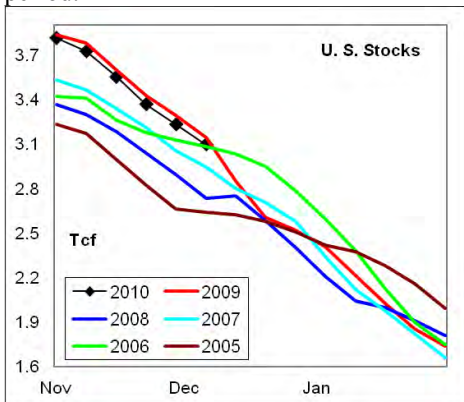
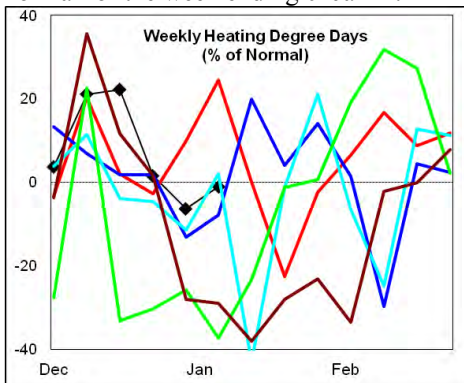




Summary ¹ Stocks decreased -135 Bcf last week, a draw that matched the historic mid range for the week. Stock levels were -1.5% below the high set in 2009 for the period.



Heating degree days were -6% below normal for the week ending 01Jan11.



In the East Region stocks decreased -81 Bcf for the period, a draw that was greater than four of the last 5-years for the week. Stocks decreased -16 Bcf in the West Region, a draw above the mid range. for the period. The stock draw of -38 Bcf in the Producing Region matched the 5-year record draw for the week.

Heating degree days were -7% below normal in the East Region, +5% above normal in the West Region and -9% below normal in the Producing Region for the week ending 01Jan11.

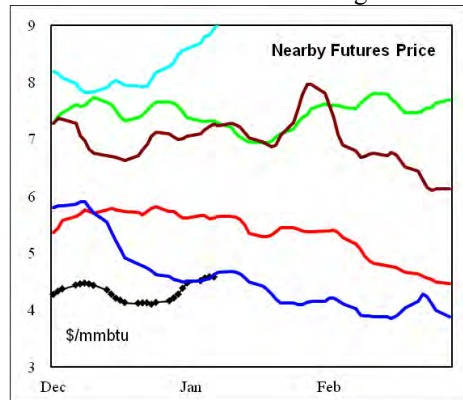
Heating degree days were -6% below normal for the week ended 01Jan11, and

forecast to be -1% below normal for the week ending 08Jan11.

The 6-10 day NWS forecast for the week ending January 15th is for colder than normal temperatures in the eastern 2/3rds of the country and near normal in the western 1/3rd.

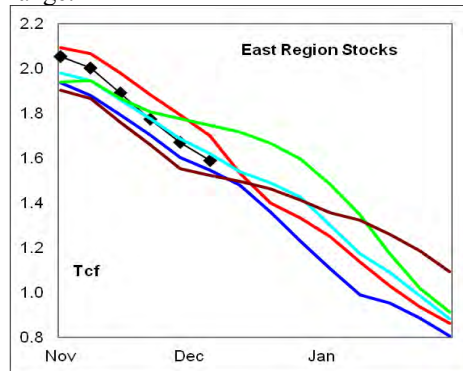
The 8-14 day NWS forecast for the week ending January 19th is for colder than normal temperatures in the central 2/3rds of the country with the west near normal.

Prices: Nearby gas futures prices increased +\$0.24/mmbtu for the week ending 06Jan11. Prompt month futures prices are at the low end of the historic range.



The 1st - 4th month forward price curve trended higher last week ending 06Jan11. The spread was slightly inverted, a level above the 5-year range.

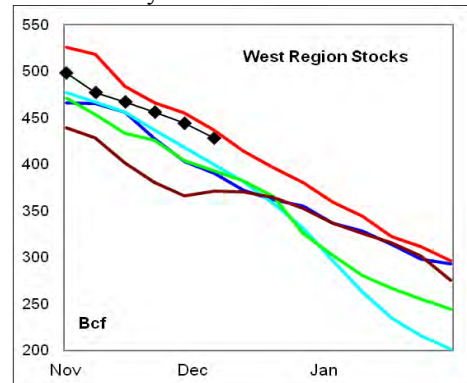
East Region stocks decreased -81 Bcf last week, a level greater than four of the last 5-years. The latest 4-wk stock draw was a record high for the last 5-years at this time of year. Stock levels were below the mid range.



Heating degree days in the region were -7% below normal last week and are forecast to be -1% below normal for the week ending 08Jan11. Above normal heating degree days are forecast for the next 10-days.

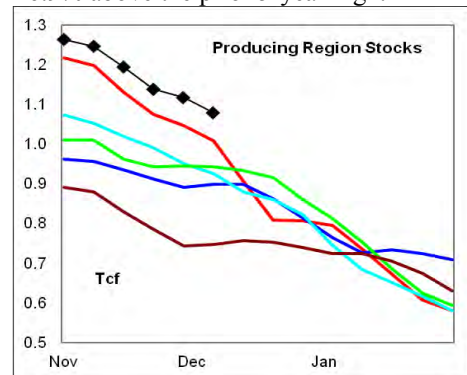
West Region stocks decreased -16 Bcf on

the week, a draw that was near the mid range for the week. Stock levels were -2.1% below the prior record high. The latest 4-wk stock draw was less than each of the last 5-years.



