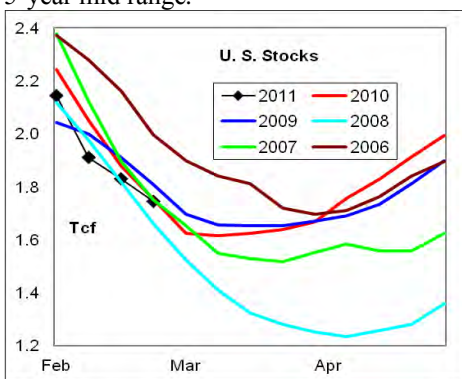
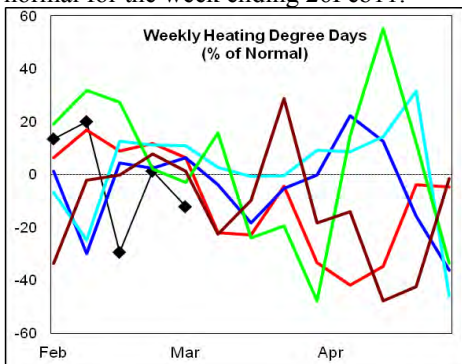


**Summary**<sup>1</sup> The stock draw of -85 Bcf last week was a record low draw for this time of year. The low draw occurred even though heating degree days were near normal. Stock levels ended the week at the 5-year mid range.



Heating degree days were +1% above normal for the week ending 26Feb11.



In the East Region stocks decreased -71 Bcf for the period, a draw that was less than the 5-year range. Stocks decreased -23 Bcf in the West Region, a draw that matched the highest weekly draw for this time of year. The stock build of +9 Bcf in the Producing Region was the first weekly build for this time of year in the last 5-years.

Heating degree days were +3% above normal in the East Region, +30% above normal in the West Region and -34% below normal in the Producing Region for the week ending 26Feb11.

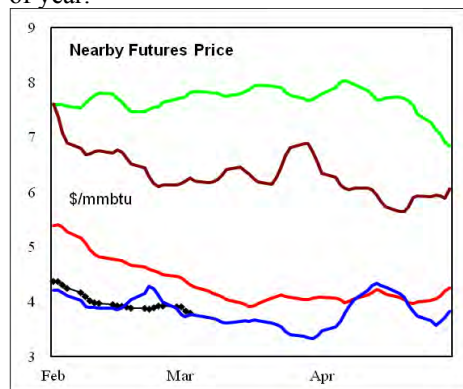
**Heating degree days** were +1% above normal for the week ended 26Feb11, and

forecast to be -12% below normal for the week ending 05Mar11.

The 6-10 day NWS forecast for the week ending 12Mar11 is for colder than normal temperatures across the upper 2/3rds of the country and near normal in the southern 1/3rd.

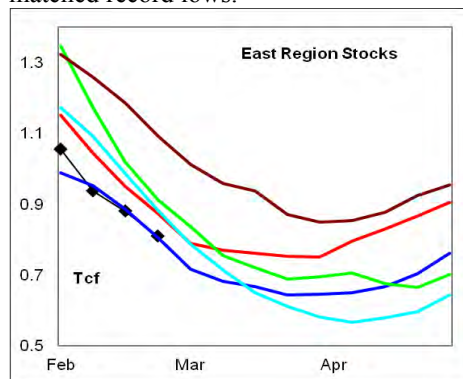
The 8-14 day NWS forecast for the week ending 16Mar11 is for colder than normal temperatures across the northwestern 1/2 of the country and normal to slightly above normal temperatures in the southeastern 1/2.

**Prices:** Nearby gas futures prices were unchanged for the week ending 03Mar11. Prices match the 5-year lows for this time of year.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve trended lower last week ending 03Mar11. The spread ended the week at a record low carry, pointing to expectations of abundant supply in the future.

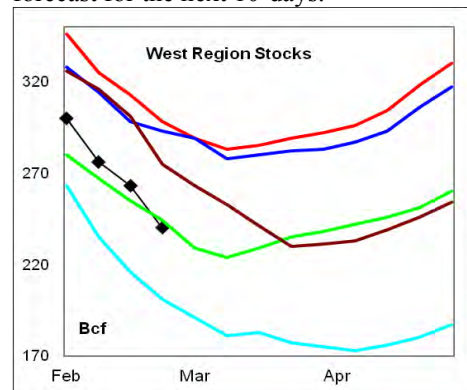
**East Region** stocks decreased -71 Bcf last week, a draw that was less than the 5-year range. The latest 4-wk draw was a record draw for this time of year. Stock levels matched record lows.



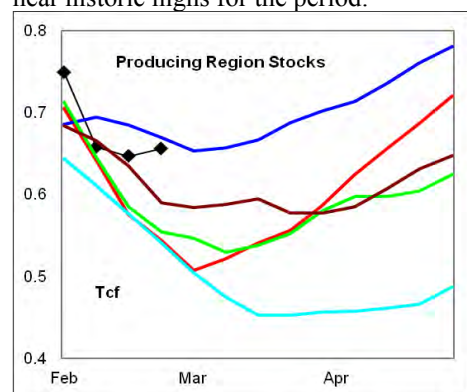
Heating degree days in the region were +3% above normal last week and are forecast to be -12% below normal for the week ending 03Mar11. Near normal heating degree days are forecast for the next 10-days.

