b>West</b>	<b>-230</b>	<b>-51</b>	<b>22.2</b>	<b>174</b>	<b>-3.9</b>	<b>194</b>	<b>-3.1</b>	<b>144</b>	<b>-3.5</b>
<b>Producing</b>	<b>-639</b>	<b>-377</b>	<b>59.0</b>	<b>169</b>	<b>10.3</b>	<b>162</b>	<b>11.9</b>	<b>118</b>	<b>12.2</b>

### Futures Market Price Trends

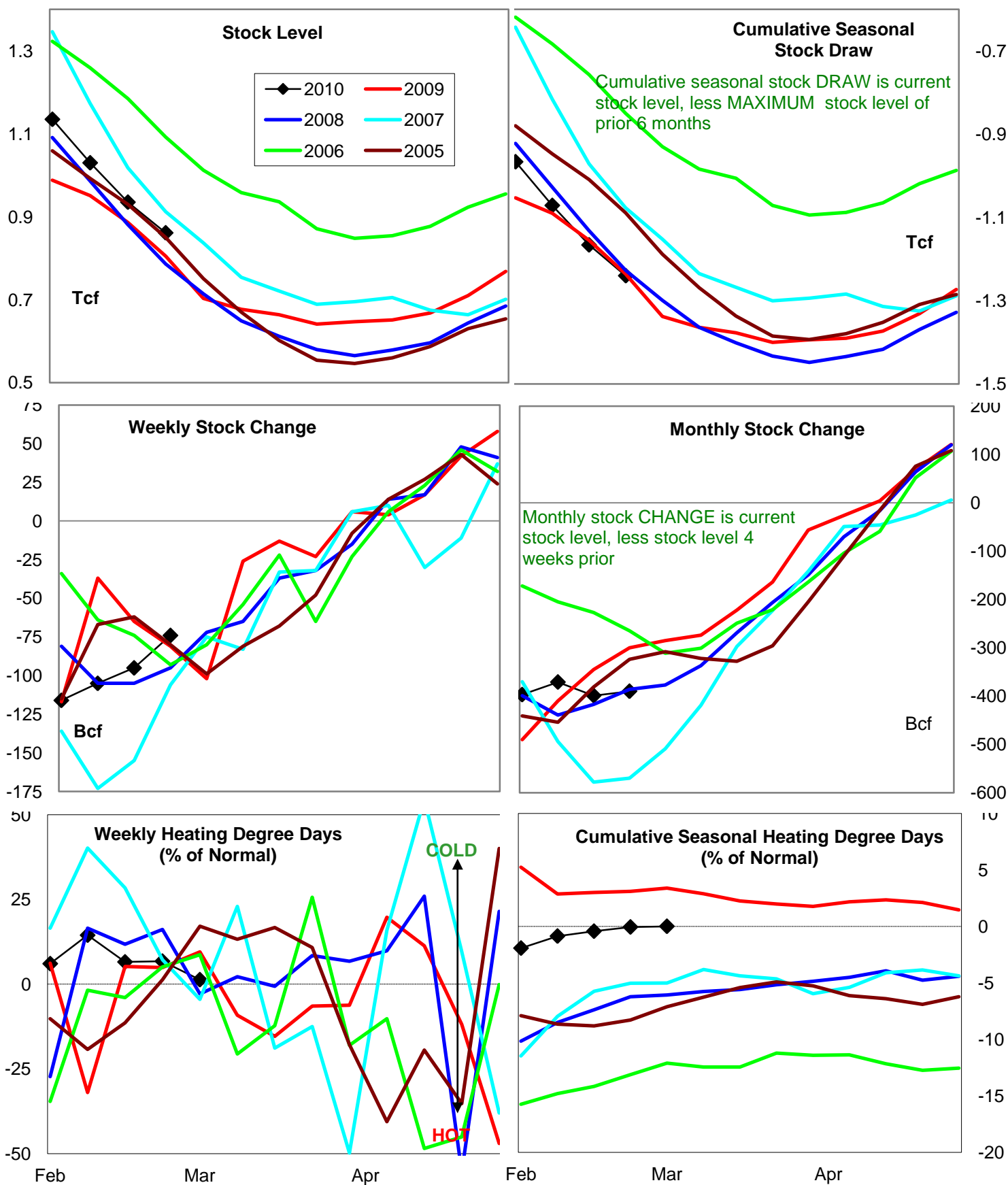
Date:	30-Apr-10	Change vs prior week, month, year		
		26-Apr-10	5-Apr-10	30-Apr-09
<b>1st month Futures</b>	<b>4.66</b>	<b>-0.15</b>	<b>-0.86</b>	<b>0.98</b>
<b>% change</b>	<b>xxxxx</b>	<b>-3.1</b>	<b>-15.6</b>	<b>26.6</b>



