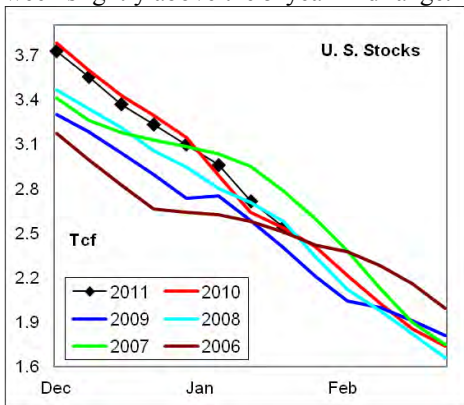
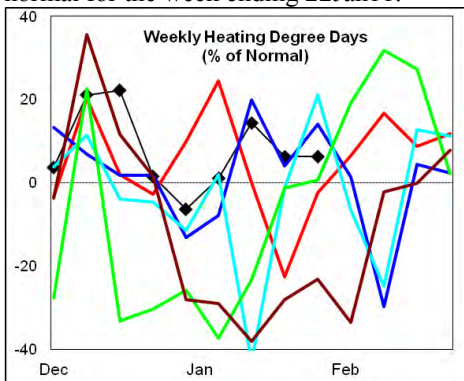




**Summary**<sup>1</sup> Including the current week forecast, heating degree days will exceed normal for eight of the last 9-wks. This cold weather pattern has led to a cumulative stock draw which matched the the 5-year record. Stock levels ended the week slightly above the 5-year mid range.



Heating degree days were +6% above normal for the week ending 22Jan11.



In the East Region stocks decreased -104 Bcf for the period, a draw that exceeded four of the last 5-years. Stocks decreased -14 Bcf in the West Region, a draw less than the mid range. The stock draw of -56 Bcf in the Producing Region matched the 5-year record for the week.

Heating degree days were +10% above normal in the East Region, -13% below normal in the West Region and +2% above normal in the Producing Region for the week ending 22Jan11.

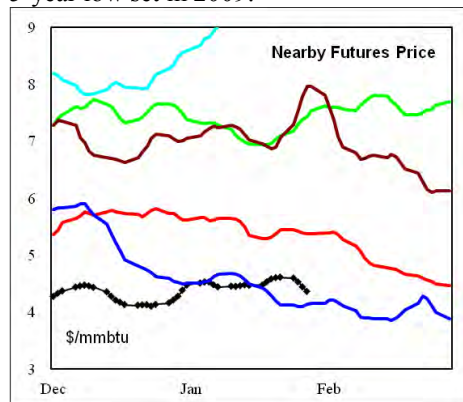
**Heating degree days** were +6% above

normal for the week ended 22Jan11, and forecast to be +6% above normal for the week ending 29Jan11.

The 6-10 day NWS forecast for the week ending February 5th is for colder than normal temperatures in the eastern 2/3rds of the country and warmer than normal in the northwest.

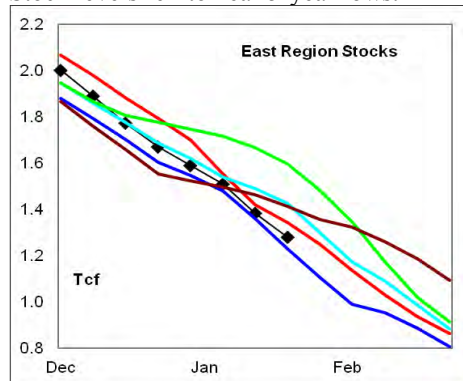
The 8-14 day NWS forecast for the week ending February 9th is for colder than normal temperatures in the eastern 1/2 of the country with the west near normal.

**Prices:** Nearby gas futures prices declined -\$0.34/mmbtu for the week ending 27Jan11. Prices remain slightly above the 5-year low set in 2009.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended lower late last week ending 27Jan11. The spread ended the week in a small carry, that was less than the last 5-years.

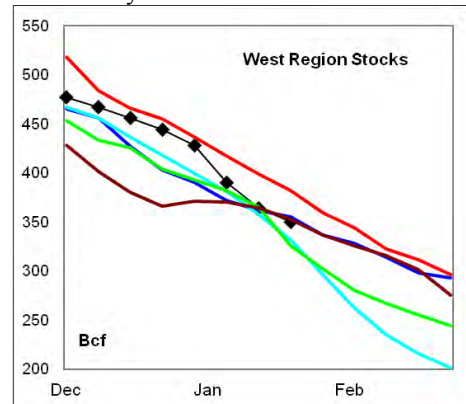
**East Region** stocks decreased -104 Bcf last week, a draw that exceeded four of the last 5-years. The latest 4-wk stock draw was greater than four of the last 5-years. Stock levels fell to near 5-year lows.



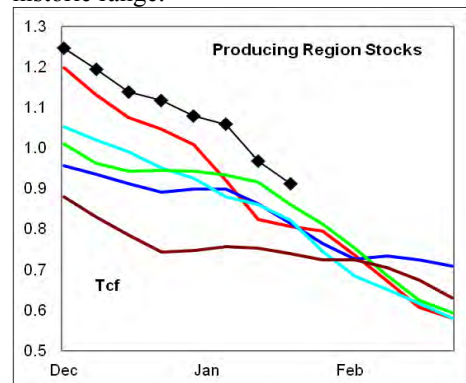
Heating degree days in the region were +10% above normal last week and are forecast to be +10% above normal for the week ending 27Jan11. Above normal heating degree days are forecast for the next 10-days.

**West Region** stocks decreased -14 Bcf on the week, a draw less than the mid range. Stock levels were at the 5-year mid range. The latest 4-wk stock draw was a record high.

Heating degree days were -13% below normal last week, and forecast to be -11% below normal for the current week. Near normal temperatures are forecast for the next 10-days.



**Producing Region** stocks decreased -56 Bcf on the week, a draw which matched the record for this period. The latest 4-wk stock draw was greater than four of the last 5-years. Stock levels remain above the historic range.