**West Region** stocks decreased -23 Bcf on the week, a draw that matched the highest weekly draw for this time of year. Stock levels were below the 5-year mid range. The latest 4-wk stock draw matched the record draw for this time of year.

Heating degree days were +30% above normal last week, and forecast to be +7% above normal for the current week. Above normal heating degree days are forecast for the next 10-days.



**Producing Region** stocks reported a build of +9 Bcf on the week, which was the first weekly build for this time of year in the last 5-years. The latest 4-wk stock draw was near the 5-year high. Stock levels were near historic highs for the period.



Heating degree days were -34% below normal the prior week, and estimated to be -32% below normal for the week ending 05Mar11. Slightly 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:** Heating degree days are past the winter peak. Stocks increased in the Producing Region, on below normal heating degree days, the structural increase in production capacity. Expect prices to remain weak for the next quarter.

<sup>1</sup> **Related Web Sites:**

[Data Source is EIA Weekly Statistics](http://Data Source is EIA Weekly Statistics)

[National Weather Service 6-10 Day](http://National Weather Service 6-10 Day)

[National Weather Service 10-14 Day](http://National Weather Service 10-14 Day)



## NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: March 3, 2011

For the week ending: 25-Feb-11

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

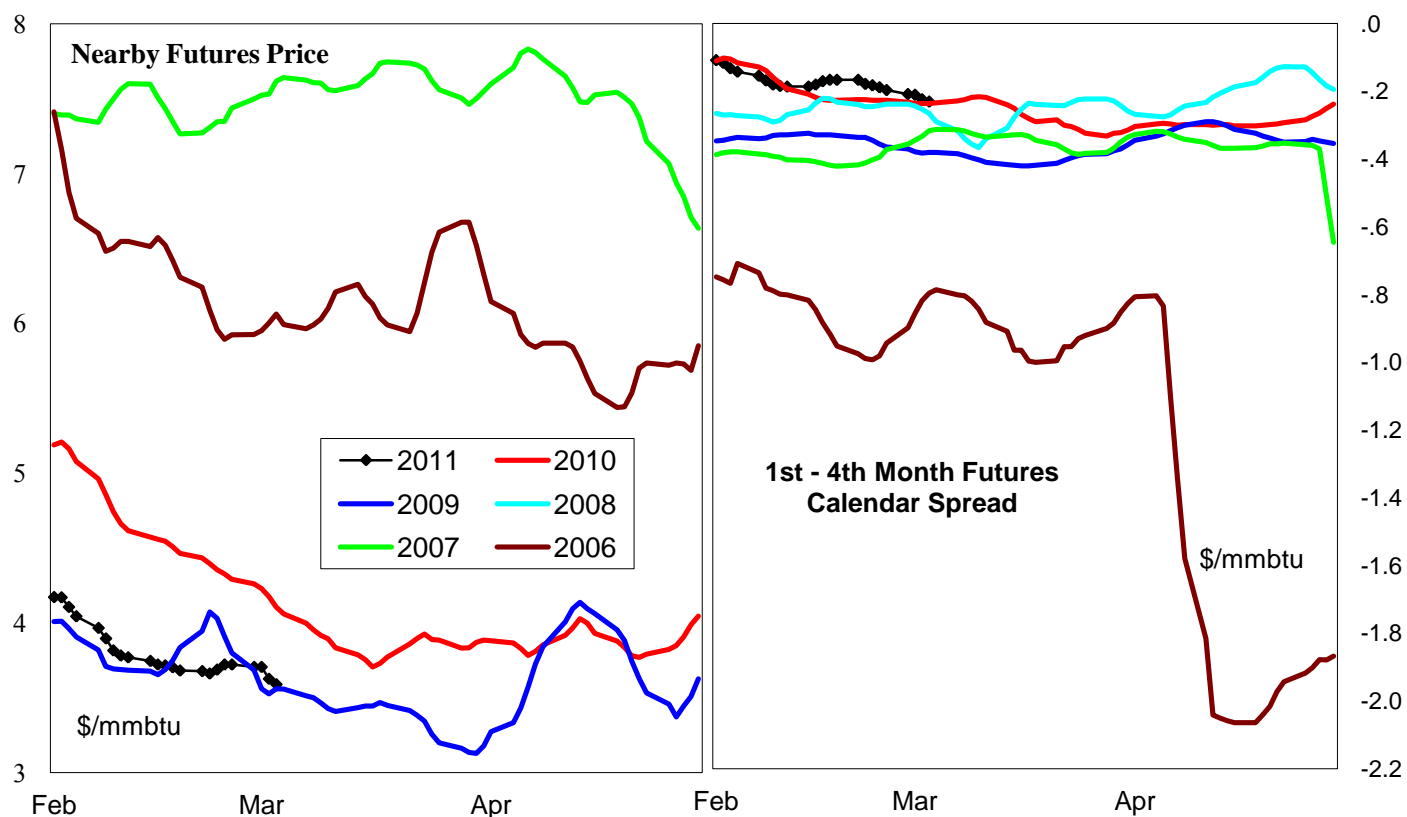
Week ending:	25-Feb-11			19-Feb-11		26-Feb-11		5-Mar-11	
Region	Weekly Stocks			Weekly Heating Degree Days					
	Bcf	Change vs prior:		Change vs prior week	% of normal	Change vs prior week	% of normal	Change vs prior week	% of normal
		Week Bcf	Year (%)						
U.S. Total	1,745	-85	-0.5	-117	-29%	50	1%	-39	-12%
East	809	-71	-7.2	-121	-29%	60	3%	-46	-12%
West	240	-23	-19.5	-41	-11%	63	30%	-49	7%
Producing	696	9	19.2	-147	-47%	8	-34%	-7	-32%

