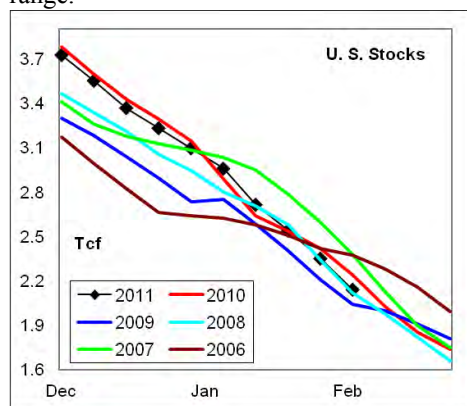
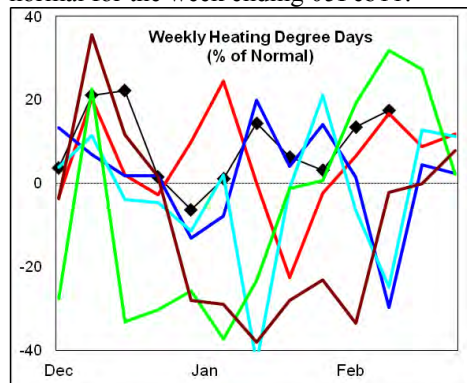




Summary¹ The stock draw of -209 Bcf last week was near the 5-year high for the week. Heating degree days remain near 5-year highs for the period. Stock levels ended the week below the 5-year mid range.



Heating degree days were +14% above normal for the week ending 05Feb11.



In the East Region stocks decreased -110 Bcf for the period, a draw that matched the mid range. Stocks decreased -32 Bcf in the West Region, a draw that matched the 5-year record high for the period. The stock draw of -67 Bcf in the Producing Region was a record draw for the period.

Heating degree days were +8% above normal in the East Region, +13% above normal in the West Region and +47% above normal in the Producing Region for the week ending 05Feb11.

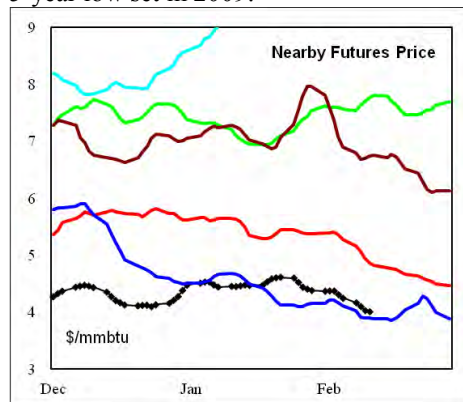
Heating degree days were +14% above normal for the week ended 05Feb11, and

forecast to be +18% above normal for the week ending 12Feb11.

The 6-10 day NWS forecast for the week ending 19Feb11 is for much warmer than normal temperatures in the eastern 2/3rds of the country and slightly below normal on the West Coast.

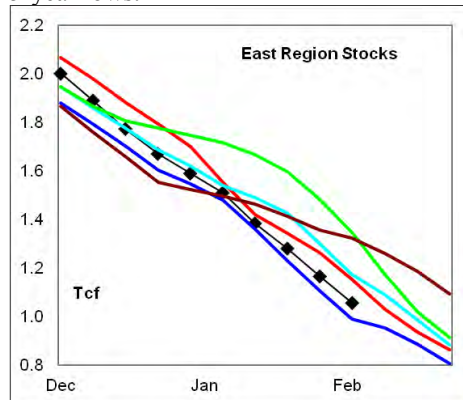
The 8-14 day NWS forecast for the week ending 23Feb11 is for warmer than normal temperatures in the eastern 1/2 of the country with the west slightly colder than normal.

Prices: Nearby gas futures prices decreased -\$0.33/mmbtu for the week ending 10Feb11. Prices remain slightly above the 5-year low set in 2009.



The 1st - 4th month forward price curve trended lower last week ending 10Feb11. The spread ended the week in a carry, that was at the upper end of the 5-year range.

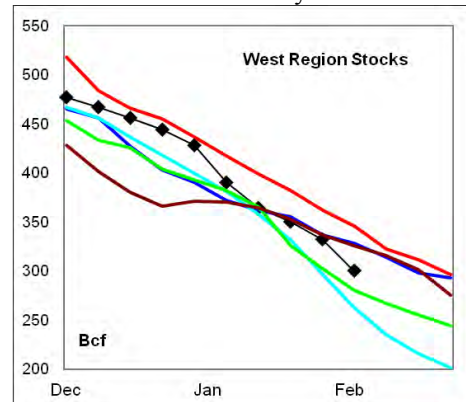
East Region stocks decreased -110 Bcf last week, a draw that matched the mid range. The latest 4-wk stock draw matched the 5-year high for this time of year. Stock levels were slightly above the 5-year lows.



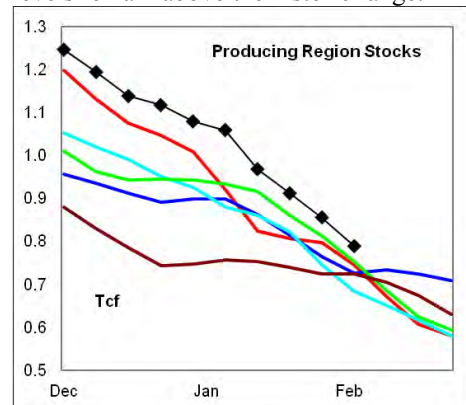
Heating degree days in the region were +8% above normal last week and are forecast to be +15% above normal for the week ending 12Feb11. Well below normal heating degree days are forecast for the next 10-days.