Heating degree days were +2% above normal last week, and are forecast to be normal for the week ending 27Jan11. 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:** Colder than normal temperatures are forecast into mid February. Longer term forecast point to above normal HDD's into early April. While very high stock draws reflect above normal HDDs', production capacity points to ongoing excess supplies. Expect prices to trade within the recent range.

#### <sup>1</sup> 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 27, 2011

For the week ending: 21-Jan-11

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

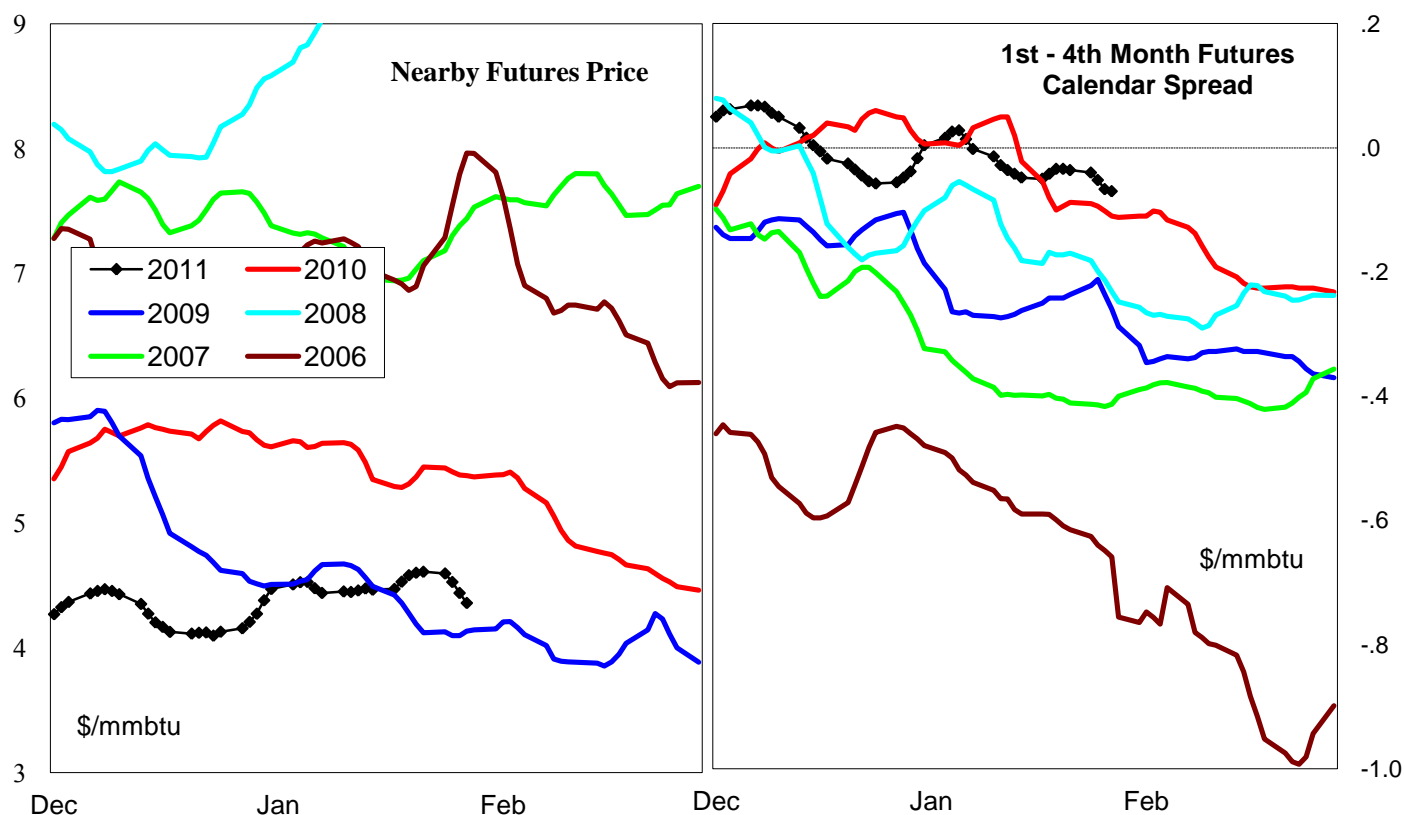
Week ending:	21-Jan-11			15-Jan-11		22-Jan-11		29-Jan-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,542	-174	0.4	35	14%	-20	6%	-4	6%
East	1,280	-104	-4.8	34	12%	-7	10%	-4	10%
West	350	-14	-8.4	-21	1%	-33	-13%	0	-11%
Producing	912	-56	13.0	70	36%	-59	2%	-8	0%