### Seasonal Trends in Stocks and Heating Degree Days

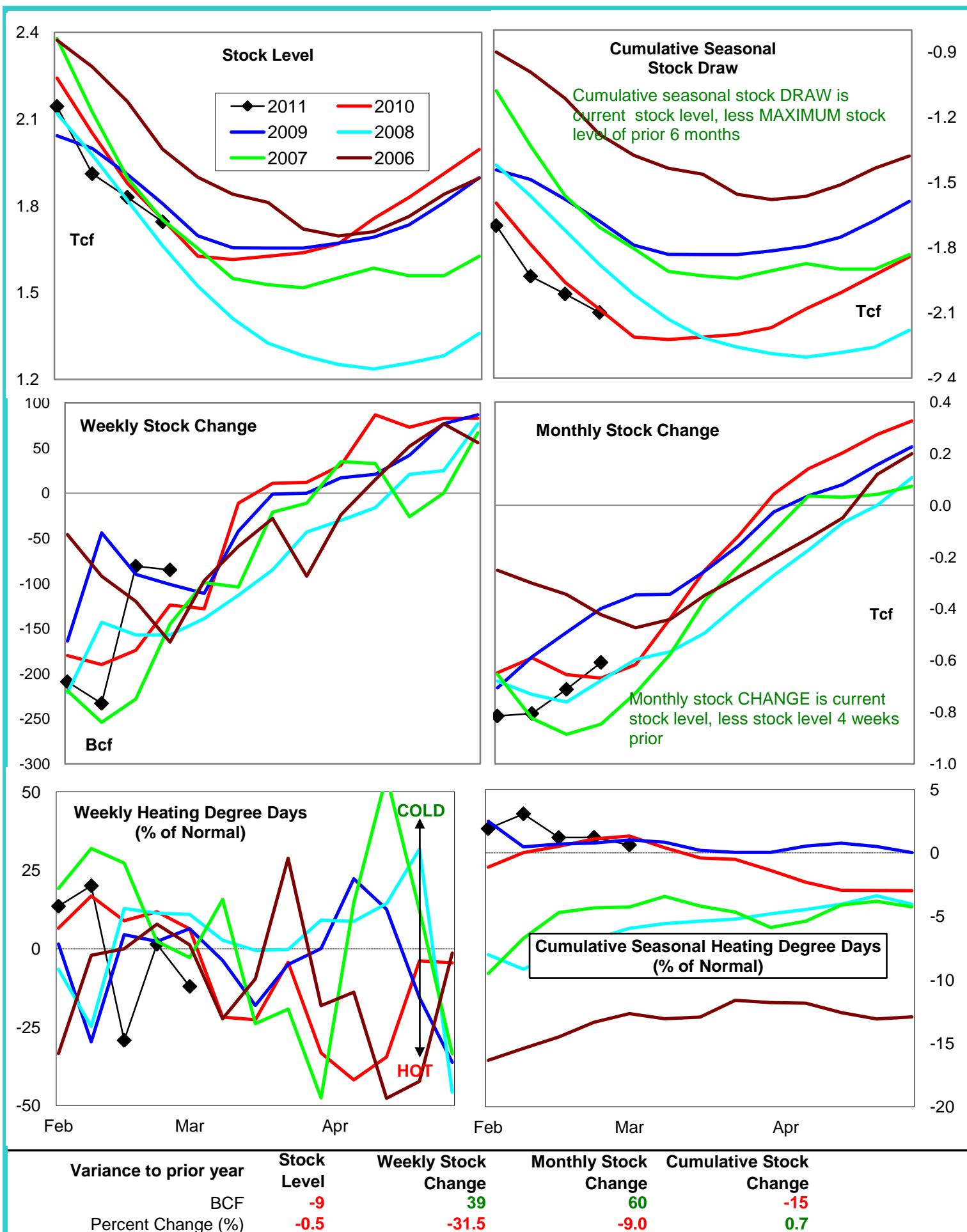
	Cumulative Stock Draw			Cumulative Heating Degree Days					
	Bcf	Change vs prior year Bcf	%	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal	CHDD's vs normal	% of normal
<b>U.S. Total</b>	<b>-2,098</b>	<b>-15</b>	<b>0.7</b>	<b>148</b>	<b>1.2</b>	<b>198</b>	<b>1.2</b>	<b>159</b>	<b>0.6</b>
<b>East</b>	<b>-1,278</b>	<b>-50</b>	<b>3.9</b>	<b>168</b>	<b>1.9</b>	<b>228</b>	<b>2.0</b>	<b>182</b>	<b>1.4</b>
<b>West</b>	<b>-280</b>	<b>-52</b>	<b>18.6</b>	<b>163</b>	<b>-5.0</b>	<b>226</b>	<b>-3.4</b>	<b>176</b>	<b>-2.9</b>
<b>Producing</b>	<b>-567</b>	<b>67</b>	<b>-11.8</b>	<b>68</b>	<b>2.4</b>	<b>76</b>	<b>0.7</b>	<b>69</b>	<b>-0.7</b>

