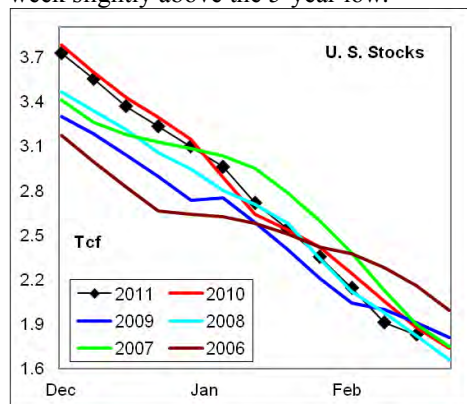
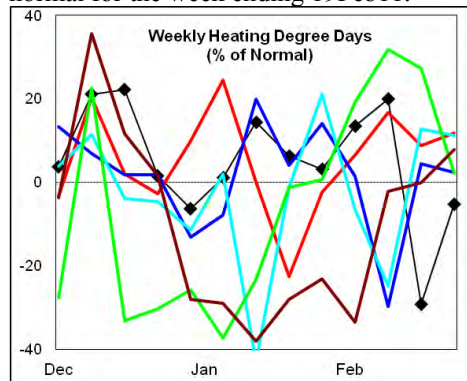




Summary¹ The stock draw of -81 Bcf last week was a record low draw for this time of year; the result of exceptionally low heating degrees. Stock levels ended the week slightly above the 5-year low.



Heating degree days were -29% below normal for the week ending 19Feb11.



In the East Region stocks decreased -57 Bcf for the period, a draw that was less than the 5-year range. Stocks decreased -13 Bcf in the West Region, a draw that matched the historic mid range for the period. The stock draw of -11 Bcf in the Producing Region matched the 5-year low set in 2009.

Heating degree days were -29% below normal in the East Region, -11% below normal in the West Region and -47% below normal in the Producing Region for the week ending 19Feb11.

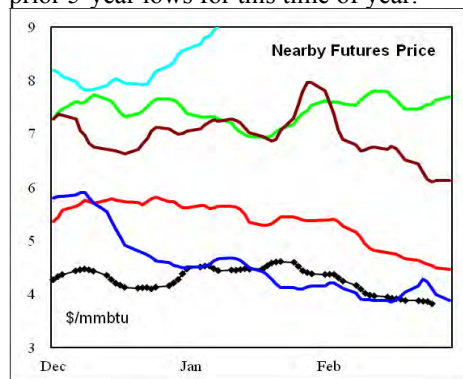
Heating degree days were -29% below normal for the week ended 19Feb11, and

forecast to be -5% below normal for the week ending 26Feb11.

The 6-10 day NWS forecast for the week ending 09Mar11 is for colder than normal temperatures across much of the country except the northeast and southwest which will be near normal.

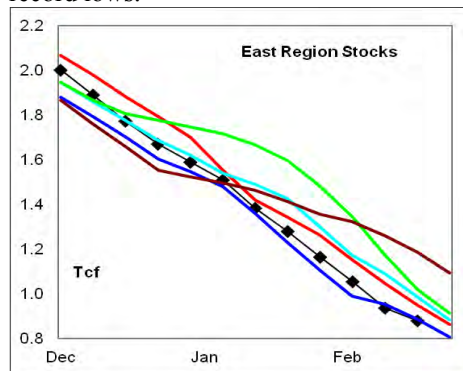
The 8-14 day NWS forecast for the week ending 13Mar11 is for colder than normal temperatures across nearly the entire country, with much colder than normal along the northern tier states west of the Great Lakes.

Prices: Nearby gas futures prices decreased -\$0.10/mmbtu for the week ending 24Feb11. Prices have dropped below the prior 5-year lows for this time of year.



The 1st - 4th month forward price curve traded sideways last week ending 24Feb11. The spread ended the week at a record low carry, pointing to expectations of abundant supply in the future.

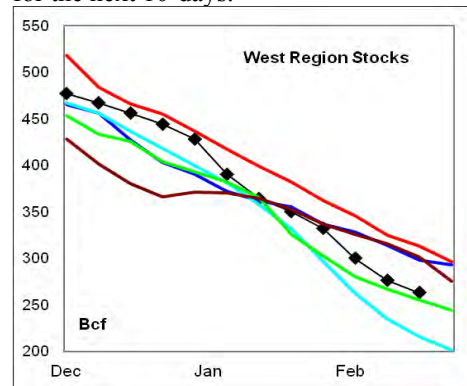
East Region stocks decreased -57 Bcf last week, a draw that was less than the 5-year range. The latest 4-wk draw matched the historic mid range. Stock levels matched record lows.



