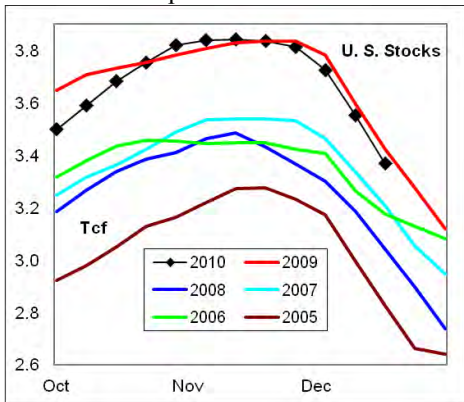
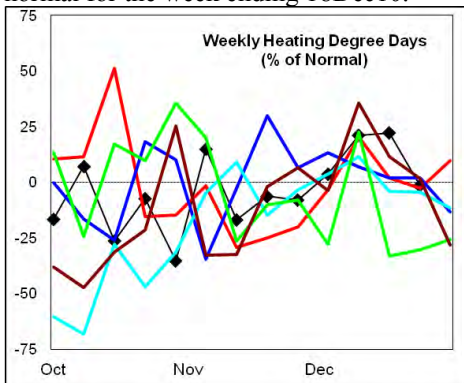




**Summary**<sup>1</sup> Stocks decreased -184 Bcf last week, the draw was a record for the week. Stock levels were -1.6% below the high set in 2009 for the period.



Heating degree days were +22% above normal for the week ending 18Dec10.



In the East Region stocks decreased -117 Bcf for the period, a record draw for the week. Stocks decreased -11 Bcf in the West Region, matching the lowest draw of the last 5-years for this period. The stock draw of -56 Bcf in the Producing Region matched the largest draw for the week of the last 5-years.

Heating degree days were +29% above normal in the East Region, -5% below normal in the West Region and +11% above normal in the Producing Region for the week ending 18Dec10.

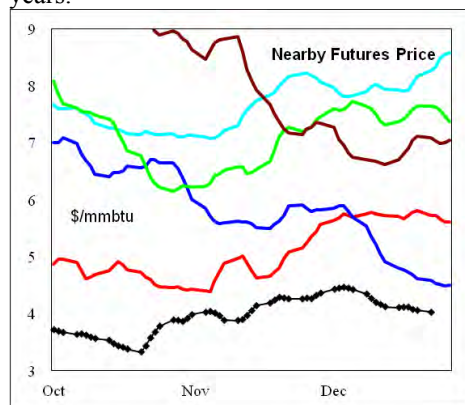
**Heating degree days** were +22% above normal for the week ended 18Dec10, and were estimated to be -1% below normal for

the week ending 25Dec10.

The 6-10 day NWS forecast for the week ending January 5th is for colder than normal temperatures in the western 1/2 of the country and near normal in the eastern 1/2.

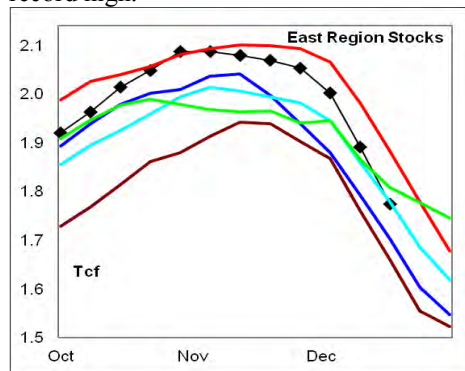
The 8-14 day NWS forecast for the week ending January 9th is for colder than normal temperatures across the entire country.

**Prices:** Nearby gas futures prices decreased -\$0.21/mmbtu for the week ending 27Dec10. Prompt month futures prices remain at record low levels for the last 5-years.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve traded lower last week ending 27Dec10. The spread is now slightly inverted, above four of the last 5-years.

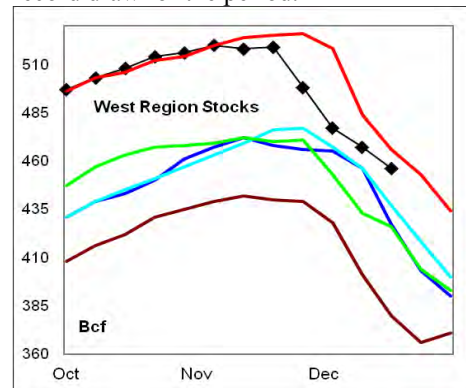
**East Region** stocks decreased -117 Bcf last week, the 2nd consecutive weekly record draw. The latest 4-wk stock draw matched the 5-year high for the period. Stock levels were -5.8% below the prior record high.



Heating degree days in the region were estimated to be +5% above normal for the week ending 25Dec10. Above normal heating degree days are forecast for the next 10-days.

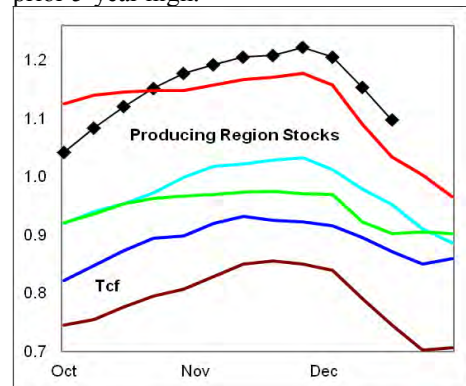
**West Region** stocks decreased -11 Bcf on the week, a draw that matched the lowest of the last 5-years for this period. Stock

levels were -2.1% below the prior record high. The latest 4-wk stock draw was a record draw for the period.