### Futures Market Price Trends

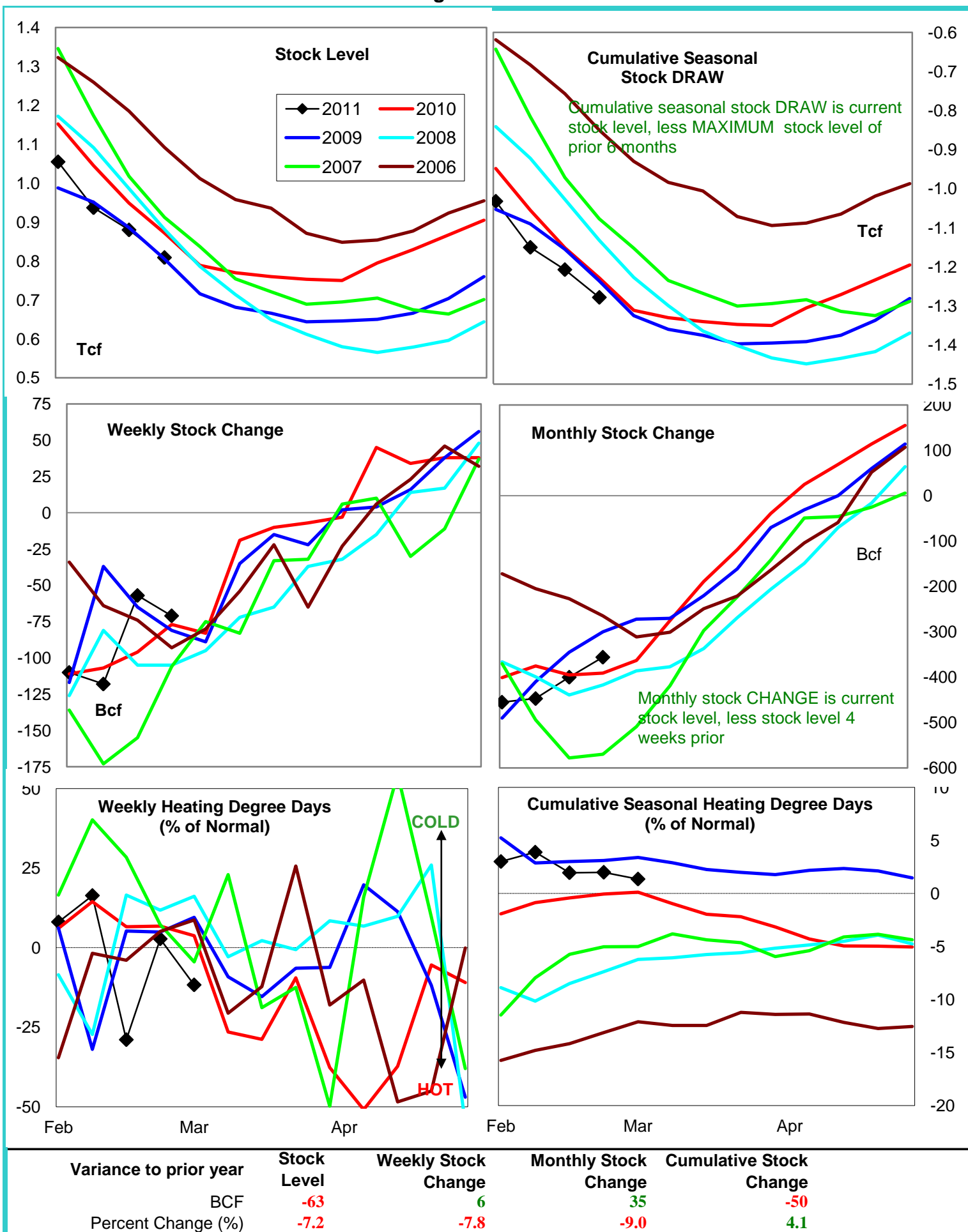
Date:	3-Mar-11	Change vs prior week, month, year		
		25-Feb-11	3-Feb-11	3-Mar-10
<b>1st month Futures</b>	<b>3.79</b>	<b>-0.22</b>	<b>-0.52</b>	<b>-0.51</b>
<b>% change</b>	<b>xxxxx</b>	<b>-5.5</b>	<b>-12.1</b>	<b>-11.9</b>