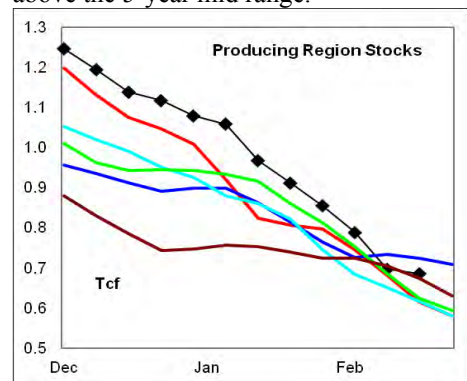
Heating degree days in the region were -29% below normal last week and are forecast to be -5% below normal for the week ending 26Feb11. Above normal heating degree days are forecast for the next 10-days.

West Region stocks decreased -13 Bcf on the week, a draw that matched the 5-year mid range. 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 -11% below normal last week, and forecast to be +23% above normal for the current week. Above normal heating degree days are forecast for the next 10-days.



Producing Region stocks decreased -11 Bcf on the week, a draw which matched the lowest draw for the last 5-years for the week. The latest 4-wk stock draw was near the 5-year high. Stock levels were above the 5-year mid range.



Heating degree days were -47% below normal the prior week, and estimated to be -31% below normal for the week ending 26Feb11. 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 return to colder than normal temperatures is forecast for the next 10-days. Excess production capacity has offset low stock levels for this time of year, driving prices to match 5-year lows. Expect modest price strength on higher demand through mid month.

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 28, 2011

For the week ending: 18-Feb-11

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

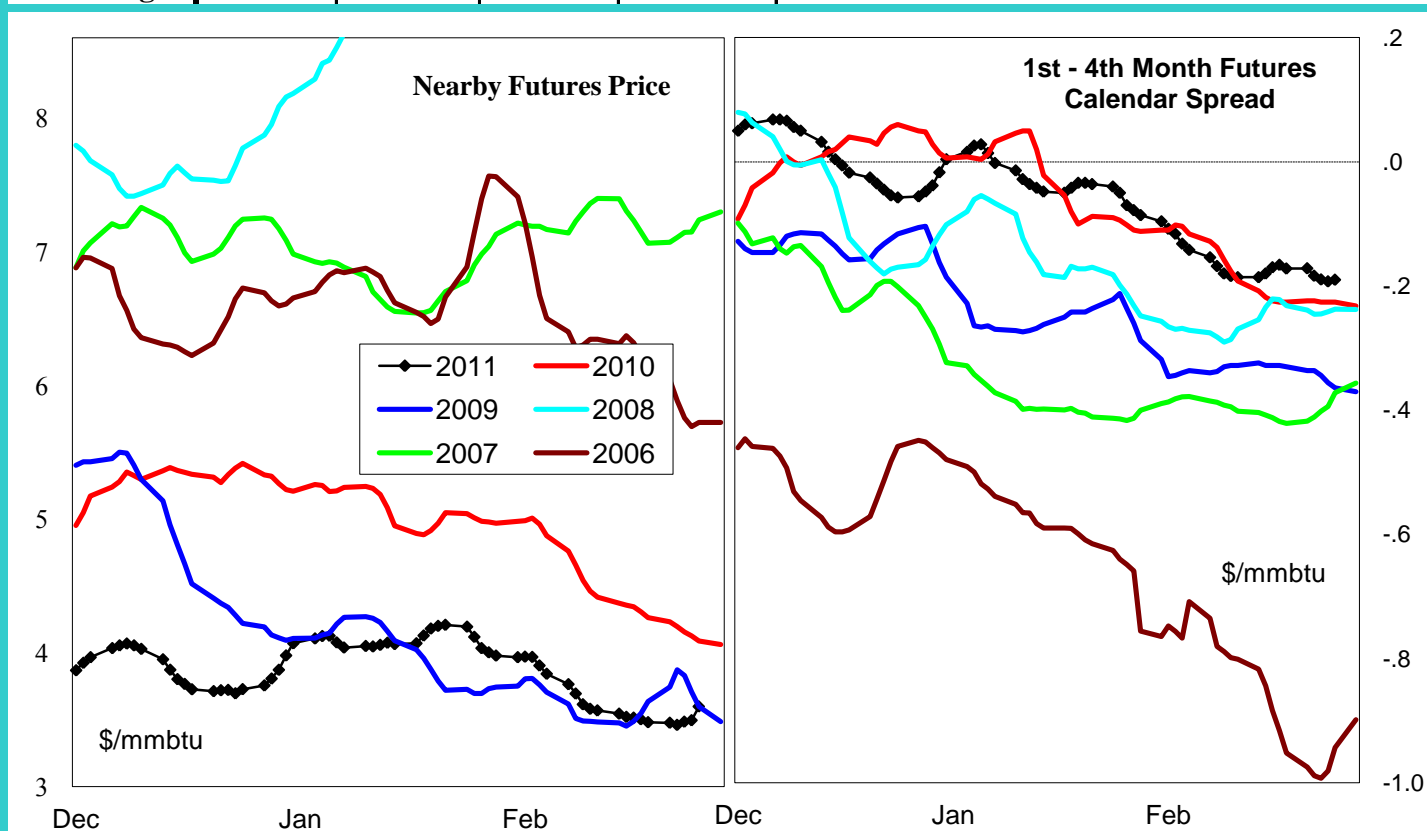
Week ending:	18-Feb-11			12-Feb-11		19-Feb-11		26-Feb-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	1,830	-81	-2.6	4	20%	-117	-29%	37	-5%
East	880	-57	-7.3	11	16%	-121	-29%	42	-5%
West	263	-13	-16.0	-22	6%	-41	-11%	50	23%
Producing	687	-11	11.5	-5	54%	-147	-47%	9	-33%