Heating degree days were +5% above normal last week, and forecast to be +7% above normal for the week ending 08Jan11. Normal temperatures are forecast for the next 10-days.

Producing Region stocks decreased -38 Bcf on the week, a draw which matched the 5-year record draw for the week. The latest 4-wk stock draw was greater than four of the last 5-years. Stock levels were +6.9% above the prior 5-year high.



Heating degree days were -9% below normal last week, and are forecast to be -6% below normal for the week ending 08Jan11. 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: Heating degree days are forecast to be above normal through the third week of January. Cumulative seasonal draws match highs of the last 5-years. Near record stock levels and sharply higher production point to a very well supplied market even with above normal heating demand. Expect price weakness on any warming trends.

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: January 6, 2011

For the week ending: 31-Dec-10

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

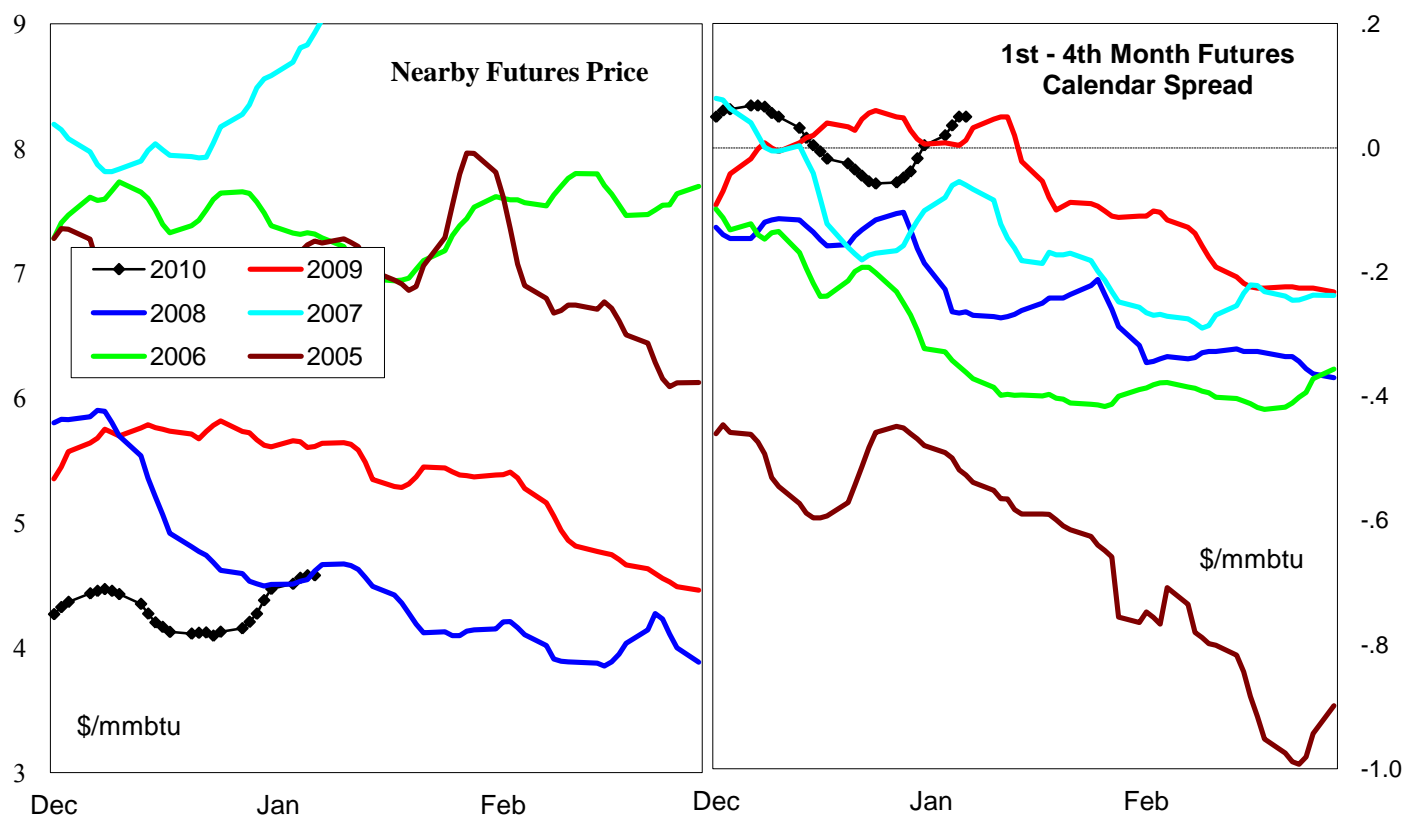
Week ending:	31-Dec-10			25-Dec-10		1-Jan-11		8-Jan-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	3,097	-135	-1.5	-31	2%	-9	-6%	18	-1%
East	1,590	-81	-6.4	-35	7%	-24	-7%	22	-1%
West	428	-16	-2.1	-6	-11%	38	5%	6	7%
Producing	1,079	-38	6.9	-30	-15%	16	-9%	8	-6%

