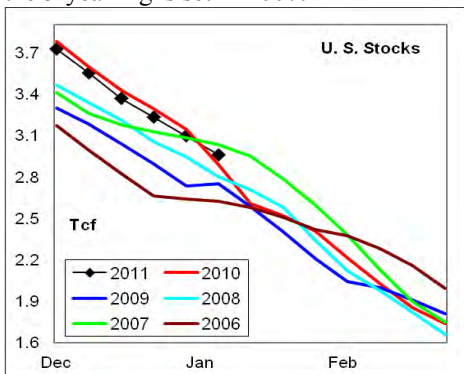
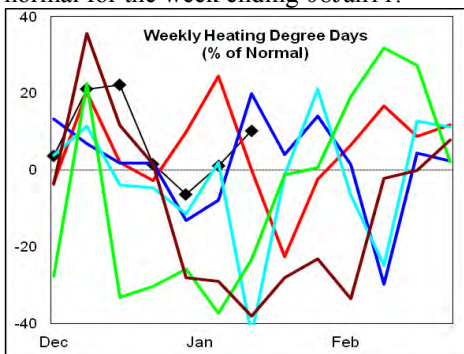




Summary ¹ Stocks decreased -138 Bcf last week, a draw that was greater than the mid range for the week. Stock levels were near the 5-year highs set in 2007.



Heating degree days were +1% above normal for the week ending 08Jan11.



In the East Region stocks decreased -80 Bcf for the period, a draw that matched the mid range for the week. Stocks decreased -38 Bcf in the West Region, a record draw for the period. The stock draw of -20 Bcf in the Producing Region was slightly greater than the historic mid range for the period.

Heating degree days were +1% above normal in the East Region, +10% above normal in the West Region and -5% below normal in the Producing Region for the week ending 08Jan11.

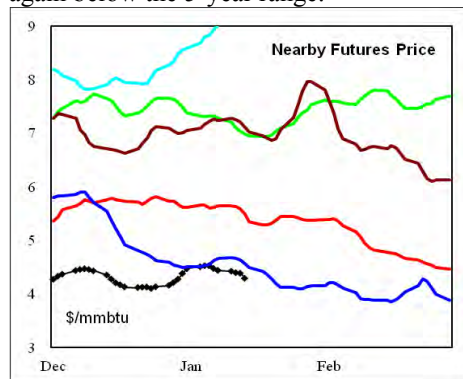
Heating degree days were -1% above normal for the week ended 08Jan11, and forecast to be +10% above normal for the week ending 15Jan11.

The 6-10 day NWS forecast for the

week ending January 22nd is for colder than normal temperatures in the eastern 2/3rds of the country and warmer than normal in the western 1/3rd.

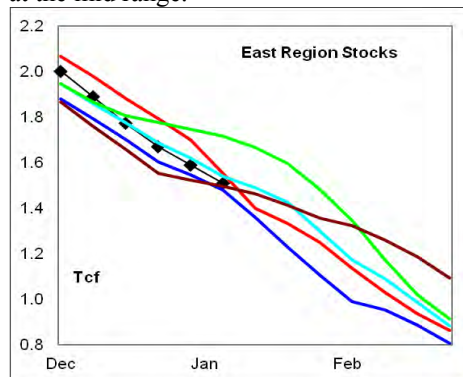
The 8-14 day NWS forecast for the week ending January 26th is for slightly colder than normal temperatures in the eastern 1/2 of the country with the west slightly above normal.

Prices: Nearby gas futures prices decreased -\$0.14/mmbtu for the week ending 13Jan11. Prompt month futures prices are again below the 5-year range.



The 1st - 4th month forward price curve trended lower last week ending 13Jan11. The spread returned to a carry, indicating ample supplies for the winter heating season and expectations of increased demand in the 2nd quarter.

East Region stocks decreased -80 Bcf last week, a level that matched the mid range. The latest 4-wk stock draw was near the record draw set in 2010. Stock levels were at the mid range.

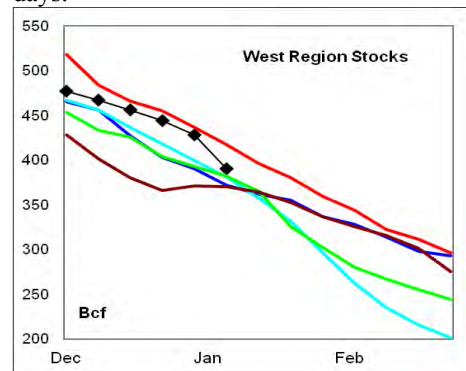


Heating degree days in the region were +1% above normal last week and are forecast to be +8% above normal for the week ending 15Jan11. Above normal heating degree days are forecast for the next 10-days.

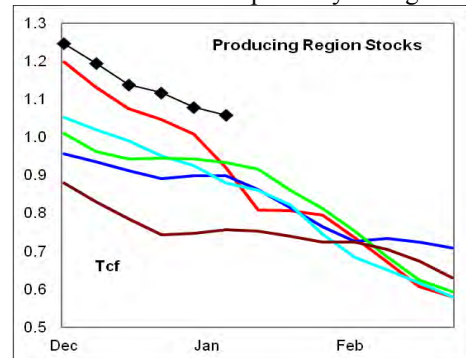
West Region stocks decreased -38 Bcf on the week, a draw that was a record for this time of year. Stock levels were -6.5%

below the prior record high. The latest 4-wk stock draw was near the record level set in 2009.

