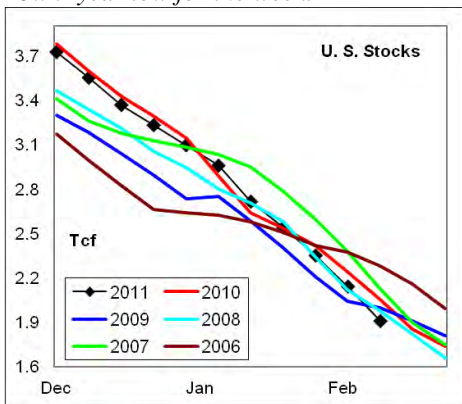
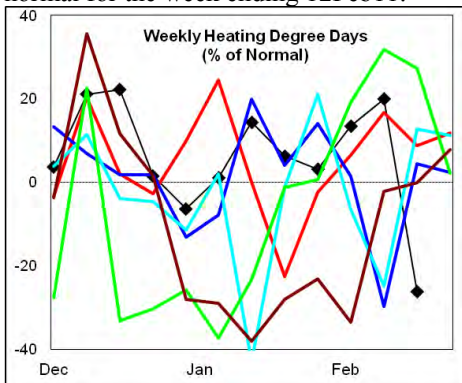




Summary¹ The stock draw of -233 Bcf last week was near the 5-year high for the week. Stock levels ended the week at a new 5-year low for the week.



Heating degree days were +20% above normal for the week ending 12Feb11.



In the East Region stocks decreased -118 Bcf for the period, a draw that was larger than four of the last 5-years. Stocks decreased -24 Bcf in the West Region, a draw that was near the 5-year record draw for the period. The stock draw of -91 Bcf in the Producing Region was a record draw for the period.

Heating degree days were +16% above normal in the East Region, +6% above normal in the West Region and +54% above normal in the Producing Region for the week ending 12Feb11.

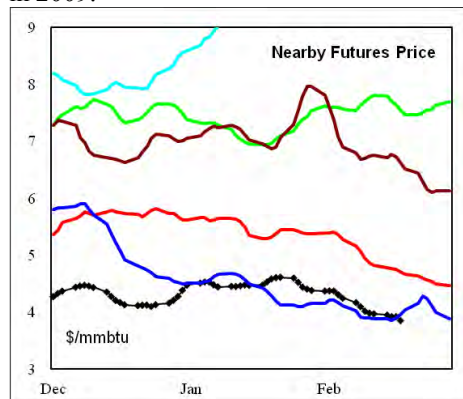
Heating degree days were +20% above normal for the week ended 12Feb11, and forecast to be -26% below normal for the

week ending 19Feb11.

The 6-10 day NWS forecast for the week ending 26Feb11 is for normal to warmer than normal temperatures in the eastern 2/3rds of the country and much below normal in the western 1/3rd of the country.

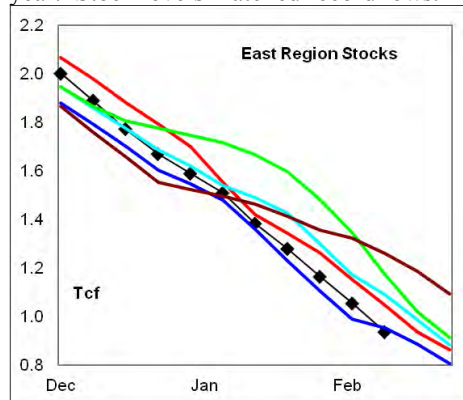
The 8-14 day NWS forecast for the week ending 02Mar11 is for normal temperatures in the eastern 1/2 of the country with the west slightly colder than normal.

Prices: Nearby gas futures prices decreased -\$0.14/mmbtu for the week ending 17Feb11. Prices match the 5-year low set in 2009.



The 1st - 4th month forward price curve trended higher last week ending 17Feb11. The spread ended the week at a record low carry, pointing to expectations of low prices into the future.

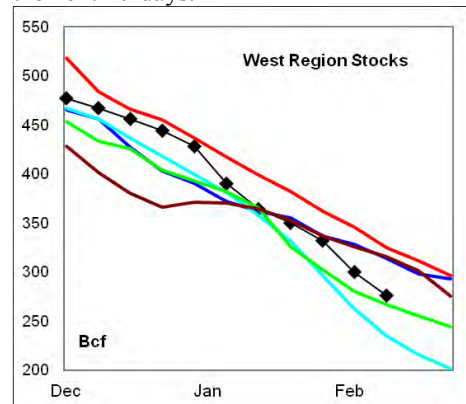
East Region stocks decreased -118 Bcf last week, a draw that was larger than four of the last 5-years. The latest 4-wk draw was near the 5-year record for this time of year. Stock levels matched record lows.



