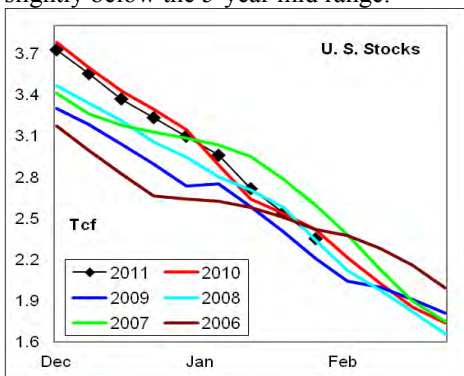
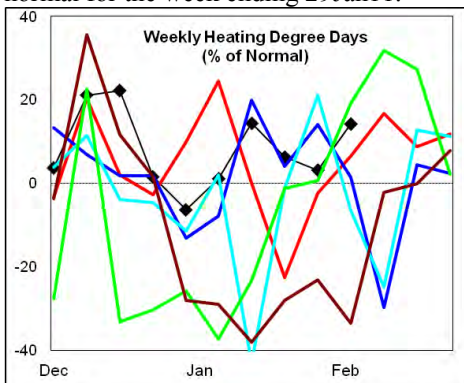




Summary¹ Including the current week forecast, heating degree days will exceed normal for each of the last 5-wks. This cold weather pattern has led to a cumulative stock draw that is a 5-year record high. Stock levels ended the week slightly below the 5-year mid range.



Heating degree days were +3% above normal for the week ending 29Jan11.



In the East Region stocks decreased -115 Bcf for the period, a draw that matched the mid range. Stocks decreased -18 Bcf in the West Region, a draw less than the mid range. The stock draw of -56 Bcf in the Producing Region was larger than four of the last 5-years.

Heating degree days were +7% above normal in the East Region, -16% below normal in the West Region and -5% below normal in the Producing Region for the week ending 29Jan11.

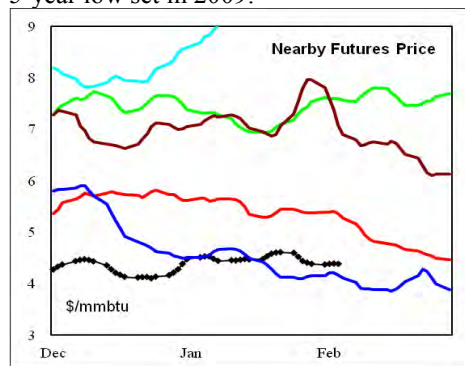
Heating degree days were +3% above normal for the week ended 29Jan11, and

forecast to be +14% above normal for the week ending 05Feb11.

The 6-10 day NWS forecast for the week ending February 12th is for dramatically colder than normal temperatures in the eastern 2/3rds of the country and slightly above normal on the West Coast.

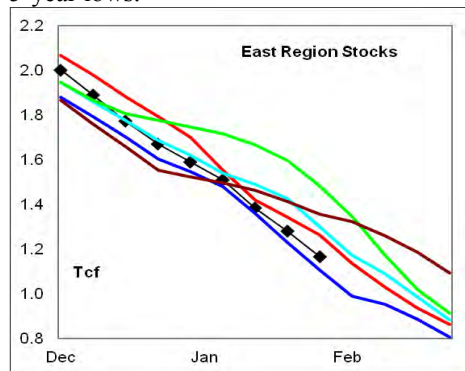
The 8-14 day NWS forecast for the week ending February 16th is for colder than normal temperatures in the northern tier states and eastern 1/2 of the country with the southwest near normal.

Prices: Nearby gas futures prices increased +\$0.06/mmbtu for the week ending 03Feb11. Prices remain slightly above the 5-year low set in 2009.



The 1st - 4th month forward price curve trended lower last week ending 03Feb11. The spread ended the week in a small carry, that was at the upper end of the 5-year range.

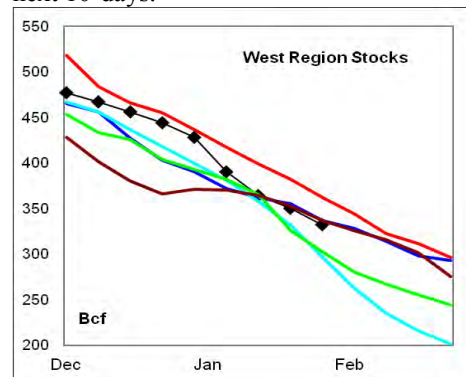
East Region stocks decreased -115 Bcf last week, a draw that matched the mid range. The latest 4-wk stock draw matched the 5-year high for this time of year. Stock levels were slightly above the 5-year lows.



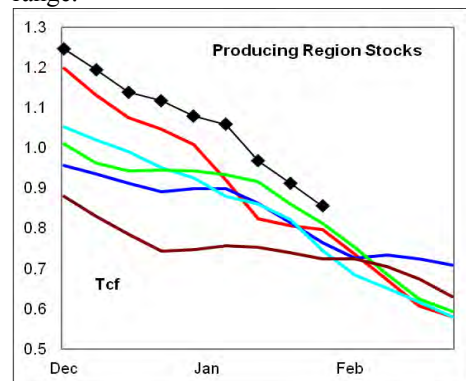
Heating degree days in the region were +7% above normal last week and are forecast to be +13% above normal for the week ending 05Feb11. Extremely high heating degree days are forecast for the next 10-days.

