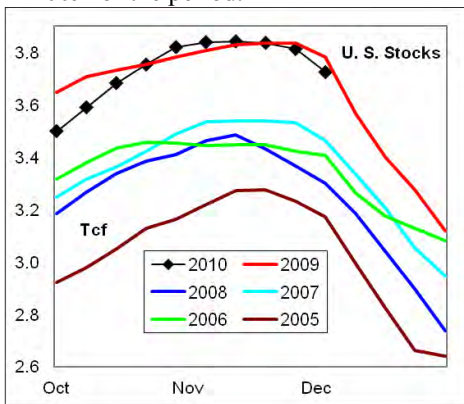
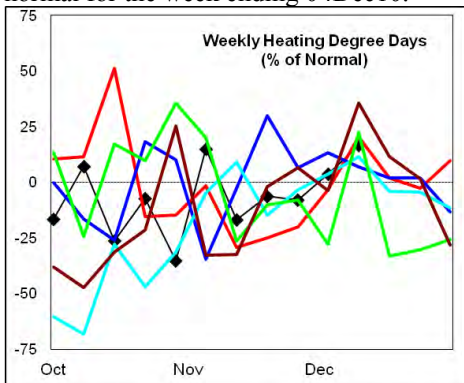


**Summary**<sup>1</sup> Stocks decreased -89 Bcf last week, the draw was a record for the week. Stock levels were -1.5% below the high set in 2009 for the period.



Heating degree days were +4% above normal for the week ending 04Dec10.



In the East Region stocks decreased -51 Bcf for the period, a level that was near a record draw for the week. Stocks decreased -21 Bcf in the West Region, which was the 2nd consecutive record weekly draw for this time of year. The stock draw of -17 Bcf in the Producing Region was at the mid range for the week.

Heating degree days were +4% above normal in the East Region, +7% above normal in the West Region and -3% below normal in the Producing Region for the week ending 04Dec10.

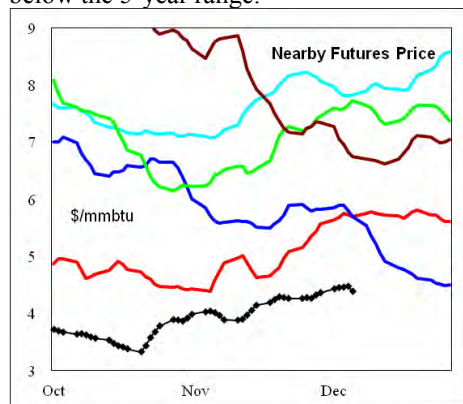
**Heating degree days** were +4% above normal for the week ended 04Dec10, and are forecast to be +17% above normal for

the week ending 11Dec10.

The 6-10 day NWS forecast for the week ending December 19th is for colder than normal temperatures in the eastern 1/3rd of the country and near normal temperatures in the western 2/3rds of the country.

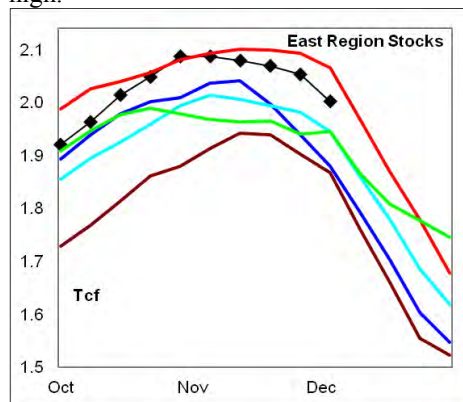
The 8-14 day NWS forecast for the week ending December 23rd is for an extension of the 6-10 days forecast; colder than normal in the eastern 1/3rd and near normal in the western 2/3rds of the country.

**Prices:** Nearby gas futures prices were unchanged for the week ending 10Dec10. Prompt month futures prices remain well below the 5-year range.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve traded sideways last week ending 10Dec10. The spread is now inverted, with the level at a 5-year high for the period.

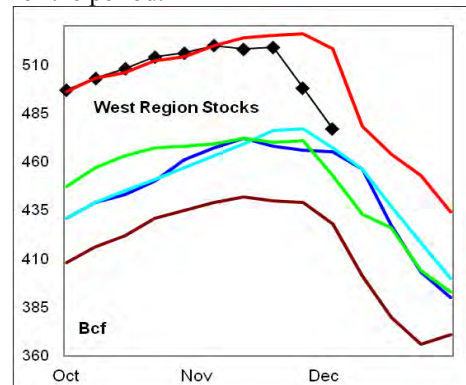
**East Region** stocks decreased -51 Bcf last week, a level that was near the record draw for the week. The latest 4-wk stock draw was above four of the last 5-years. Stock levels were -3.1% below the prior record high.



Heating degree days in the region are forecast to be +21% above normal for the week ending 11Dec10. Significantly above normal heating degree days are

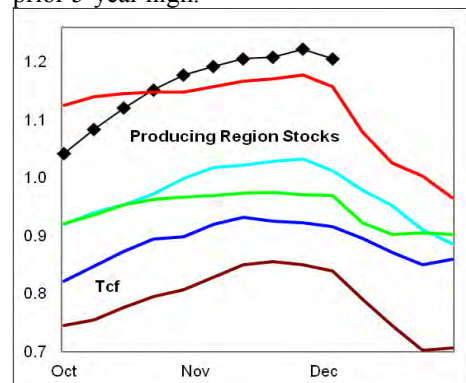
forecast for the next 10-days.