Heating degree days are estimated to be -9% below normal for the week ending 25Dec10. Much colder than normal temperatures are forecast for the next 10-days.

**Producing Region** stocks decreased -56 Bcf on the week, a draw which matched the 5-year record for the period. The latest 4-wk stock draw was greater than the mid range. Stock levels were +5.9% above the prior 5-year high.



Heating degree days are estimated to be -29% below normal for the week ending 25Dec10. 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 colder than normal across the entire country for the 8-14 day forecast; an unusually widespread cold weather pattern. High stock levels and record high production capacity has depressed gas prices in the 4th quarter. Expect the current cold weather pattern to provide modest price support.

<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 27, 2010

For the week ending: 17-Dec-10

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

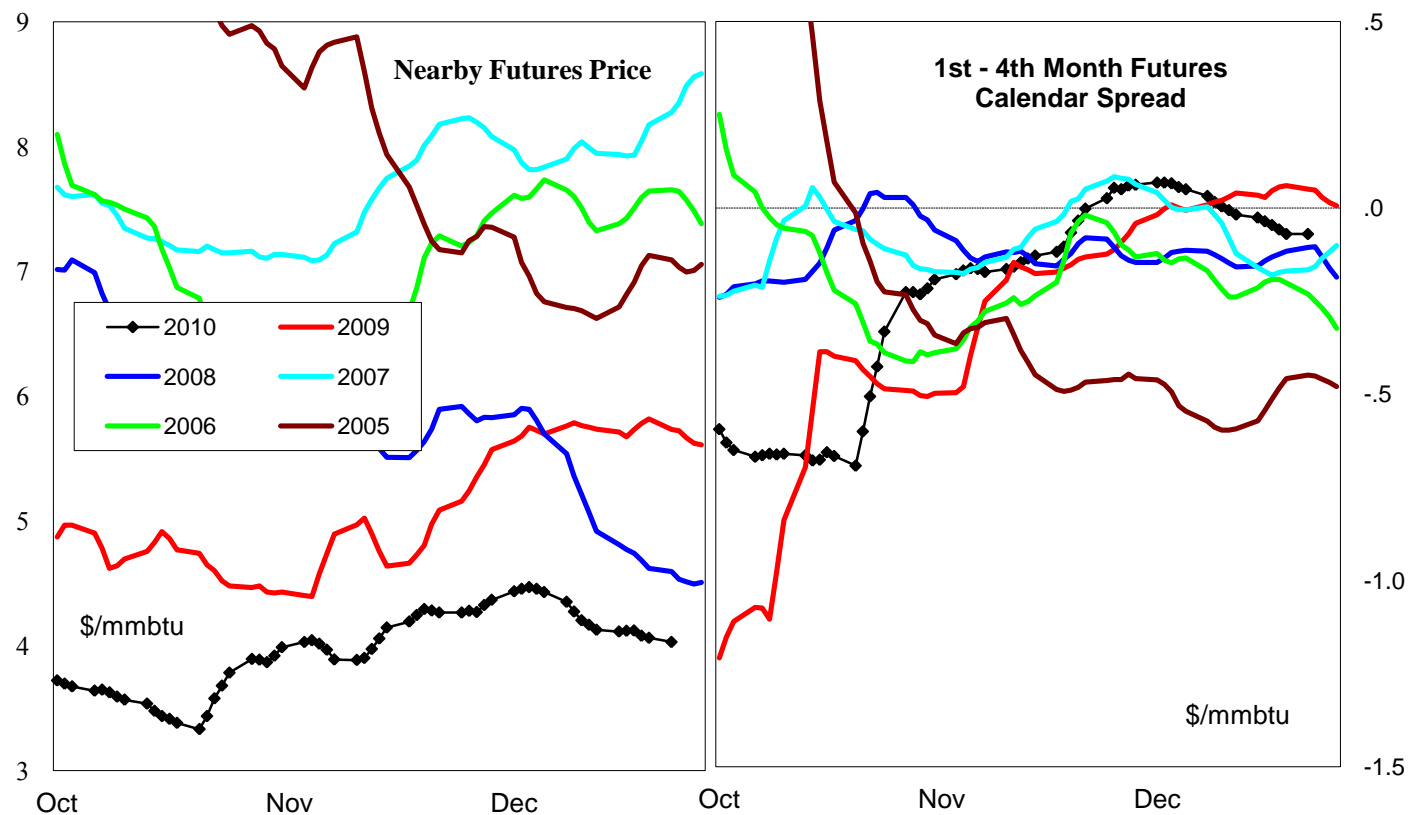
Week ending:	17-Dec-10			11-Dec-10		18-Dec-10		25-Dec-10	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,368	-184	-1.6	50	21%	19	22%	-38	-1%
East	1,774	-117	-5.8	66	27%	24	29%	-41	5%
West	456	-11	-2.1	-24	-12%	21	-5%	-2	-9%
Producing	1,138	-56	5.9	38	17%	4	11%	-50	-29%