West Region stocks decreased -18 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 -16% below normal last week, and forecast to be +9% above 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 was larger than four of the last 5-years. The latest 4-wk stock draw was near the 5-year record. Stock levels remain above the historic range.



Heating degree days were -5% below normal last week, and are forecast to be +24% above normal for the week ending 05Feb11. Much 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: Extremely cold temperatures are forecast for the next 10-days. Longer term forecast point to above normal HDD's into early April. While very high stock draws reflect above normal HDD's, production capacity points to ongoing excess supplies. Expect prices to trade within the recent range.

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: February 3, 2011

For the week ending: 28-Jan-11

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

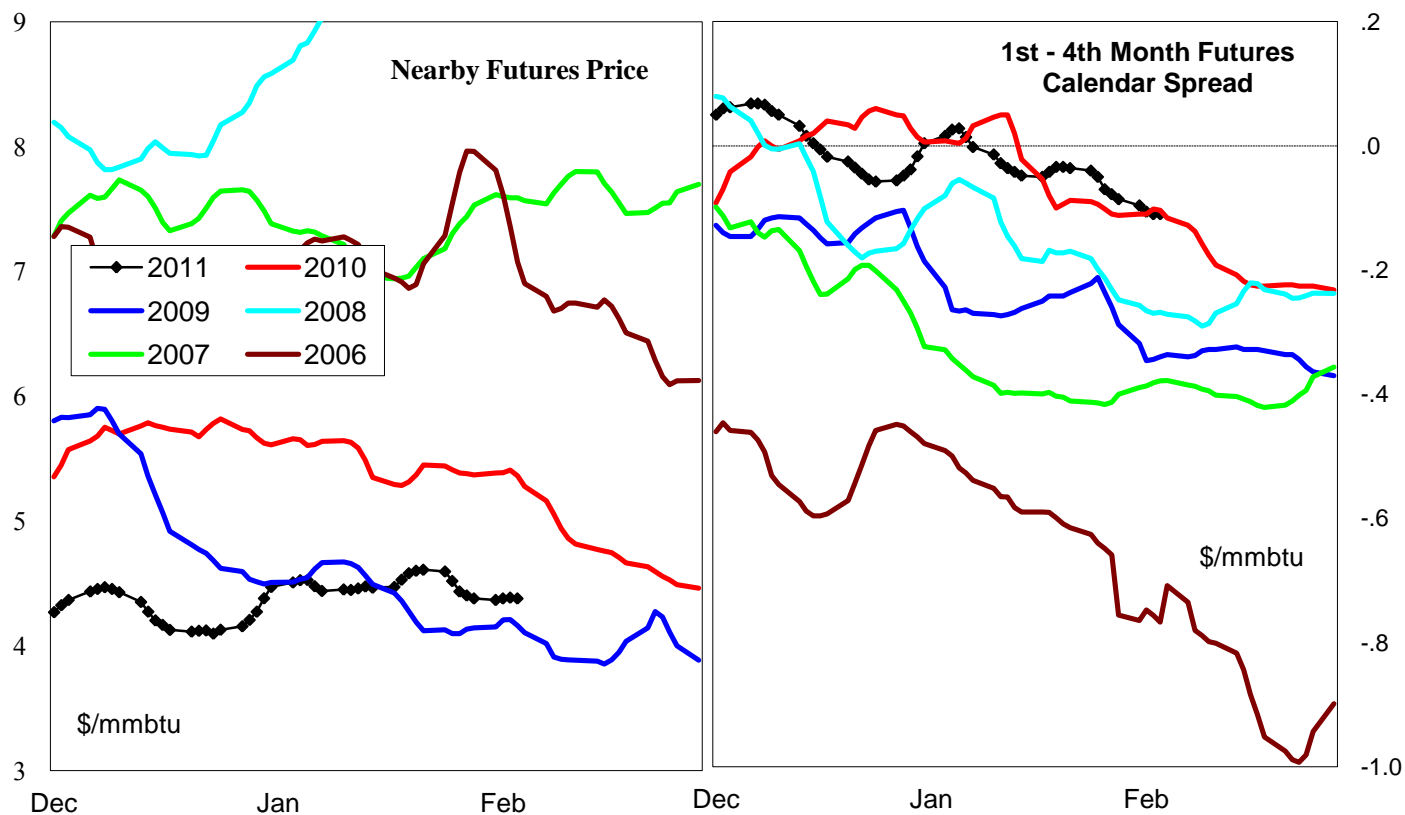
Week ending:	28-Jan-11			22-Jan-11		29-Jan-11		5-Feb-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
		Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
	Bcf	Week Bcf	Year (%)						
U.S. Total	2,353	-189	-2.8	-20	6%	-11	3%	19	14%
East	1,165	-115	-7.8	-7	10%	-9	7%	9	13%
West	332	-18	-8.3	-33	-13%	-11	-16%	44	9%
Producing	856	-56	7.3	-59	2%	-16	-5%	37	24%

