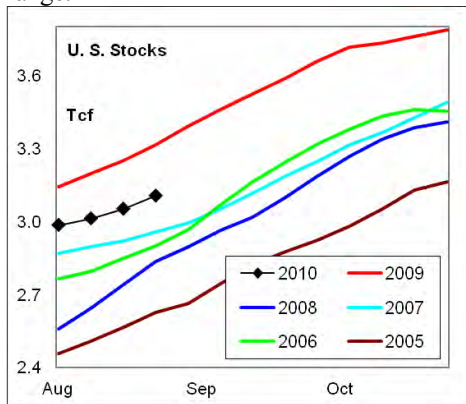
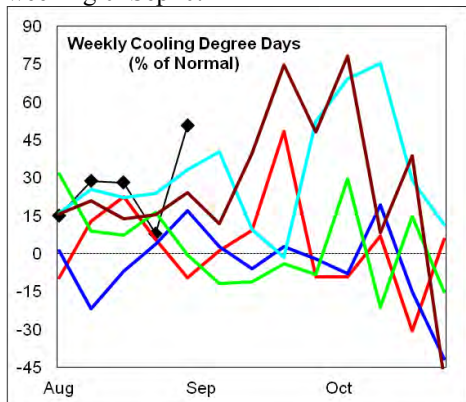




Summary¹ Stocks increased +54 Bcf last week, a level that was at the historic mid range.



Cooling degree days were +8% above normal for the week ending 28Aug10, and forecast to be +51% above normal for the week ending 04Sep10.



In the East Region stocks increased +53 Bcf, which was above the mid range for the week. The -6 Bcf draw in the West Region was the 2nd consecutive record weekly draw. The stock build of +7 Bcf in the Producing Region was at the mid range for the period.

Cooling degree days were -3% below normal in the East Region, +33% above normal in the West Region and +10% above normal in the Producing Region for the week ending 28Aug10.

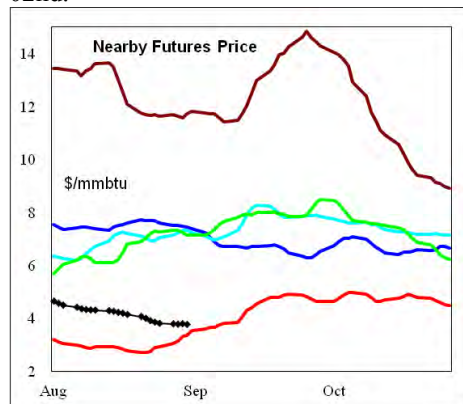
Cooling degree days were +8% above normal for the week ended 28Aug10, and

forecast to be +51% above normal for the week ending 04Sep10.

The 6-10 day NWS forecast for the week ending September 12th is for above normal cooling degree days in the eastern 1/2 of the country and below normal in the western 1/2 of the country.

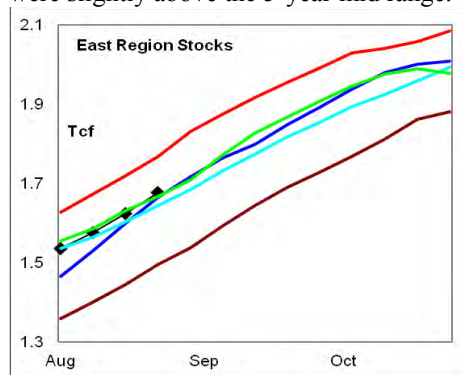
The 8-14 day NWS forecast for the week ending September 16th is for an extension of the 6-10 day forecast.

Prices: Nearby gas futures prices were unchanged for the week ending September 02nd.



The 1st - 4th month forward price curve trended lower in favor of the deferred contract months. The spread ended the week above the mid range, reflecting expectations of adequate winter quarter supply.

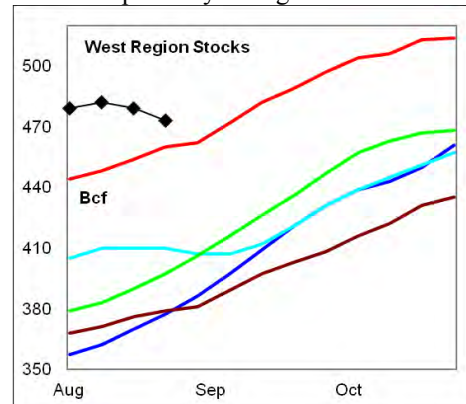
East Region stocks increased +53 Bcf on the week, which was above the mid range for the period. The latest 4-wk stock build was above the mid range. Stock levels were slightly above the 5-year mid range.



Cooling degrees in the region were -3% below normal for the week ended 28Aug10, and forecast to be +80% above normal for the week ending 04Sep10. Above normal cooling degree days are forecast for the next 10-days.