**West Region** stocks decreased -21 Bcf on the week, which was the 2nd consecutive record weekly draw. Stock levels were -7.9% below the prior record high. The latest 4-wk stock draw was a record draw for the period.



Heating degree days are forecast to be -8% below normal for the week ending 11Dec10. Slightly warmer than normal temperatures are forecast for the next 10-days.

**Producing Region** stocks decreased -17 Bcf on the week, which was at the mid range for the period. The latest 4-wk stock build matched the record high build for the period. Stock levels were +4% above the prior 5-year high.



Heating degree days are forecast to be +13% above normal for the week ending 11Dec10. Slightly colder than normal temperatures 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:** Temperatures are forecast to be below normal in the Eastern 1/3rd of the country during the next 10-days.

Above normal heating degree days should provide modest support to natural gas prices even with very high supplies.

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

[Data Source is EIA Weekly Statistics](http://Data Source is EIA Weekly Statistics)

[National Weather Service 6-10 Day](http://National Weather Service 6-10 Day)

[National Weather Service 10-14 Day](http://National Weather Service 10-14 Day)



## NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: December 10, 2010

For the week ending: 3-Dec-10

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

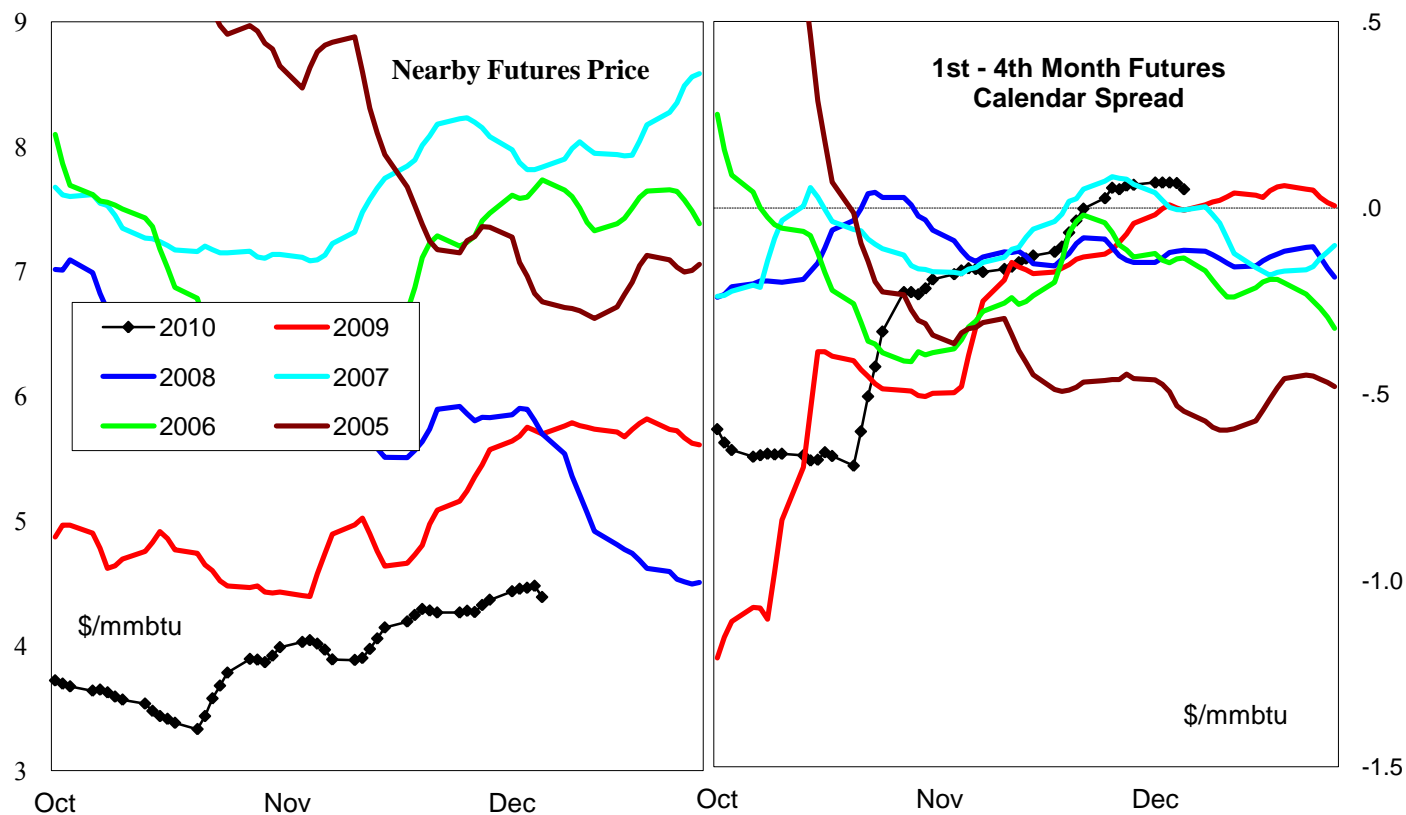
Week ending:	3-Dec-10			27-Nov-10		4-Dec-10		11-Dec-10	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,725	-89	-1.5	13	-8%	36	4%	40	17%
East	2,002	-51	-3.1	11	-11%	45	4%	52	21%
West	477	-21	-7.9	80	30%	-26	7%	-17	-8%
Producing	1,246	-17	4.0	-18	-27%	40	-3%	32	13%