Seasonal Trends in Stocks and Heating Degree Days

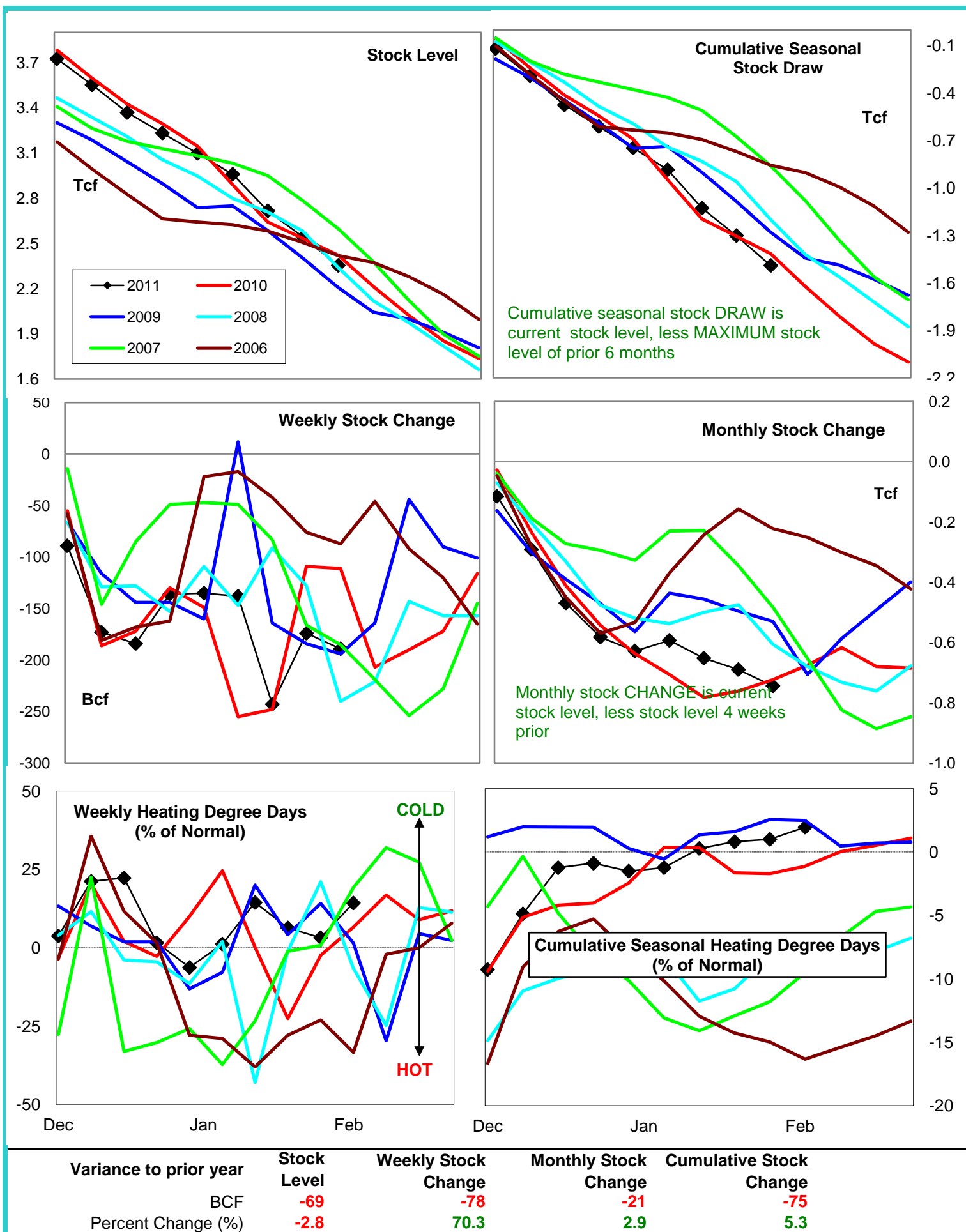
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-1,490	-75	5.0	253	0.8	243	1.0	261	1.9
East	-922	-85	9.2	290	2.2	281	2.6	290	3.4
West	-188	-24	12.8	185	-5.9	174	-6.6	218	-5.6
Producing	-407	13	-3.2	166	-1.4	150	-1.7	186	0.2