Heating degree days were +10% above normal last week, and forecast to be +7% above normal for the week ending 15Jan11. Slightly warmer than normal temperatures are forecast for the next 10-days.



Producing Region stocks decreased -20 Bcf on the week, a draw which was slightly greater than the mid range. The latest 4-wk stock draw was greater than the mid range for the period. Stock levels were +15% above the prior 5-year high.



Heating degree days were -5% below normal last week, and are forecast to be +24% above normal for the week ending 15Jan11. 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: A supply imbalance has emerged with the Producing Region stocks +15% above the prior record high, while other regions are below historic highs. Even with colder than normal temperatures forecast, the forward price curve has returned to a 'carry'; indicating ample supply for prompt delivery and growth in demand during the 2nd quarter. 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 13, 2011

For the week ending: 7-Jan-11

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

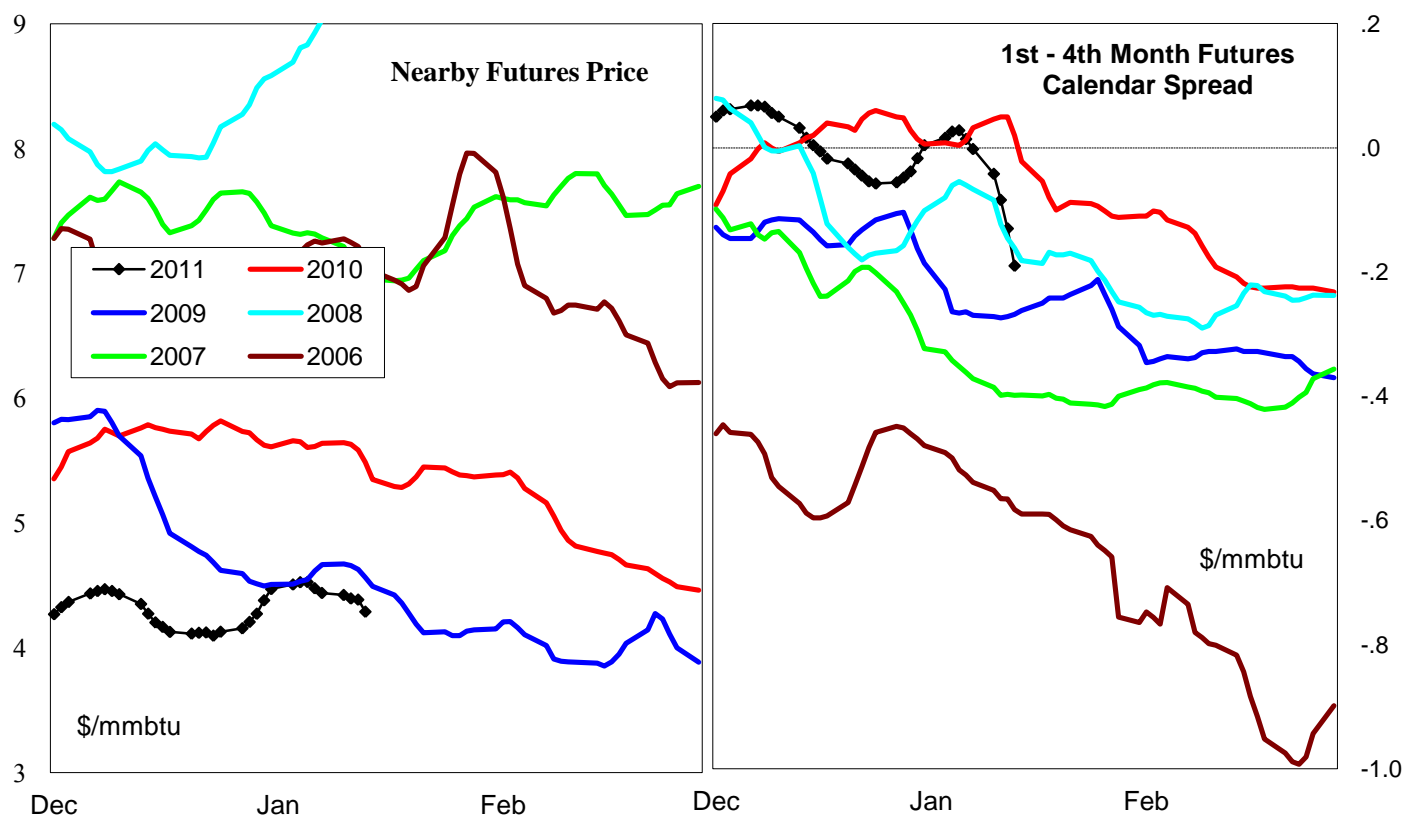
Week ending:	7-Jan-11			1-Jan-11		8-Jan-11		15-Jan-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,959	-138	2.4	-9	-6%	24	1%	24	10%
East	1,510	-80	-2.8	-24	-7%	29	1%	22	8%
West	390	-38	-6.5	38	5%	14	10%	-8	7%
Producing	1,059	-20	15.1	16	-9%	9	-5%	51	24%