Seasonal Trends in Stocks and Heating Degree Days

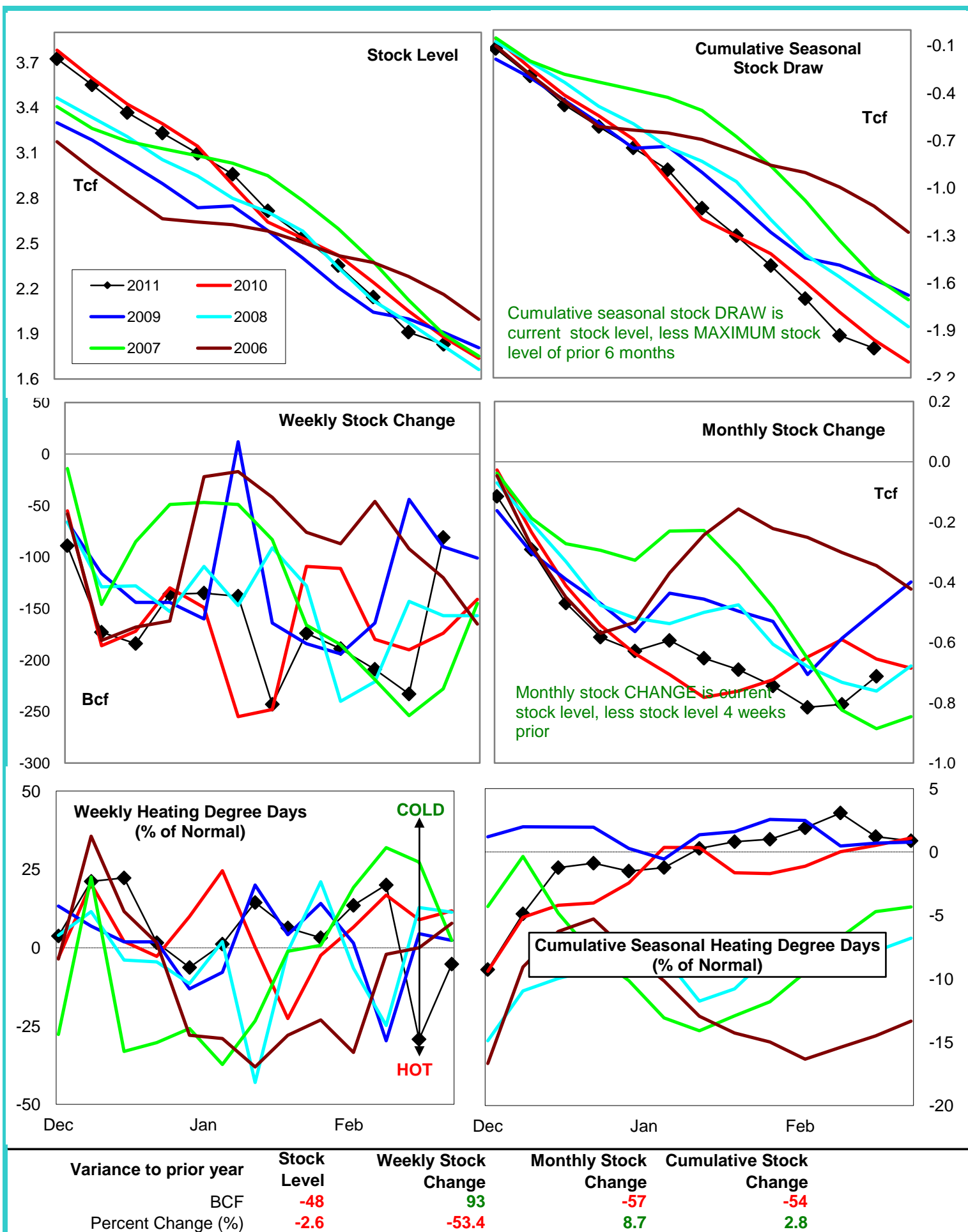
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
U.S. Total	-2,013	-54	2.7	265	3.1	148	1.2	184	0.9
East	-1,207	-56	4.6	289	3.9	168	1.9	211	1.6
West	-257	-44	17.1	204	-4.7	163	-5.0	212	-3.7
Producing	-576	26	-4.5	215	5.3	68	2.4	76	0.7