### Seasonal Trends in Stocks and Heating Degree Days

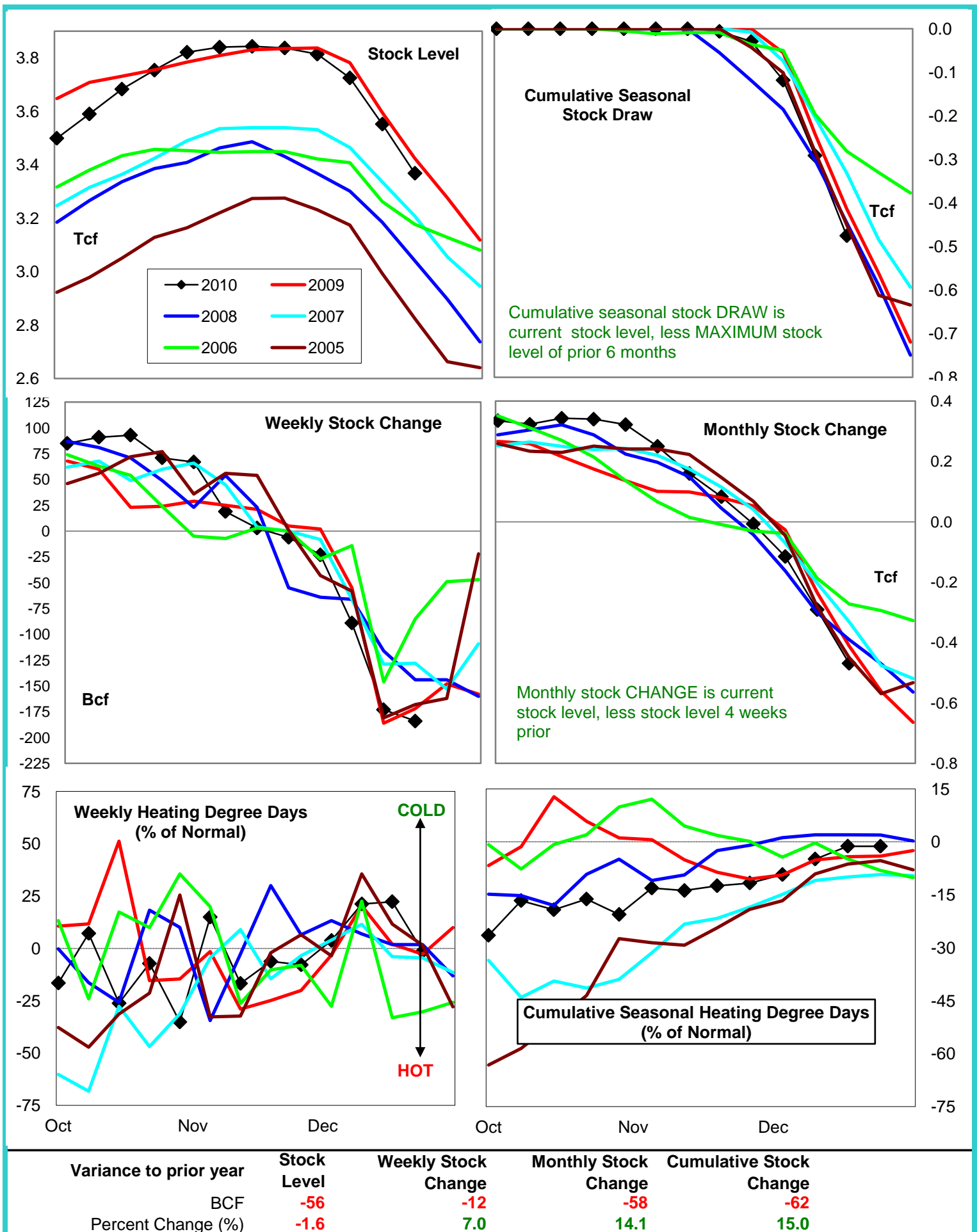
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-475</b>	<b>-62</b>	<b>13.1</b>	<b>236</b>	<b>-4.9</b>	<b>255</b>	<b>-1.2</b>	<b>217</b>	<b>-1.3</b>
<b>East</b>	<b>-313</b>	<b>-96</b>	<b>30.7</b>	<b>269</b>	<b>-3.8</b>	<b>293</b>	<b>0.5</b>	<b>252</b>	<b>1.0</b>
<b>West</b>	<b>-64</b>	<b>-4</b>	<b>6.3</b>	<b>172</b>	<b>-9.0</b>	<b>193</b>	<b>-8.6</b>	<b>191</b>	<b>-8.6</b>
<b>Producing</b>	<b>-125</b>	<b>18</b>	<b>-14.4</b>	<b>156</b>	<b>-7.4</b>	<b>160</b>	<b>-4.5</b>	<b>110</b>	<b>-8.0</b>