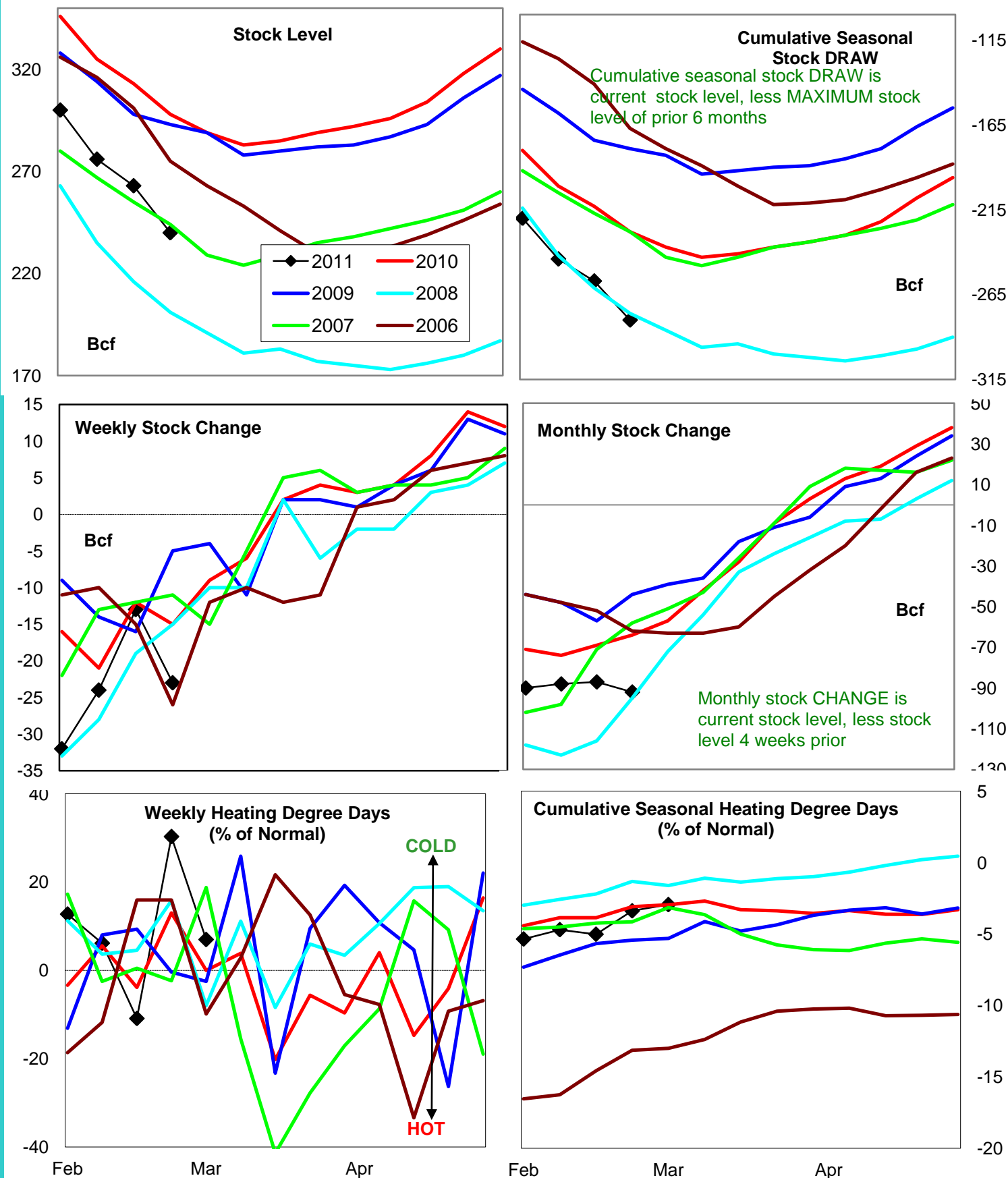
# United States Natural Gas Stock and Weather Trends



# Natural Gas East Region Stock and Weather Trends



# Natural Gas West Region Stock and Weather Trends



Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
Change

BCF

-58

-8

-28

-52

Percent Change (%)