Futures Market Price Trends

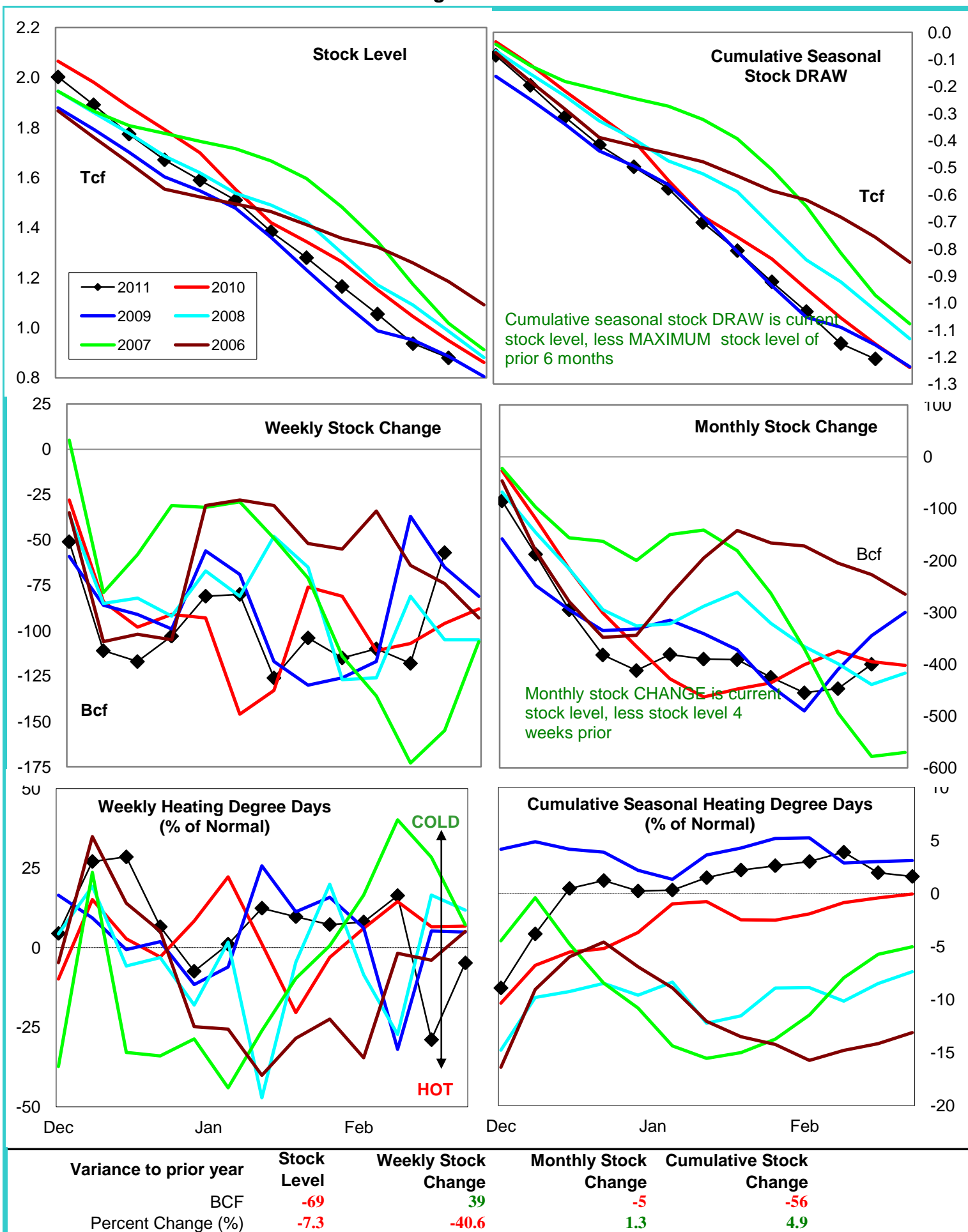
Date:	25-Feb-11	Change vs prior week, month, year		
		21-Feb-11	31-Jan-11	26-Feb-10
1st month Futures	4.00	0.13	-0.42	-0.44
% change	xxxxx	3.4	-9.5	-9.9