### Futures Market Price Trends

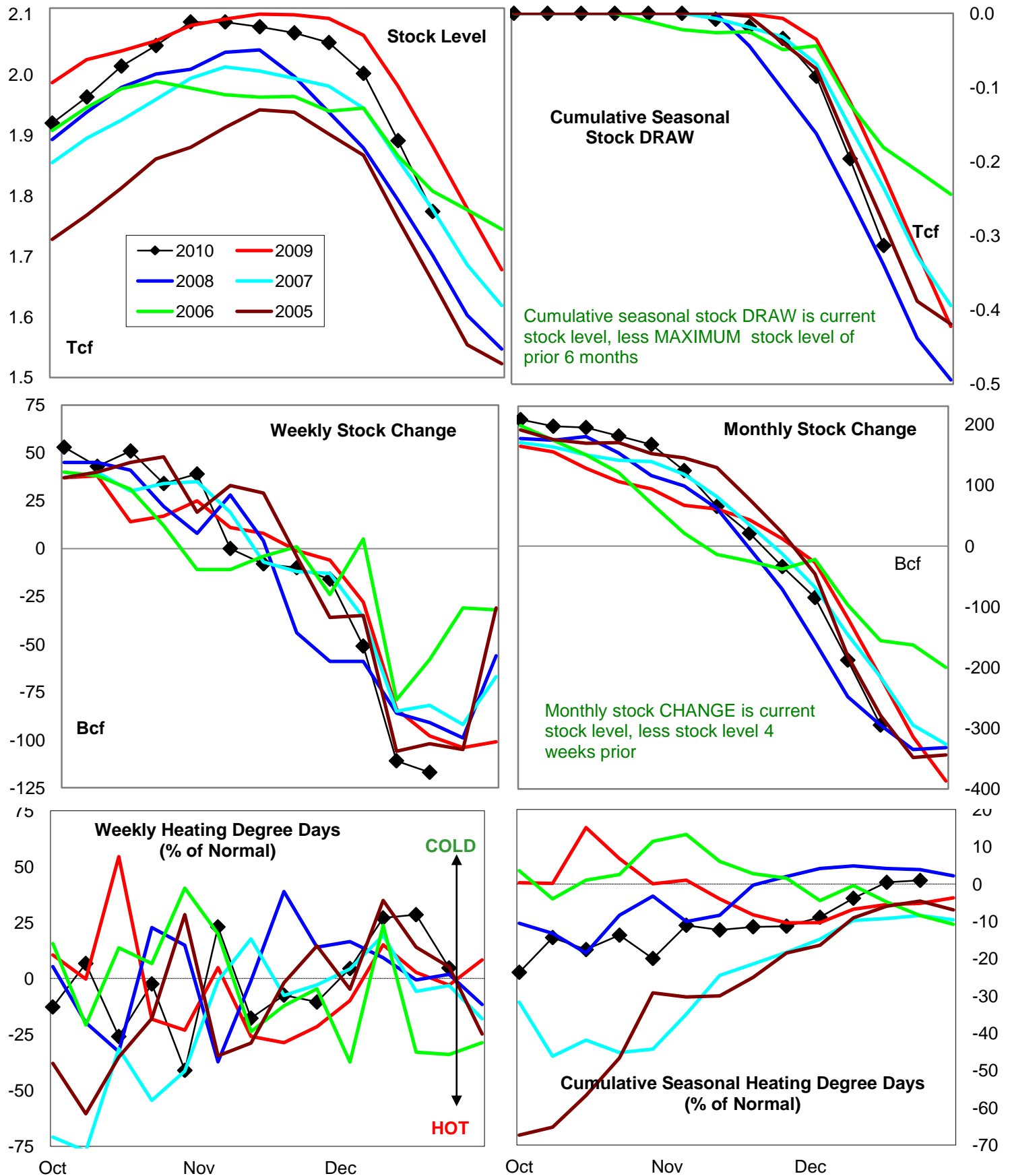
Date:	31-Dec-10	Change vs prior week, month, year		
		27-Dec-10	6-Dec-10	31-Dec-09
<b>1st month Futures</b>	<b>4.03</b>	<b>-0.03</b>	<b>-0.15</b>	<b>-1.72</b>
<b>% change</b>	<b>xxxxx</b>	<b>-0.7</b>	<b>-3.6</b>	<b>-29.9</b>



# 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

-109

-19

-79

-96

Percent Change (%)