Seasonal Trends in Stocks and Heating Degree Days

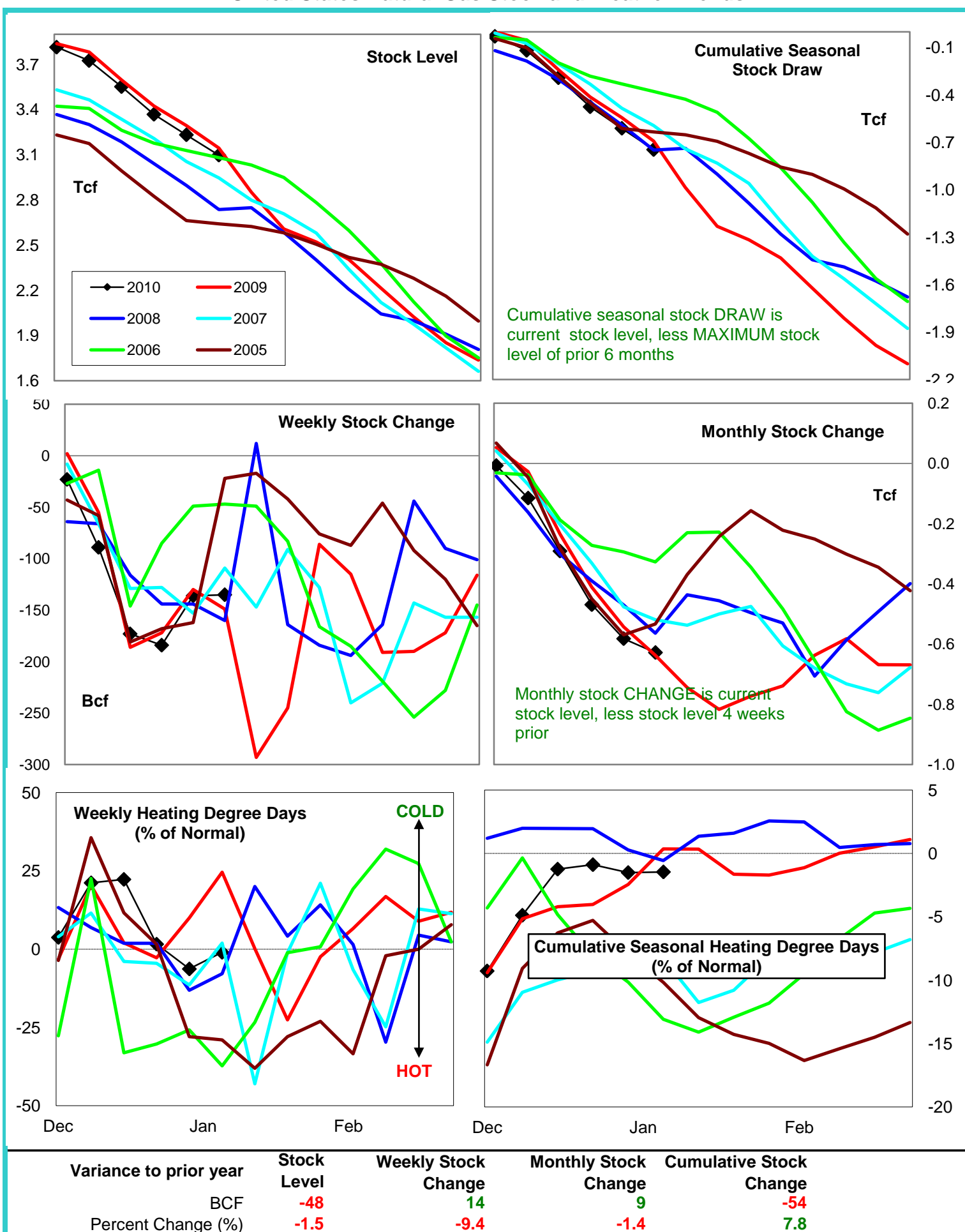
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-746	-54	7.2	224	-0.9	215	-1.5	233	-1.5
East	-497	-96	19.3	258	1.2	234	0.2	256	0.1
West	-92	-3	3.3	187	-8.9	225	-7.5	231	-6.2
Producing	-184	25	-13.6	130	-6.0	146	-6.4	154	-6.4