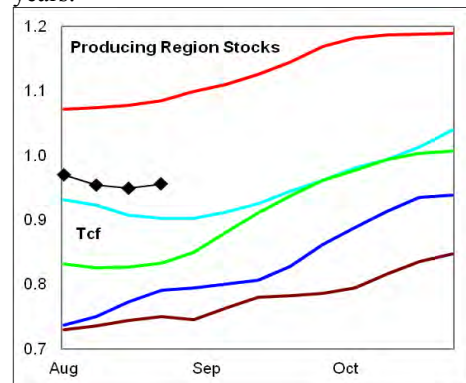
West Region stocks decreased -6 Bcf on the week, which was the second

consecutive weekly record draw. The latest 4-wk stock build was below the historic range. Stock levels are +2.8% above the prior 5-year high.



Cooling degree days were +33% above normal for the week ended 28Aug10, and forecast to be +3% above normal for the week ending 04Sep10. Below normal cooling degree days are forecast for the next 10-days.

Producing Region stocks increased +7 Bcf on the week, which matched the mid range. The latest 4-wk stock draw was greater than the historic range. Stock levels remain above four of the last five years.



Cooling degree days were +10% above normal for the week ending 28Aug10, and forecast to be +29% above normal for the week ending 04Sep10. Above normal cooling degree days are forecast for the next 10-days.

Residual Fuel Oil Switching: The price spread between fuel oil and natural gas remains highly favorable for gas.

Outlook: Cooling degree days spiked during the current week in the East Region. The outlook is for continued high cooling degree days for the next 10-days in the eastern 1/2 of the country. Look for further price weakness as cooling degree days drop after mid month.

¹ **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: September 2, 2010

For the week ending: 27-Aug-10

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

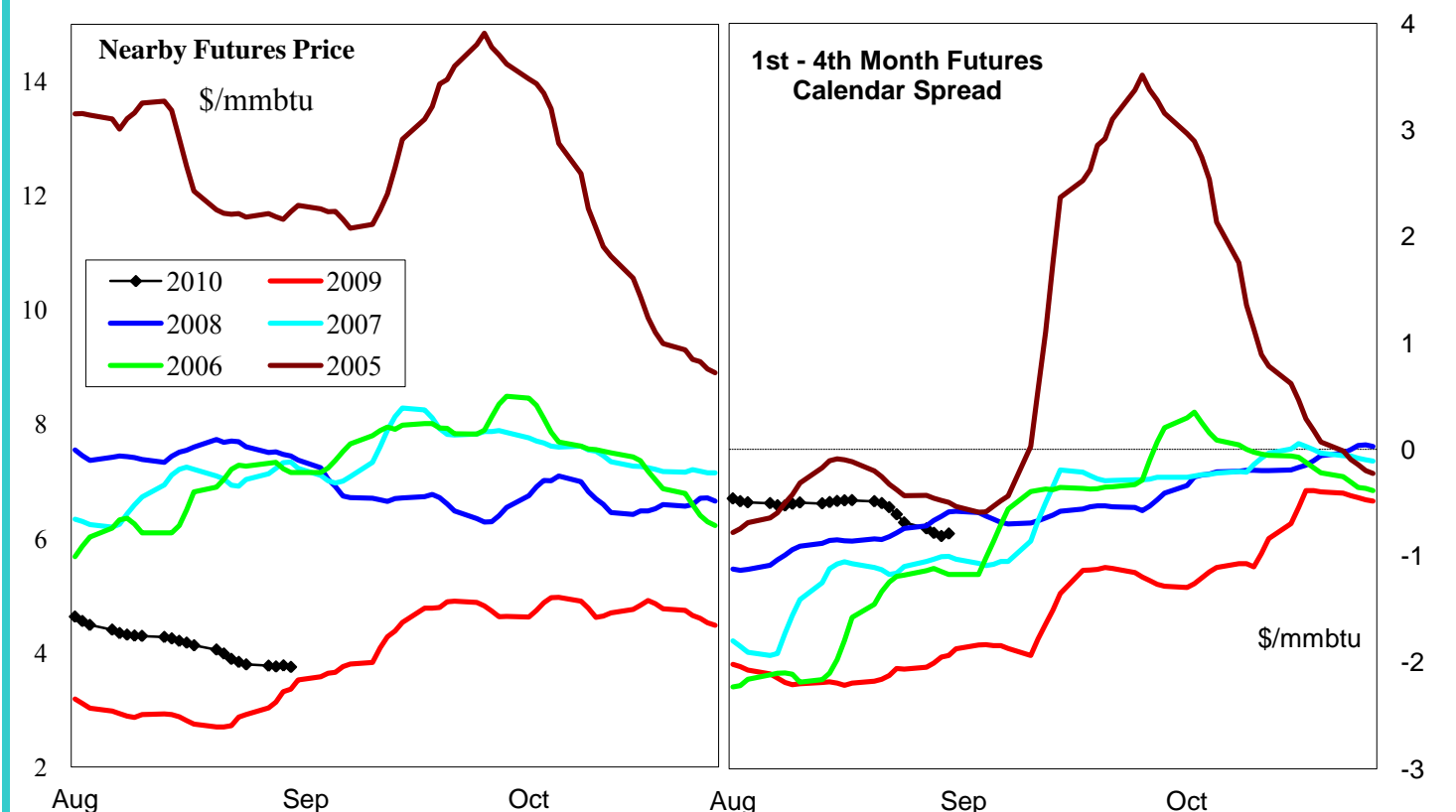
| Week ending: | 27-Aug-10 | | | 21-Aug-10 | | 28-Aug-10 | | 4-Sep-10 | |
|--------------|---------------|------------------|----------|----------------------------|-------------|----------------------|-------------|----------------------|-------------|
| Region | Weekly Stocks | | | Weekly Cooling Degree 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 | 3,106 | 54 | -6.3 | -8 | 28% | -20 | 8% | 15 | 51% |
| East | 1,677 | 53 | -5.2 | -18 | 31% | -27 | -3% | 31 | 80% |
| West | 473 | -6 | 2.8 | 20 | 27% | -2 | 33% | -20 | 3% |
| Producing | 956 | 7 | -11.9 | -10 | 23% | -21 | 10% | 10 | 29% |