# United States Natural Gas Stock and Weather Trends



# Natural Gas East Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)

56

7

-90

-4

Percent Change (%)

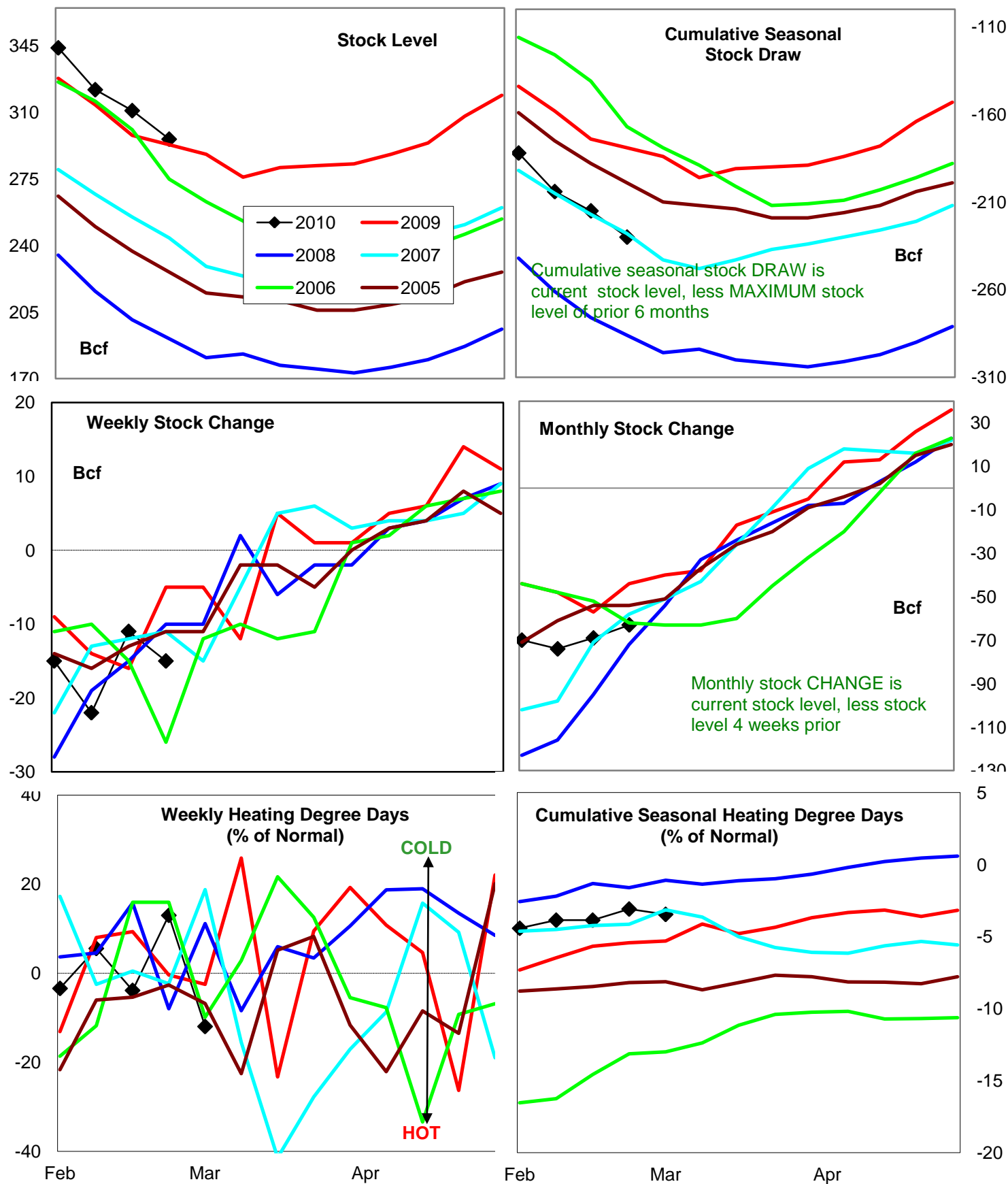
7.0

-8.6

30.0

0.3

# 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 (%)

3

-10

-19

-51

1.0

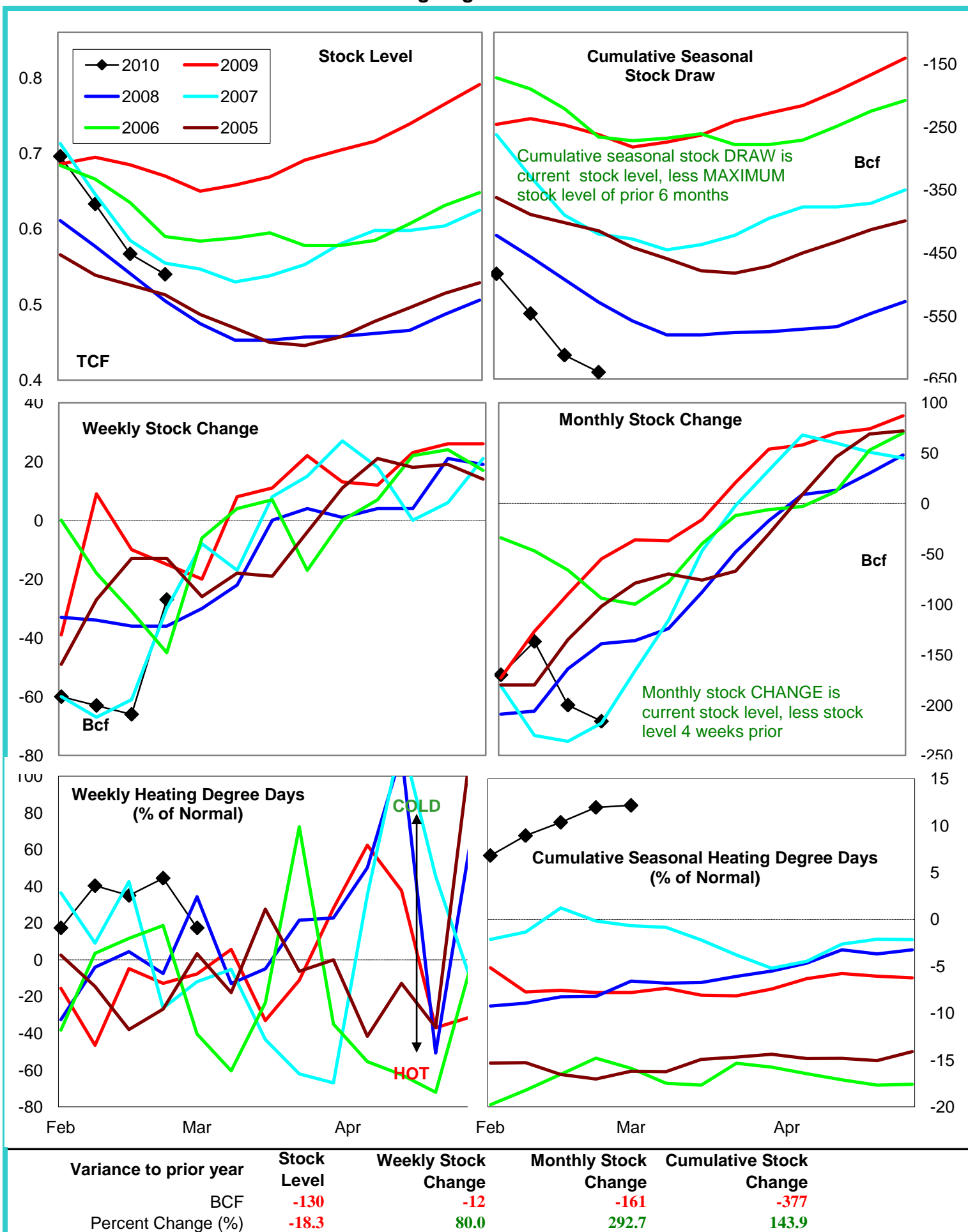