Seasonal Trends in Stocks and Heating Degree Days

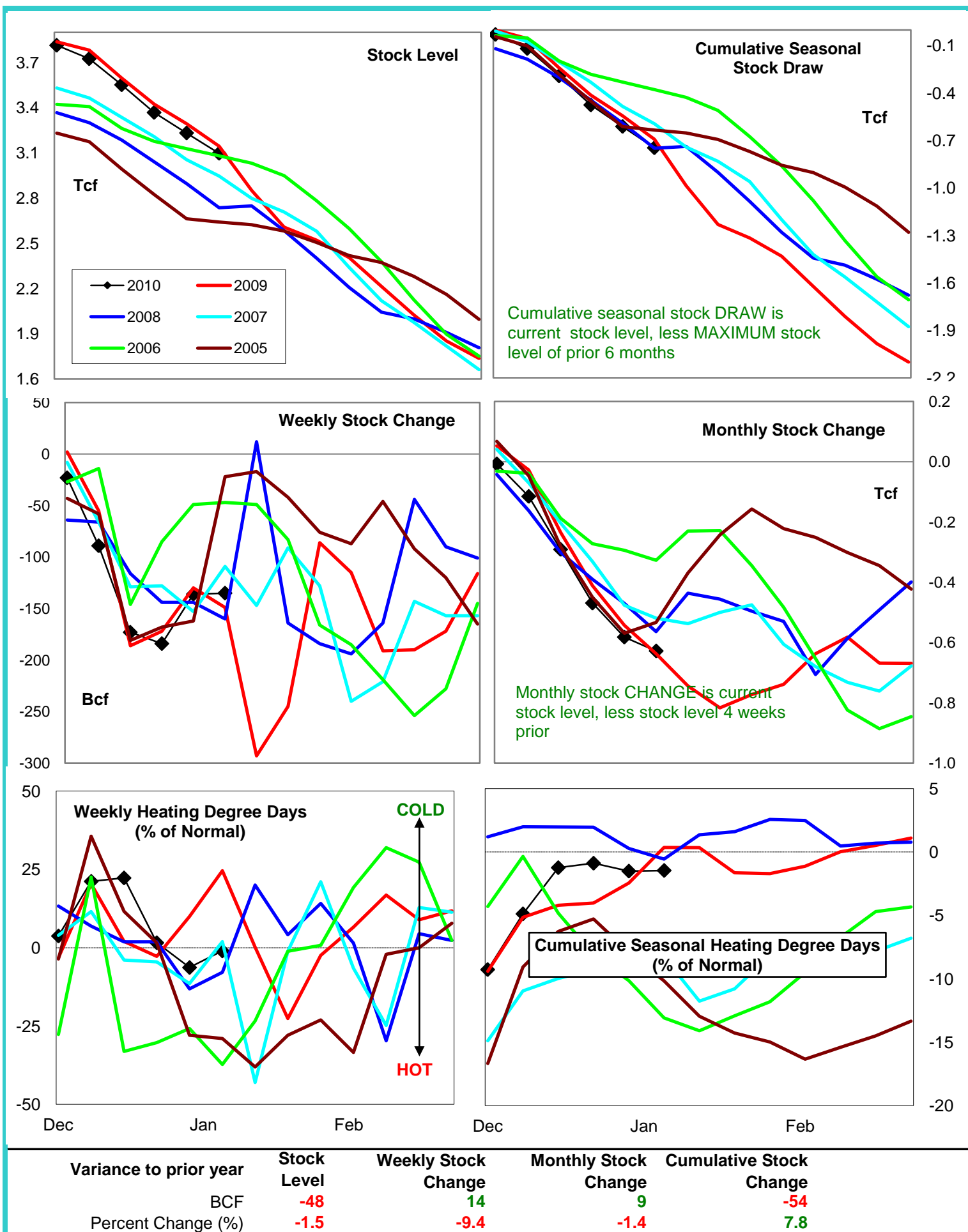
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-884	63	-7.1	215	-1.5	239	-1.2	263	-0.1
East	-577	-30	5.2	234	0.2	263	0.3	285	1.1
West	-130	-21	16.2	225	-7.5	239	-5.9	230	-4.8
Producing	-204	94	-46.1	146	-6.4	155	-6.3	206	-3.0