Futures Market Price Trends

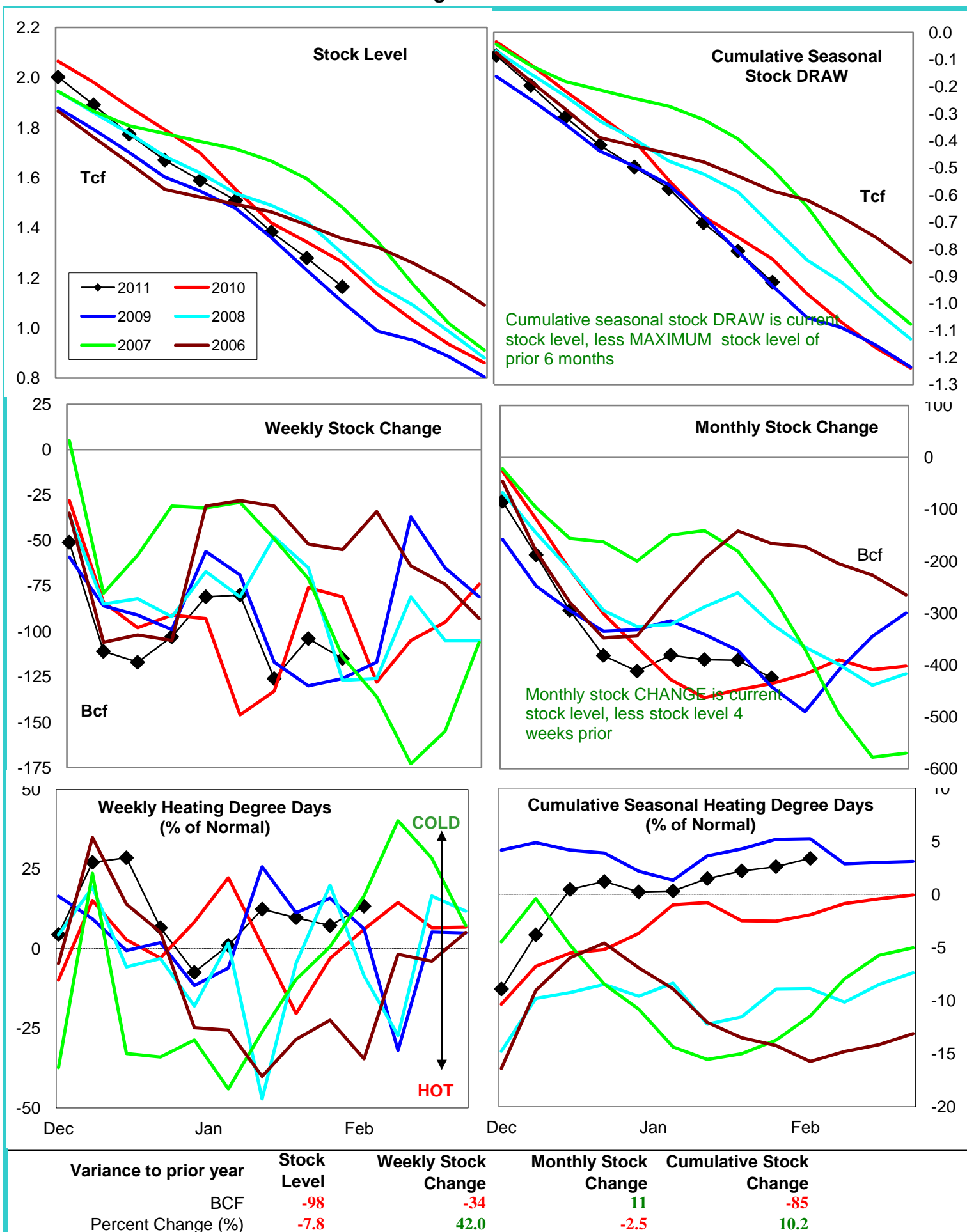
Date:	1-Feb-11	Change vs prior week, month, year		
		26-Jan-11	4-Jan-11	1-Feb-10
1st month Futures	4.38	0.06	-0.04	-1.01
% change	xxxxx	1.4	-0.9	-18.7



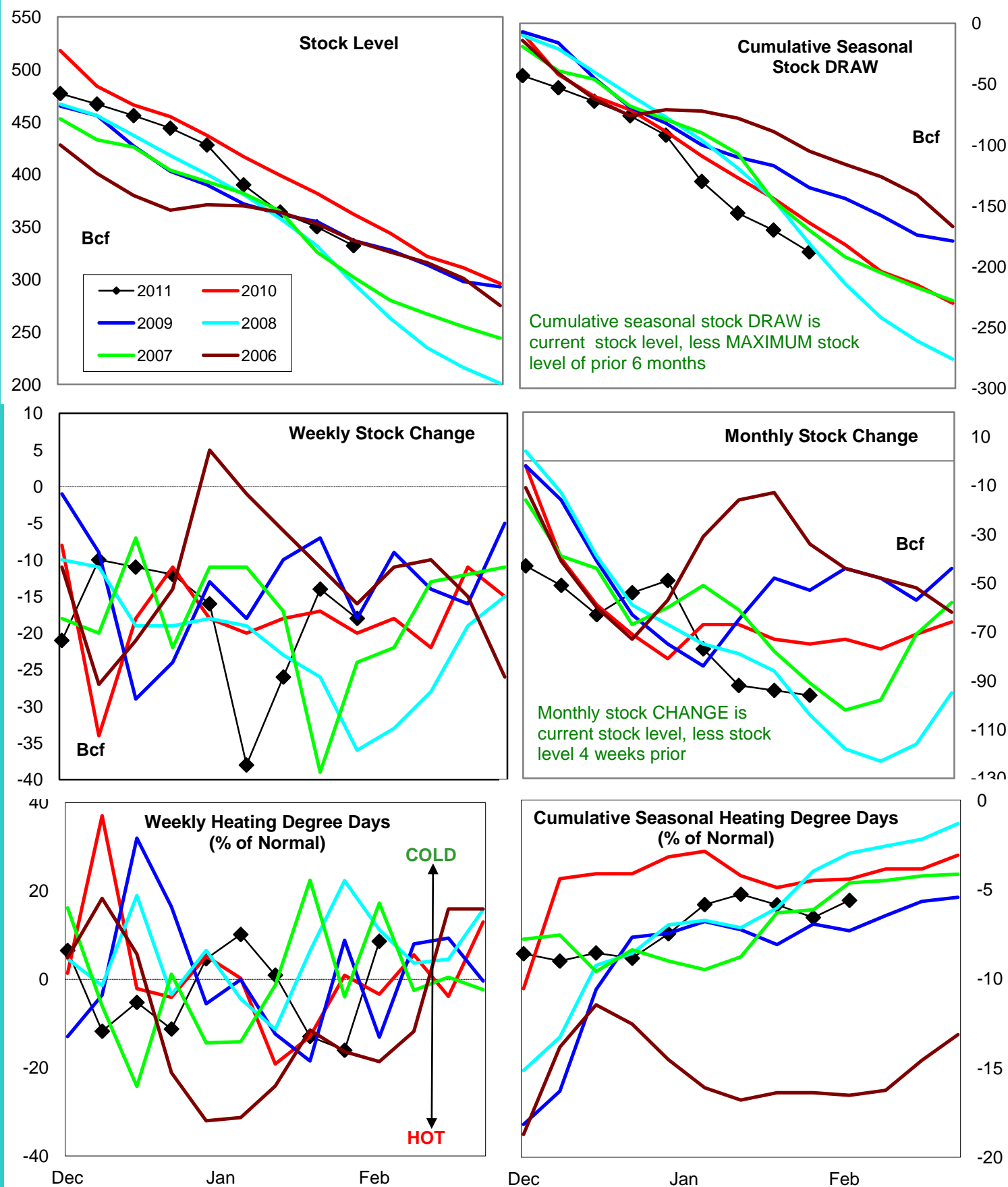
United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