-5.8

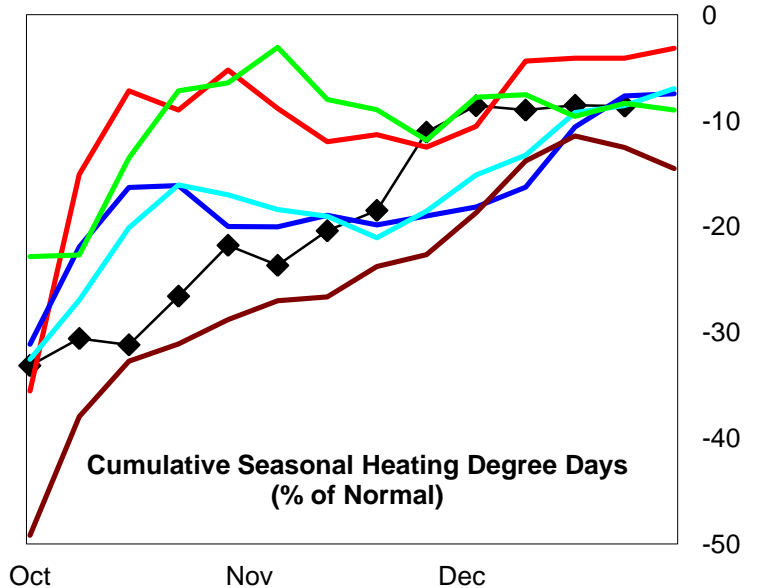
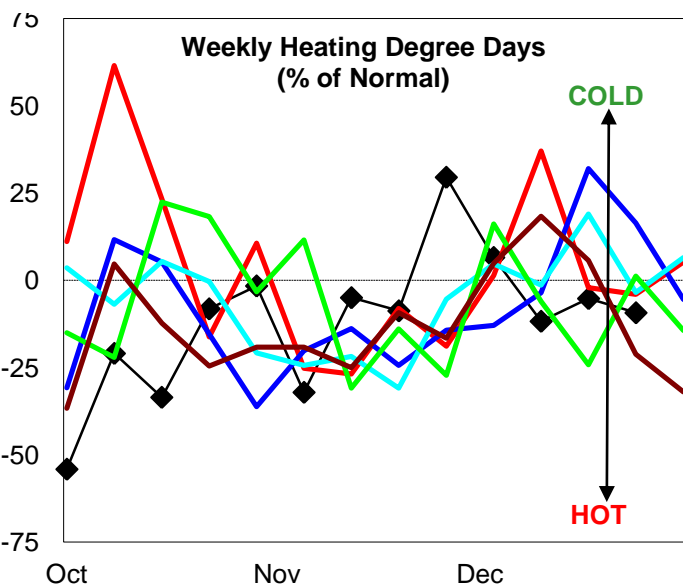
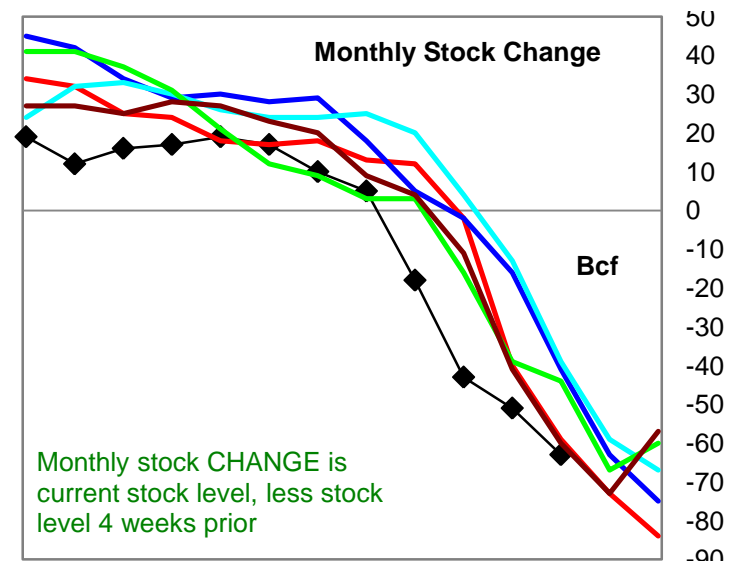
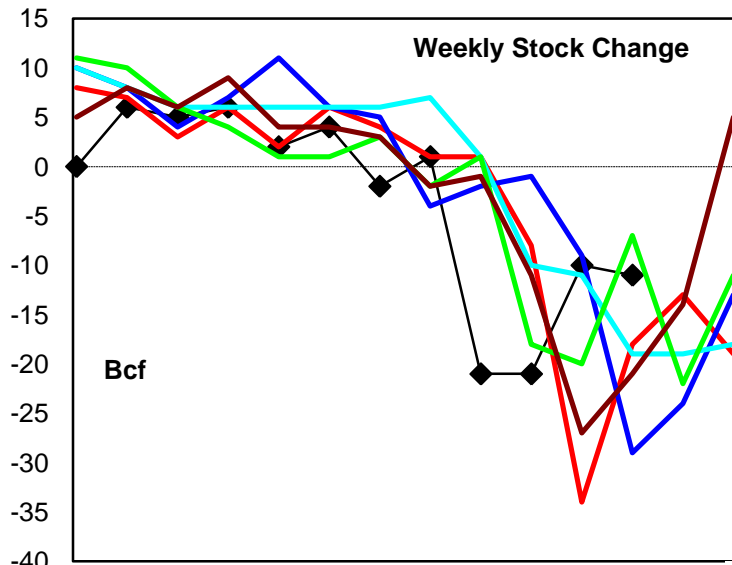
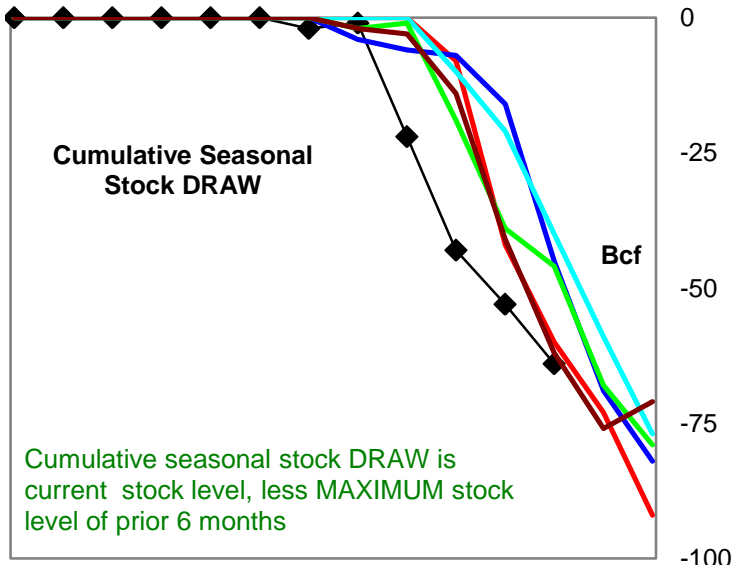
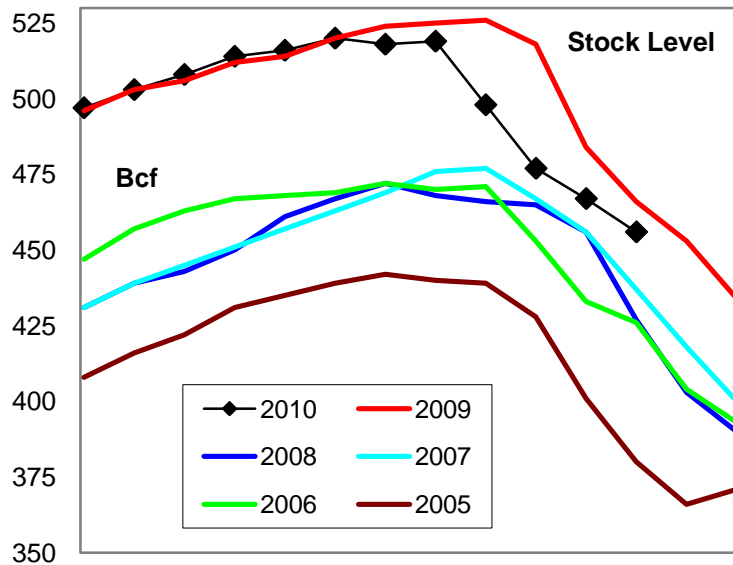
19.4