West Region stocks decreased -32 Bcf on the week, a draw that matched the 5-year record for the period. Stock levels were below the 5-year mid range. The latest 4-wk stock draw was a record high.

Heating degree days were +13% above normal last week, and forecast to be +6% above normal for the current week. Colder than normal temperatures are forecast for the next 10-days.



Producing Region stocks decreased -67 Bcf on the week, a draw which was a record for the week. The latest 4-wk stock draw matched the 5-year record. Stock levels remain above the historic range.



Heating degree days were +47% above normal last week, and are forecast to be +43% above normal for the week ending 12Feb11. Much warmer 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 major warming trend in the eastern 2/3rds of the country is forecast for the 2nd half of the month. Combined with ample stocks and excess production capacity, prices should witness downward pressure.

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 10, 2011

For the week ending: 4-Feb-11

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

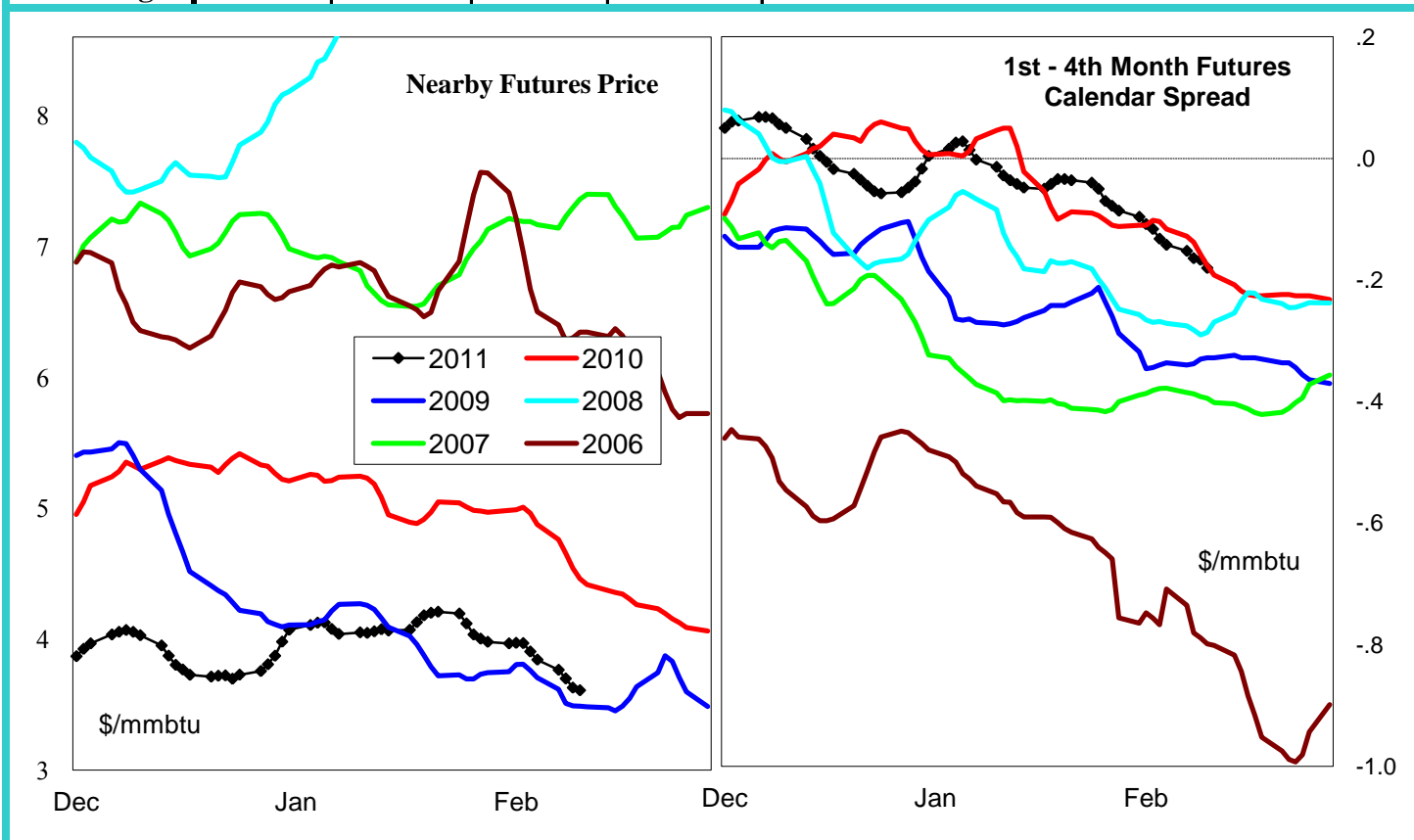
Week ending:	4-Feb-11			29-Jan-11		5-Feb-11		12-Feb-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	2,144	-209	-4.4	-11	3%	18	14%	-2	18%
East	1,055	-110	-8.4	-9	7%	-3	8%	6	15%
West	300	-32	-13.3	-11	-16%	52	13%	-22	6%
Producing	789	-67	5.9	-16	-5%	70	47%	-20	43%