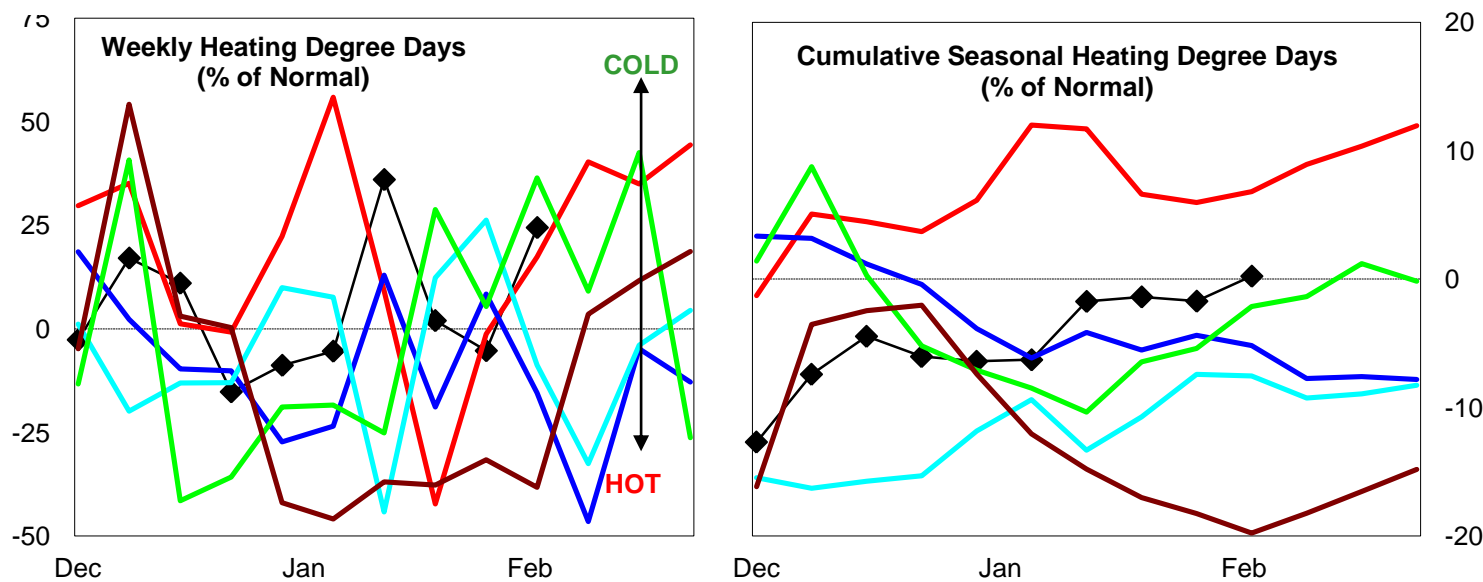
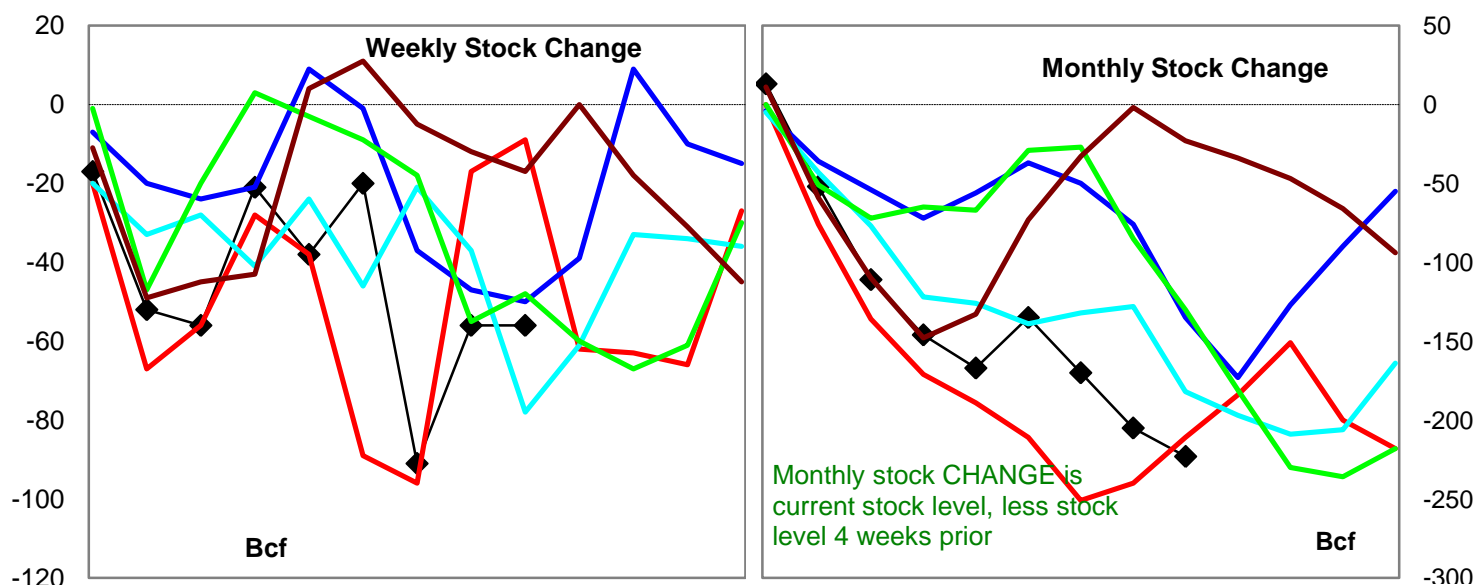
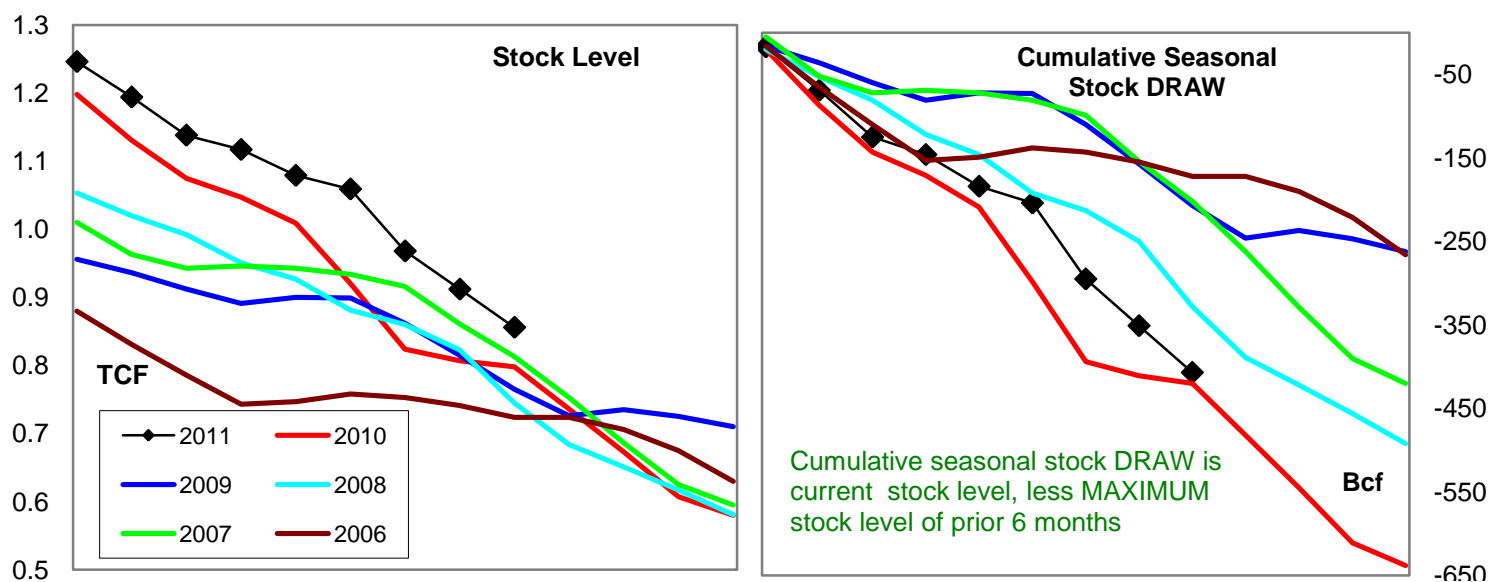
Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)-30
-8.32
-10.0-21
28.0-24
14.6