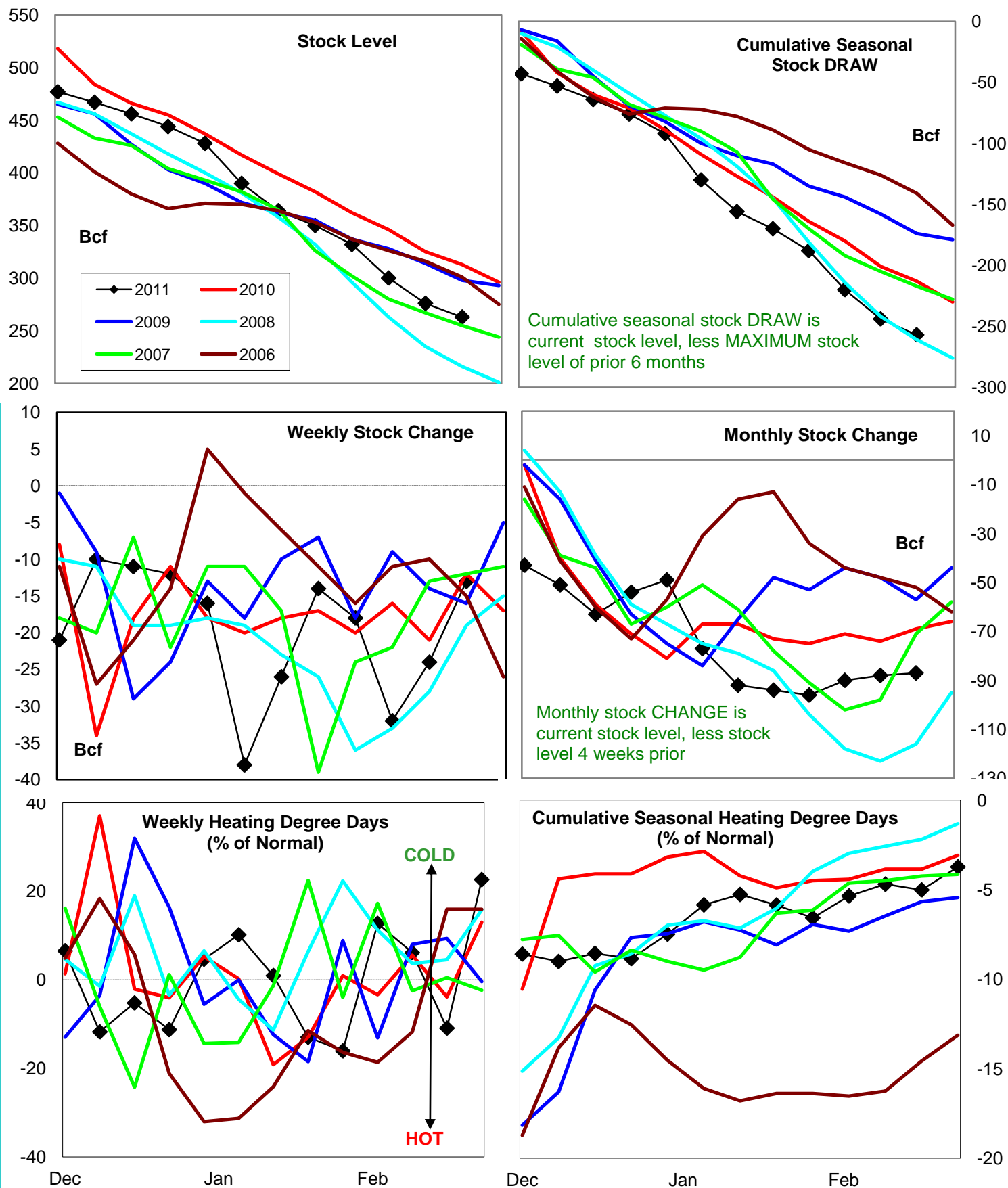
United States Natural Gas Stock and Weather Trends