Futures Market Price Trends

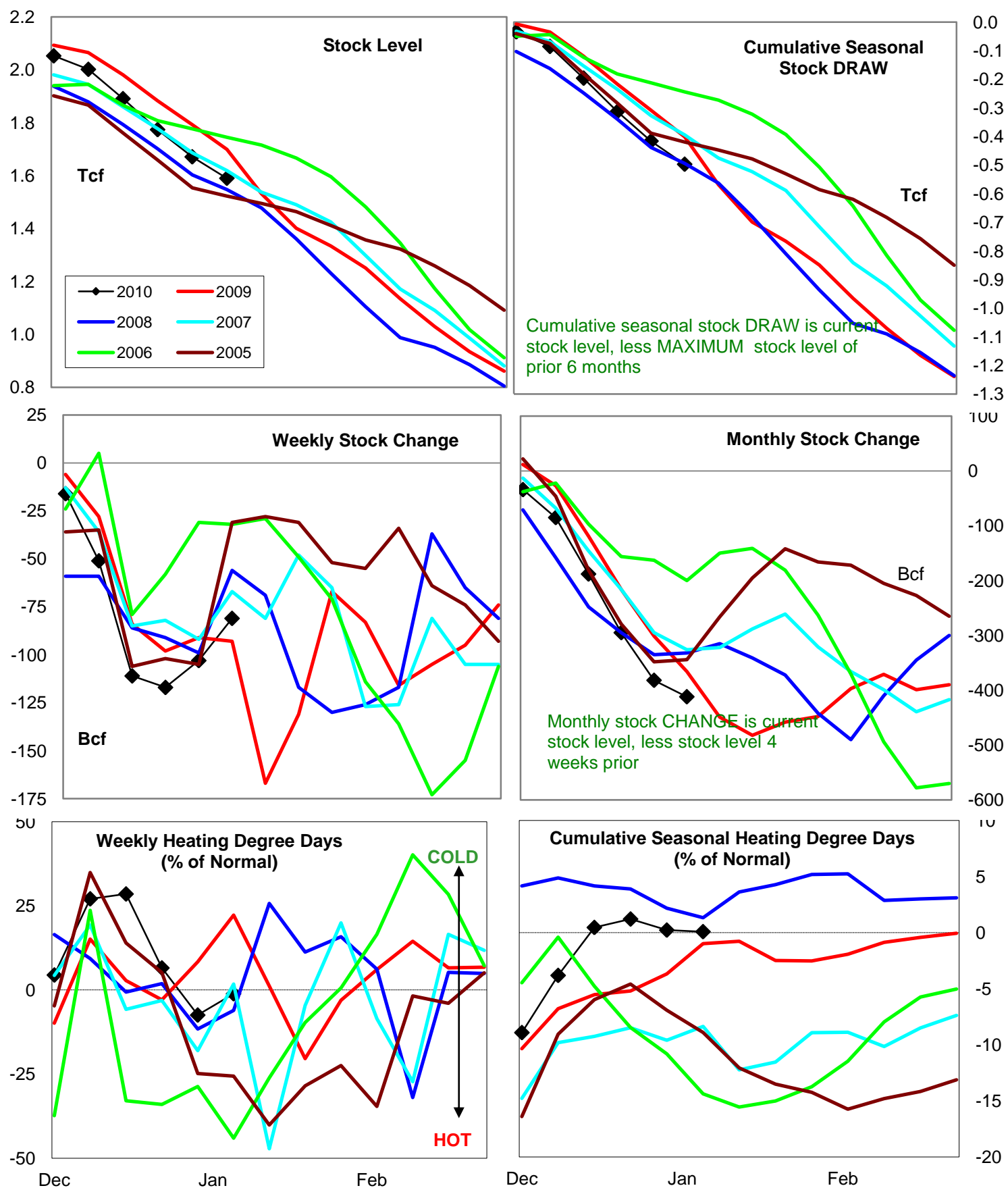
Date:	28-Feb-11	Change vs prior week, month, year		
		22-Feb-11	1-Feb-11	2-Mar-10
1st month Futures	4.58	0.17	0.16	-0.92
% change	xxxxx	3.9	3.6	-16.7



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

Percent Change (%)