Futures Market Price Trends

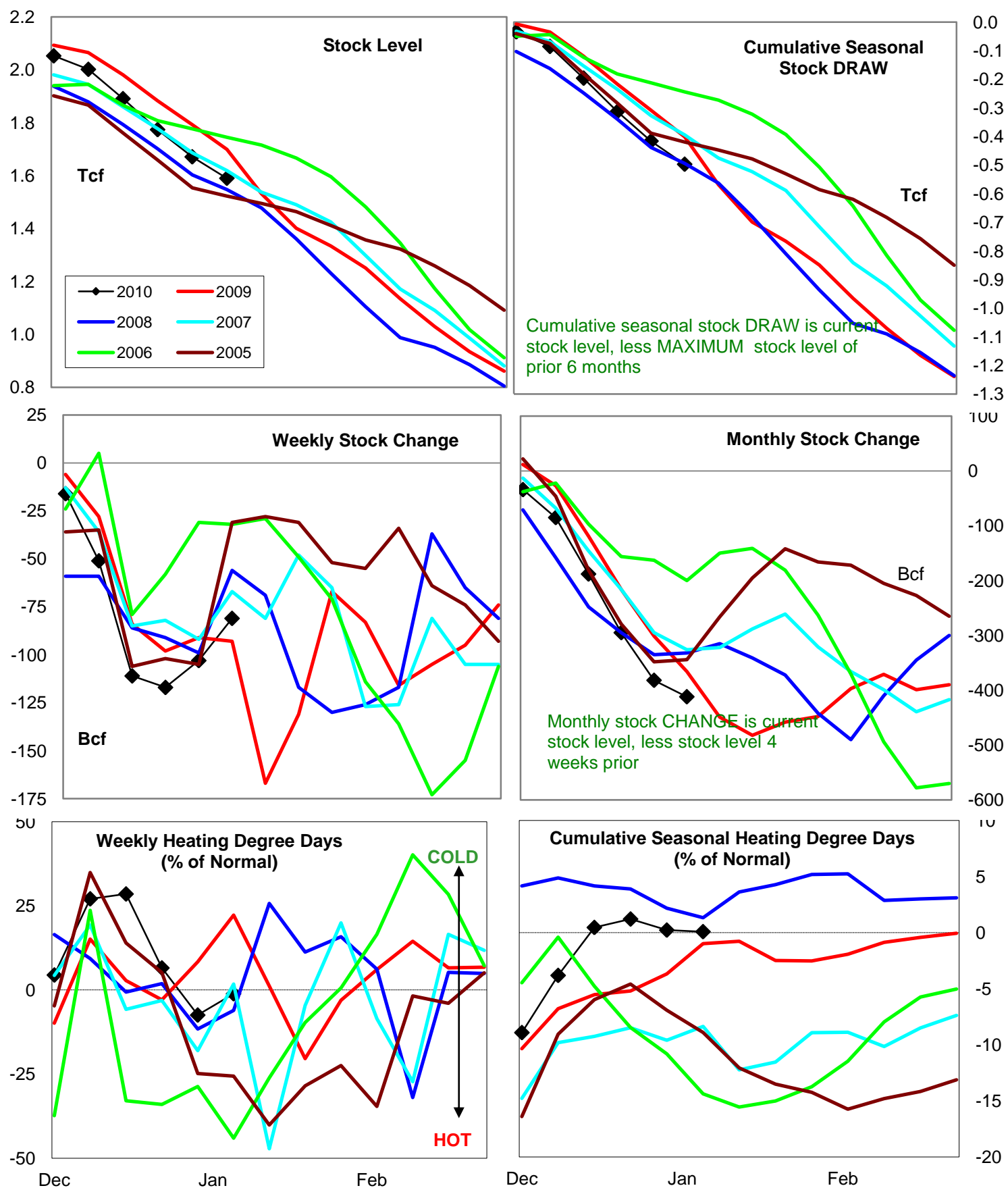
Date:	11-Jan-11	Change vs prior week, month, year		
		5-Jan-11	14-Dec-10	11-Jan-10
1st month Futures	4.29	-0.13	0.22	-0.98
% change	xxxxx	-2.9	5.4	-18.6



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

12

-46

-96

Percent Change (%)