Seasonal Trends in Stocks and Cooling Degree Days

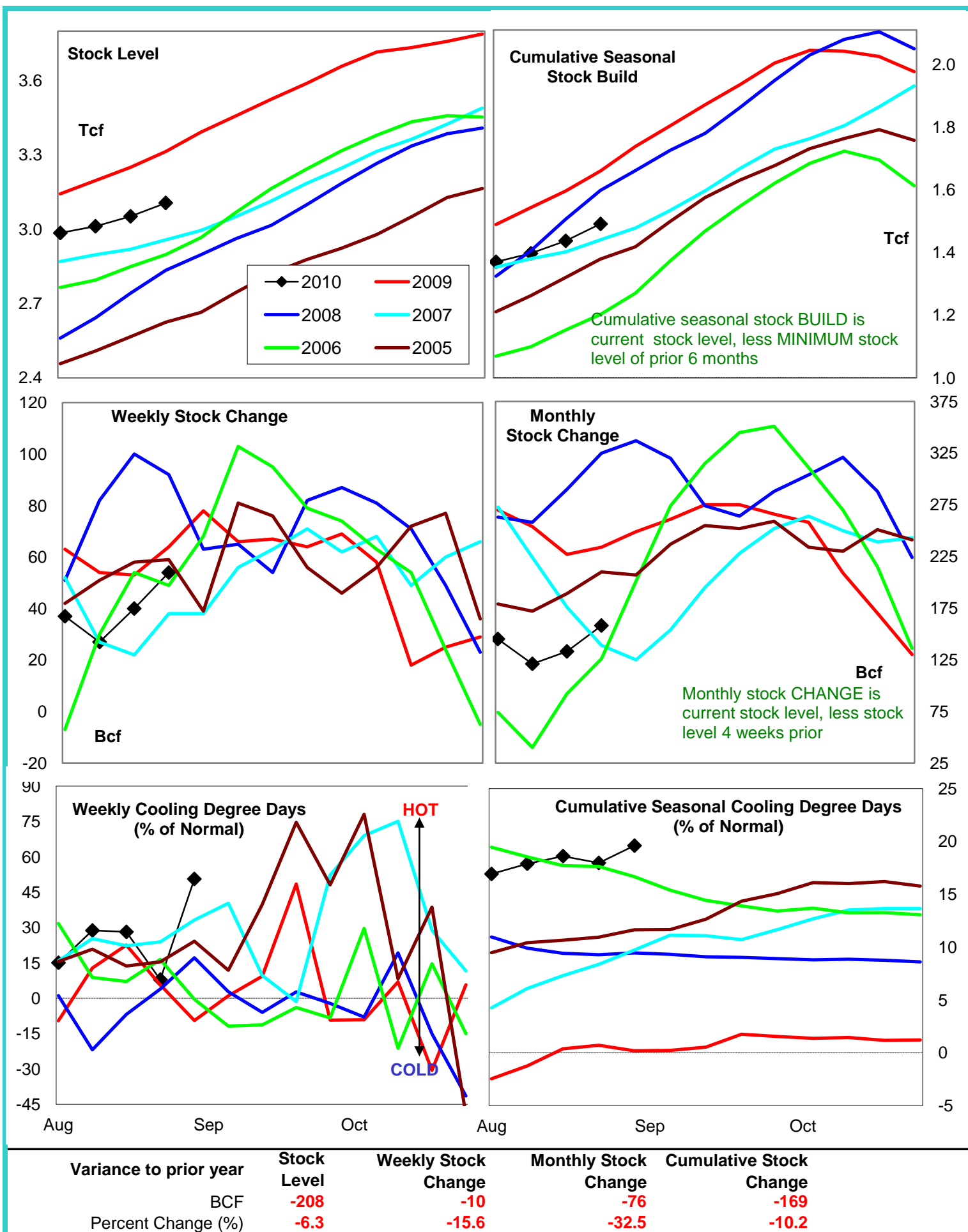
| | Cumulative Stock change | | | Cumulative Cooling Degree Days | | | | | |
|-------------------|-------------------------|-----------------------------|--------------|--------------------------------|----------------|---------------------|----------------|---------------------|----------------|
| | Bcf | Change vs prior year Bcf | % | CCDD's vs normal | % of normal | CCDD's vs normal | % of normal | CCDD's vs normal | % of normal |
| U.S. Total | 1,491 | -169 | -11.3 | 174 | 19% | 179 | 18% | 206 | 20% |
| East | 927 | -198 | -21.4 | 211 | 31% | 222 | 29% | 250 | 31% |
| West | 190 | 8 | 4.2 | -69 | -10% | -53 | -7% | -52 | -7% |
| Producing | 408 | 16 | 3.9 | 211 | 13% | 222 | 13% | 250 | 14% |