36.6

44.2



# Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

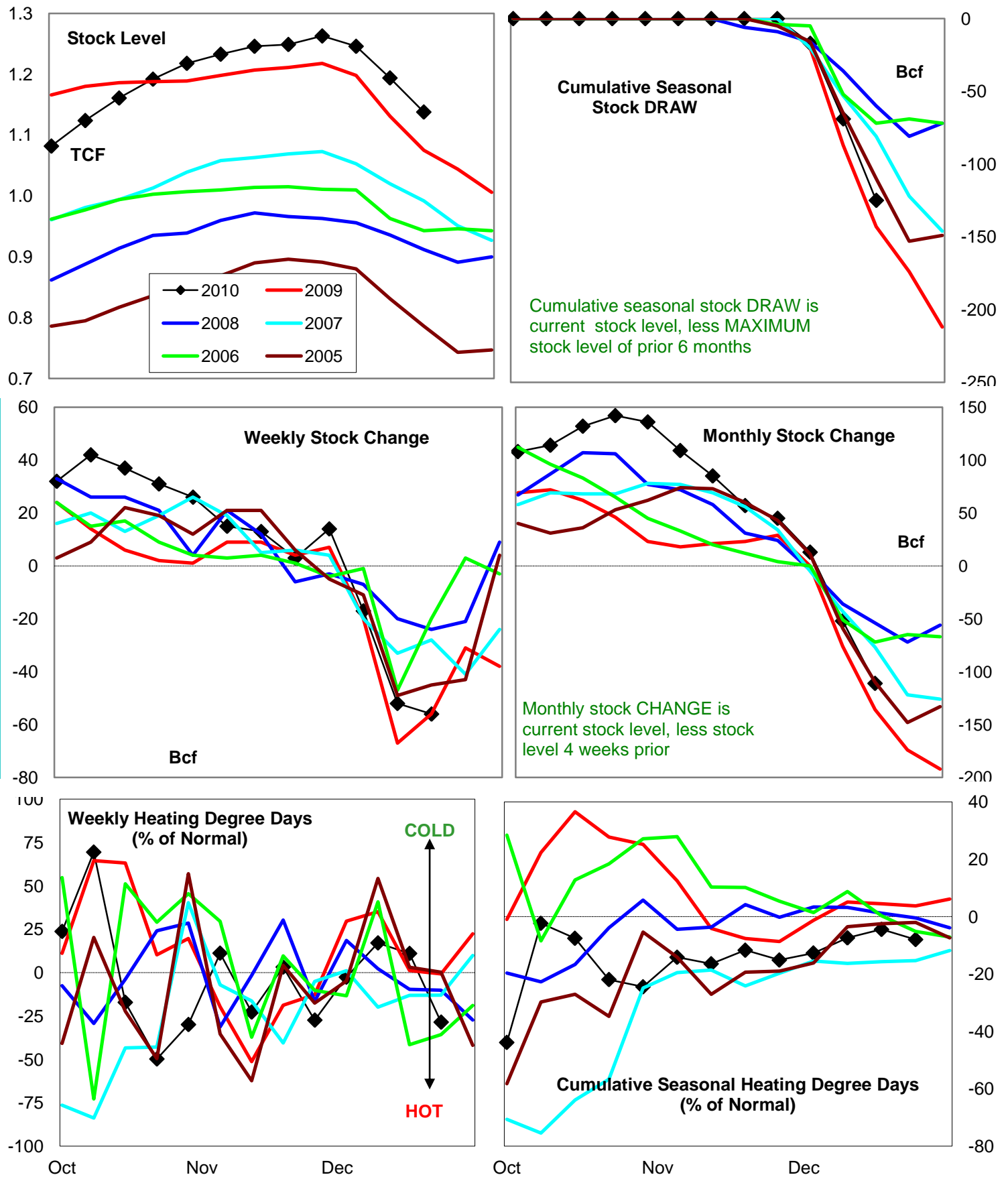
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF  
Percent Change (%)-10  
-2.17  
-38.9-4  
6.8-4  
6.7