### Seasonal Trends in Stocks and Heating Degree Days

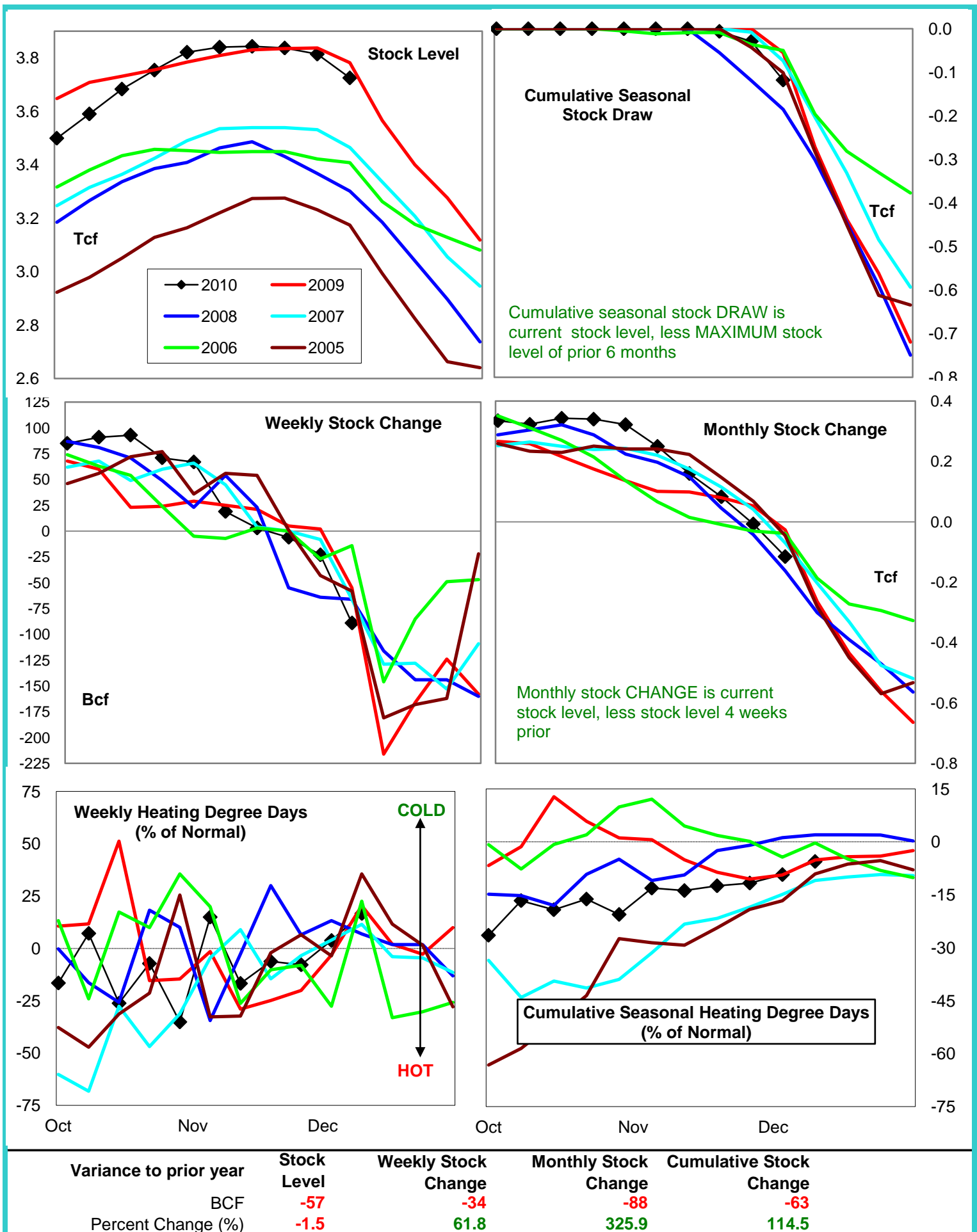
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-118</b>	<b>-63</b>	<b>53.4</b>	<b>150</b>	<b>-11.7</b>	<b>186</b>	<b>-9.3</b>	<b>226</b>	<b>-5.6</b>
<b>East</b>	<b>-85</b>	<b>-50</b>	<b>58.8</b>	<b>159</b>	<b>-11.3</b>	<b>204</b>	<b>-8.9</b>	<b>256</b>	<b>-4.7</b>
<b>West</b>	<b>-43</b>	<b>-35</b>	<b>81.4</b>	<b>222</b>	<b>-11.1</b>	<b>196</b>	<b>-8.6</b>	<b>179</b>	<b>-8.5</b>
<b>Producing</b>	<b>-17</b>	<b>3</b>	<b>-17.6</b>	<b>79</b>	<b>-15.1</b>	<b>119</b>	<b>-12.7</b>	<b>151</b>	<b>-8.1</b>