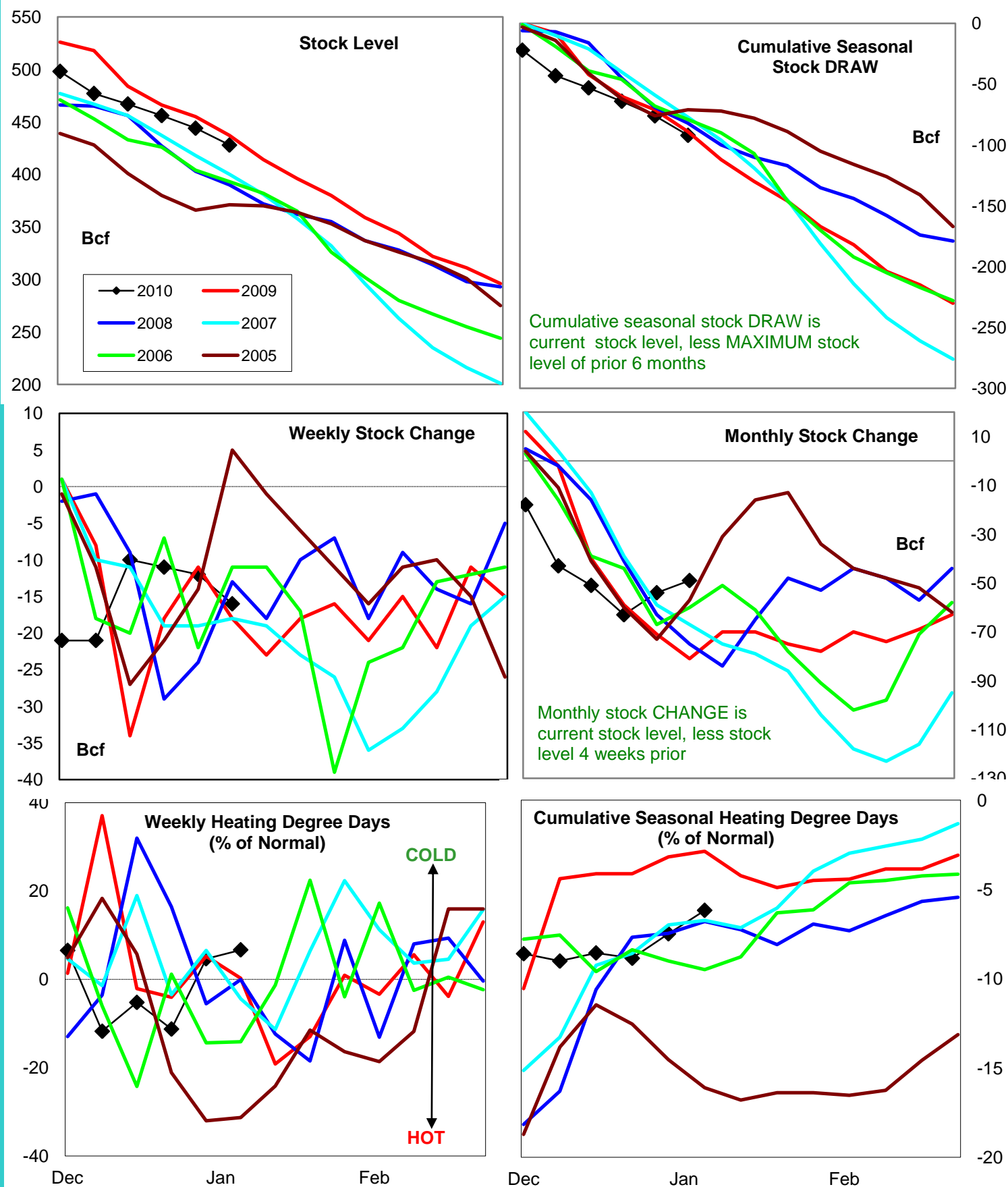
-6.4

-12.9

12.6

23.9

Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

-9

2

32

-3

Percent Change (%)