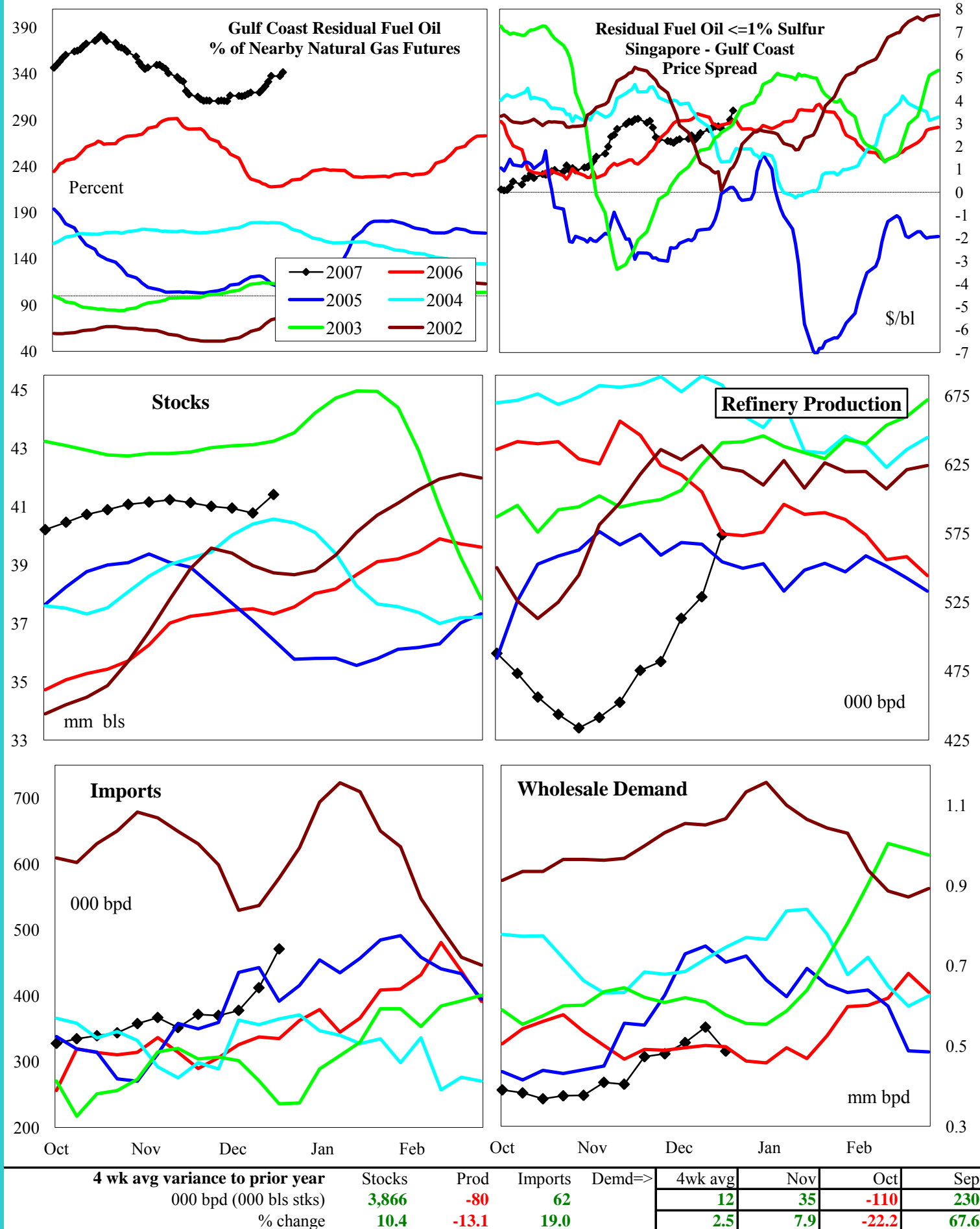
# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

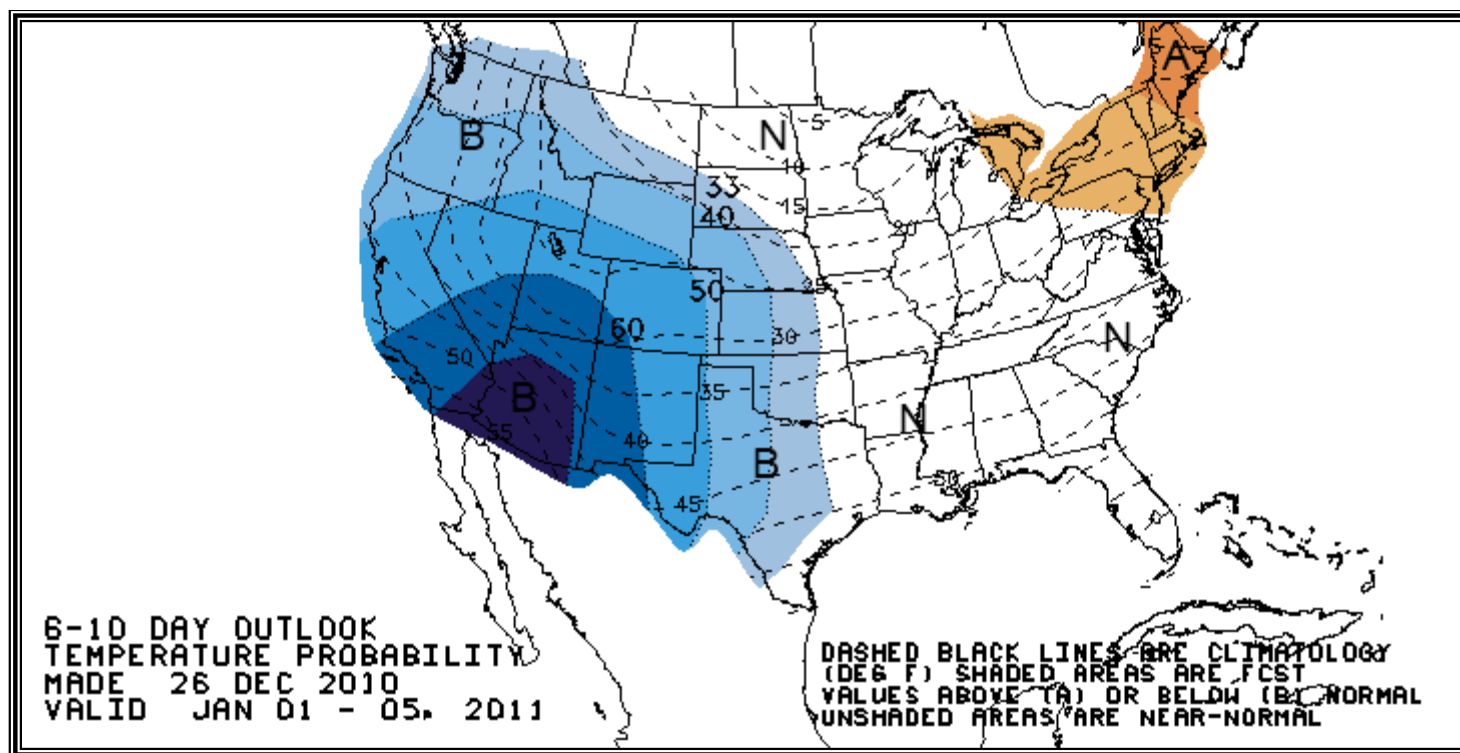
Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)63  
5.90  
0.025  
-18.418  
-12.6