Futures Market Price Trends

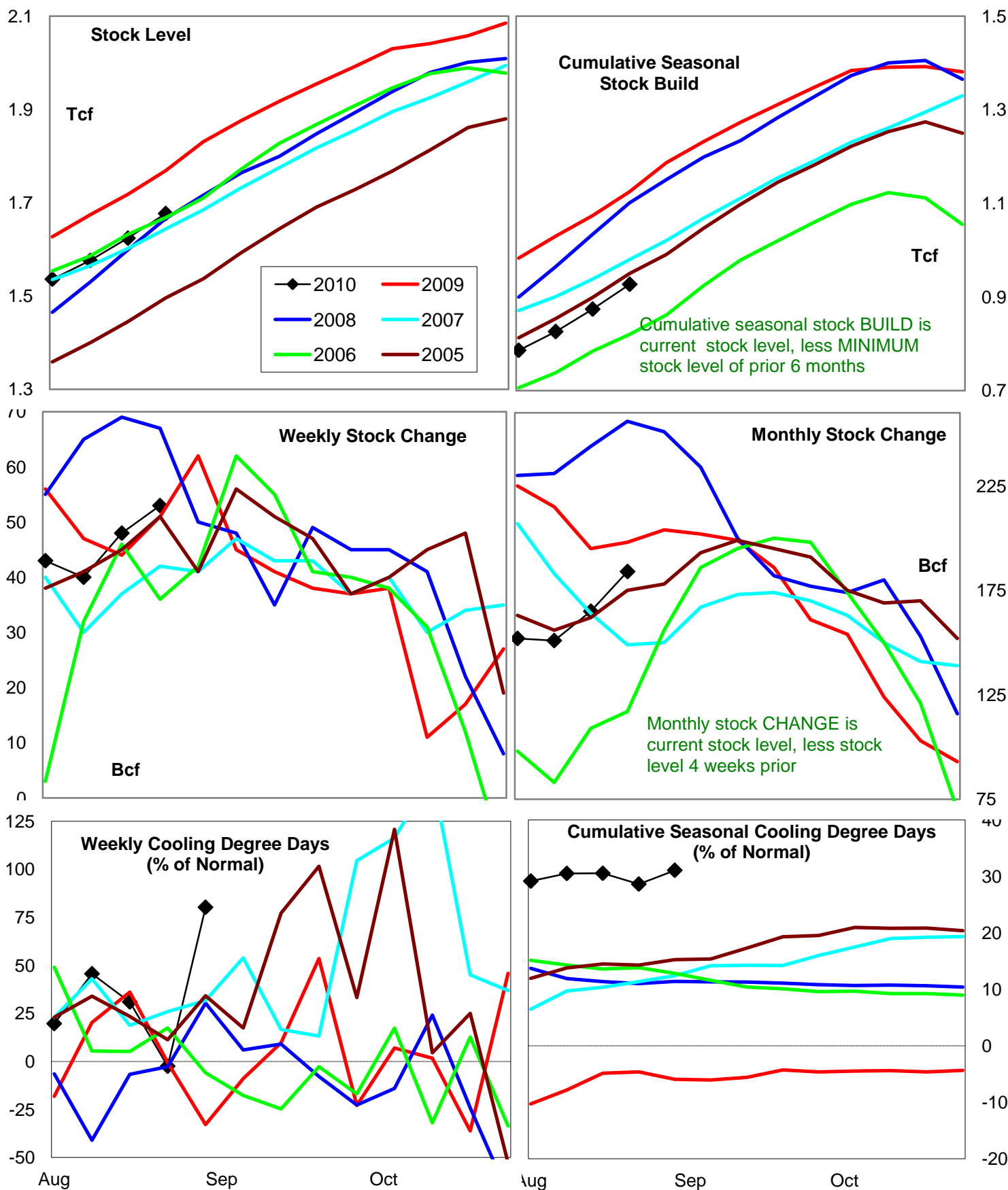
| Date: | 29-Oct-10 | Change vs prior week, month, year | | |
|------------------------------|-------------|-----------------------------------|--------------|--------------|
| | | 25-Oct-10 | 4-Oct-10 | 21-Oct-09 |
| 1st month Futures | 3.75 | 0.10 | -0.72 | -0.01 |
| % change | xxxxx | 2.7 | -16.1 | -0.3 |