-109

-6.4

12

-12.9

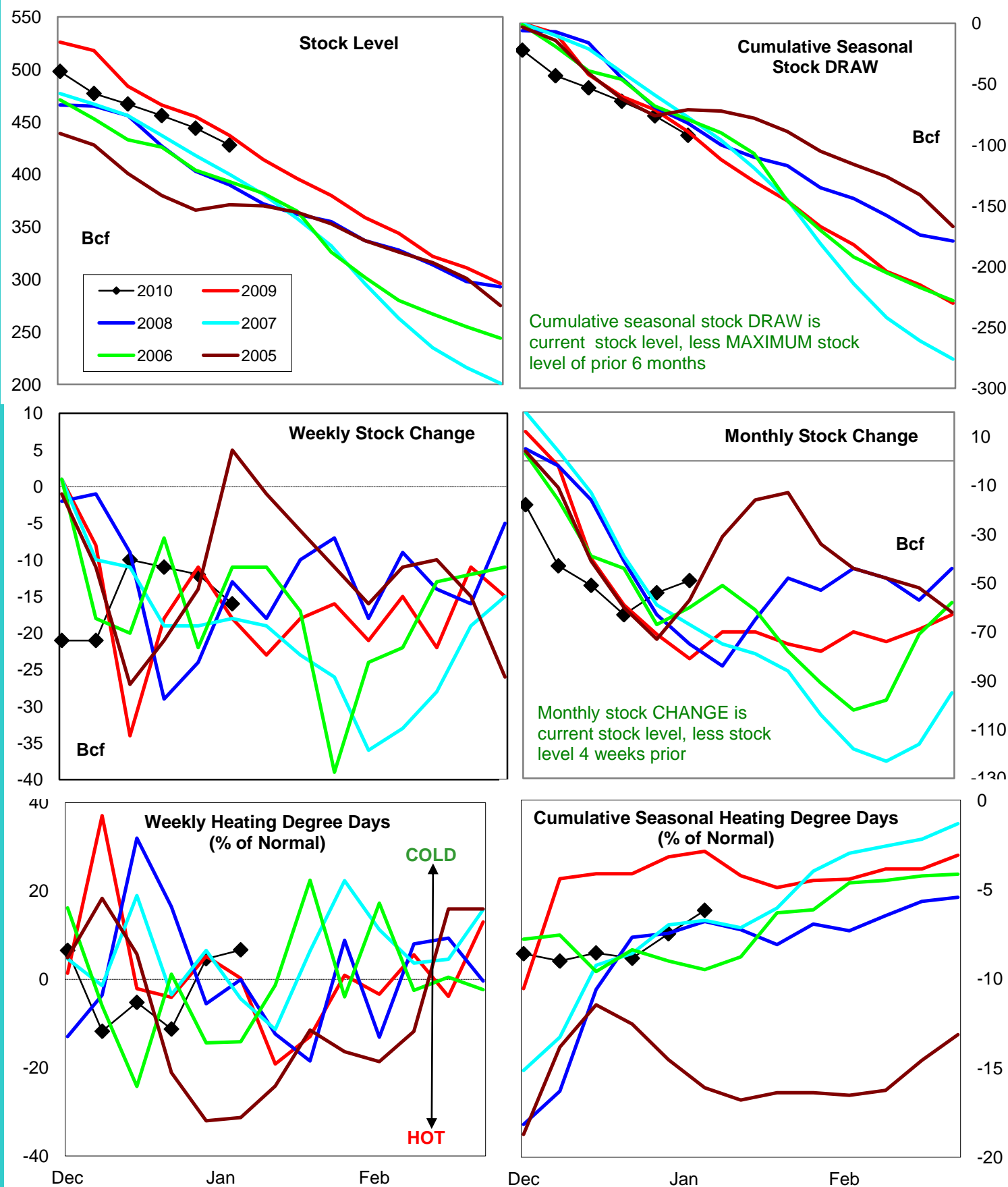
-46

12.6

-96

23.9

Natural Gas West Region Stock and Weather Trends



Variance to prior year