### Futures Market Price Trends

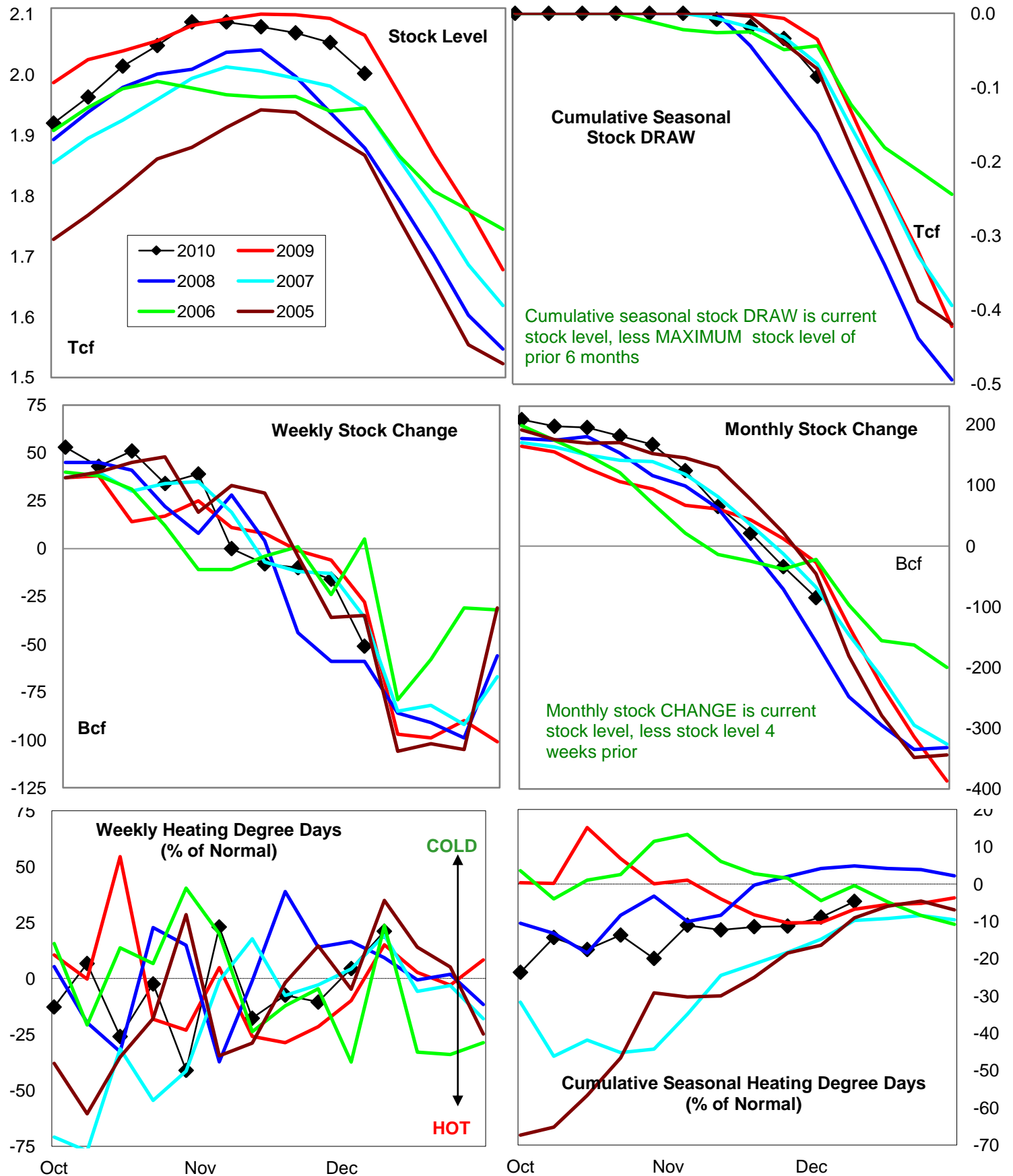
Date:	31-Dec-10	Change vs prior week, month, year		
		27-Dec-10	6-Dec-10	31-Dec-09
<b>1st month Futures</b>	<b>4.39</b>	<b>-0.10</b>	<b>0.54</b>	<b>-1.25</b>
<b>% change</b>	<b>xxxxx</b>	<b>-2.2</b>	<b>14.0</b>	<b>-22.2</b>



# 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  
Change

BCF

-63

-23

-58

-50

Percent Change (%)