### Seasonal Trends in Stocks and Heating Degree Days

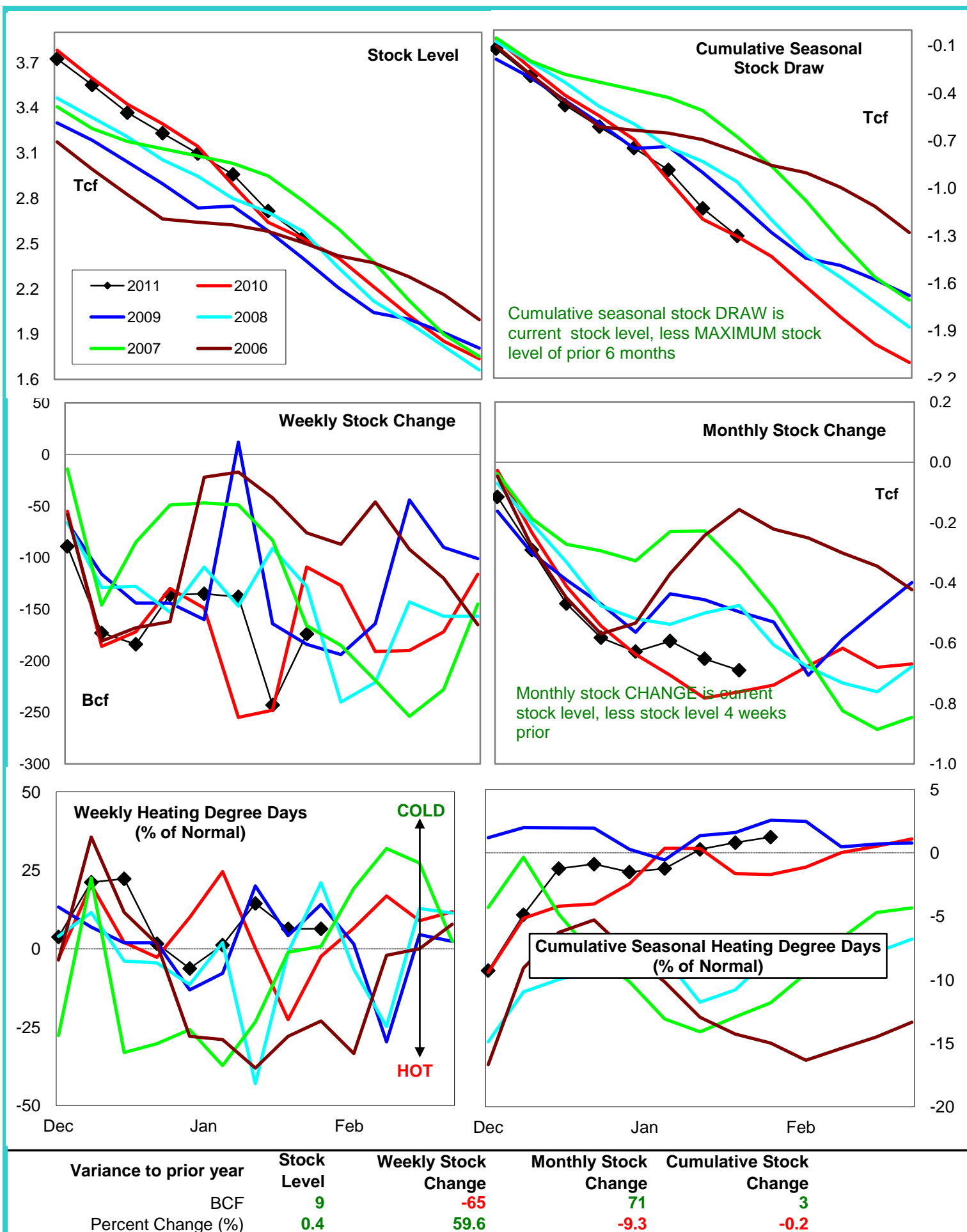
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-1,301</b>	<b>3</b>	<b>-0.2</b>	<b>274</b>	<b>0.3</b>	<b>253</b>	<b>0.8</b>	<b>249</b>	<b>1.2</b>
<b>East</b>	<b>-807</b>	<b>-51</b>	<b>6.3</b>	<b>297</b>	<b>1.5</b>	<b>290</b>	<b>2.2</b>	<b>287</b>	<b>2.8</b>
<b>West</b>	<b>-170</b>	<b>-26</b>	<b>15.3</b>	<b>218</b>	<b>-5.3</b>	<b>185</b>	<b>-5.9</b>	<b>184</b>	<b>-6.2</b>