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

-9

-2.1

2

-11.1

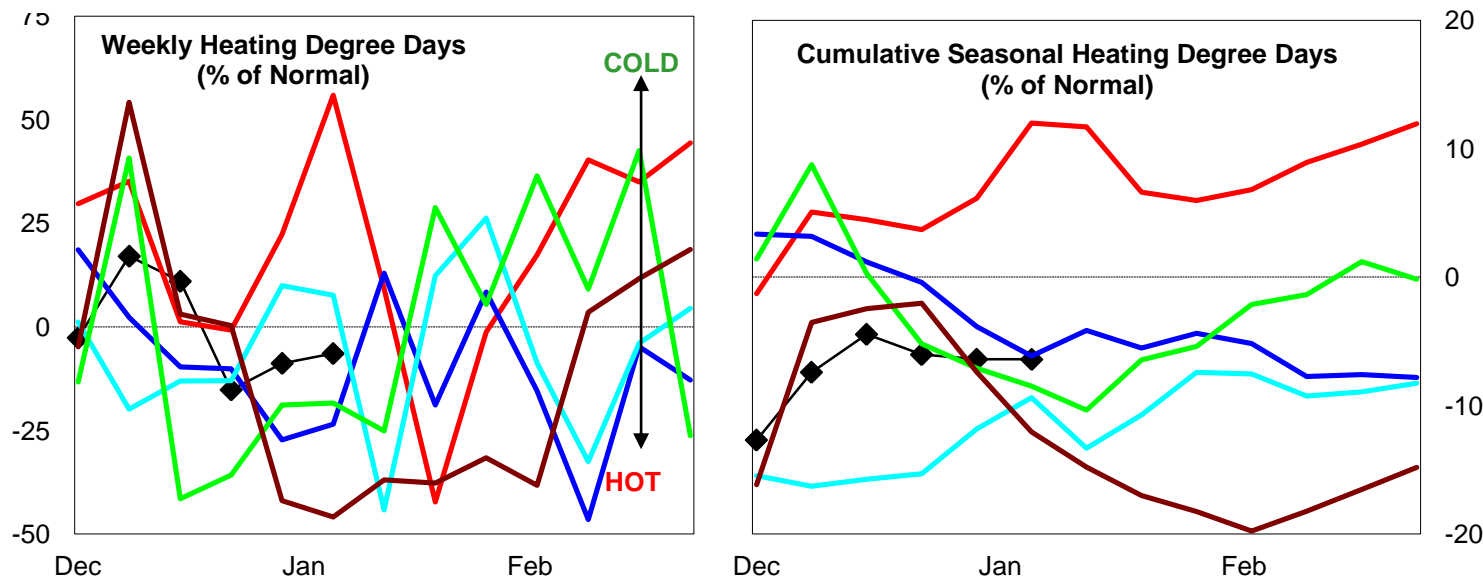
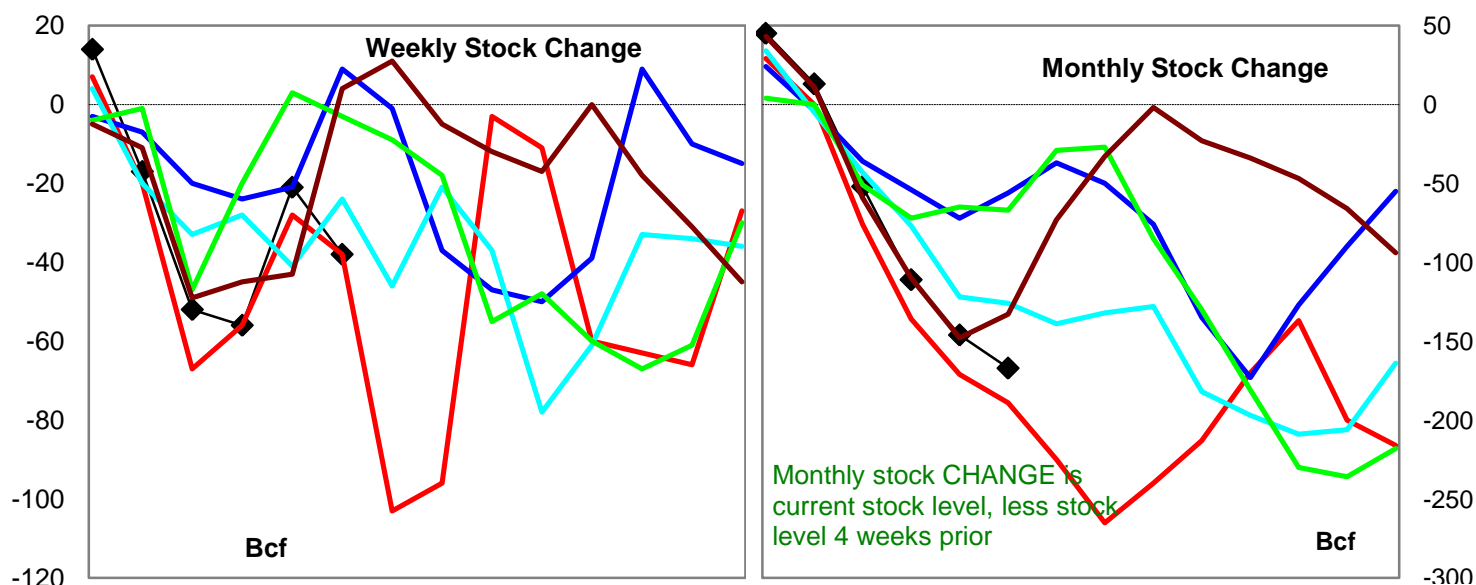
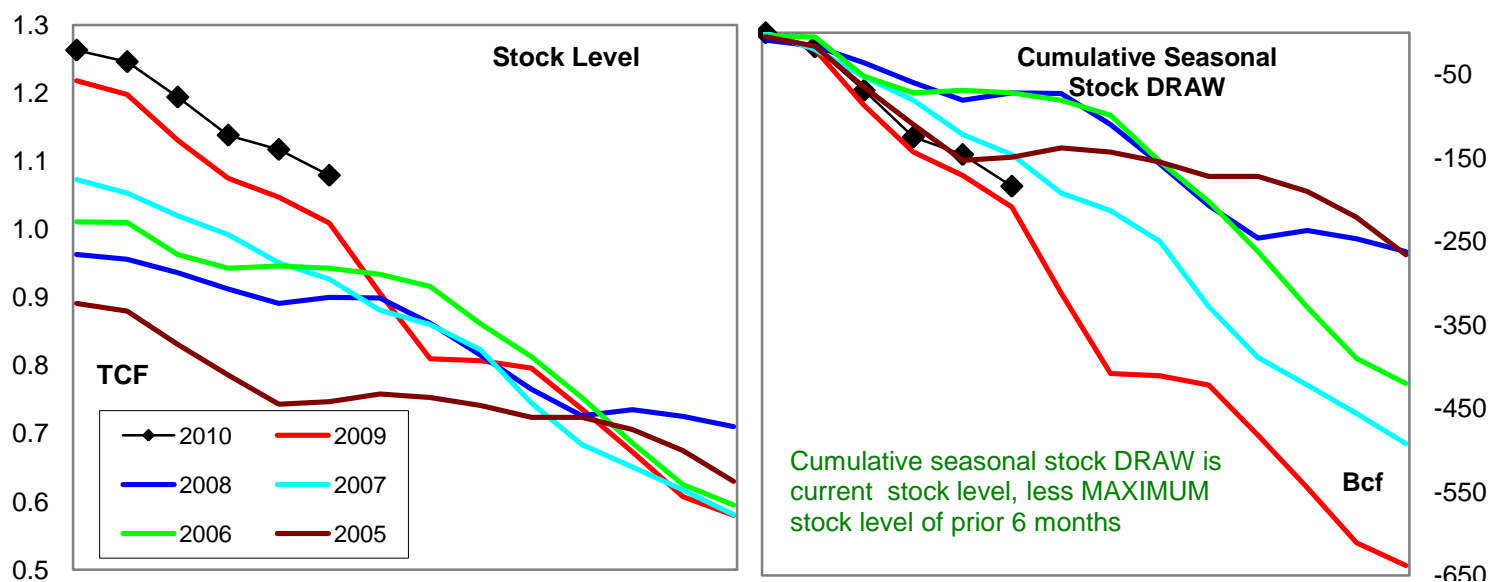
32