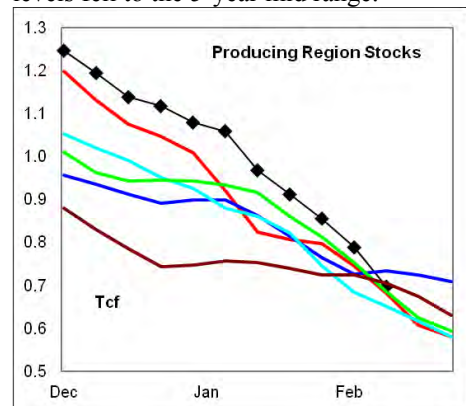
Heating degree days in the region were +16% above normal last week and are forecast to be -26% below normal for the week ending 19Feb11. Well below normal heating degree days are forecast for the next 10-days.

West Region stocks decreased -24 Bcf on the week, a draw that was near the 5-year record draw for the period. Stock levels were below the 5-year mid range. The latest 4-wk stock draw was greater than the historic mid range.

Heating degree days were +6% above normal last week, and forecast to be -12% below normal for the current week. Colder than normal temperatures are forecast for the next 10-days.



Producing Region stocks decreased -91 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 fell to the 5-year mid range.



Heating degree days were +54% above normal last week, and are forecast to be -41% below normal for the week ending 19Feb11. 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: Extremely warm temperatures should sharply reduced gas demand for the current week. Excess production capacity has offset low stock levels for this time of year, driving prices to match 5-year lows. Expect continued price weakness.

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 17, 2011

For the week ending: 11-Feb-11

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

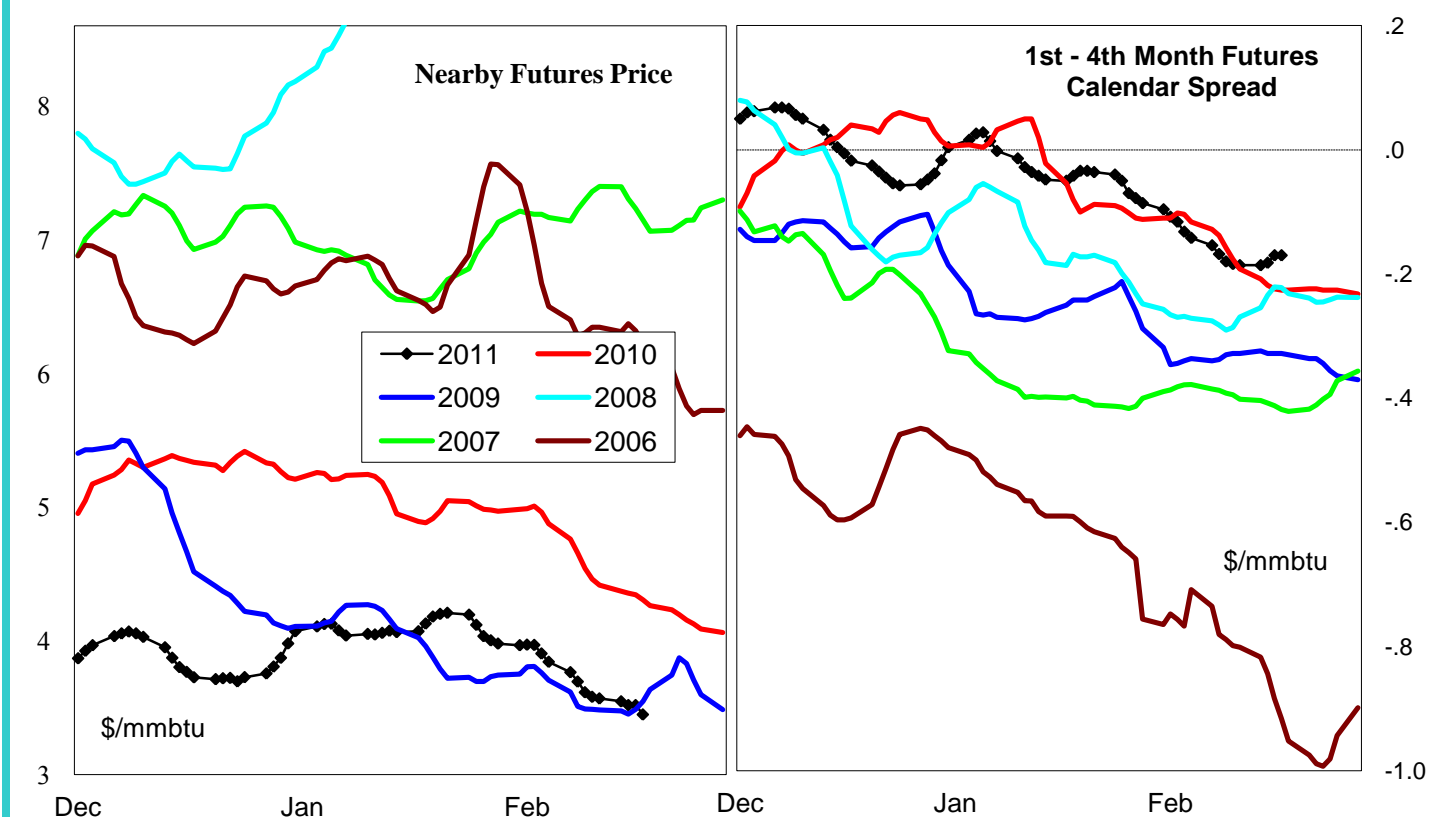
Week ending:	11-Feb-11			5-Feb-11		12-Feb-11		19-Feb-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	1,911	-233	-6.9	18	14%	4	20%	-111	-26%
East	937	-118	-10.3	-3	8%	11	16%	-114	-26%
West	276	-24	-15.1	52	13%	-22	6%	-44	-12%
Producing	698	-91	2.3	70	47%	-5	54%	-140	-41%