Seasonal Trends in Stocks and Heating Degree Days

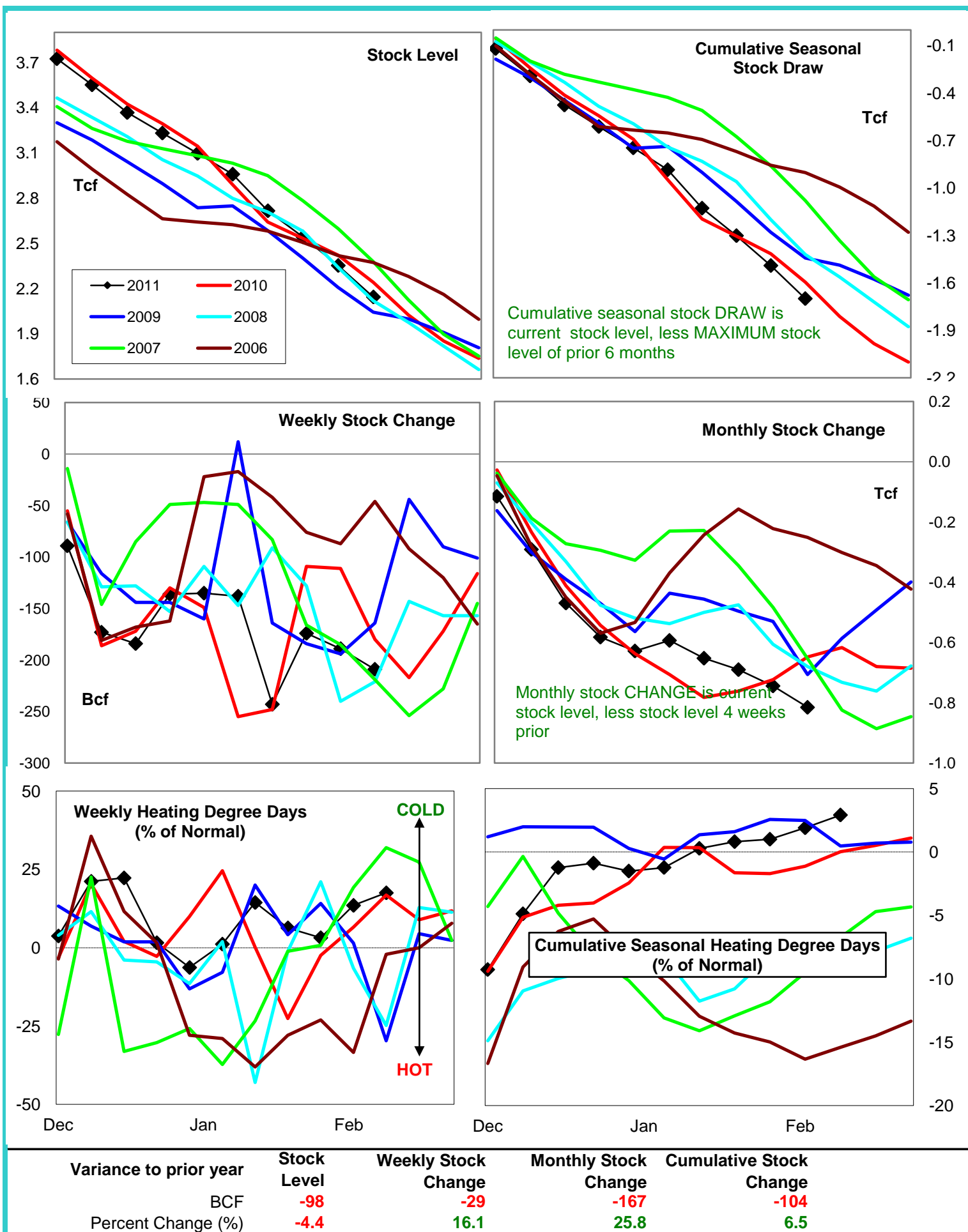
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-1,699	-104	6.1	243	1.0	260	1.9	258	2.9
East	-1,032	-84	8.1	281	2.6	278	3.0	284	3.8
West	-220	-40	18.2	174	-6.6	226	-5.4	204	-4.7
Producing	-474	-1	0.2	150	-1.7	220	1.9	199	4.6