-39.5

-3

3.4

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

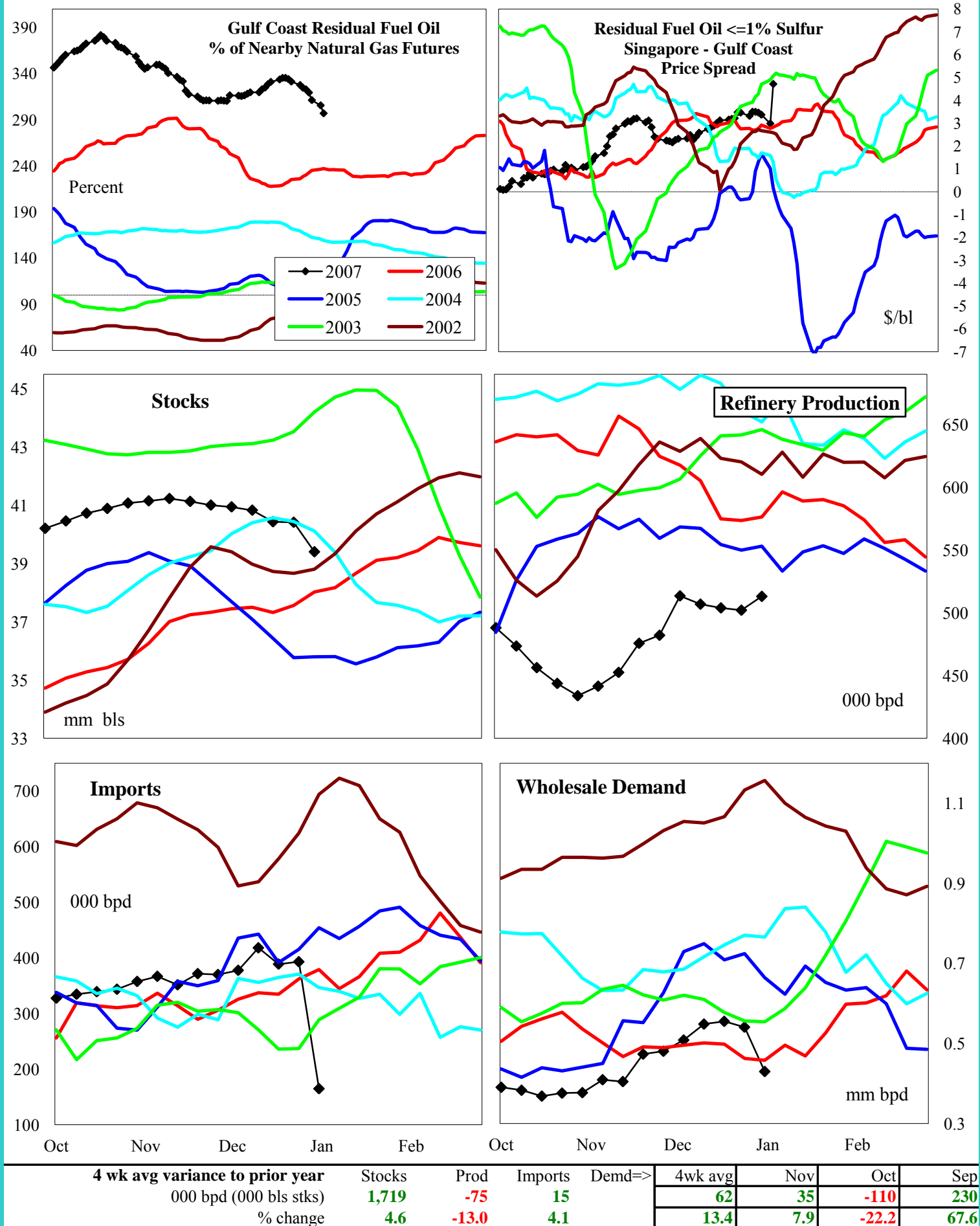
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

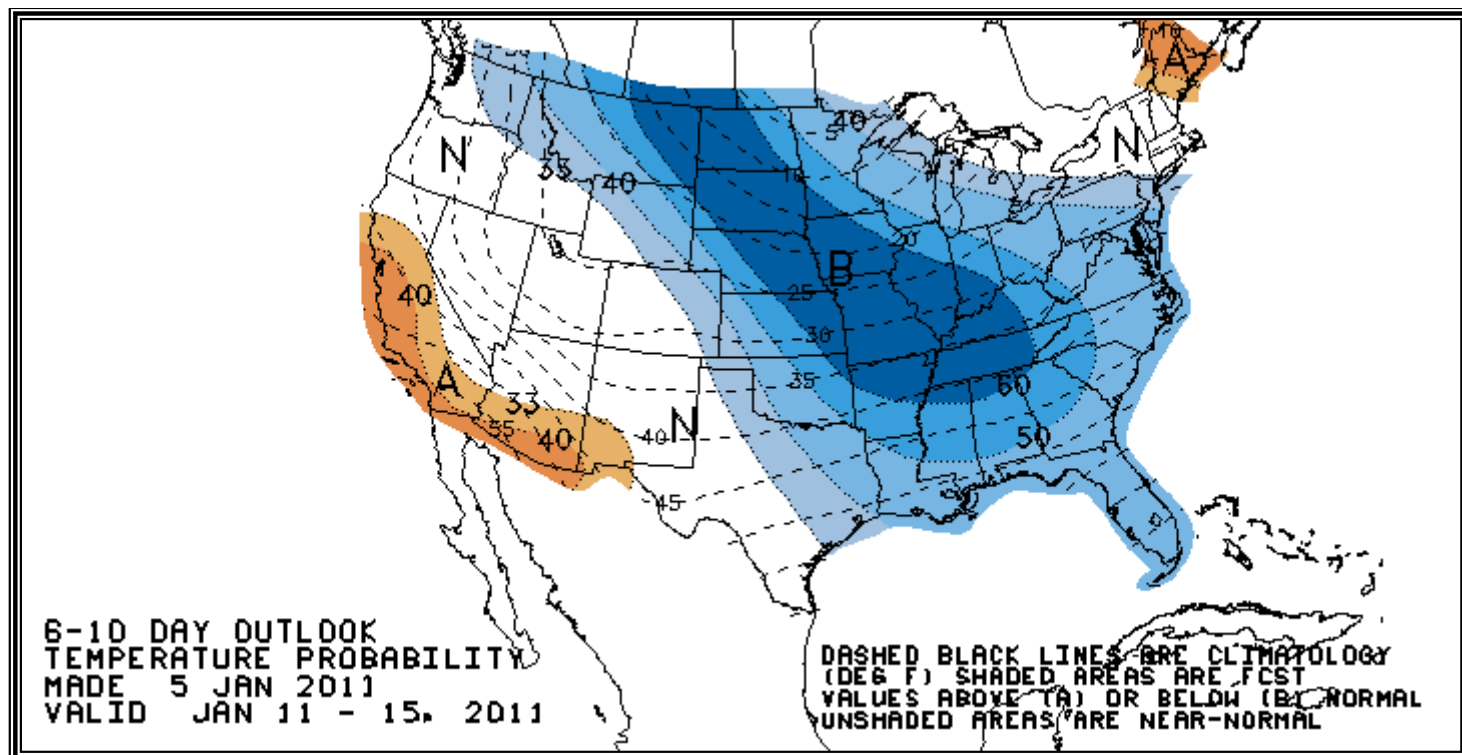
BCF
Percent Change (%)70
6.90
0.022
-11.625
-12.0