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

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

58

7.3

-47

522.2

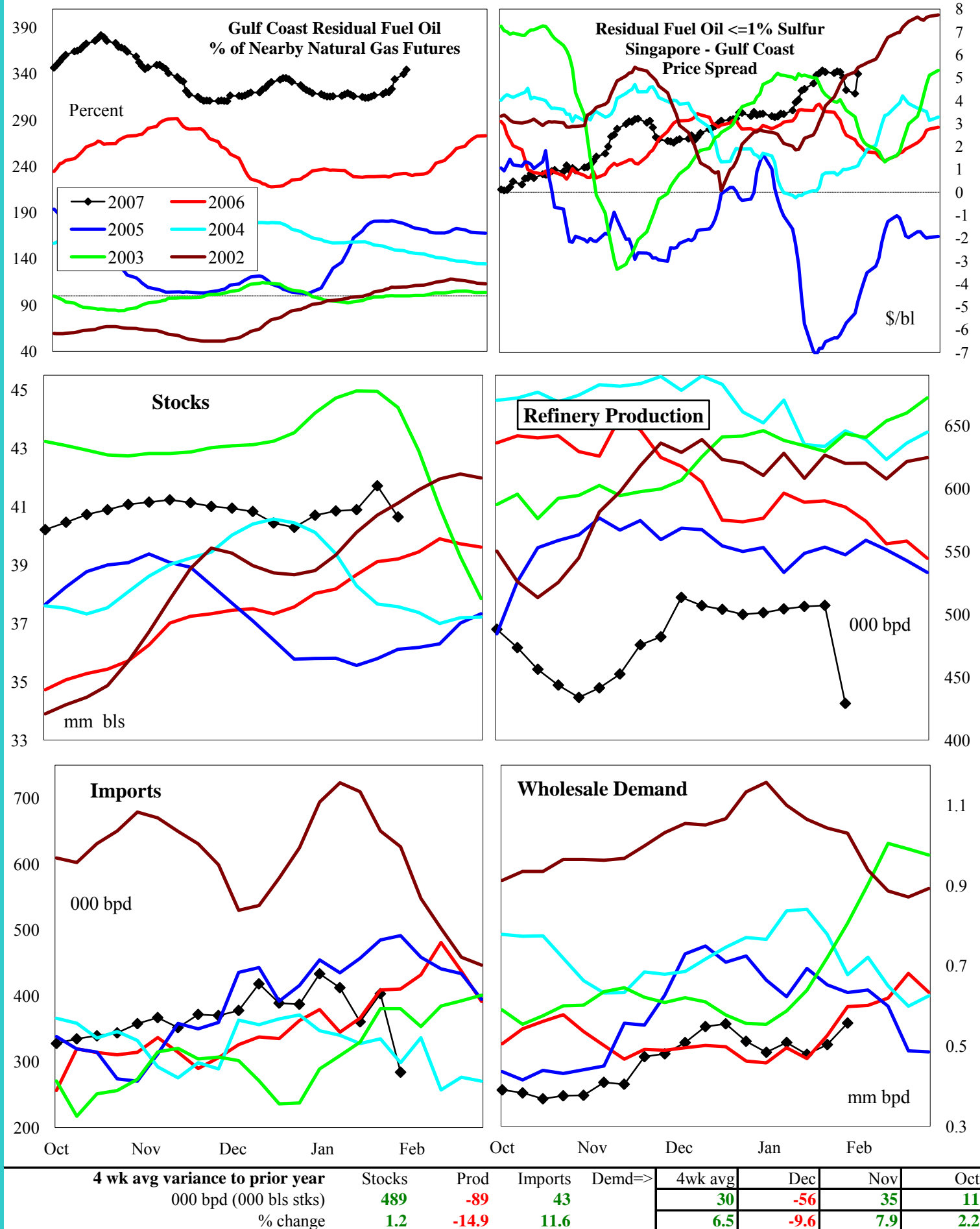
-12

5.7

13