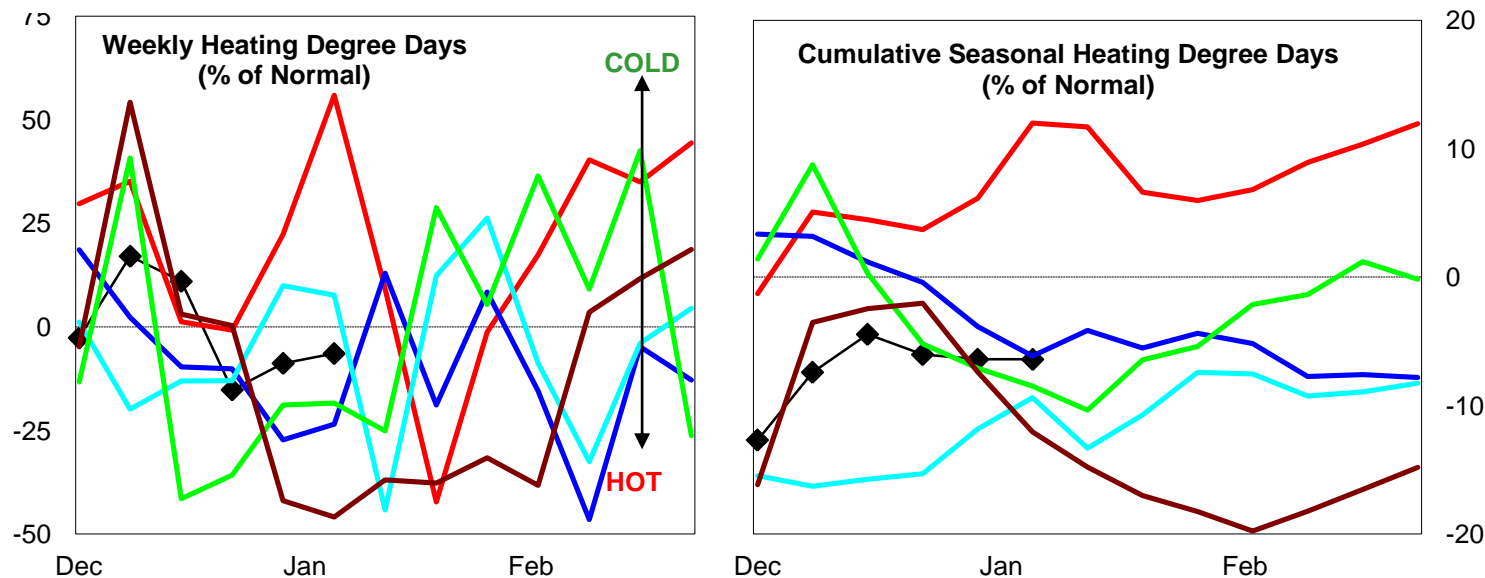
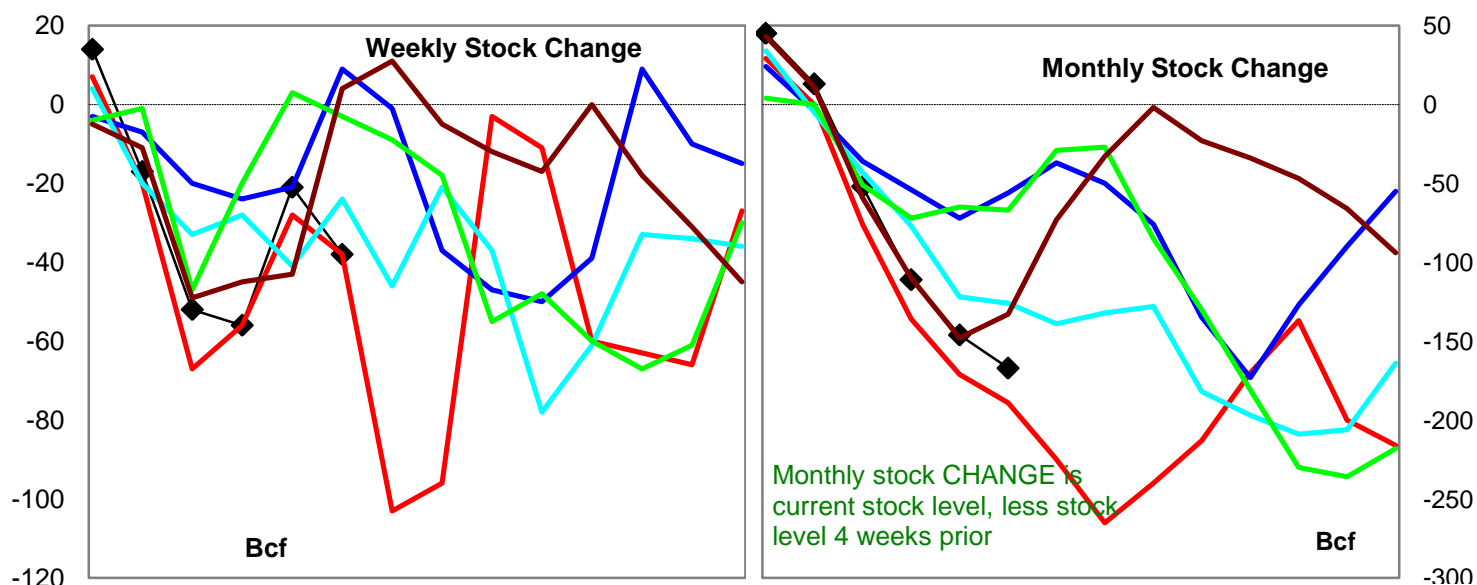
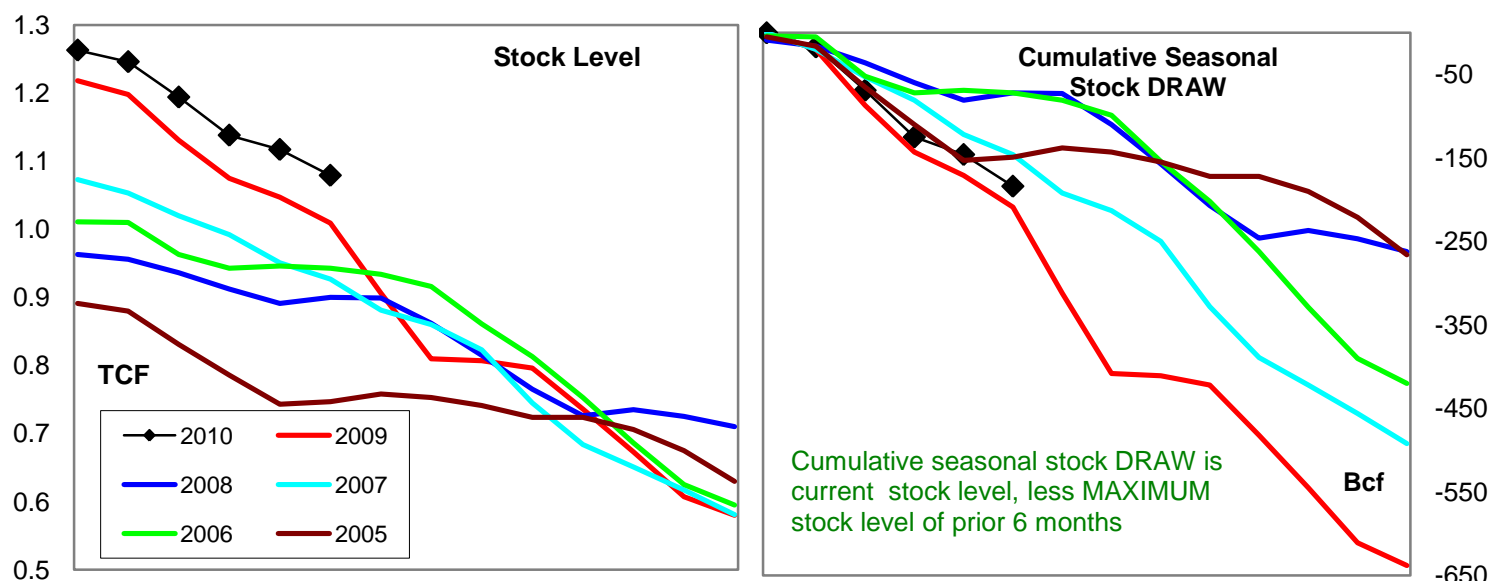
-2.1