-3.1

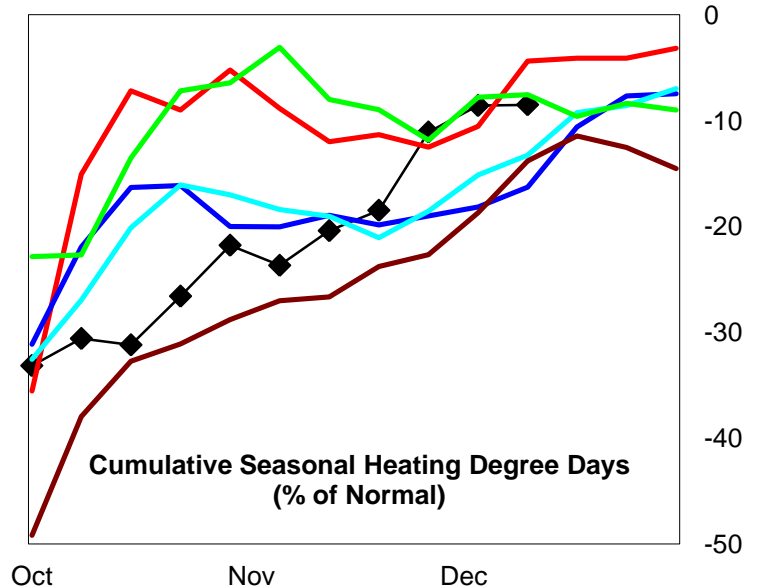
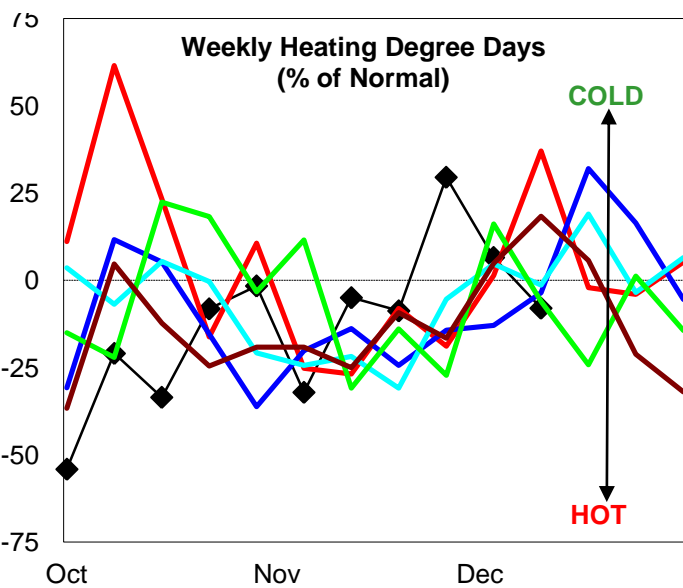
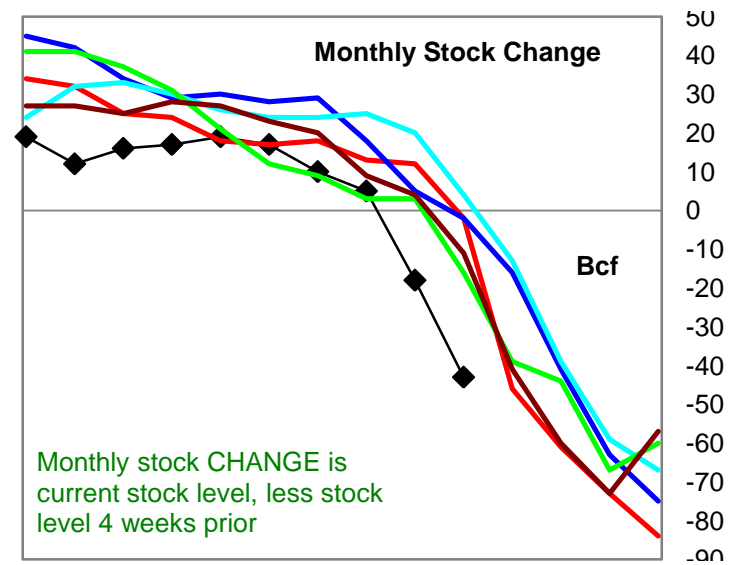