Futures Market Price Trends

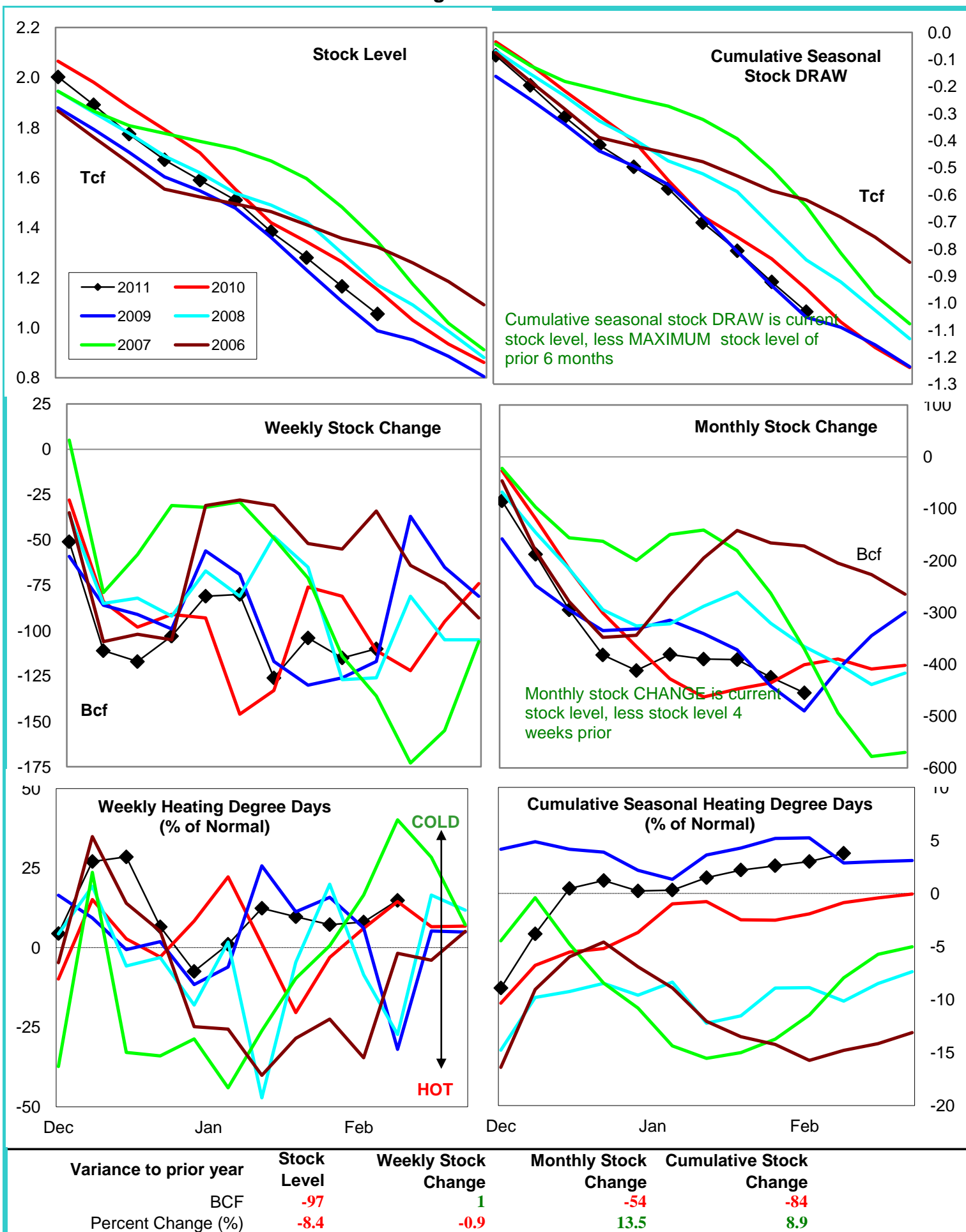
Date:	8-Feb-11	Change vs prior week, month, year		
		2-Feb-11	11-Jan-11	8-Feb-10
1st month Futures	4.01	-0.30	-0.47	-0.81
% change	xxxxx	-7.0	-10.5	-16.8