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



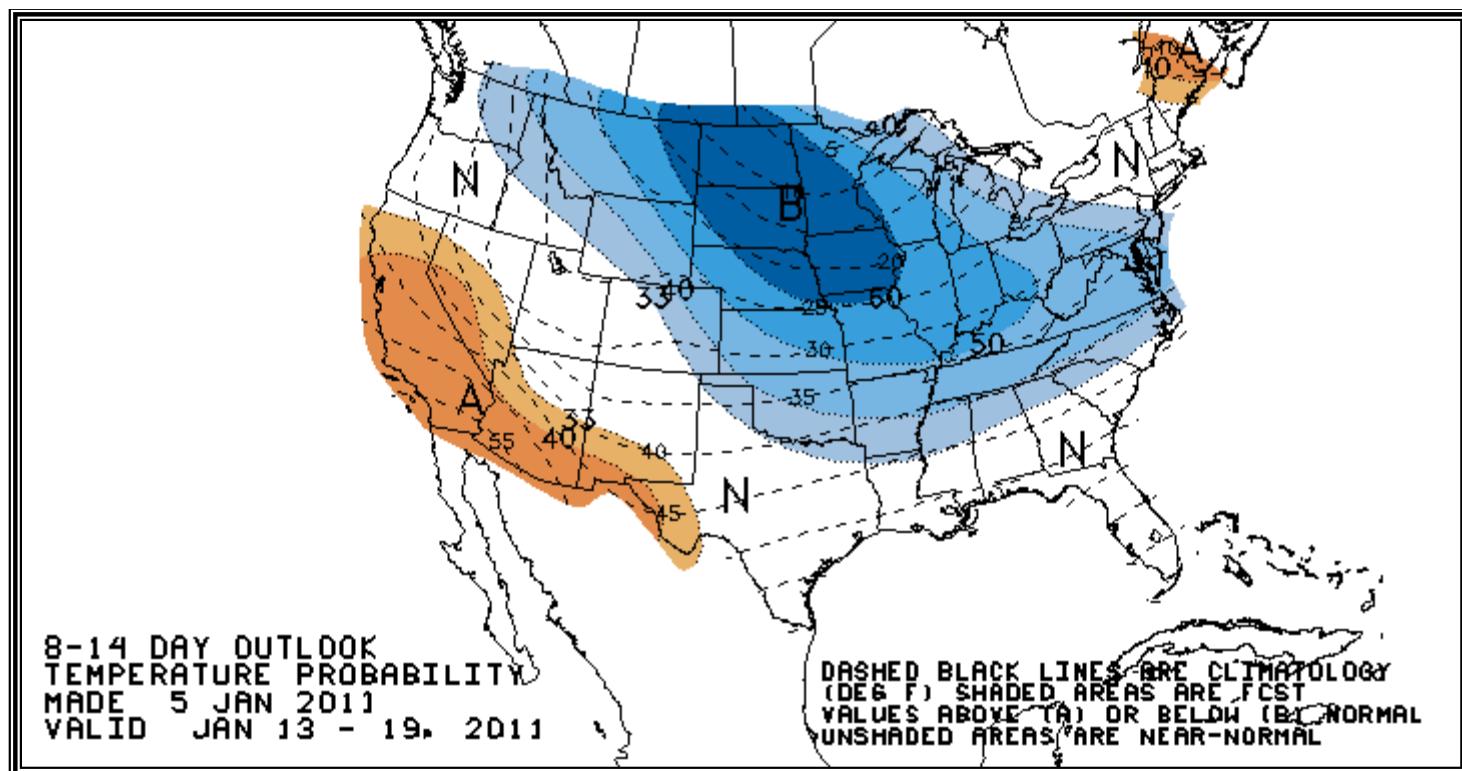
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