Seasonal Trends in Stocks and Heating Degree Days

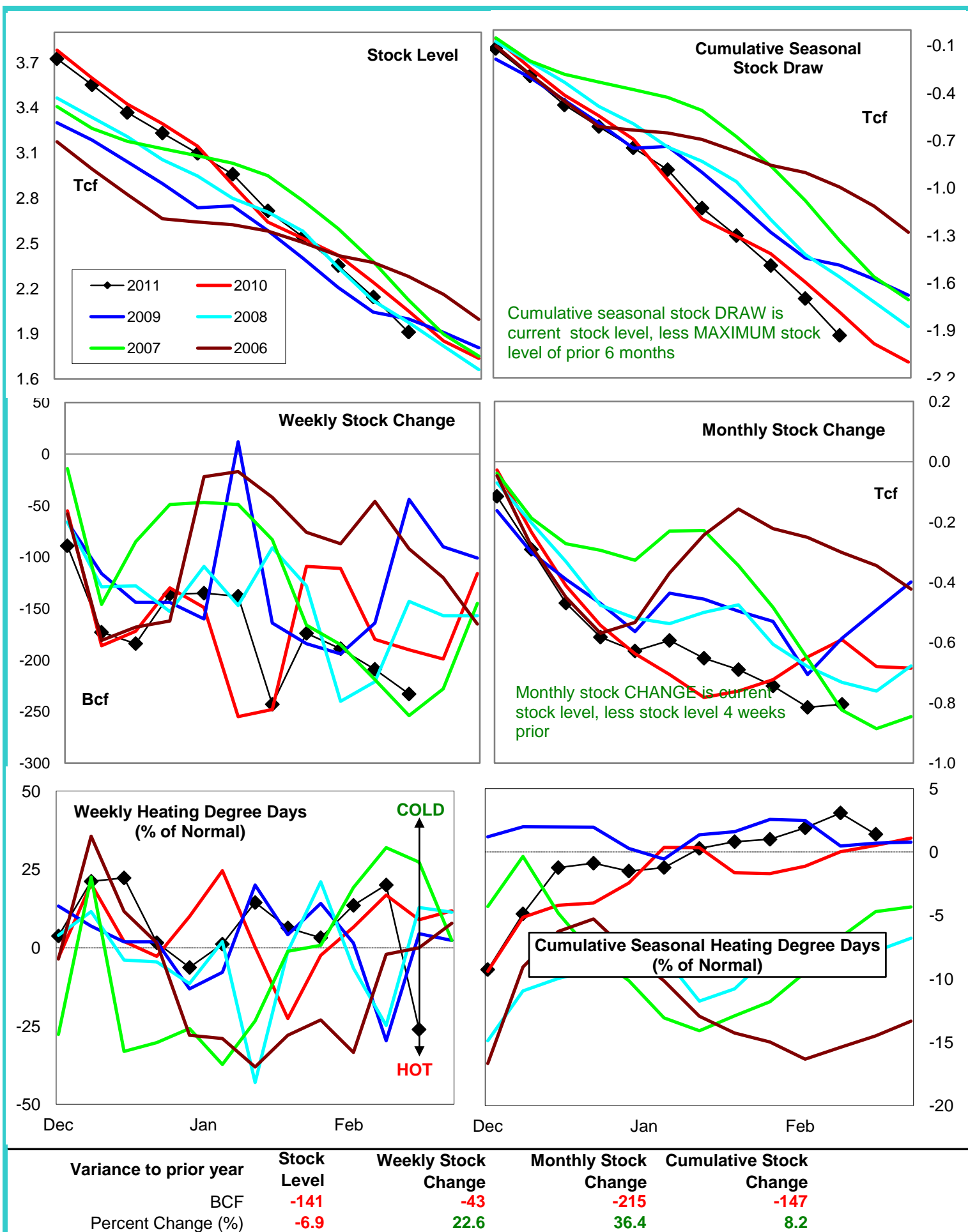
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-1,932	-147	7.6	260	1.9	265	3.1	154	1.4
East	-1,150	-95	8.3	278	3.0	289	3.9	175	2.2
West	-244	-43	17.6	226	-5.4	204	-4.7	160	-5.1
Producing	-565	-29	5.1	220	1.9	215	5.3	75	2.7