<b>Producing</b>	<b>-351</b>	<b>60</b>	<b>-17.1</b>	<b>225</b>	<b>-1.7</b>	<b>166</b>	<b>-1.4</b>	<b>158</b>	<b>-1.2</b>

### Futures Market Price Trends

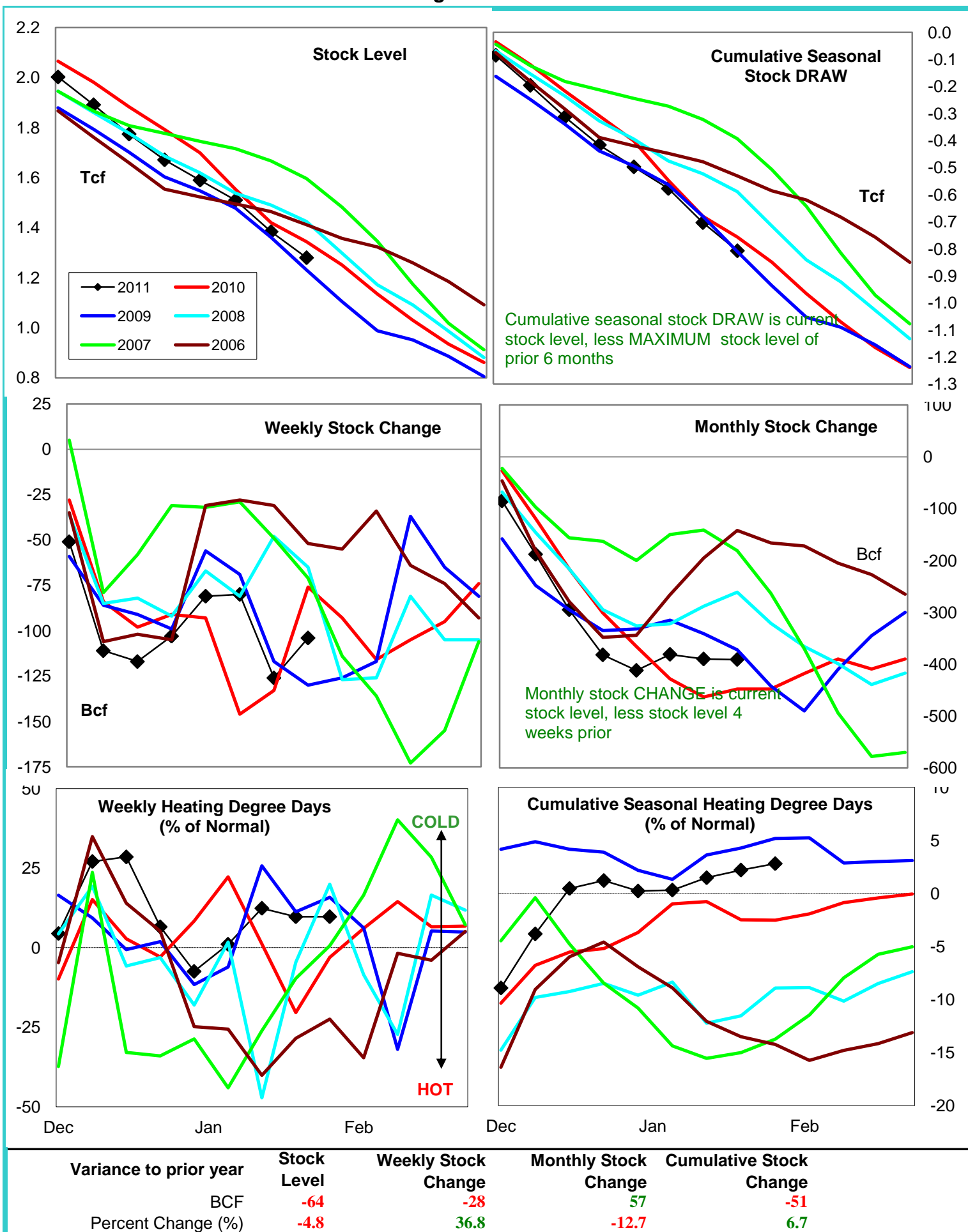
Date:	25-Jan-11	Change vs prior week, month, year		
		19-Jan-11	28-Dec-10	25-Jan-10
<b>1st month Futures</b>	<b>4.36</b>	<b>-0.38</b>	<b>-0.05</b>	<b>-0.93</b>
<b>% change</b>	<b>xxxxx</b>	<b>-8.0</b>	<b>-1.1</b>	<b>-17.6</b>