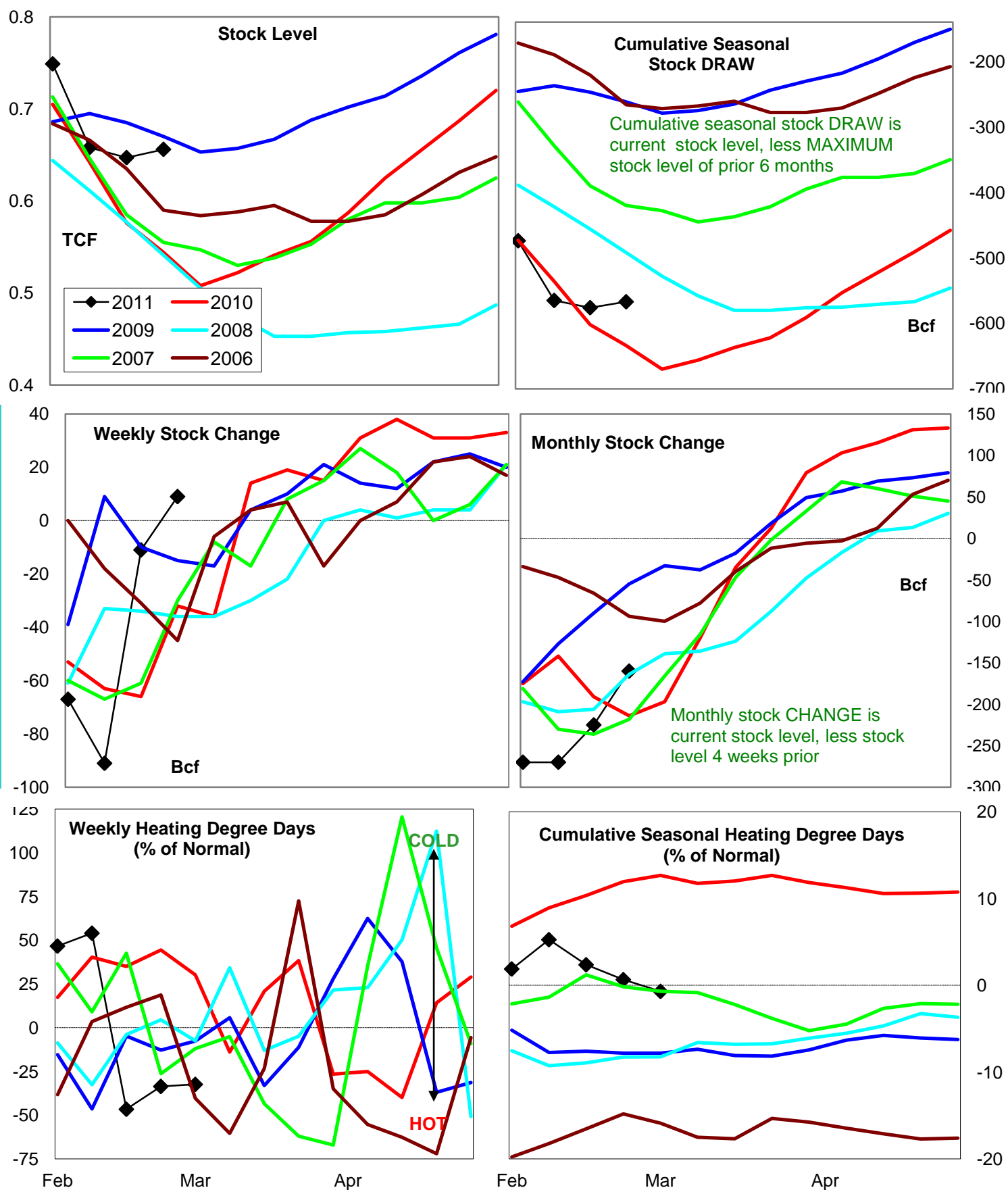
-19.5

53.3

43.8

22.8

# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

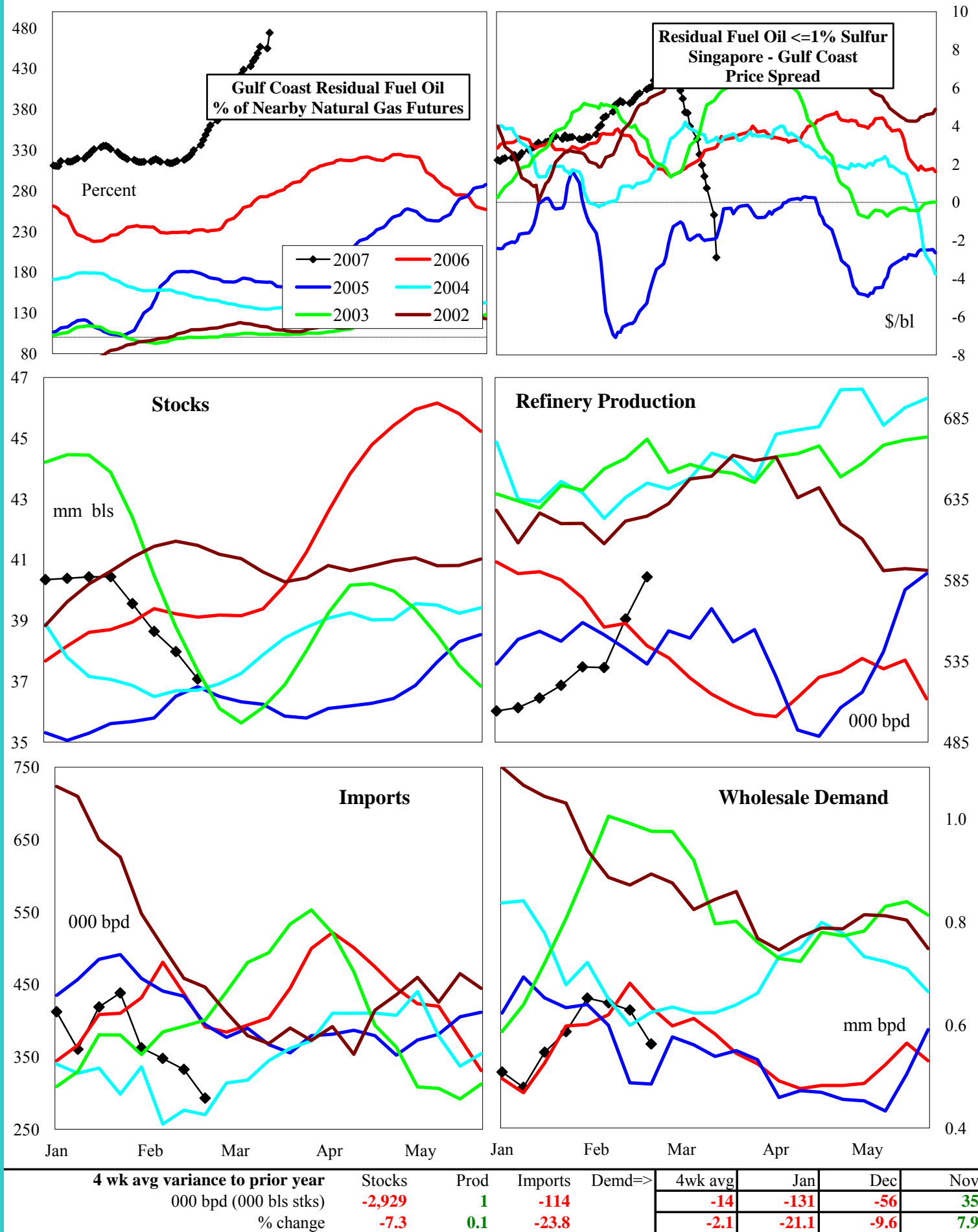
Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

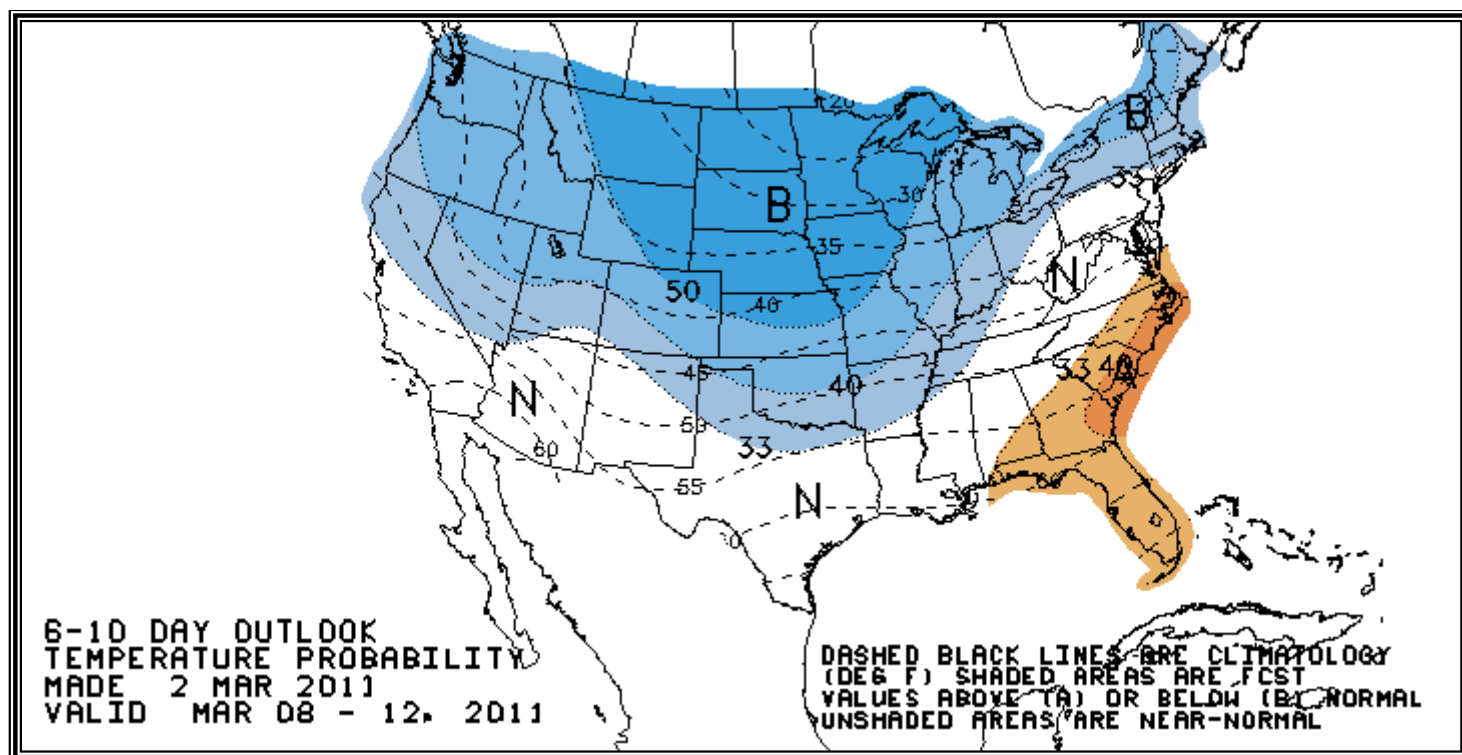
BCF  
Percent Change (%)112  
19.241  
-128.154  
-25.267  
-10.6