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



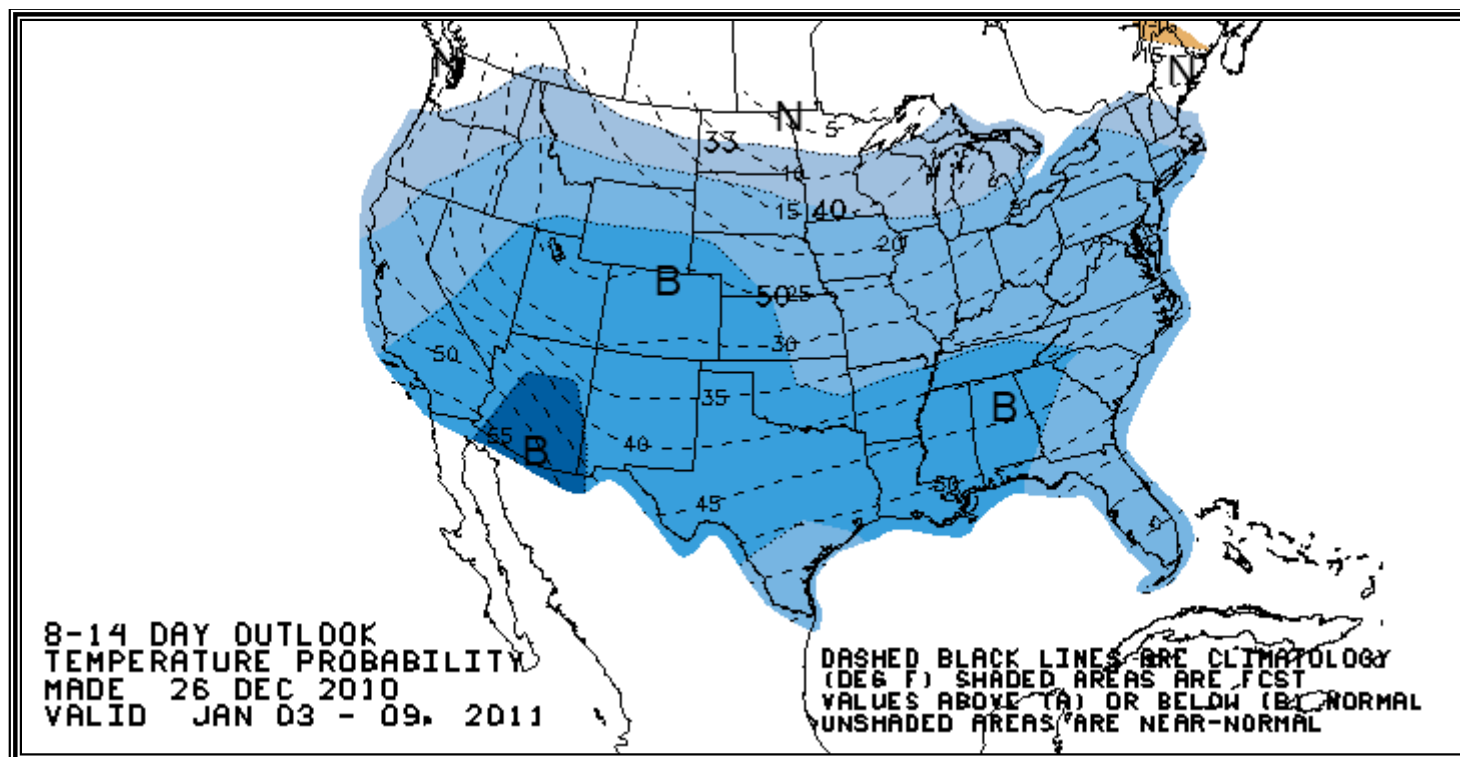
## National Weather Service Climate Prediction Center

## Degree Days 6 - 10 Day Temperature Forecast



## National Weather Service Climate Prediction Center

## Degree Days 8 - 14 Day Temperature Forecast





# American Gas Association Regions