# United States Natural Gas Stock and Weather Trends

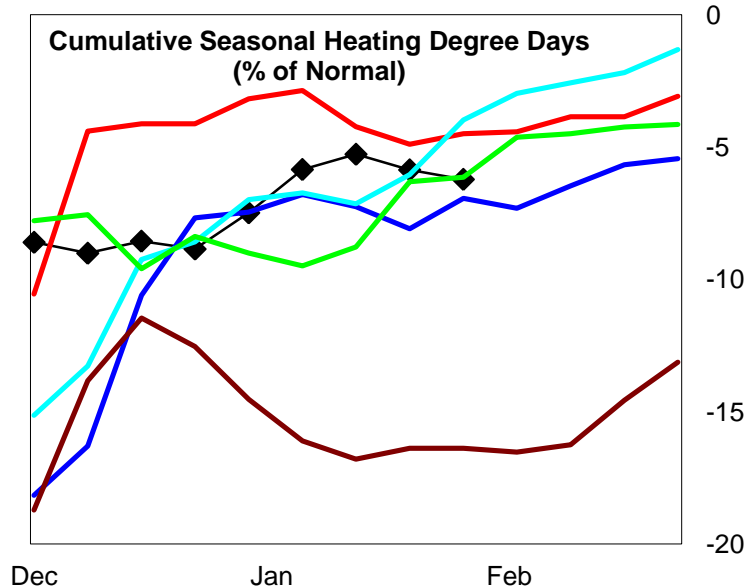
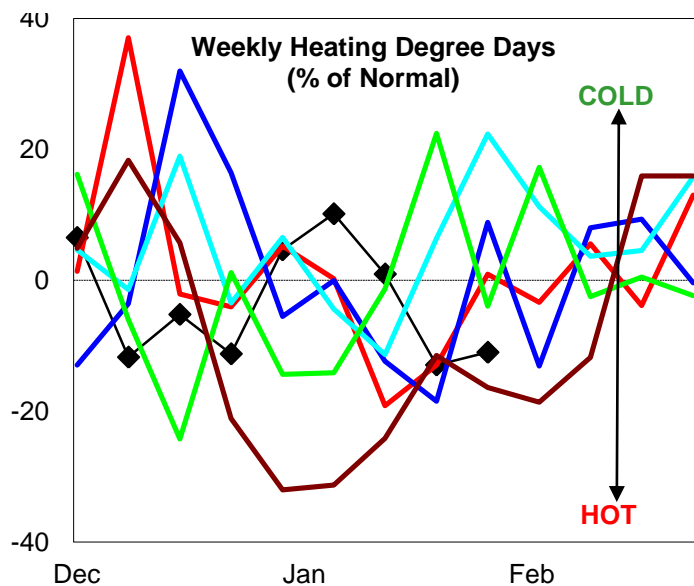
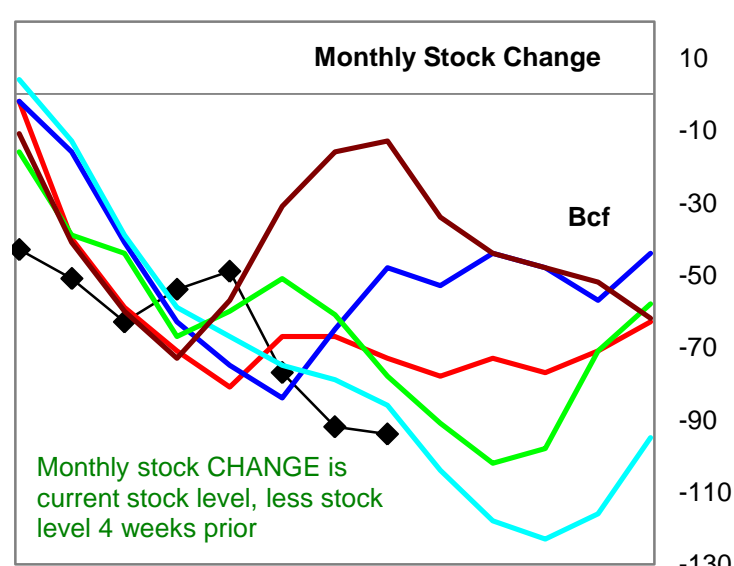
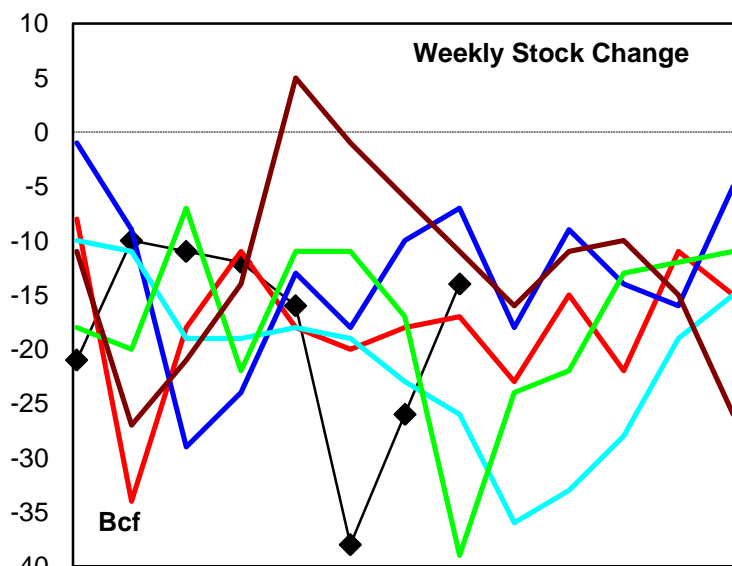
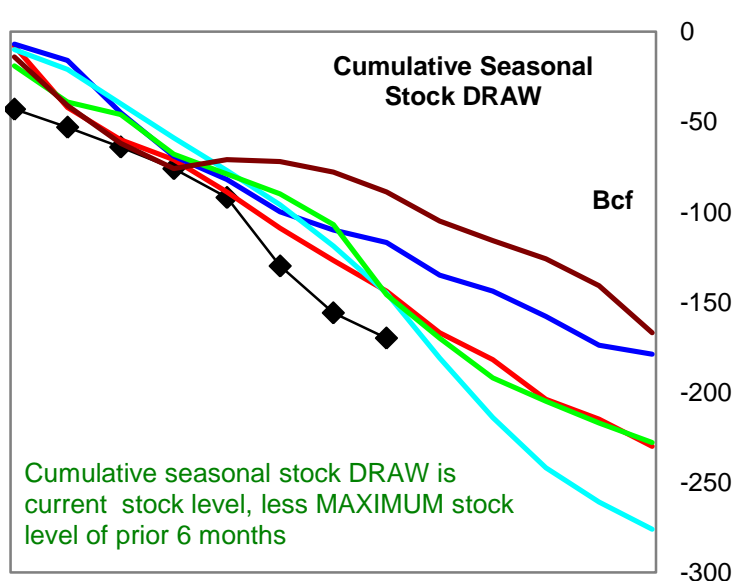
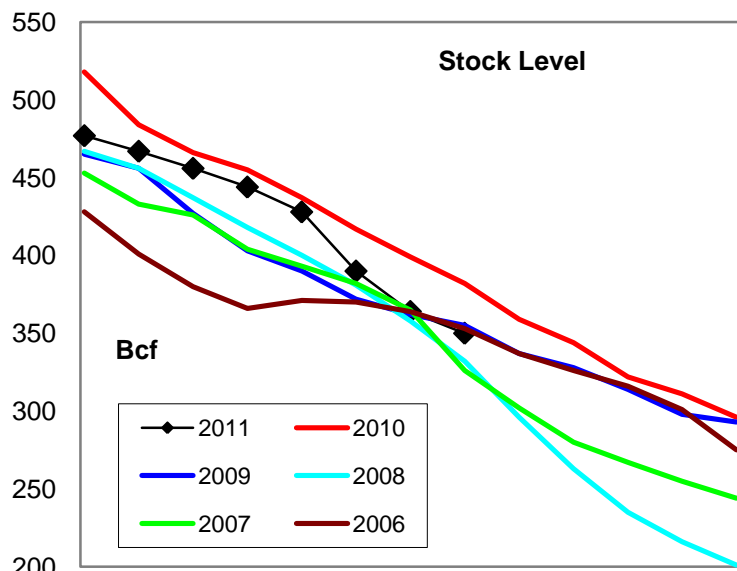