Futures Market Price Trends

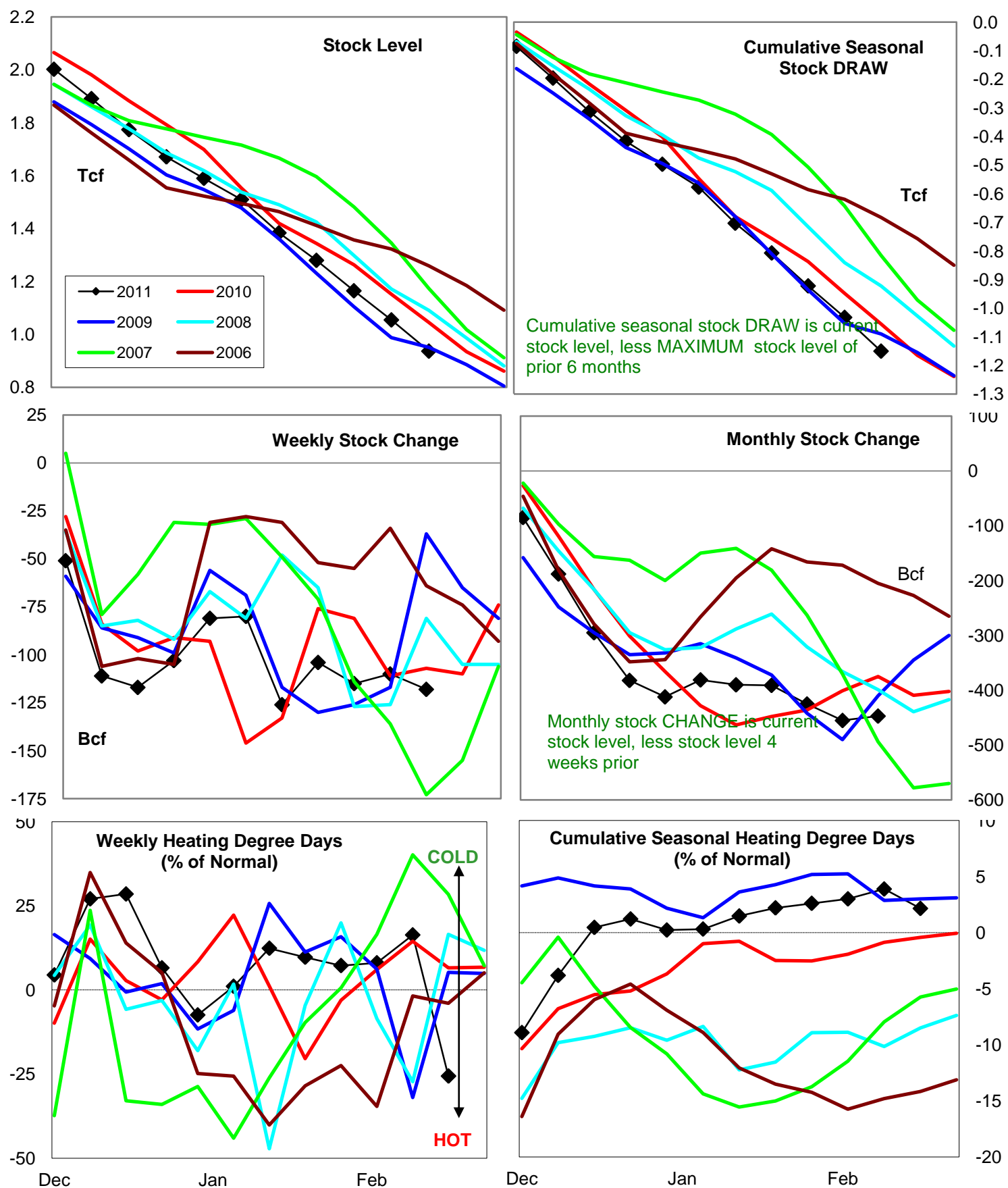
Date:	17-Feb-11	Change vs prior week, month, year		
		11-Feb-11	21-Jan-11	18-Feb-10
1st month Futures	3.85	-0.06	-0.89	-0.91
% change	xxxxx	-1.5	-18.8	-19.1