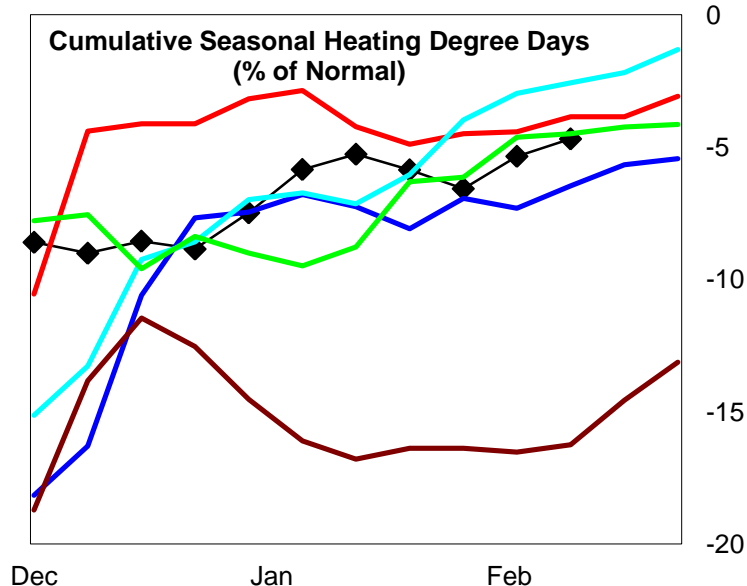
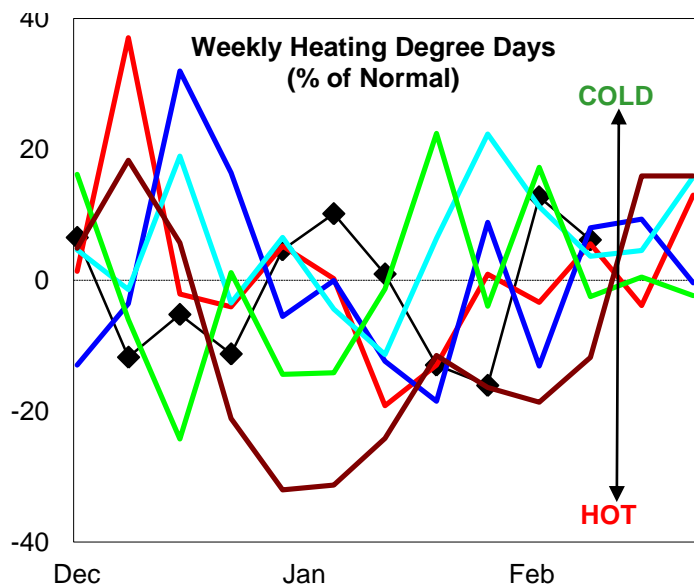
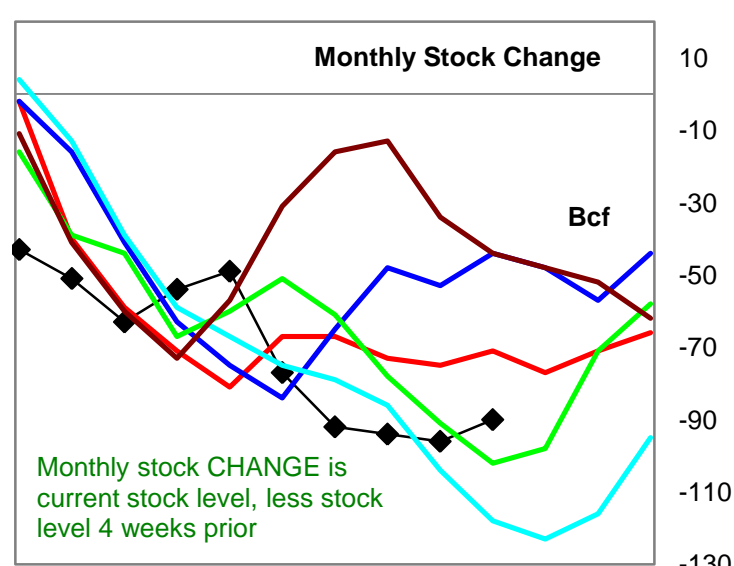
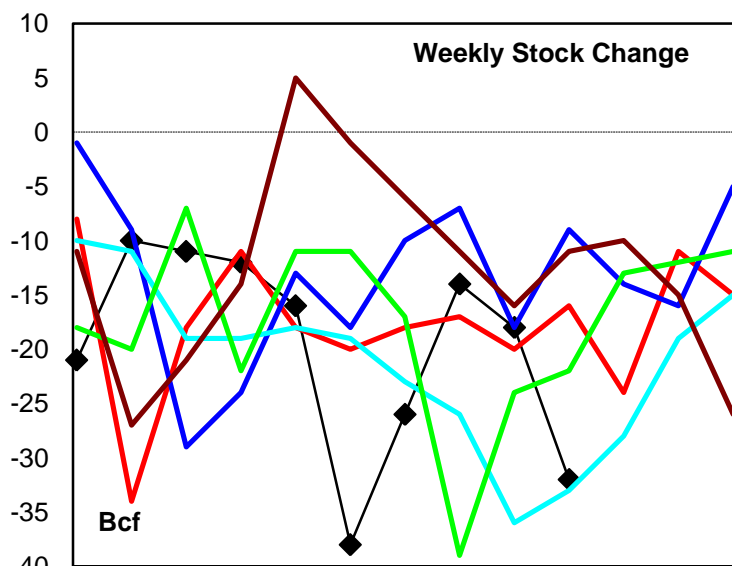
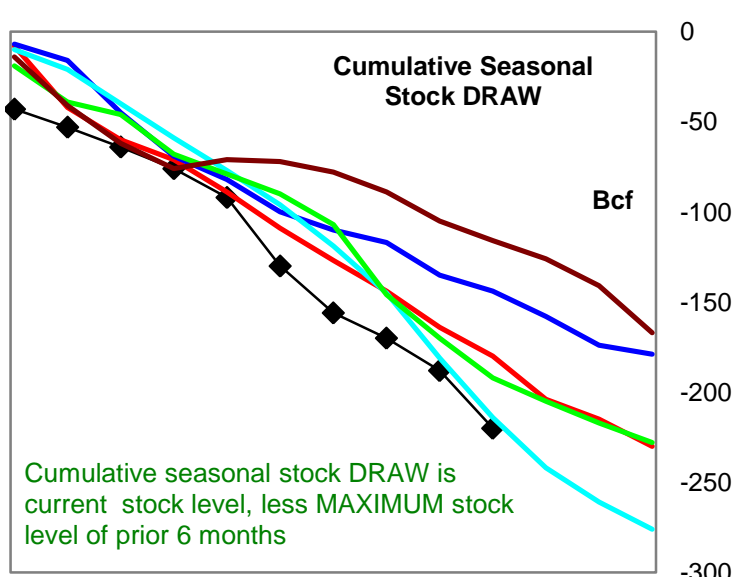
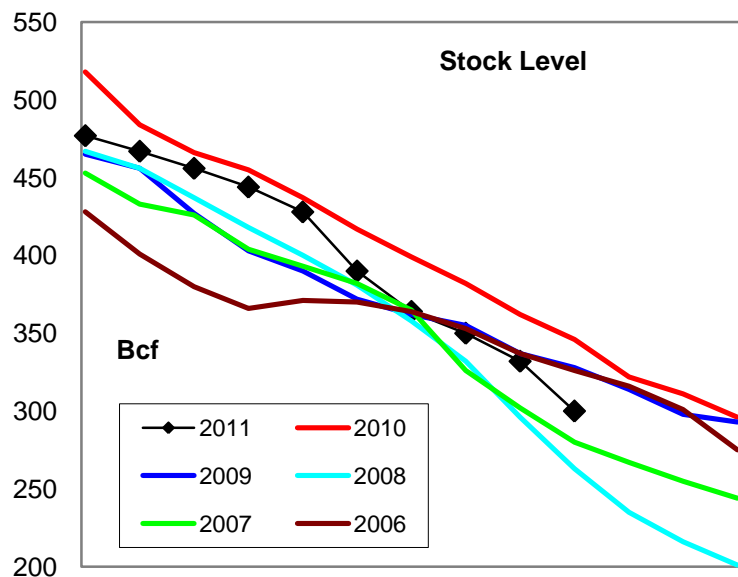
United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends