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



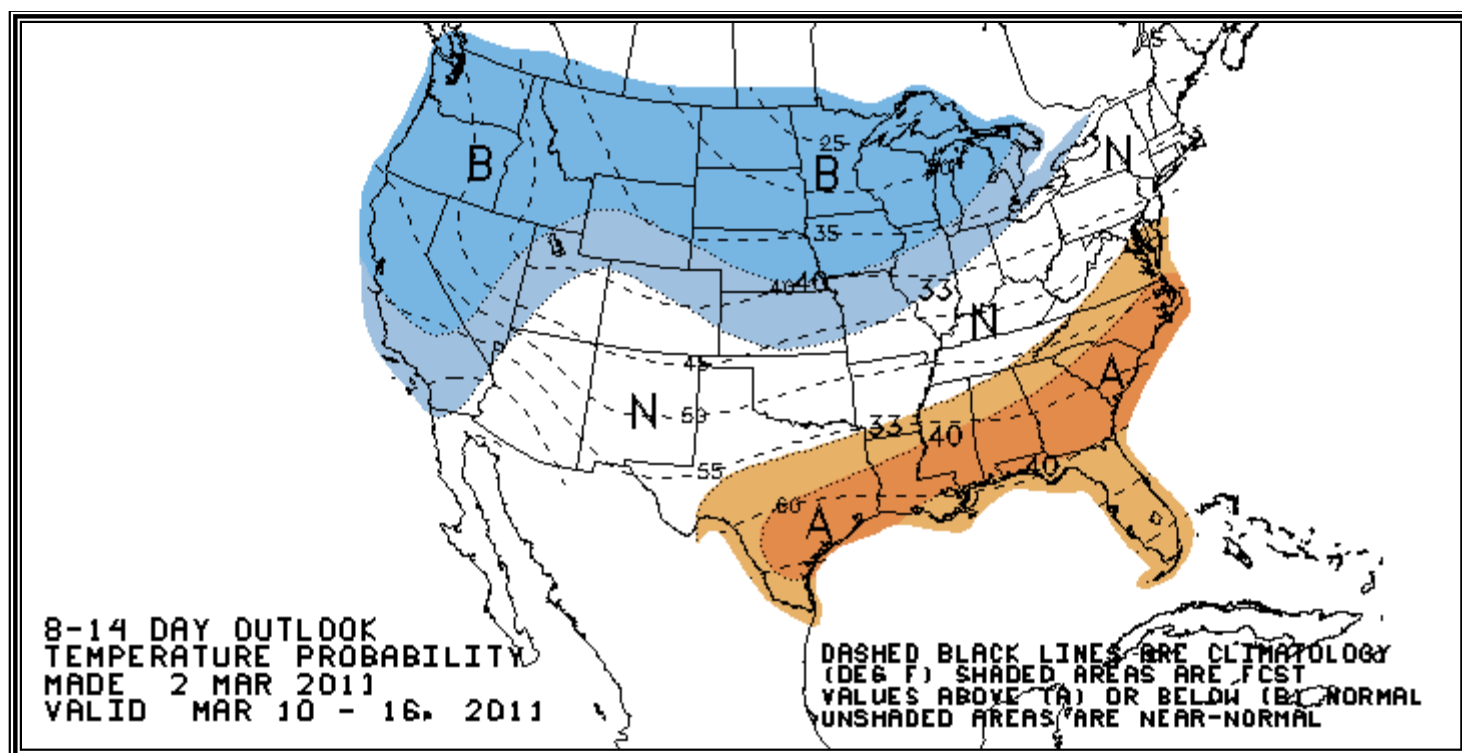
## National Weather Service Climate Prediction Center

## Degree Days 6 - 10 Day Temperature Forecast



## National Weather Service Climate Prediction Center

## Degree Days 8 - 14 Day Temperature Forecast



# American Gas Association Regions