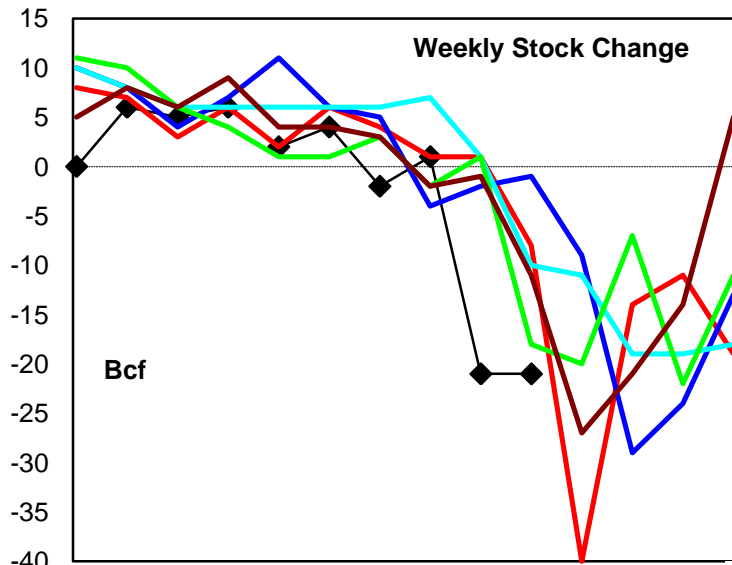
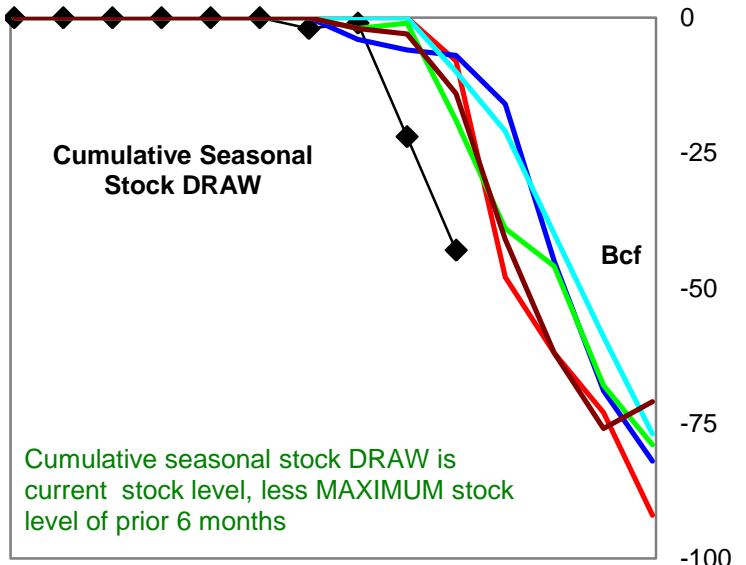
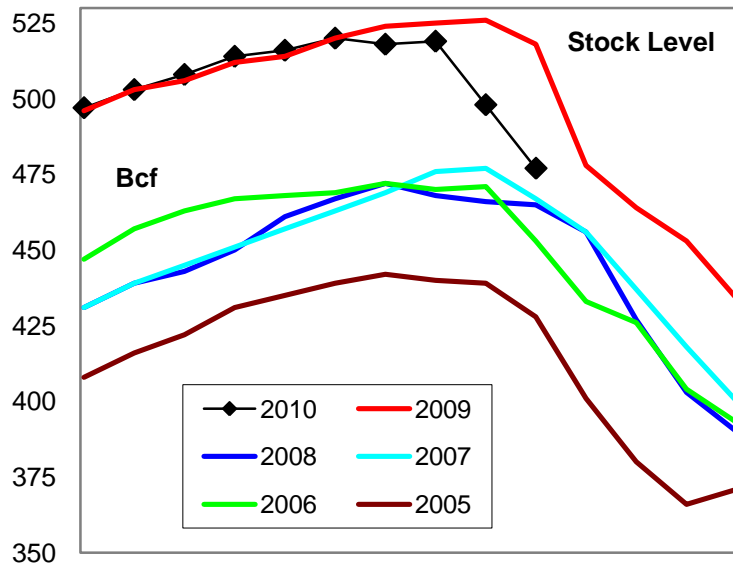
82.1