-11.1

-39.5

3.4

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

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

70

6.9

0

0.0

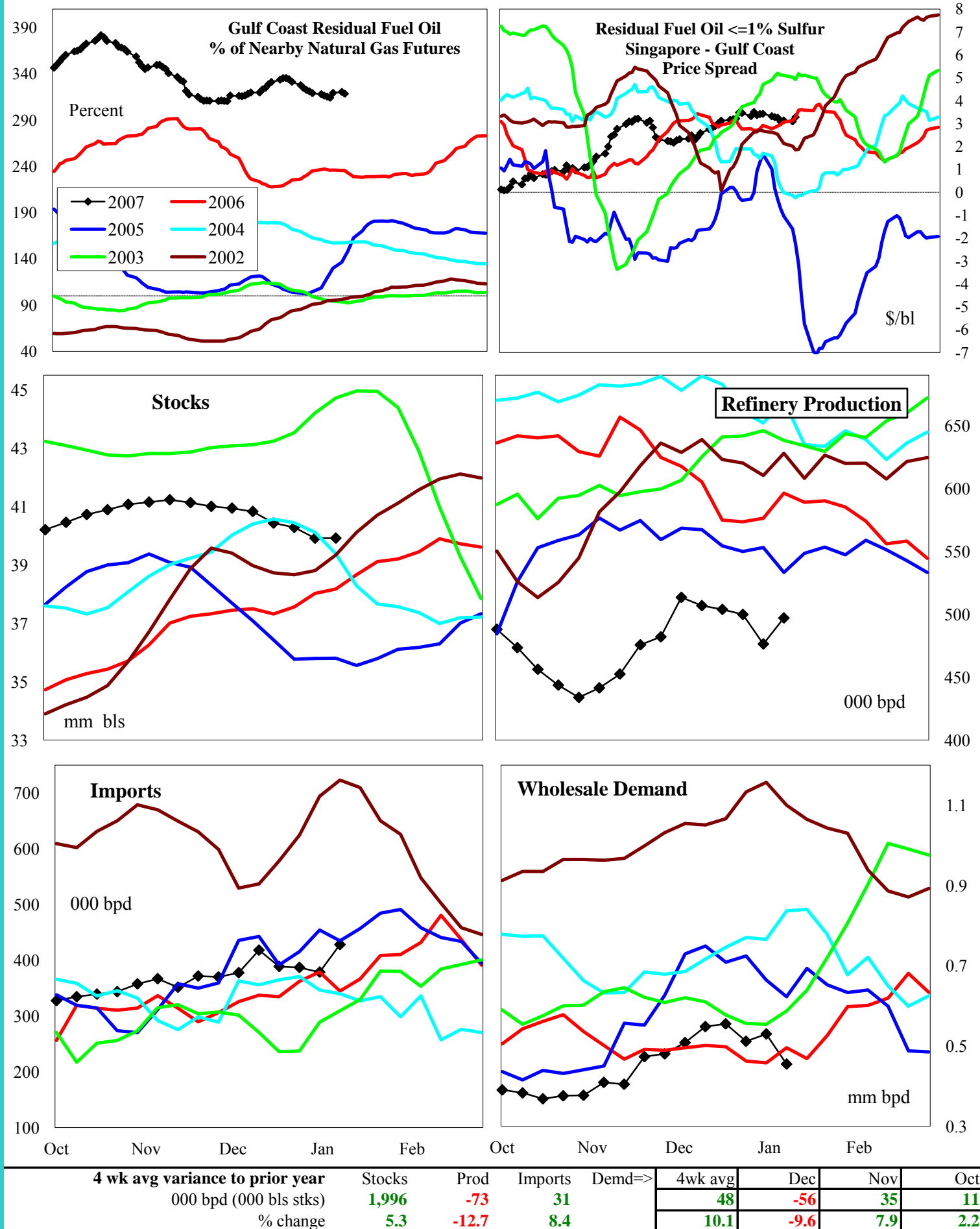
22

-11.6

25