Natural Gas East Region Stock and Weather Trends



Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock Level

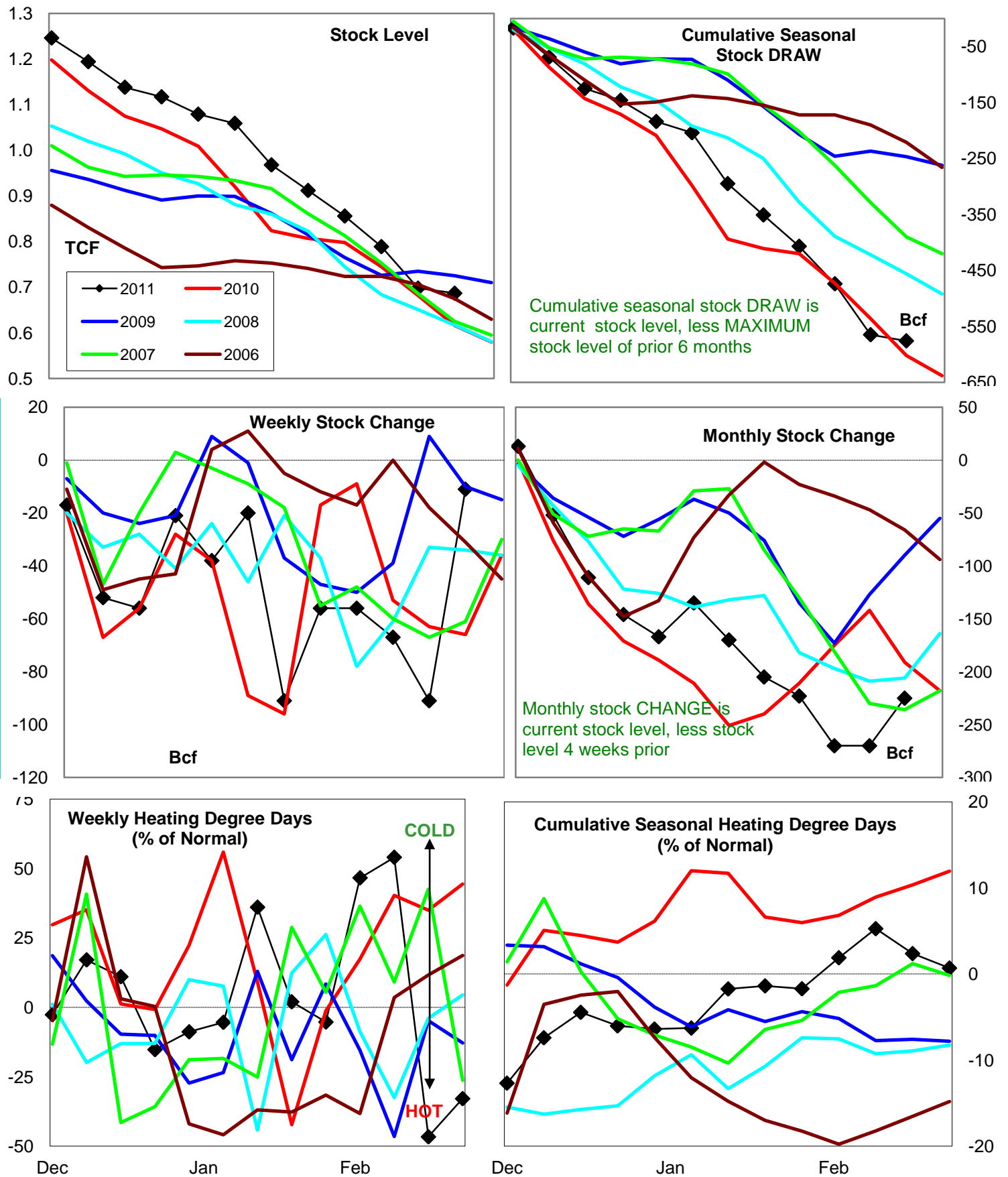
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF
Percent Change (%)-50
-16.0-1
8.3-18
26.1-44
20.7