# Natural Gas East Region Stock and Weather Trends





# 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 (%)

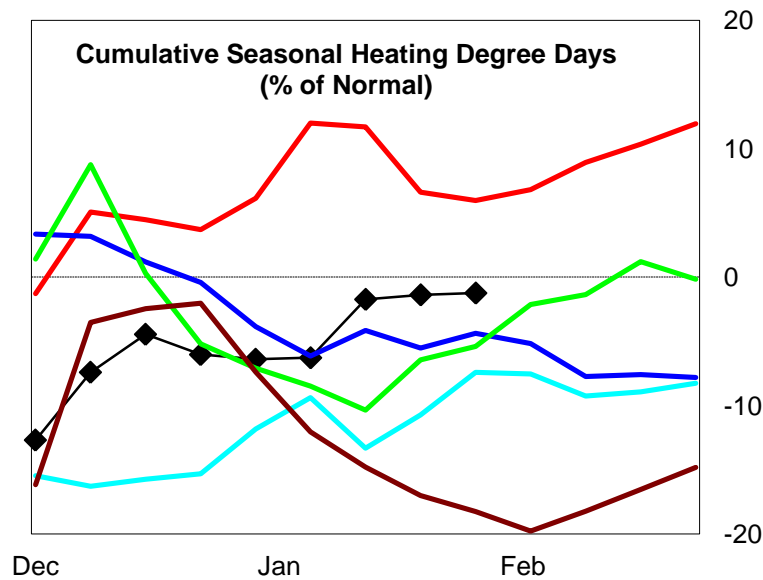
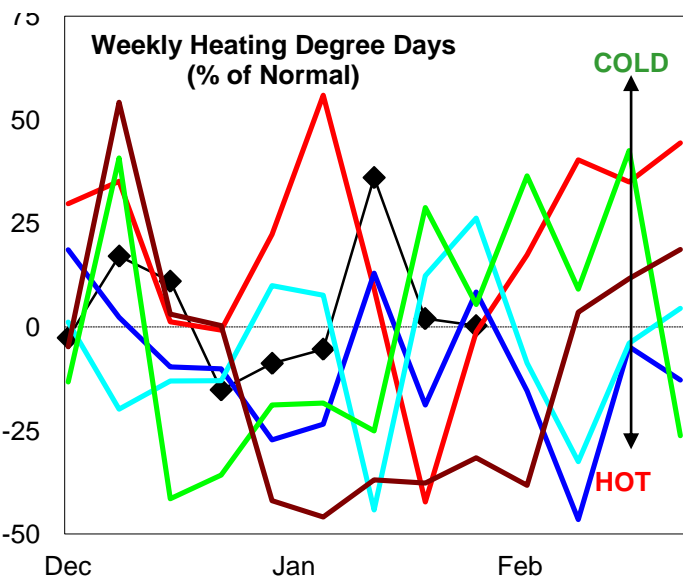
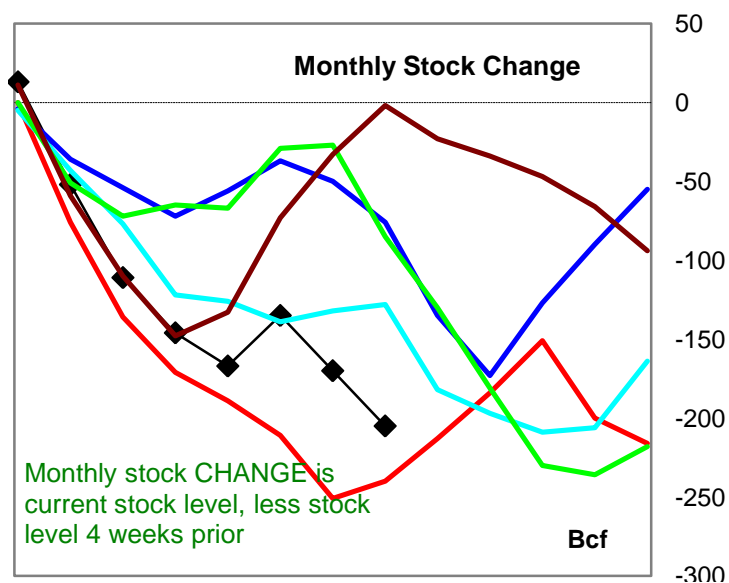
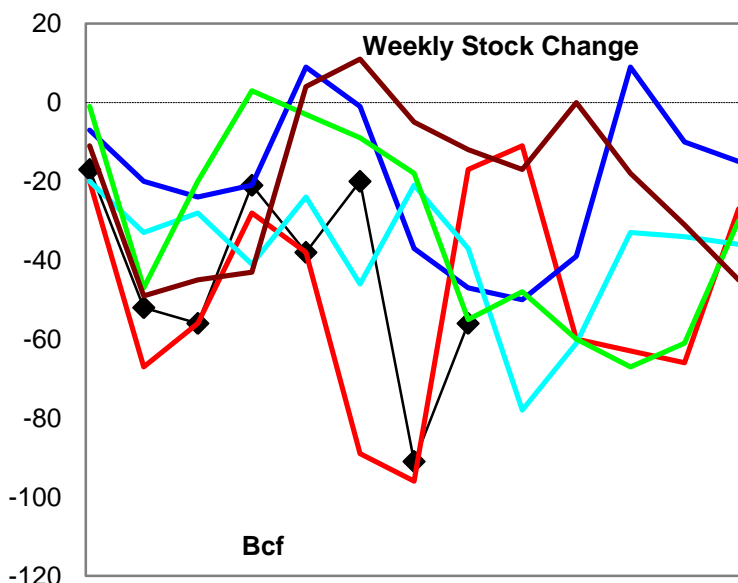
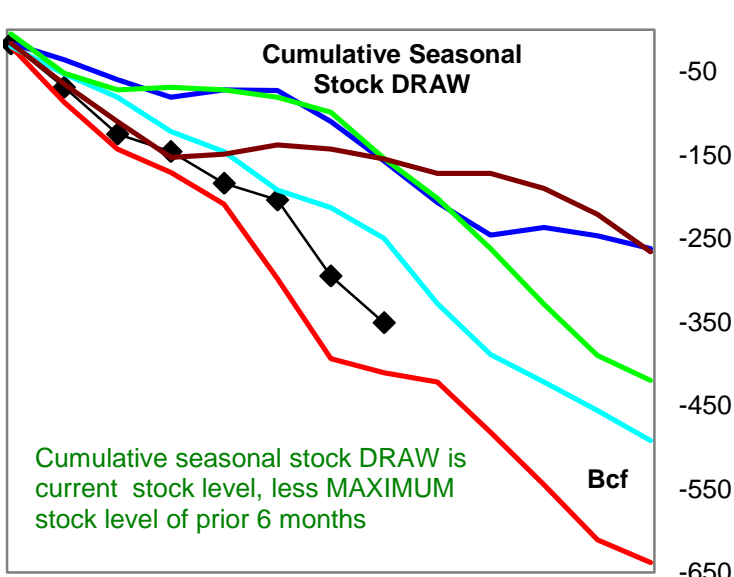
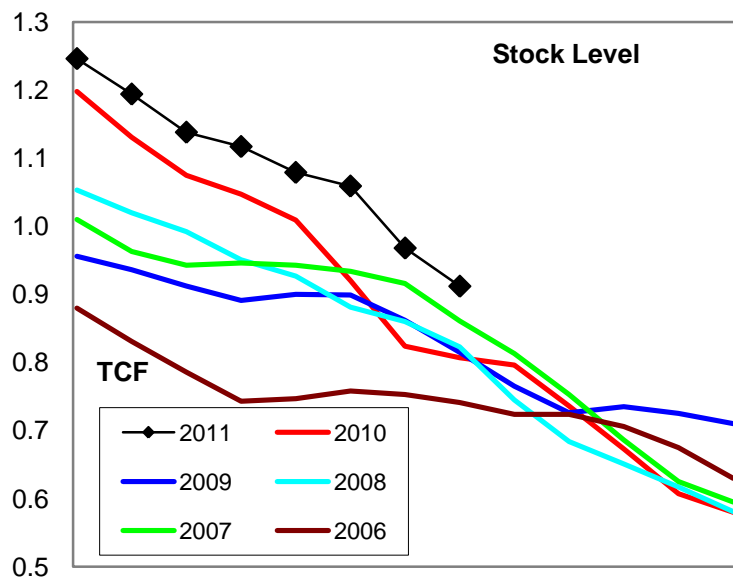
-32  
-8.4