214.8

142.9



# 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 (%)

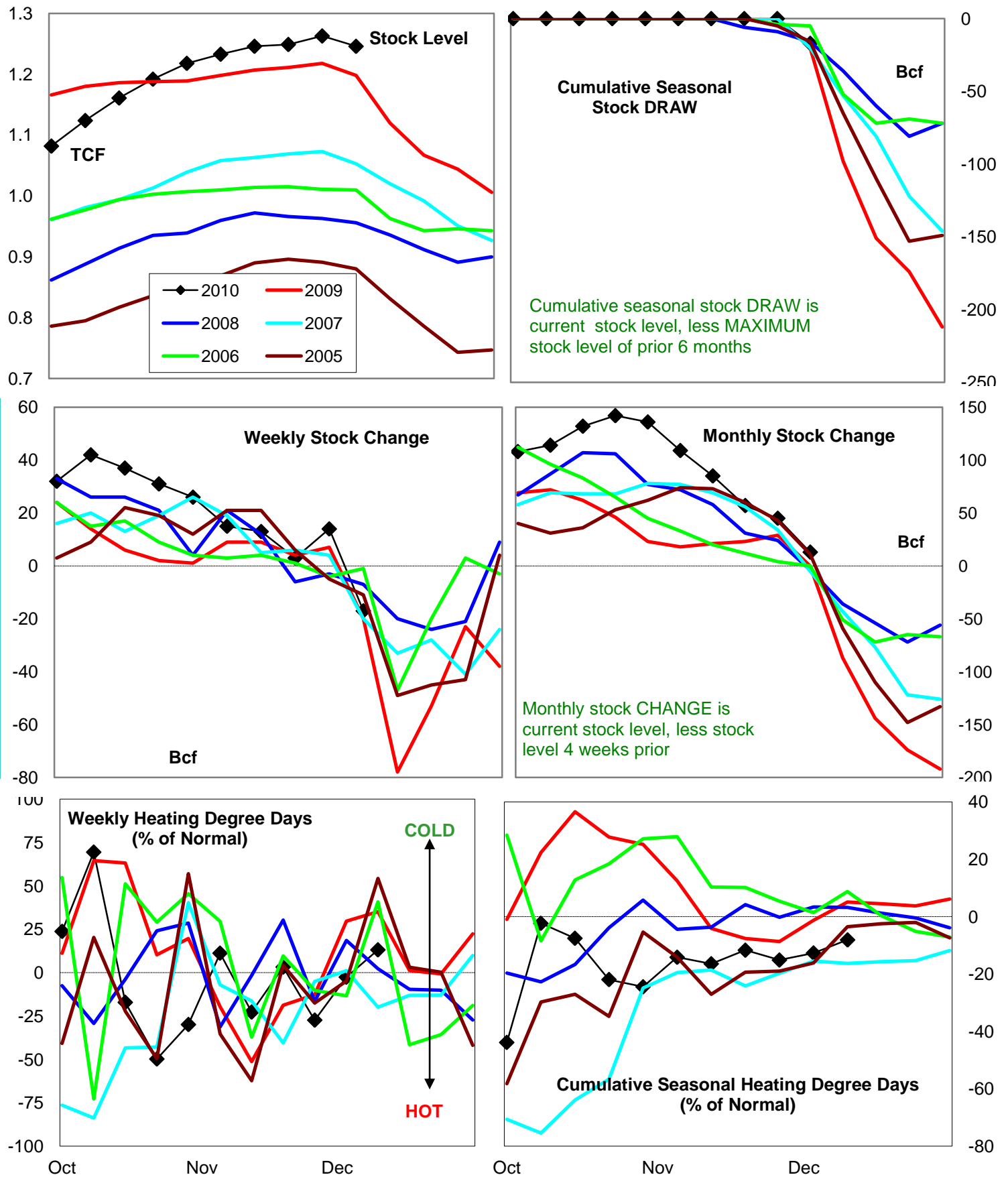
-41  
-7.9

-13  
162.5

-41  
2,050.0

-35  
437.5

# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

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

48

3

13

3

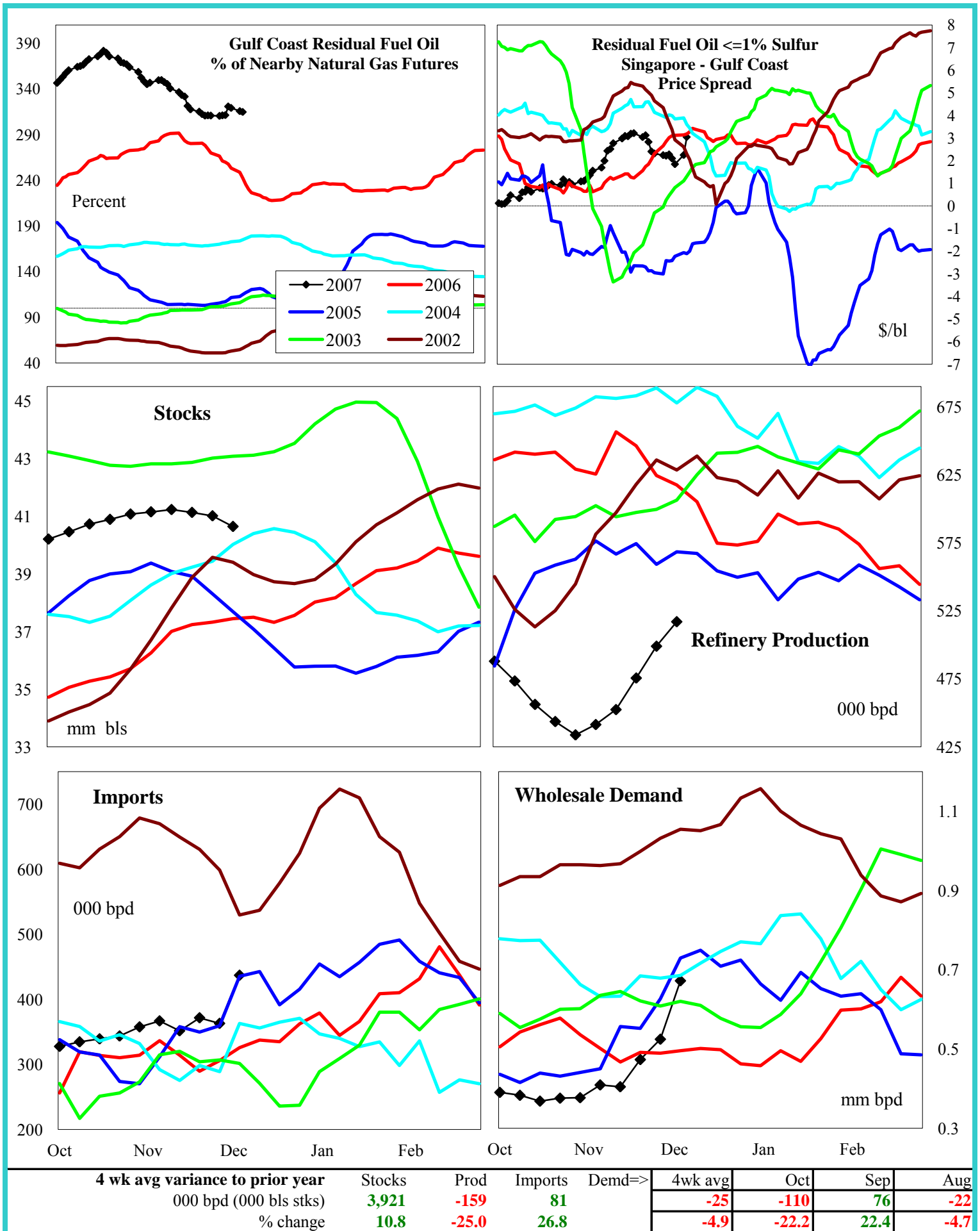
4.0

-15.0

#DIV/0!