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
Change

BCF

-92

2

-14

-198

Percent Change (%)

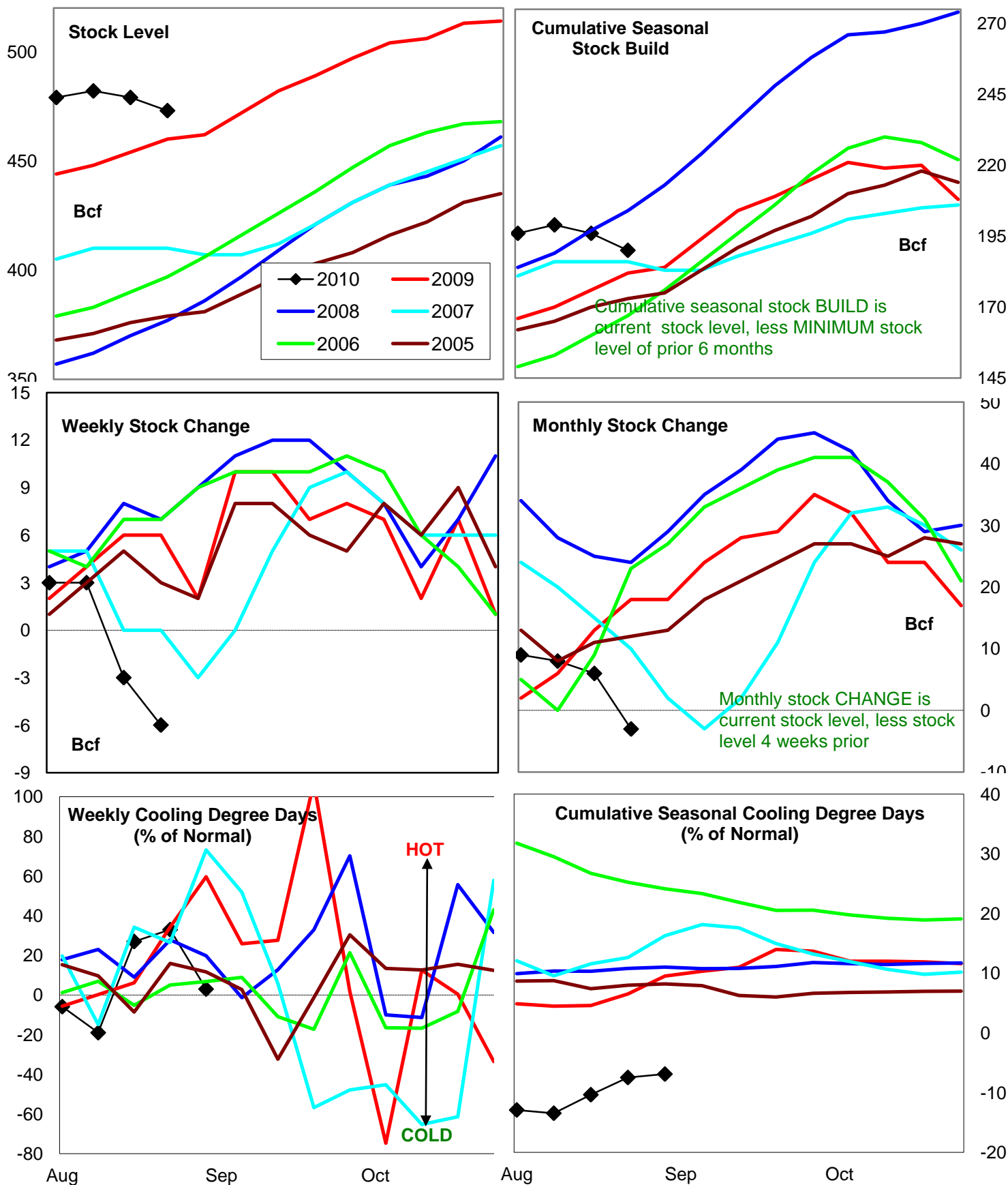
-5.2

3.9

-7.1

-17.6

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 (%)