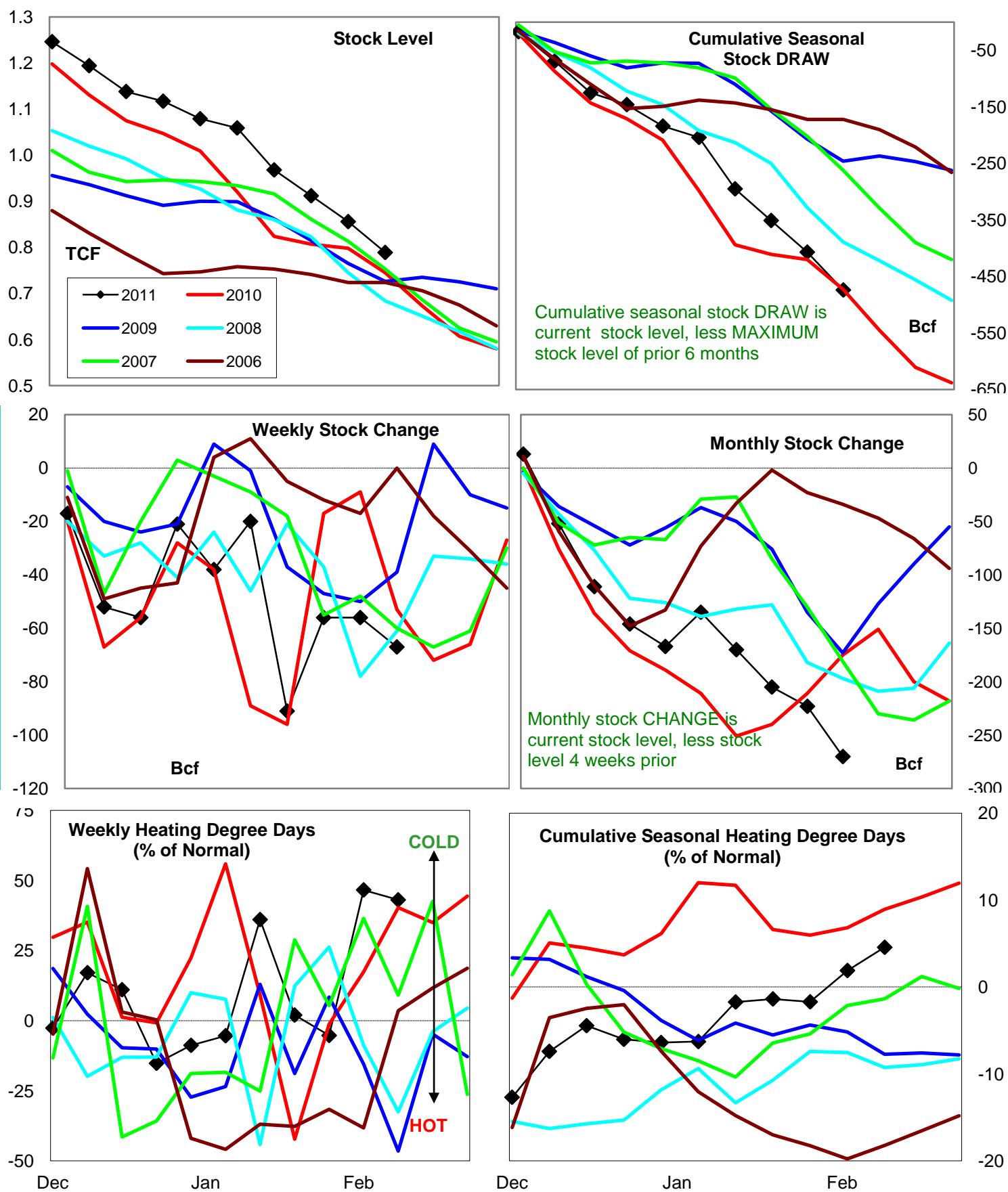


Natural Gas West Region Stock and Weather Trends



Variance to prior year	Stock Level	Weekly Stock Change	Monthly Stock Change	Cumulative Stock Change
BCF	-46	-16	-19	-40
Percent Change (%)	-13.3	100.0	26.8	22.2