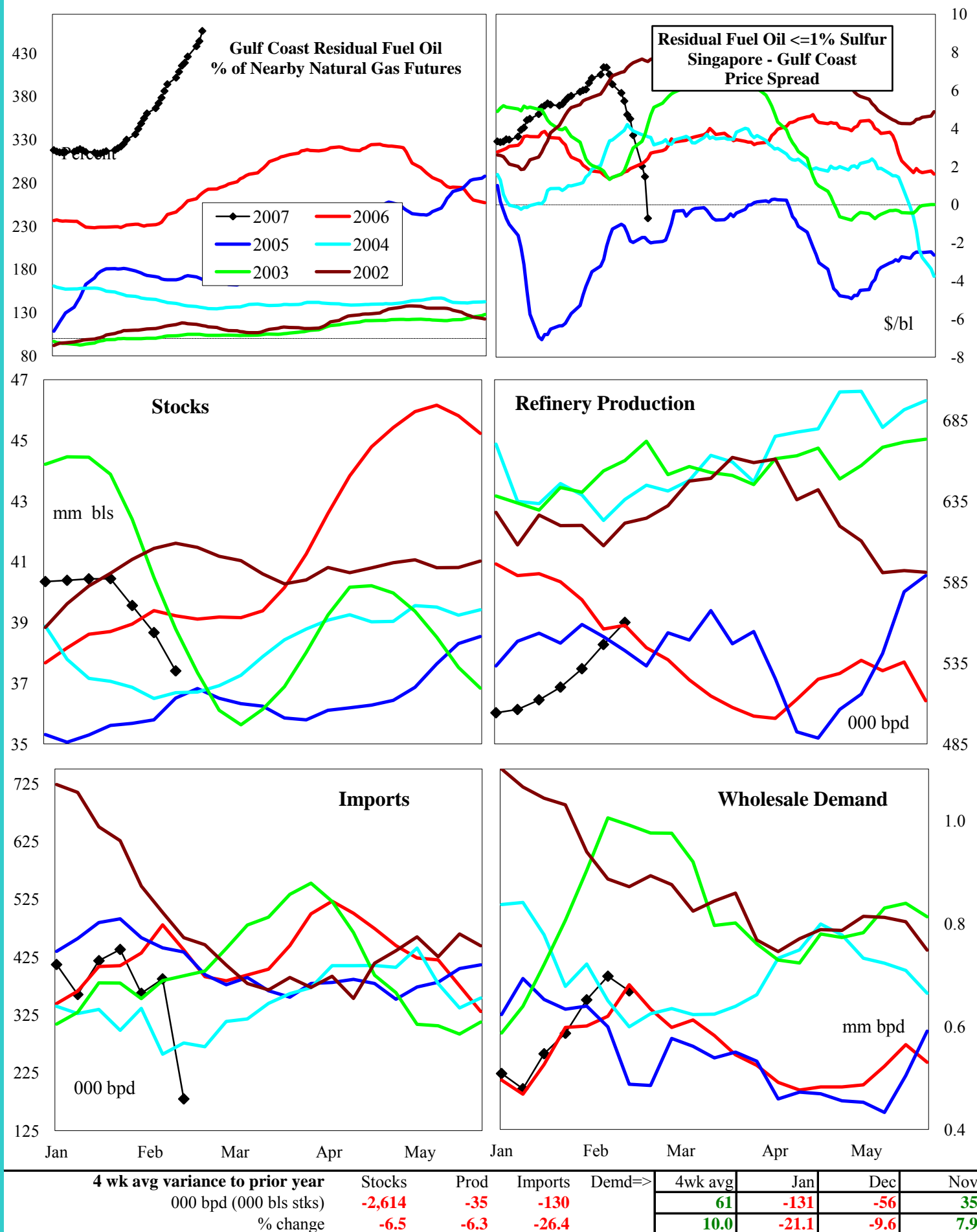
Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

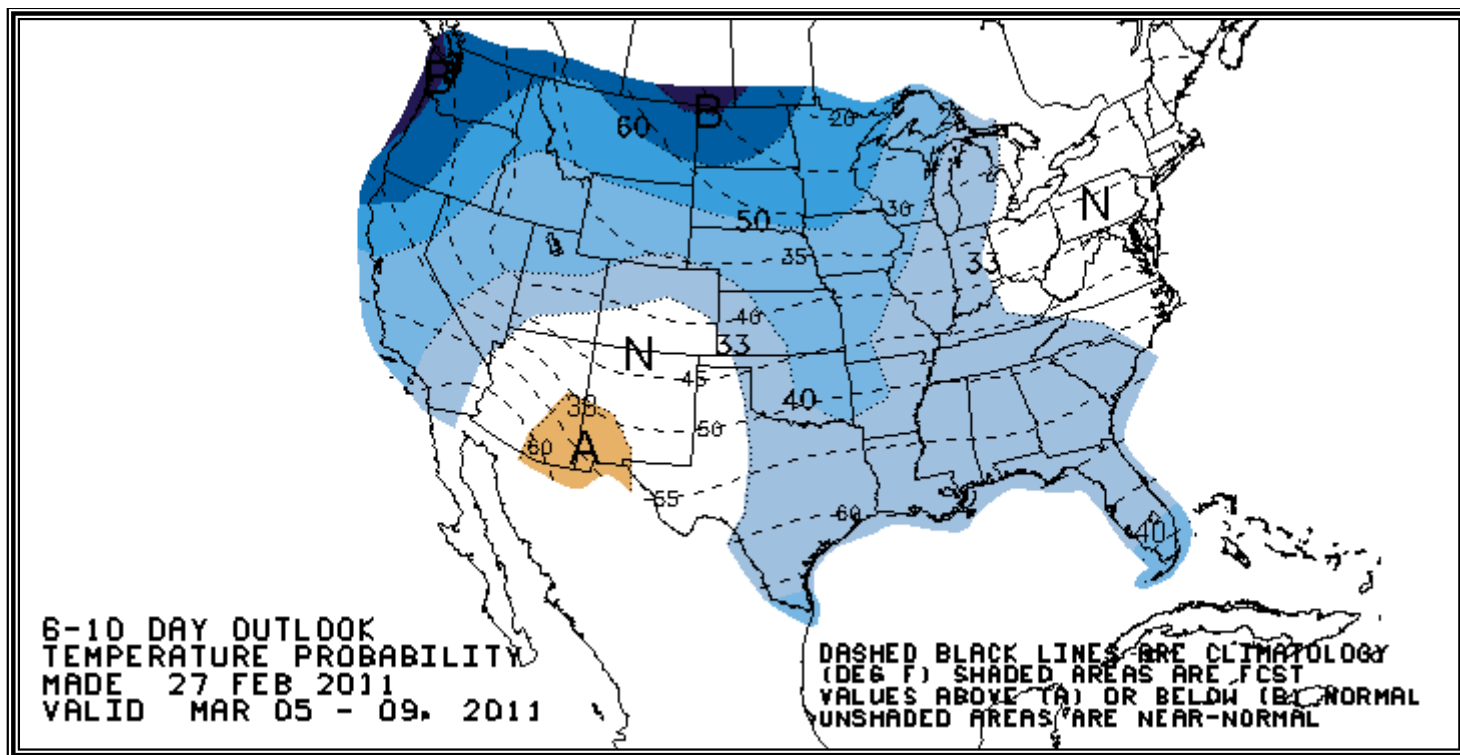
Stock
LevelWeekly Stock
ChangeMonthly Stock
ChangeCumulative Stock
ChangeBCF
Percent Change (%)71
11.555
-83.3-34
17.826
-4.3