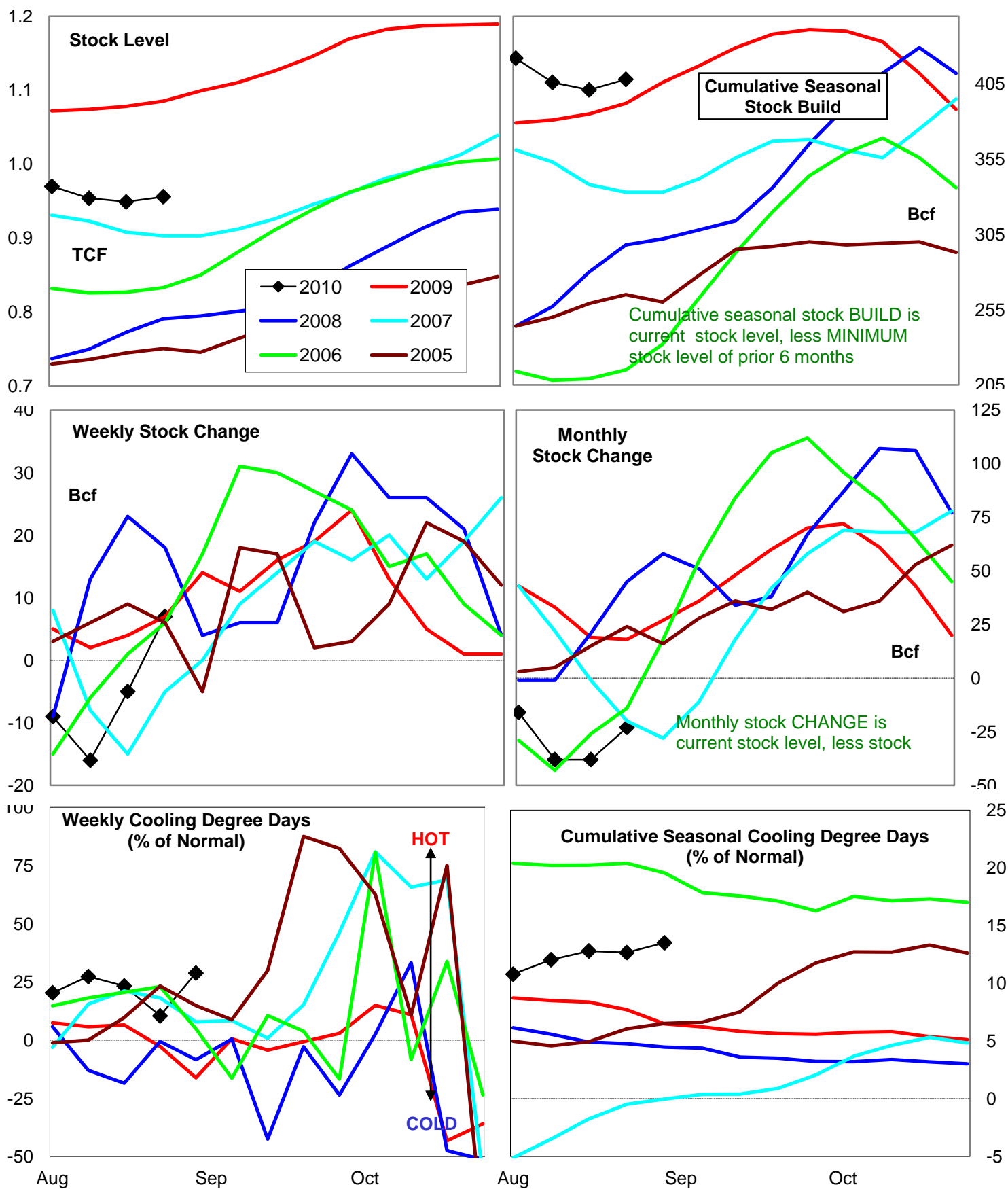
13
2.8

-12
-200.0

-21
-116.7

8
4.4

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

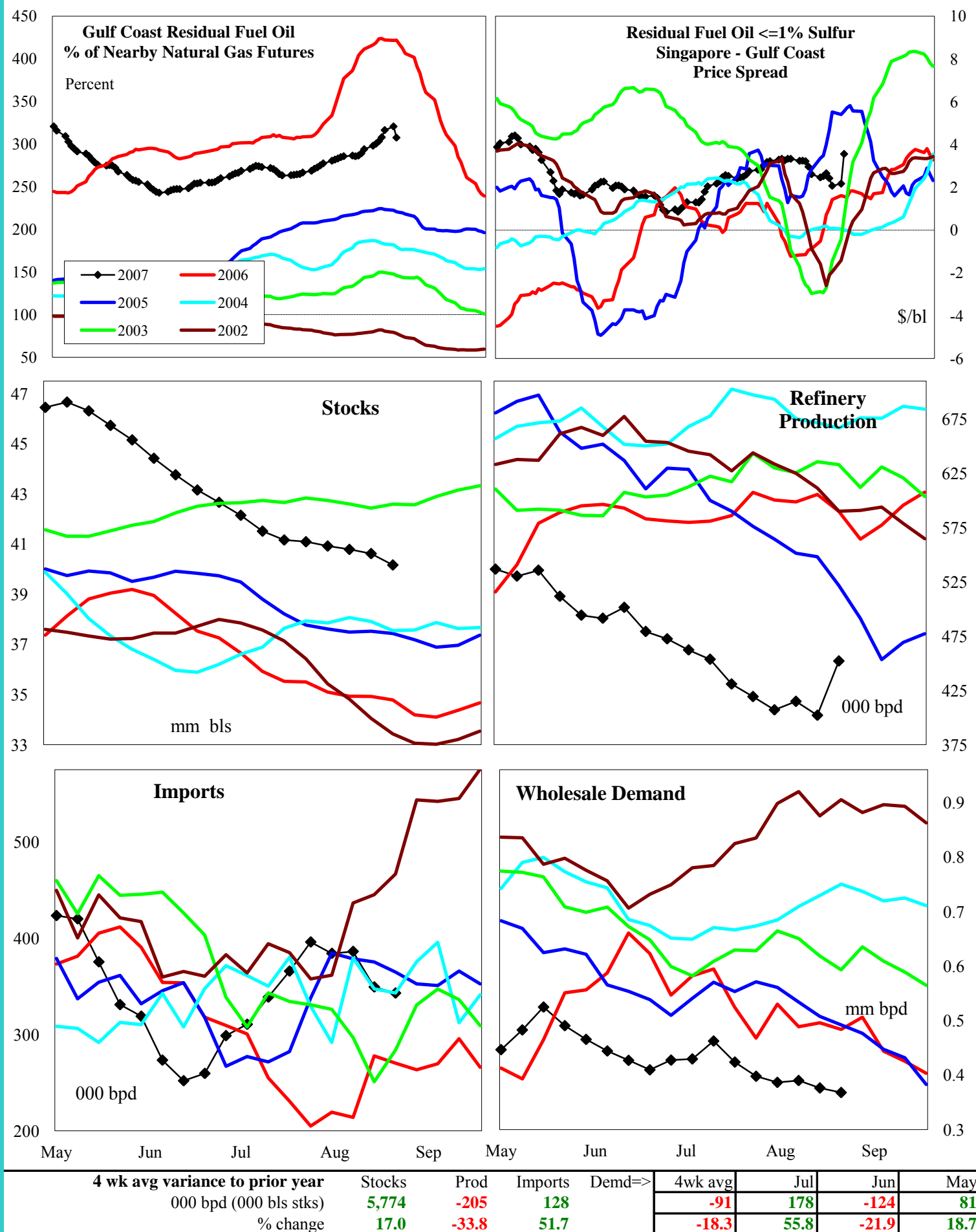