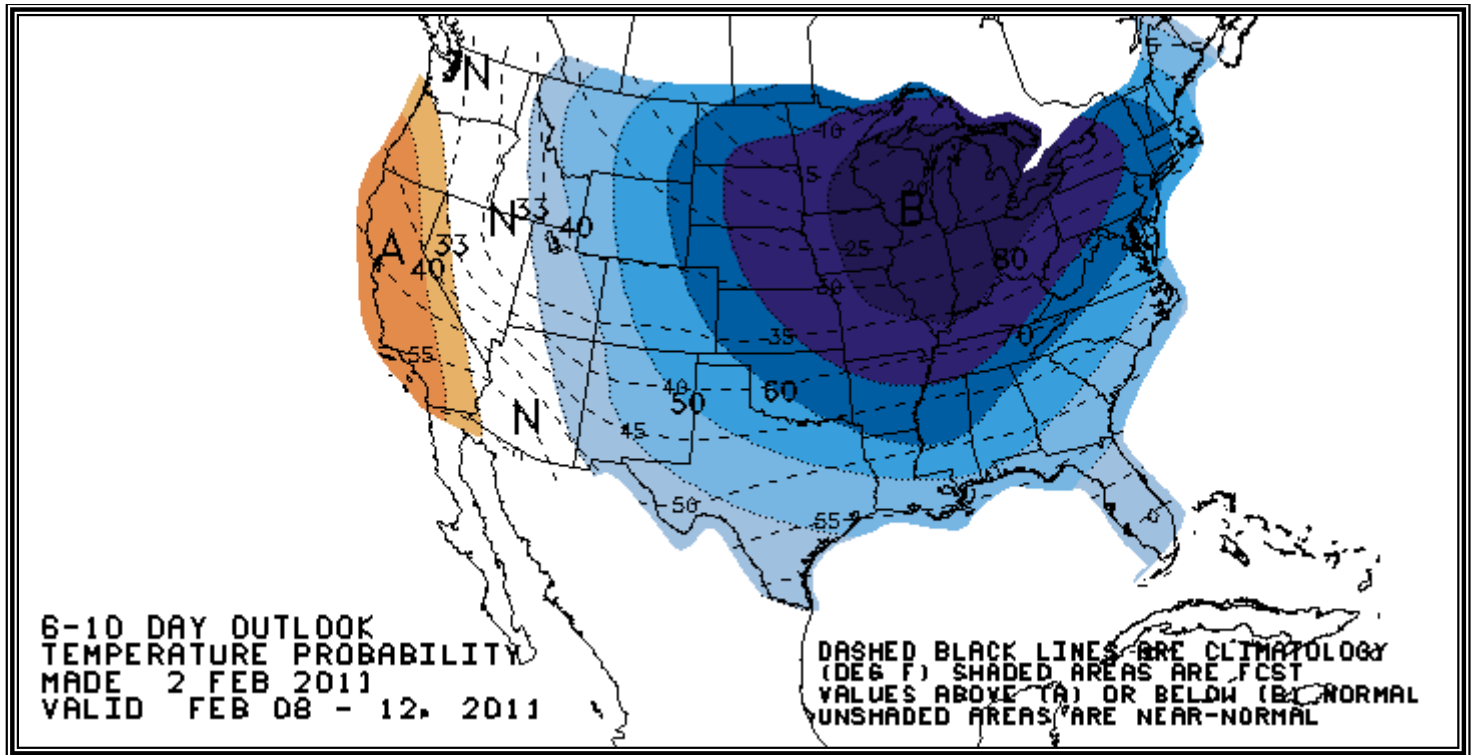
-3.1

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



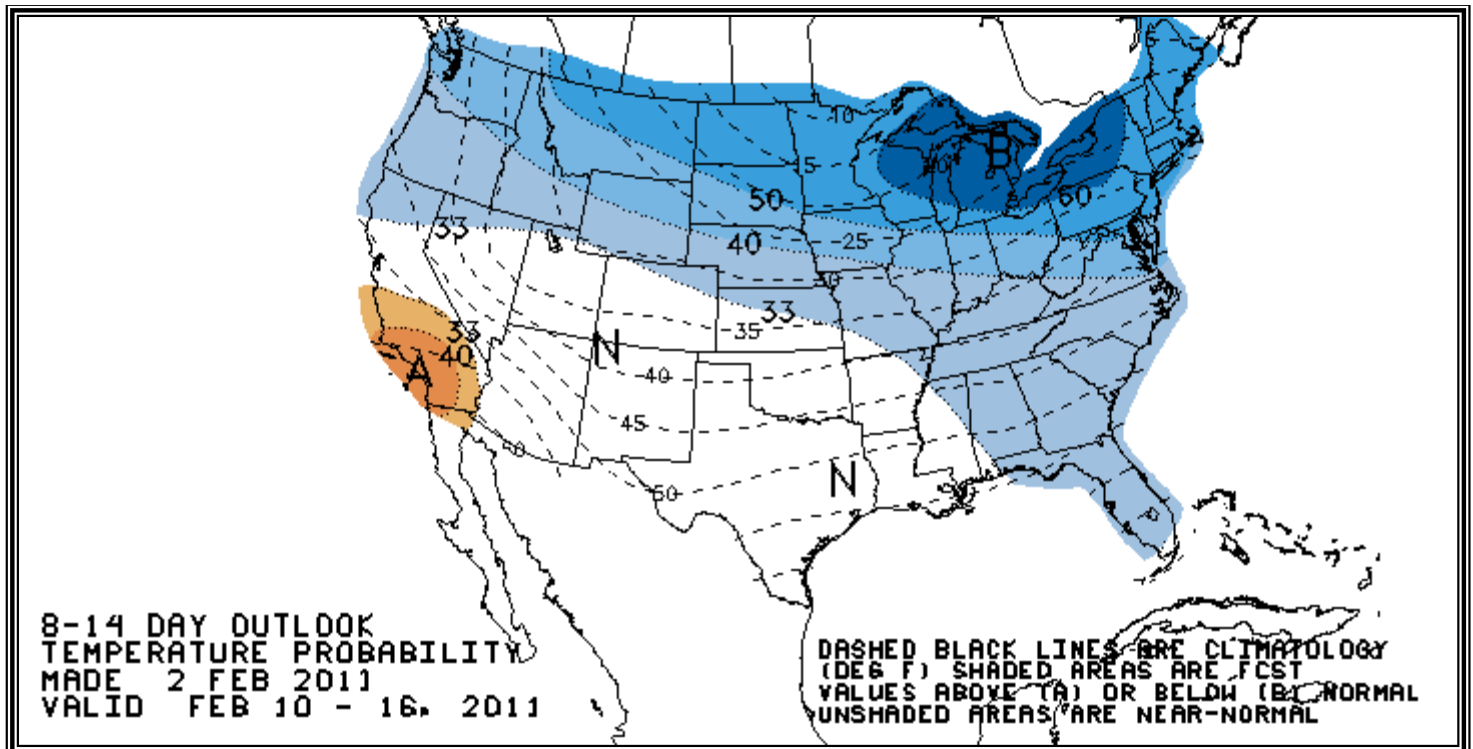
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