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



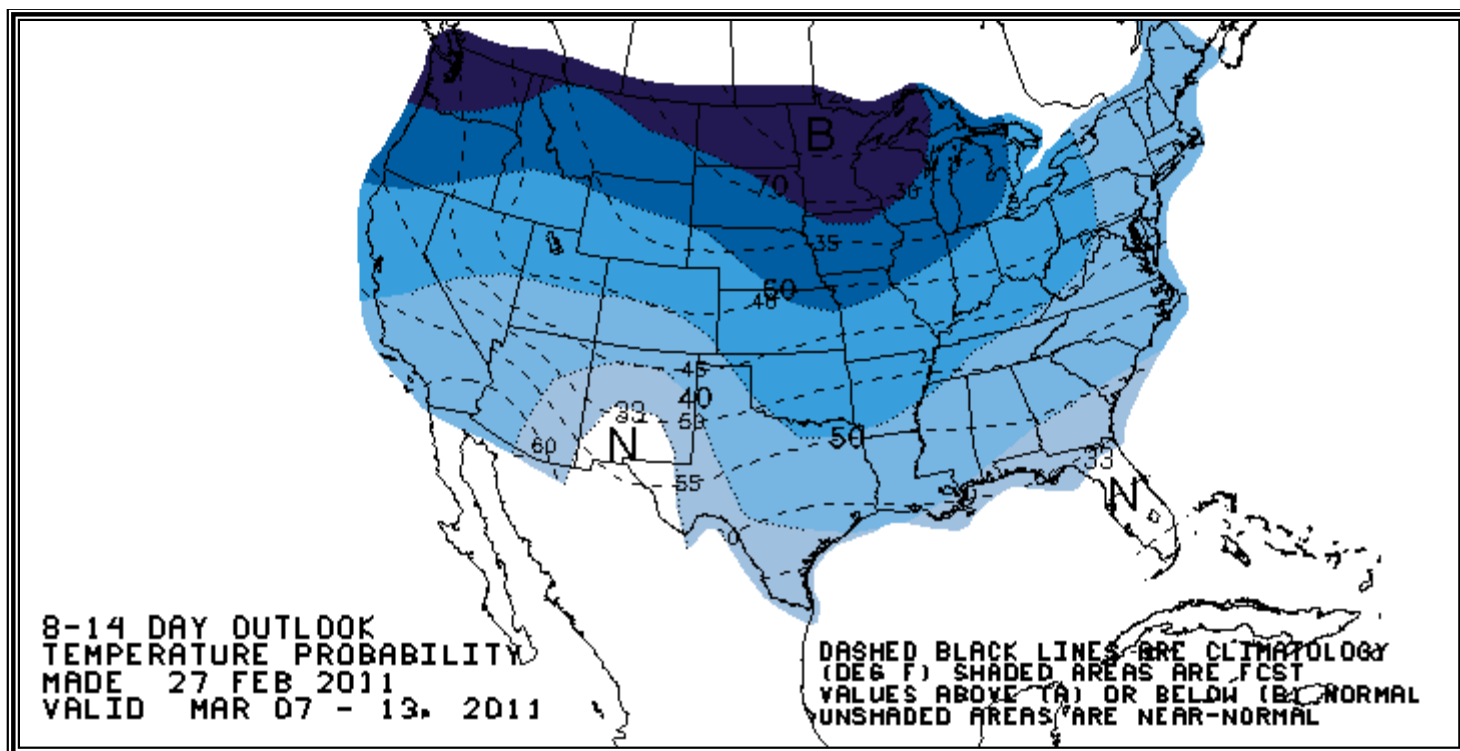
National Weather Service Climate Prediction Center

Degree Days 6 - 10 Day Temperature Forecast



National Weather Service Climate Prediction Center

Degree Days 8 - 14 Day Temperature Forecast



American Gas Association Regions