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

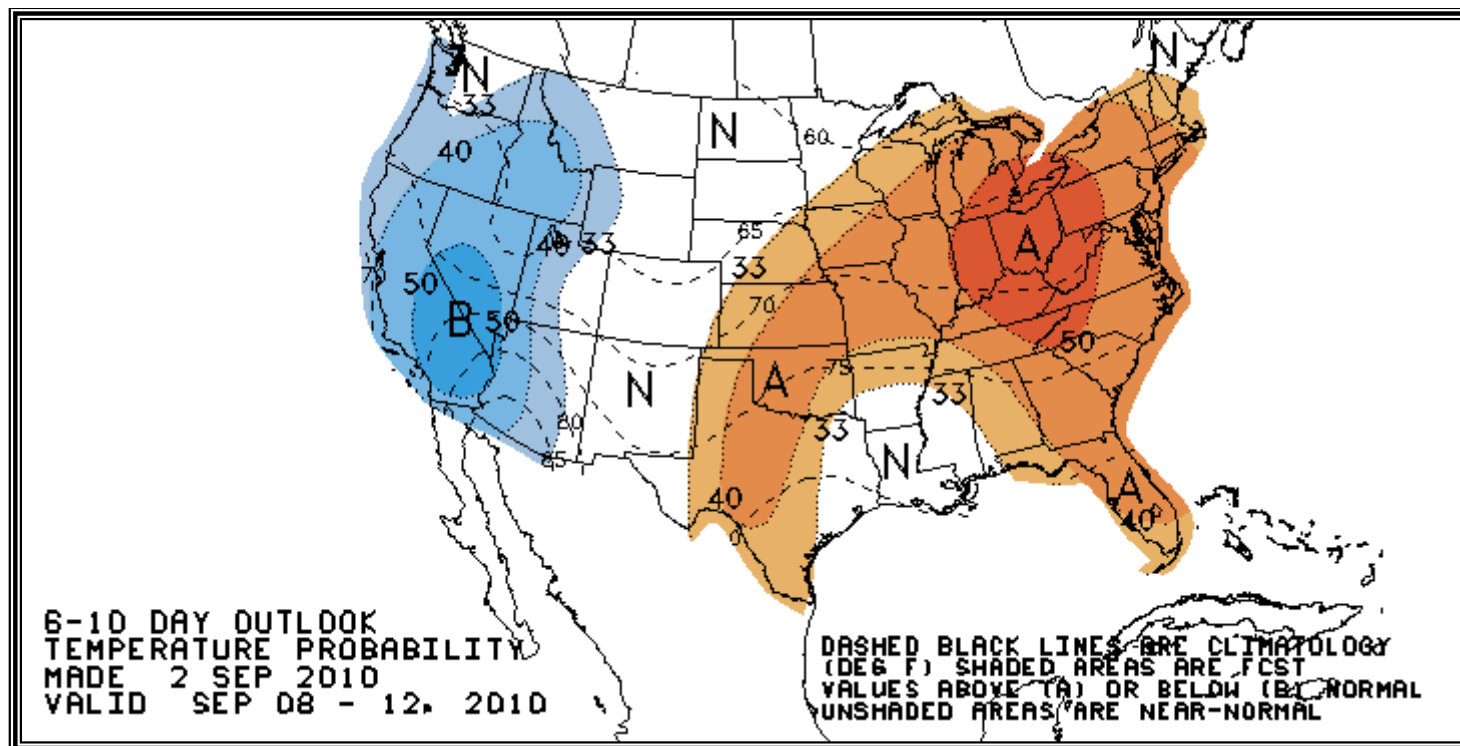
BCF
Percent Change (%)-129
-11.90
0.0-41
-227.816
4.1