United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



Variance to prior year

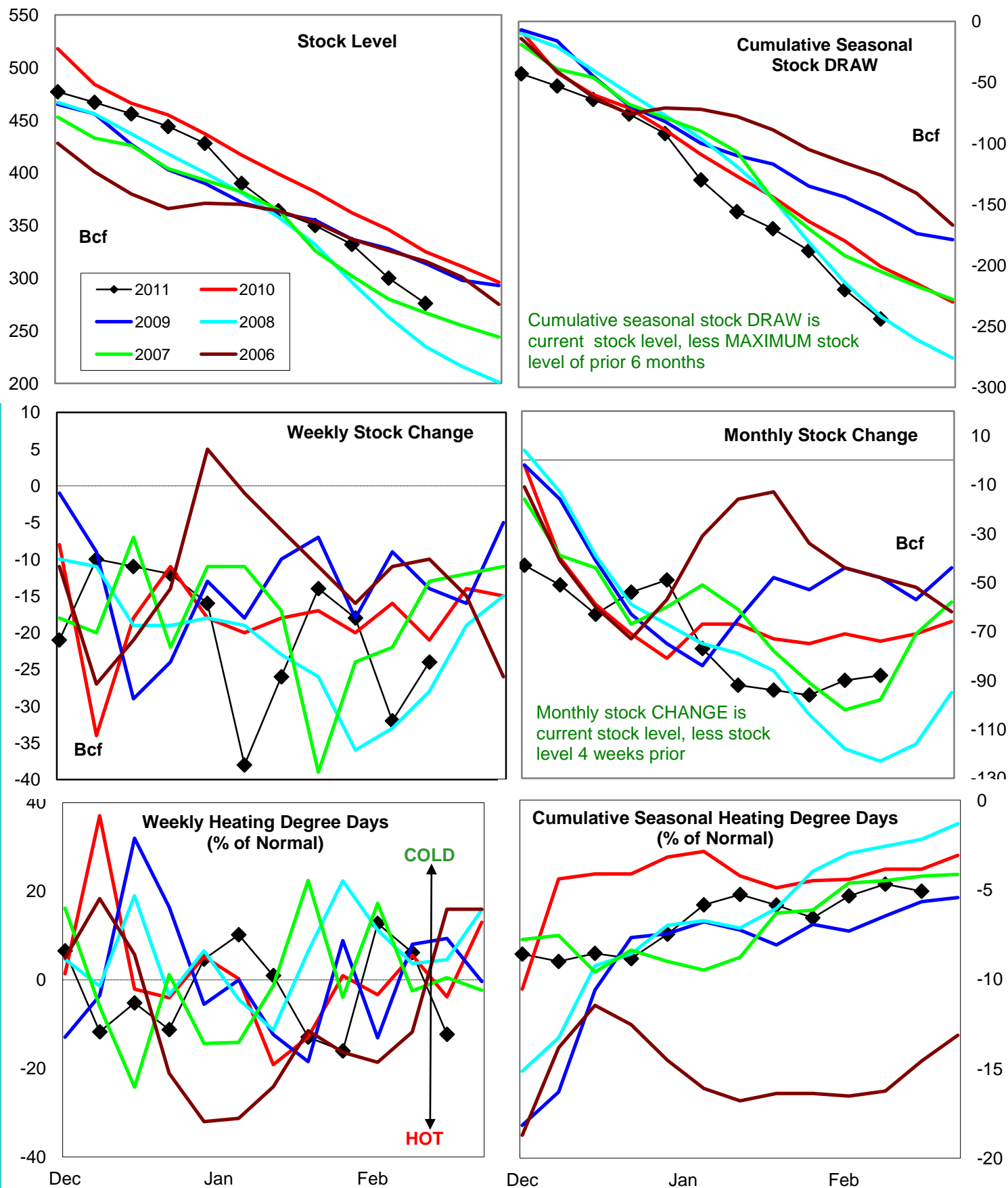
Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
Change

BCF

Percent Change (%)