200.0

43.2

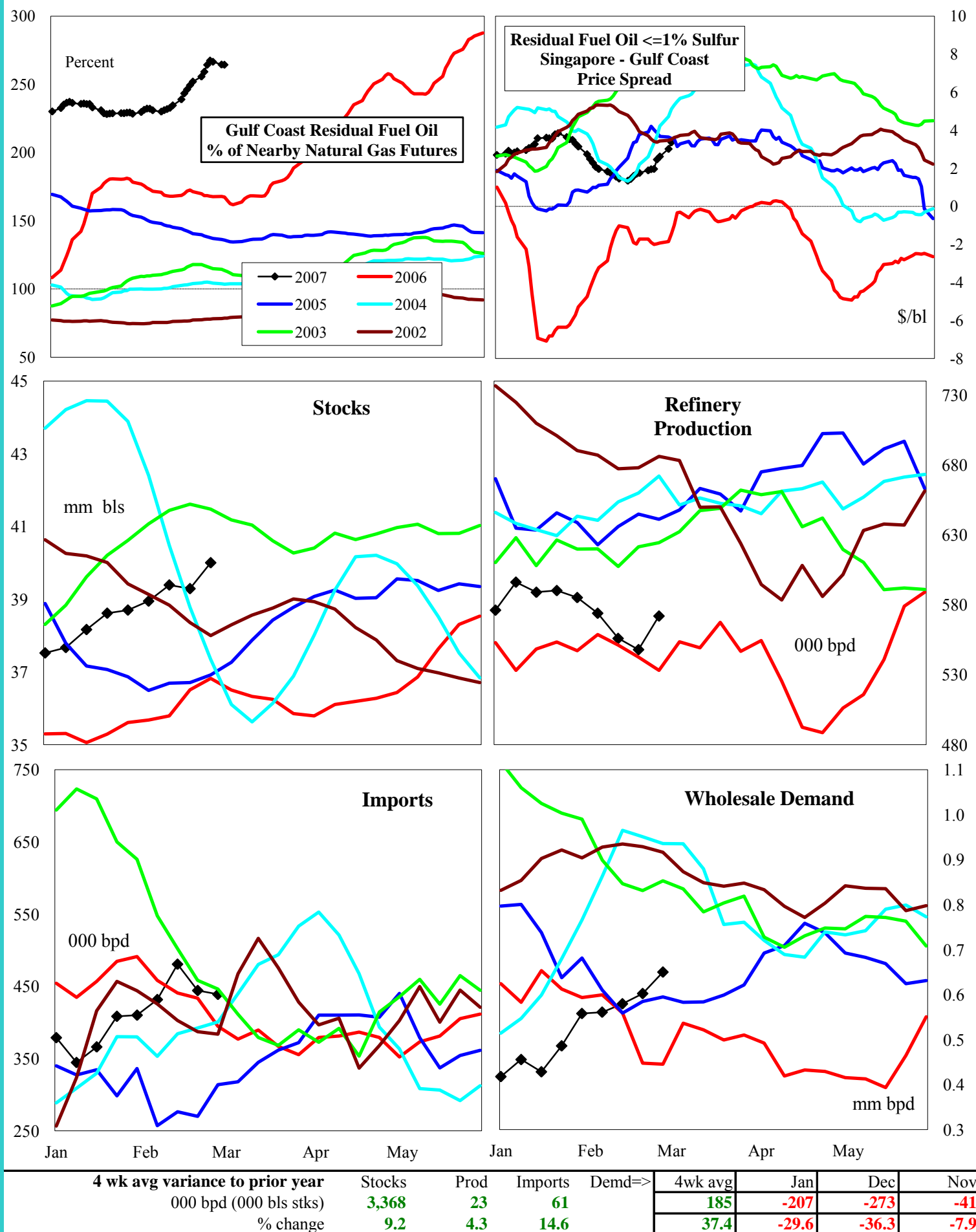
28.5



# Natural Gas Producing Region Stock and Weather Trends

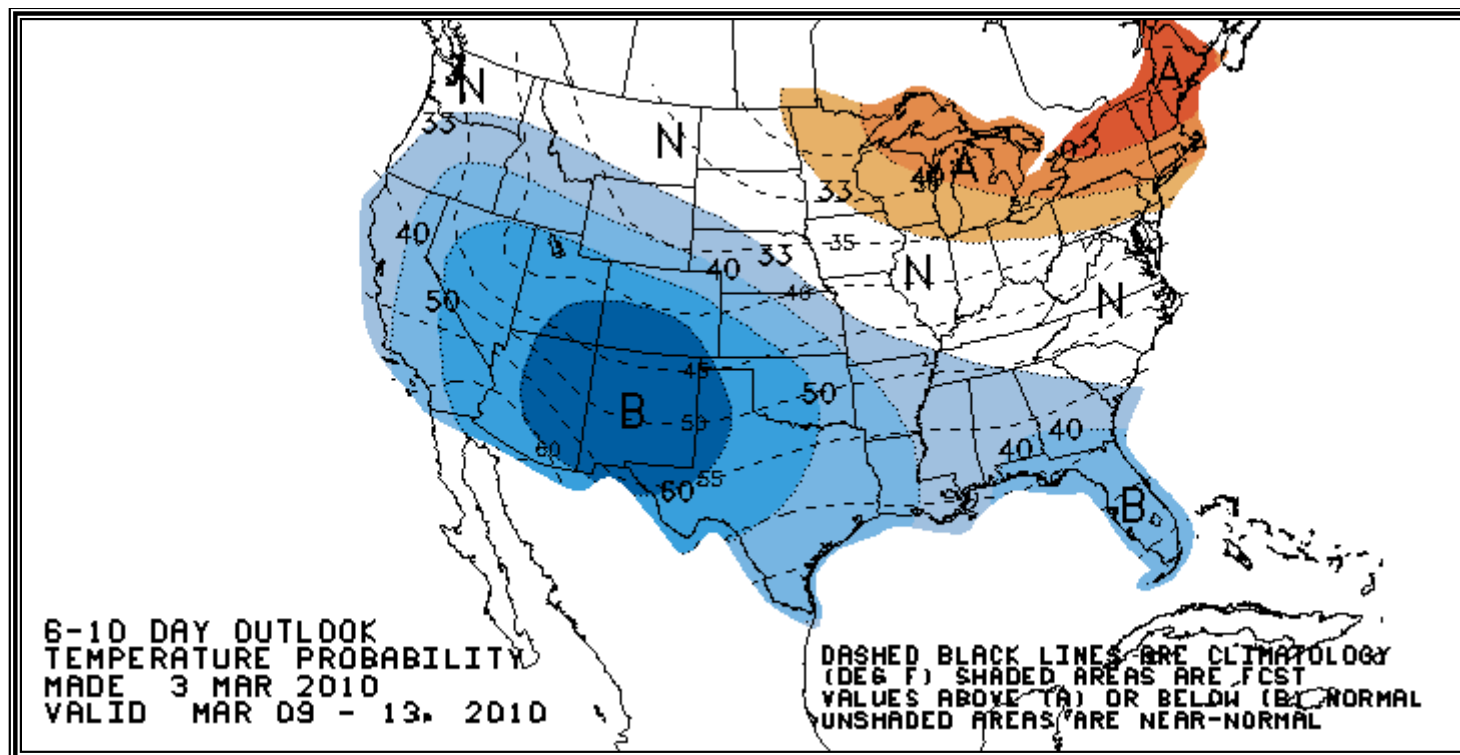