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



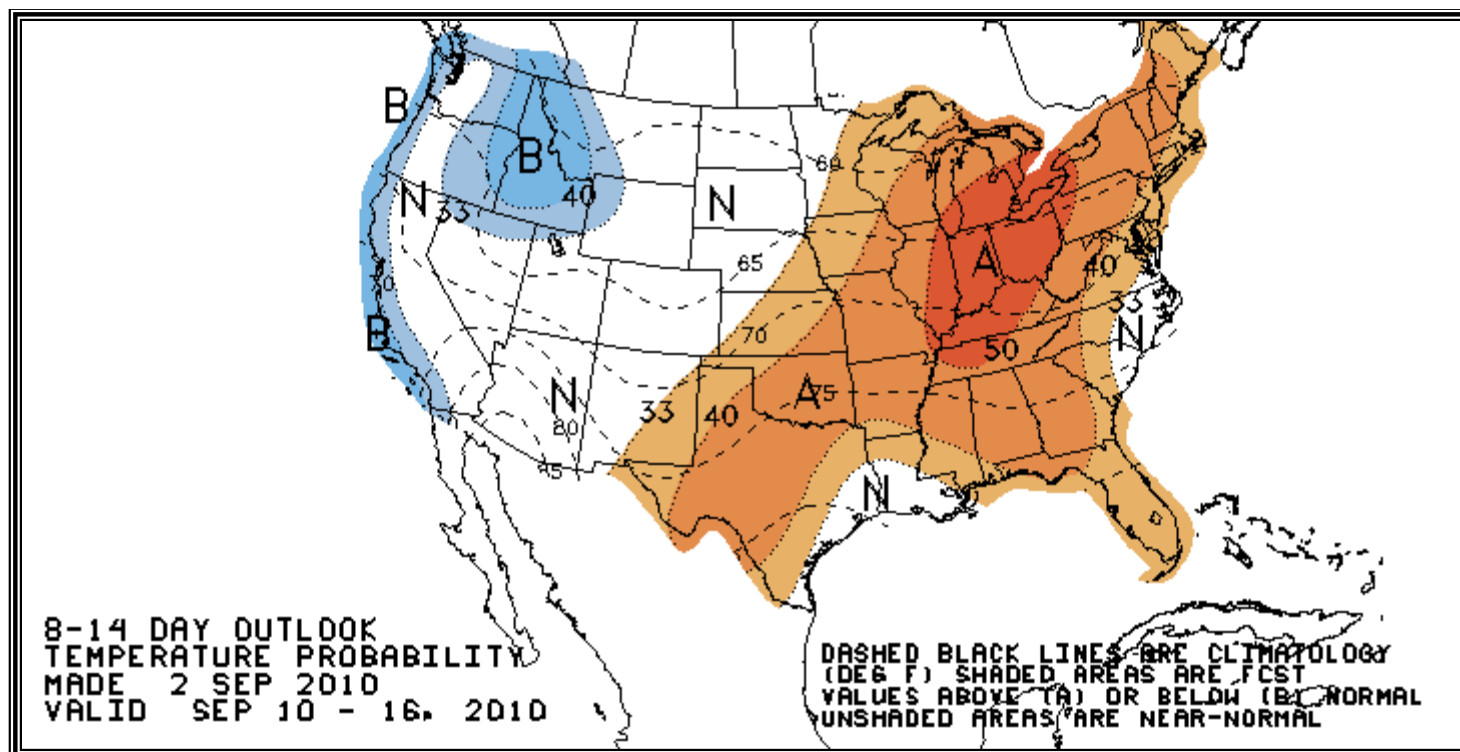
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