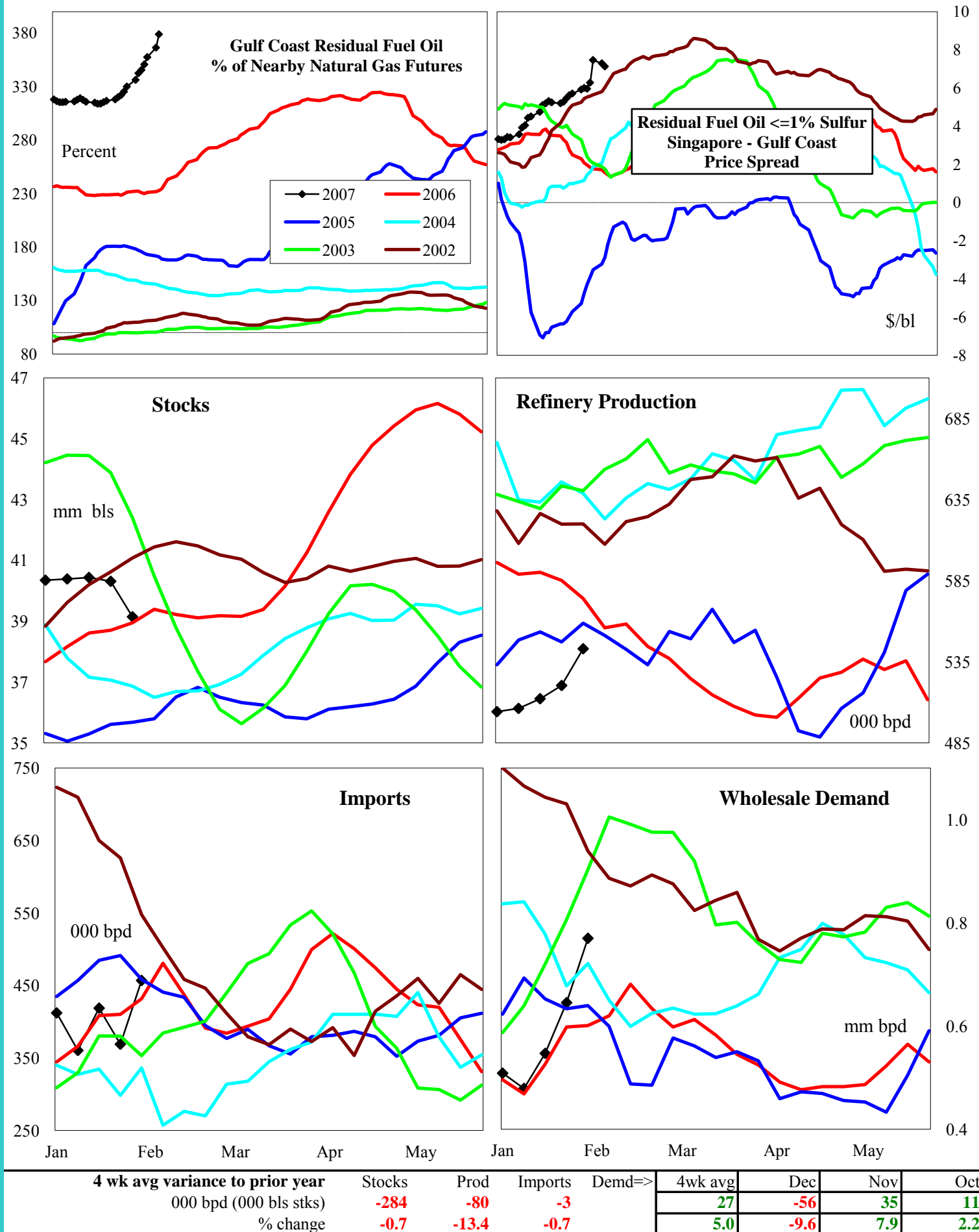
Natural Gas Producing Region Stock and Weather Trends