# U.S. Residual Fuel Oil Price Spreads and Supply Balance



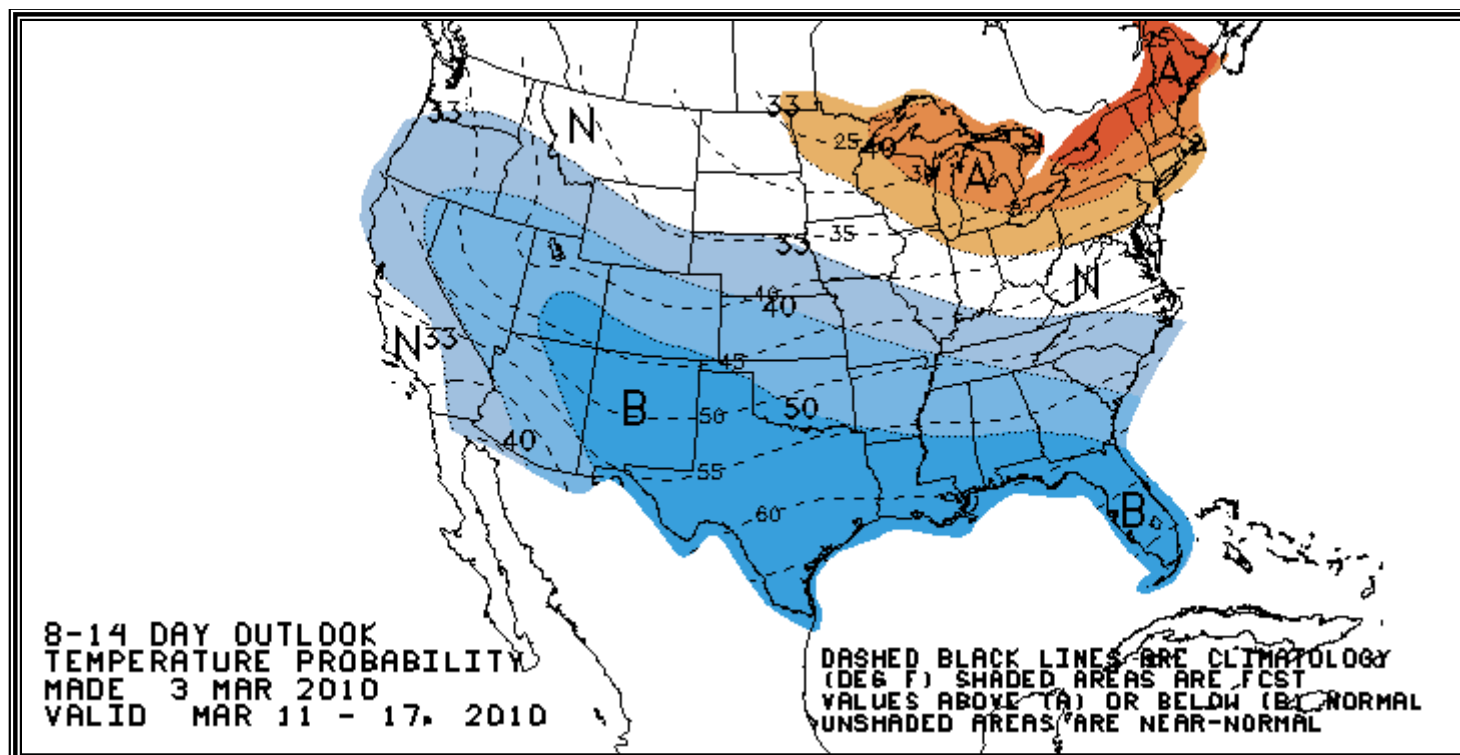
# National Weather Service Climate Prediction Center Cooling

## Degree Days 6 - 10 Day Forecast



# National Weather Service Climate Prediction Center Cooling

## Degree Days 8 - 14 Day Forecast





# American Gas Association Regions