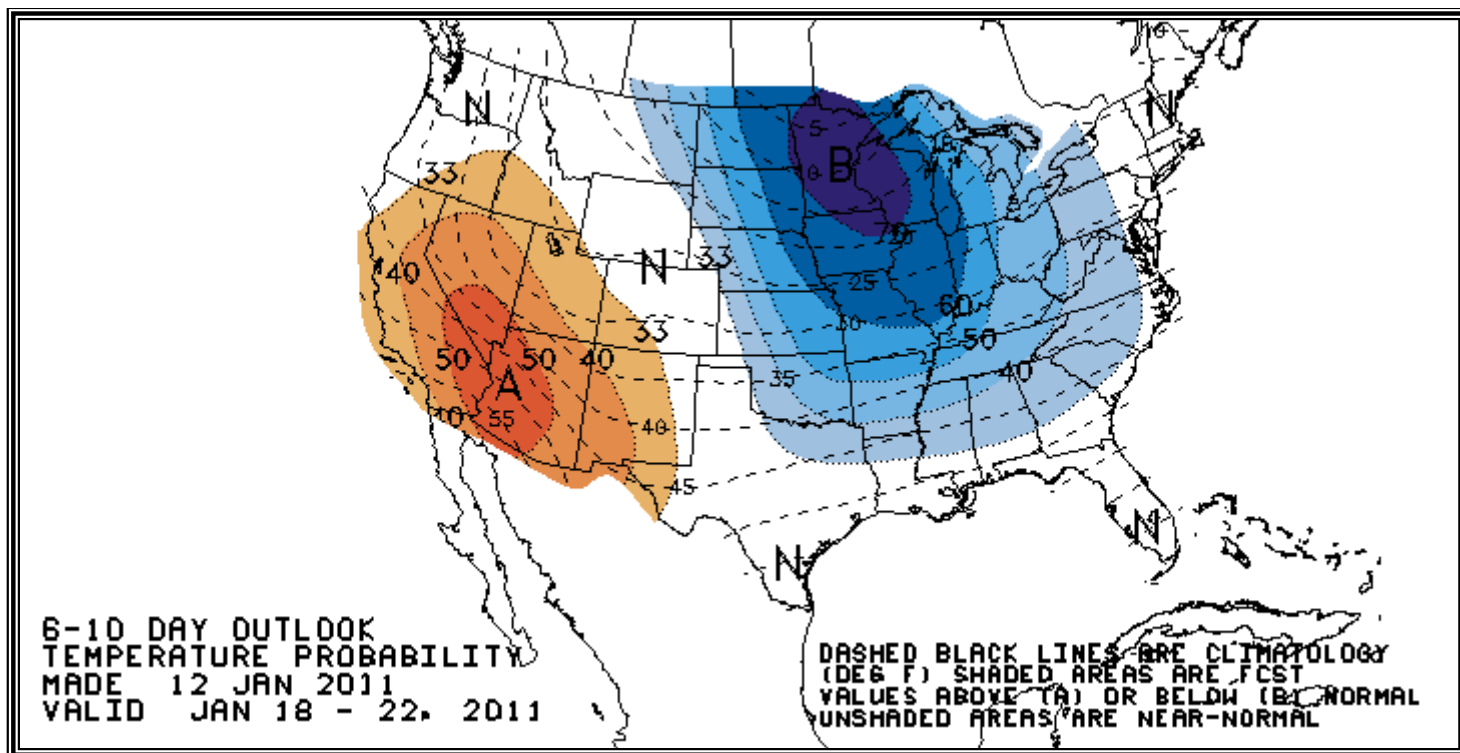
-12.0

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



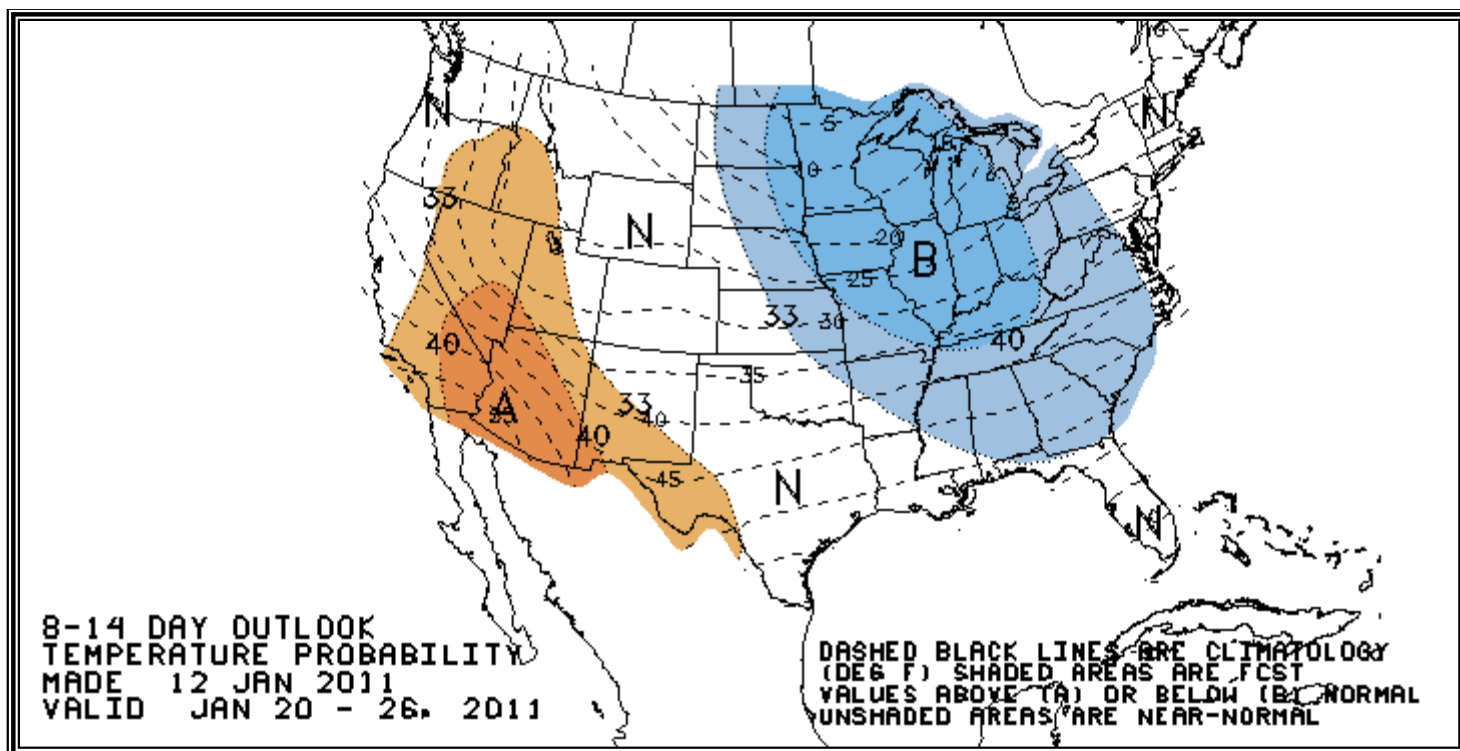
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