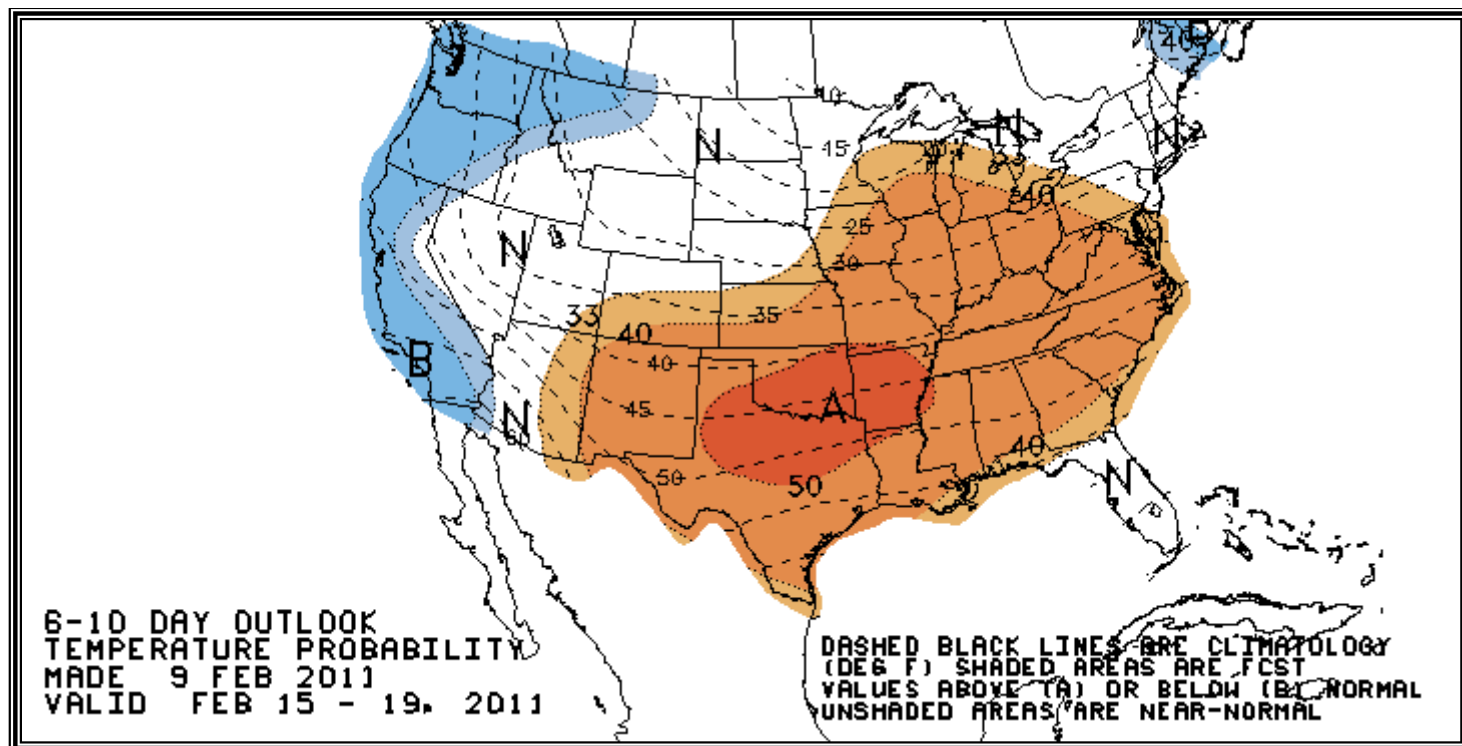
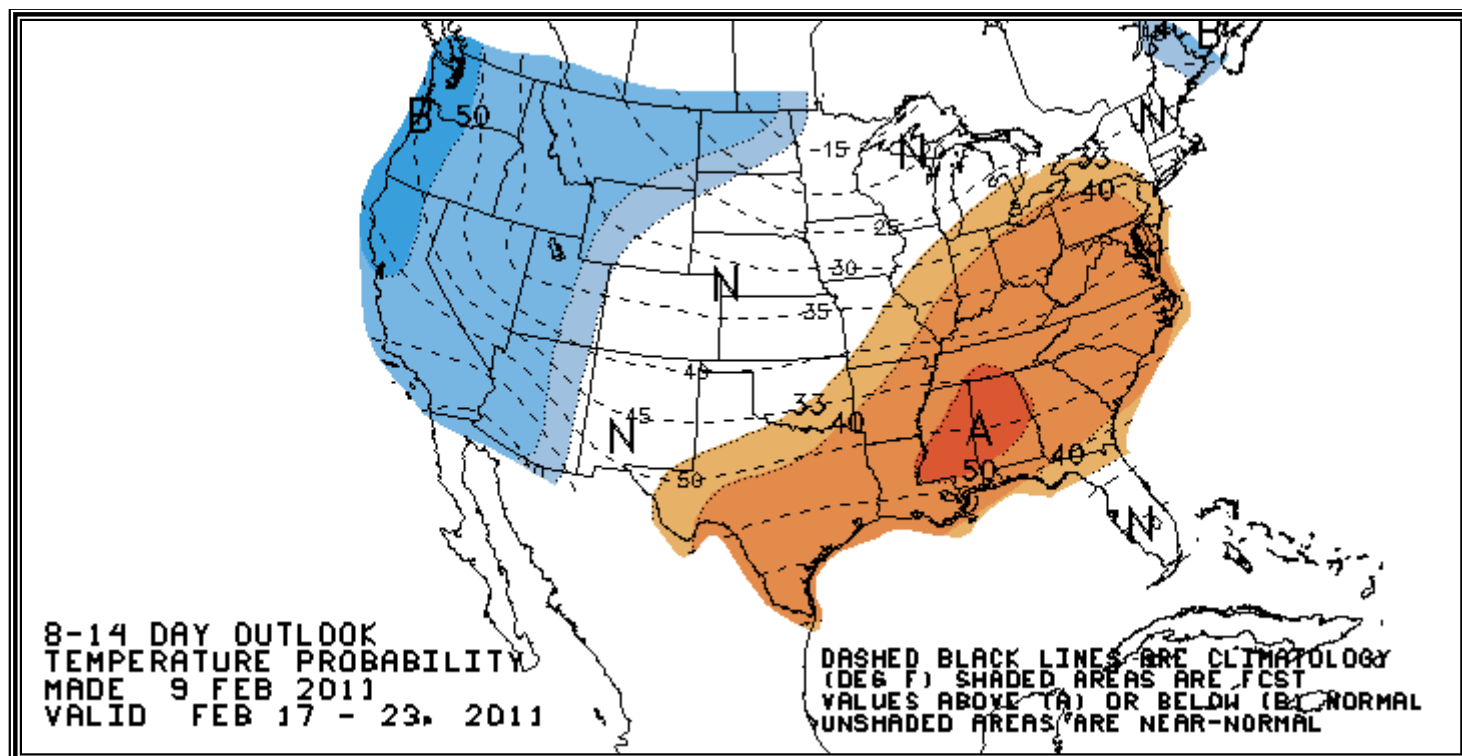


Variance to prior year

Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)44
5.9-14
26.4-95
54.3-1
0.2

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