3  
-17.6

-21  
28.8

-26  
18.1

# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

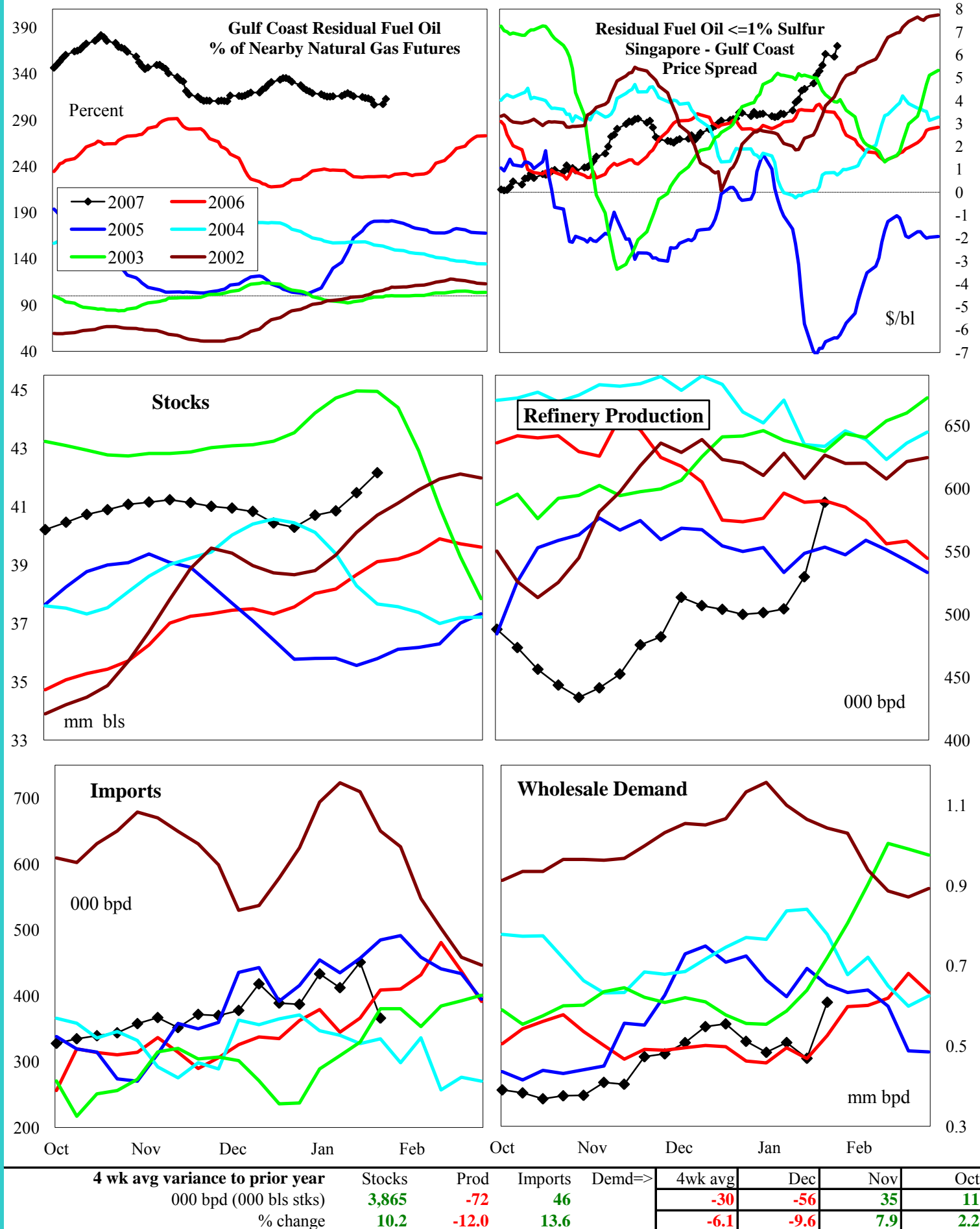
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