-108
-10.3-11
10.3-72
19.2-95
9.0

Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

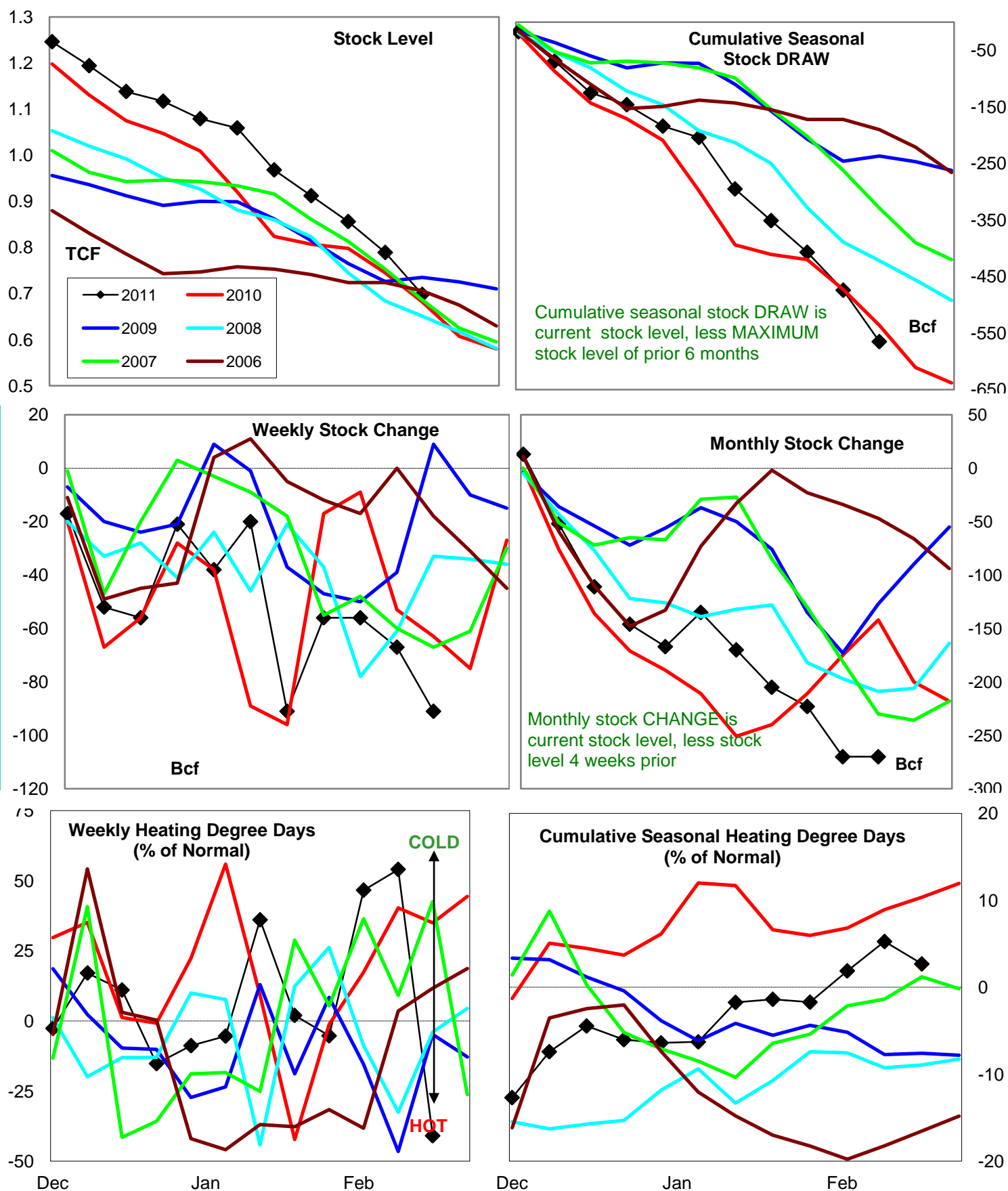
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)-49
-15.1-3
14.3-14
18.9-43
21.4

Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

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

16

-28

-128

-29

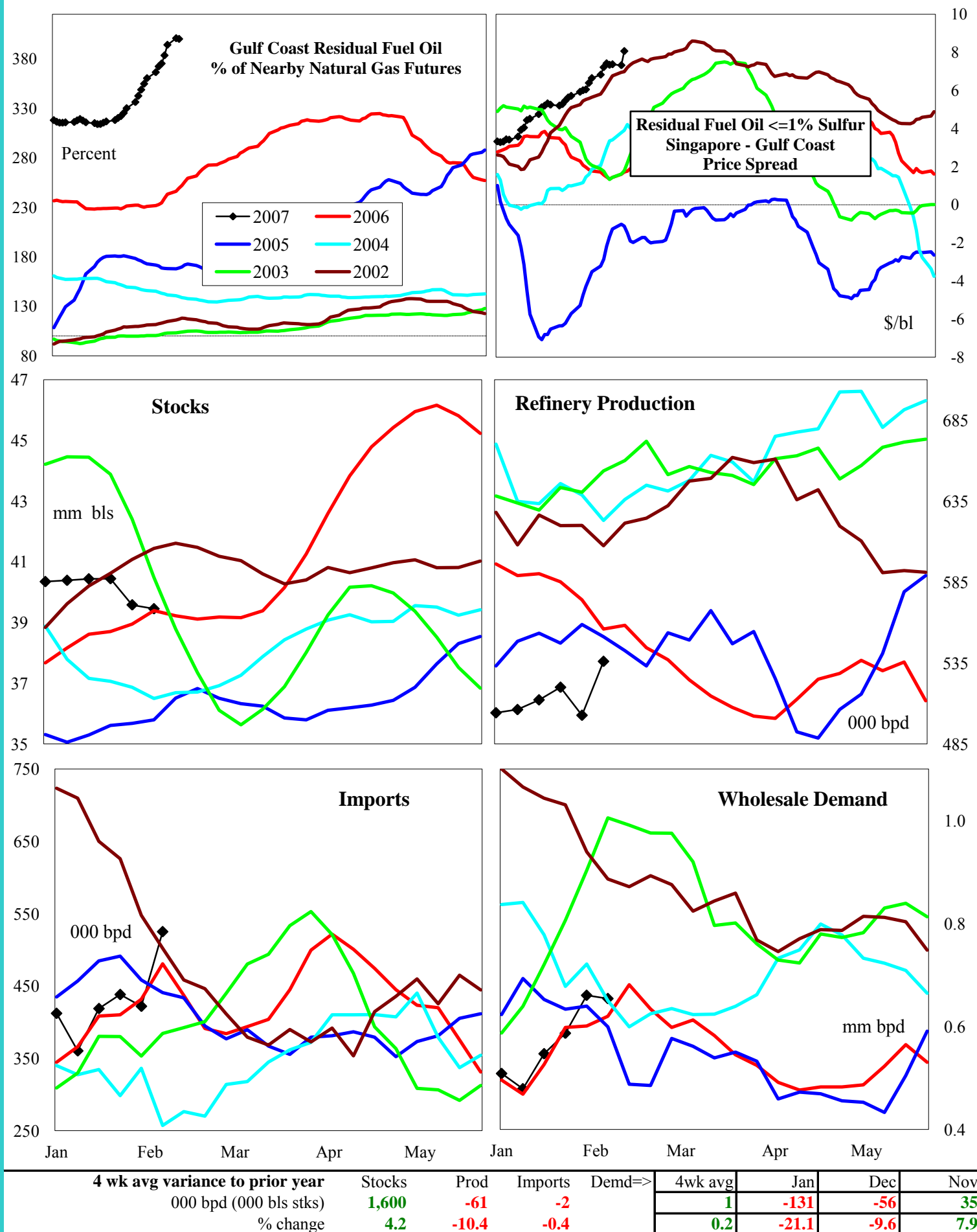
2.3

44.4

90.1