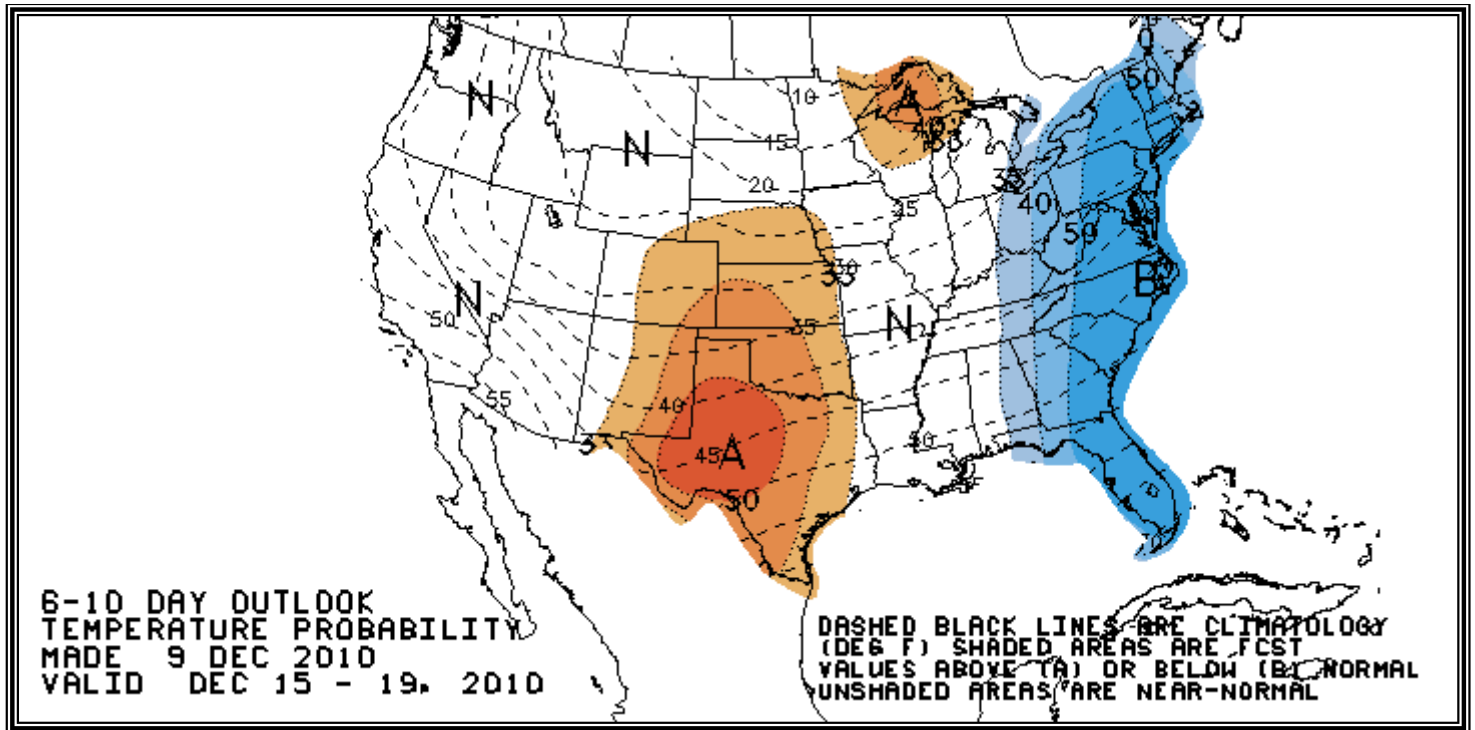
-15.0

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



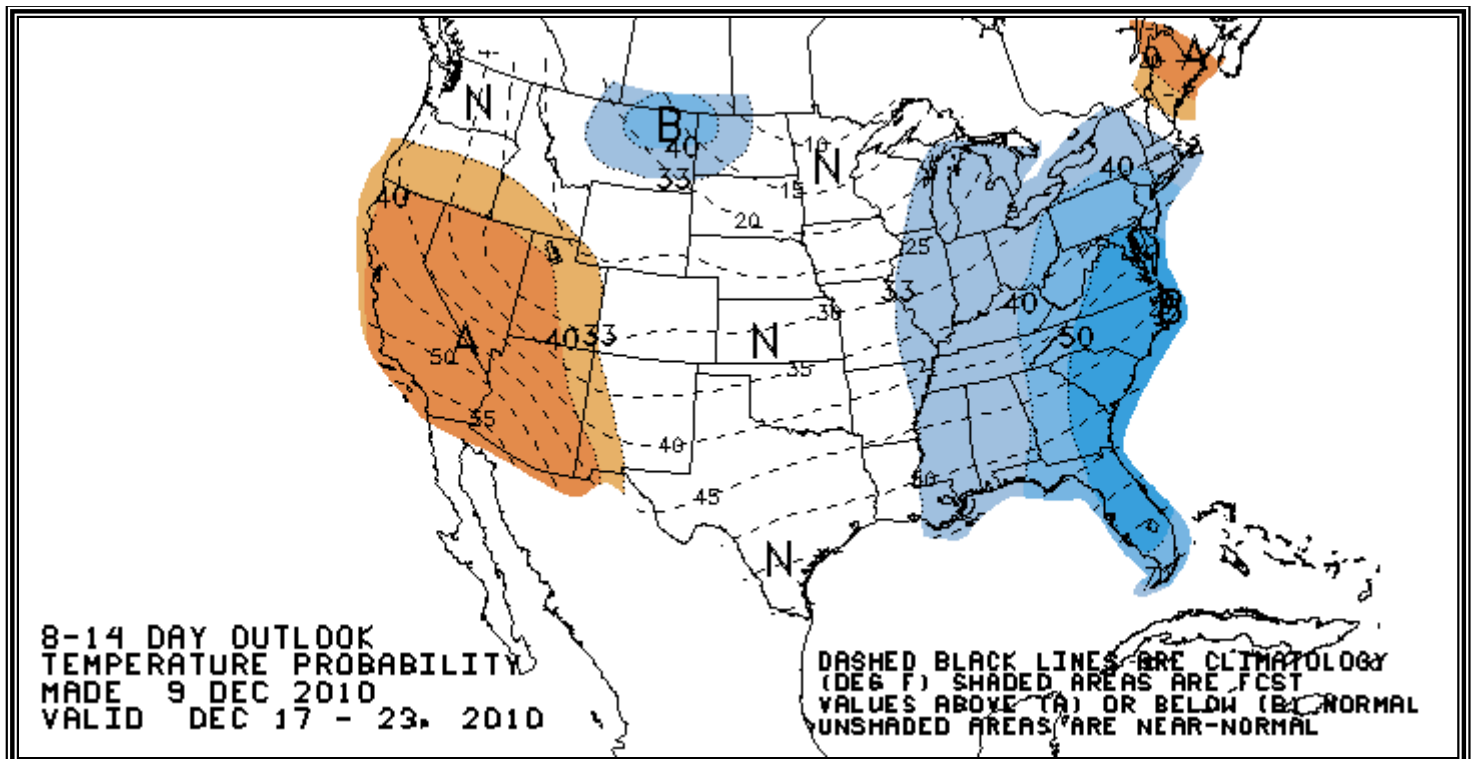
## National Weather Service Climate Prediction Center

## Degree Days 6 - 10 Day Temperature Forecast



## National Weather Service Climate Prediction Center

## Degree Days 8 - 14 Day Temperature Forecast





# American Gas Association Regions