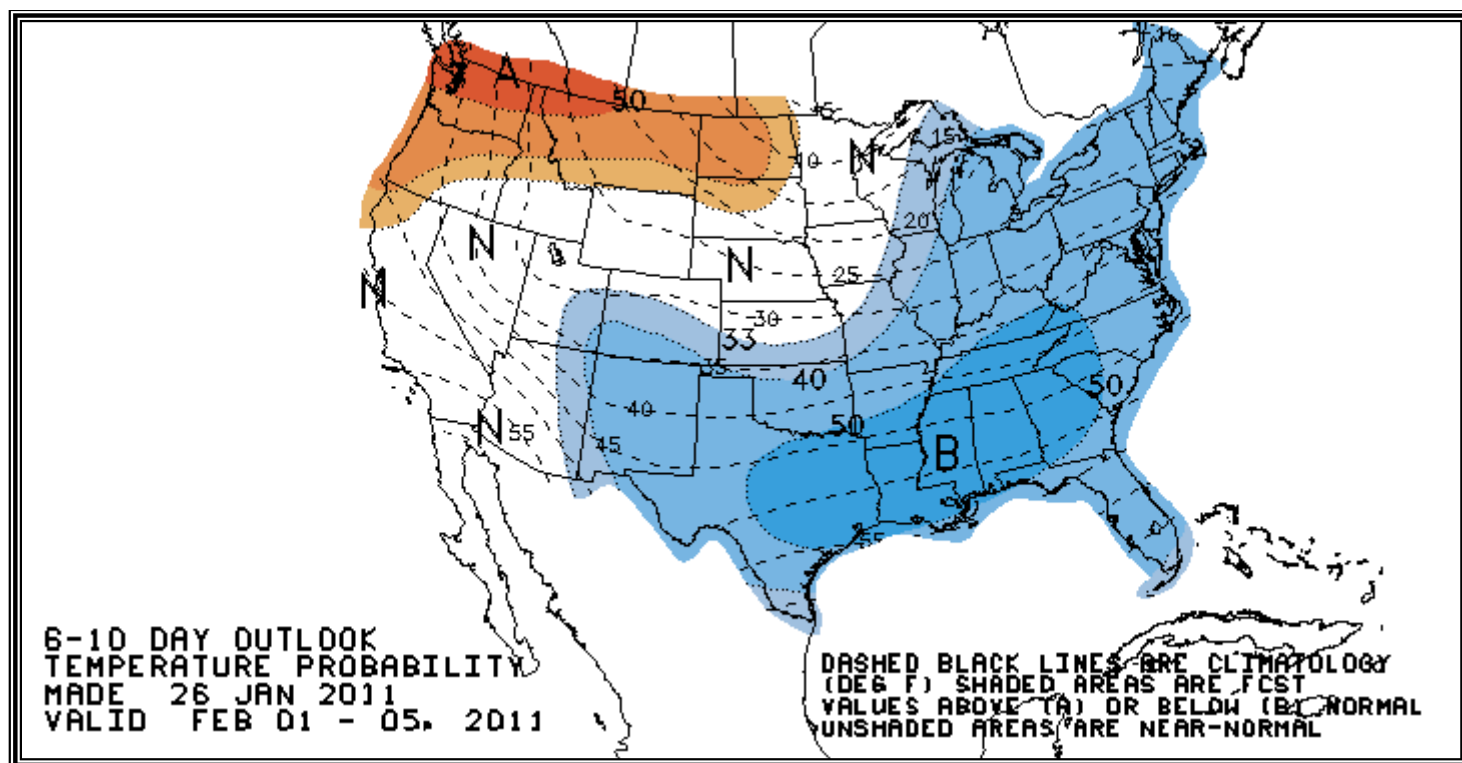
BCF  
Percent Change (%)105  
13.0-39  
229.435  
-14.660  
-14.6

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



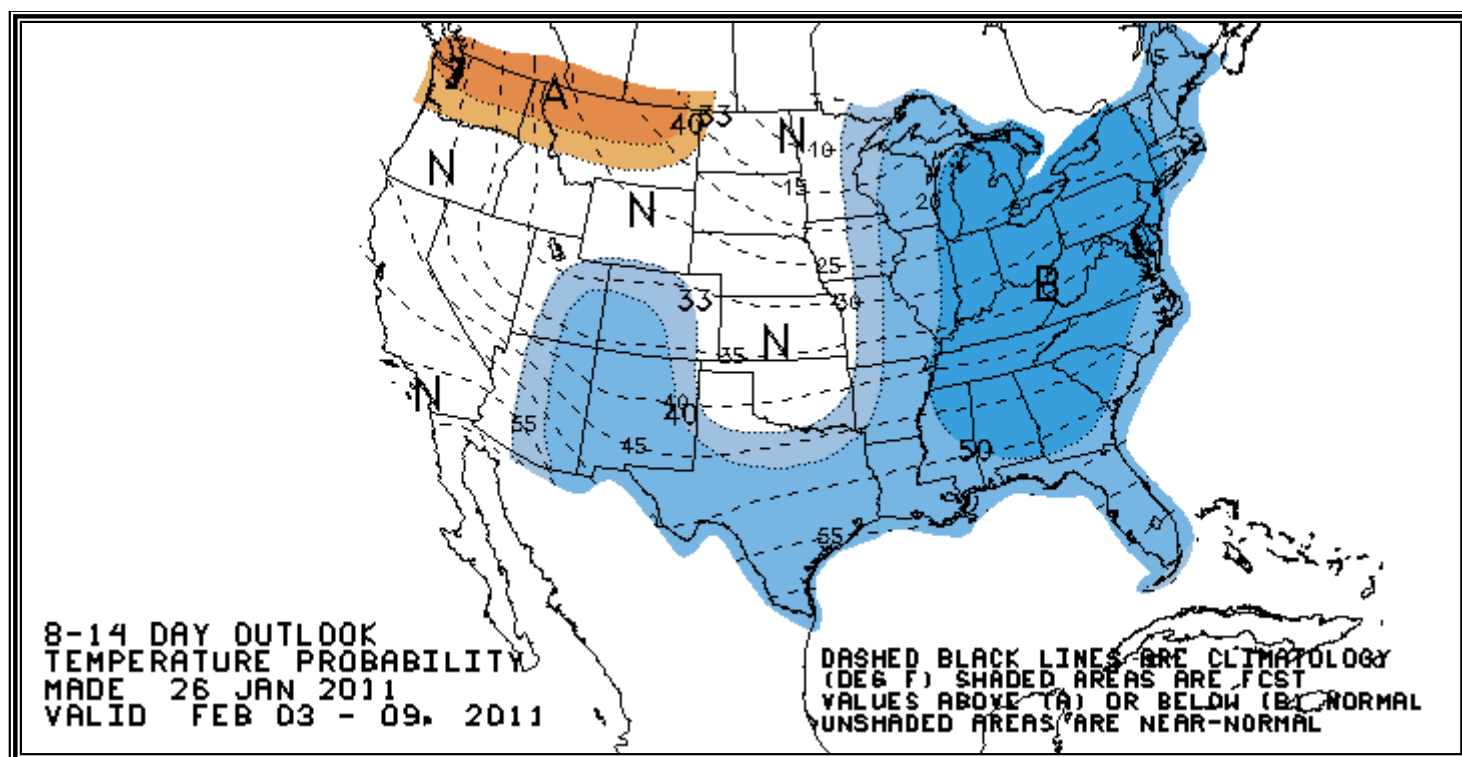
## National Weather Service Climate Prediction Center

## Degree Days 6 - 10 Day Temperature Forecast



## National Weather Service Climate Prediction Center

## Degree Days 8 - 14 Day Temperature Forecast





# American Gas Association Regions