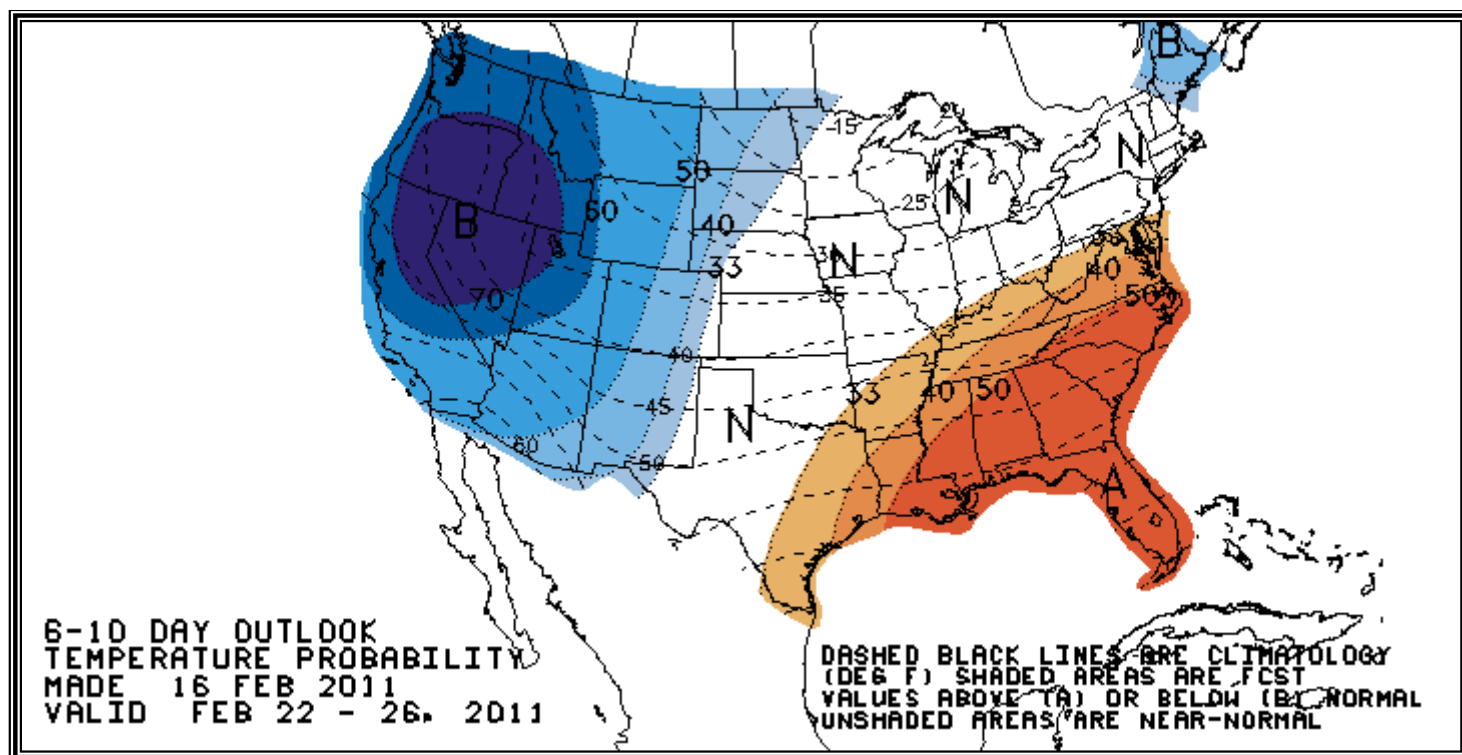
5.4

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



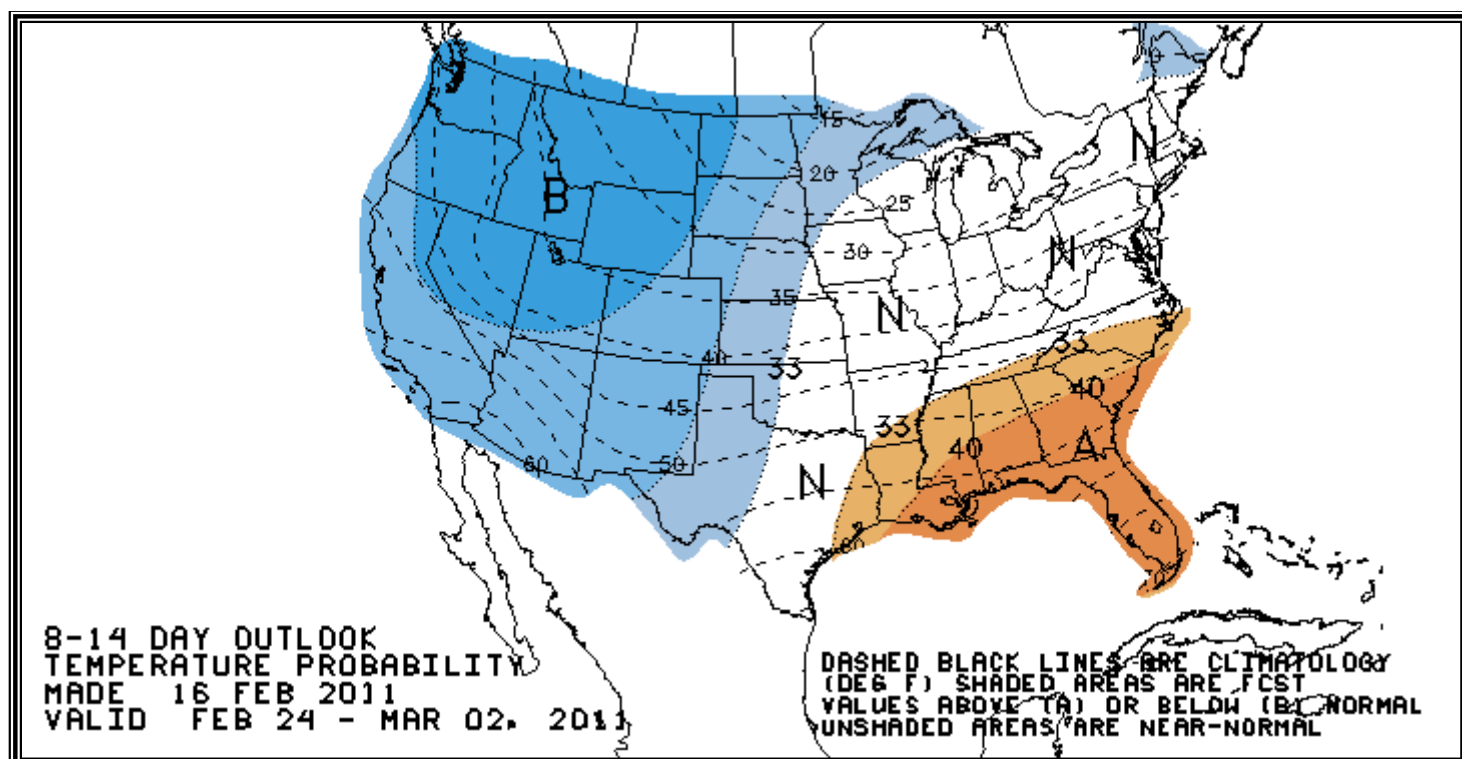
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

