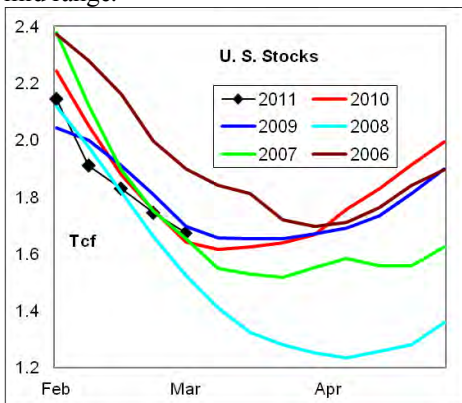
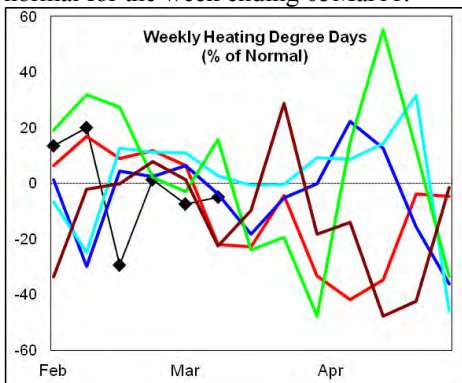




**Summary**<sup>1</sup> The stock draw of -71Bcf last week was the third consecutive weekly record low draw, driving the 4-wk draw to well below the historic mid range. Stock levels ended the week above the 5-year mid range.



Heating degree days were -7% below normal for the week ending 05Mar11.



In the East Region stocks decreased -61 Bcf for the period, a draw that was less than the 5-year range. Stocks decreased -17 Bcf in the West Region, a record draw for the week. The stock build of +7 Bcf in the Producing Region was the 2nd consecutive weekly build compared to draws for this time of year in each of the last 5-years.

Heating degree days were -7% below normal in the East Region, +15% above normal in the West Region and -28% below normal in the Producing Region for the week ending 05Mar11.

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

[Data Source is EIA Weekly Statistics](#)

[National Weather Service 6-10 Day](#)

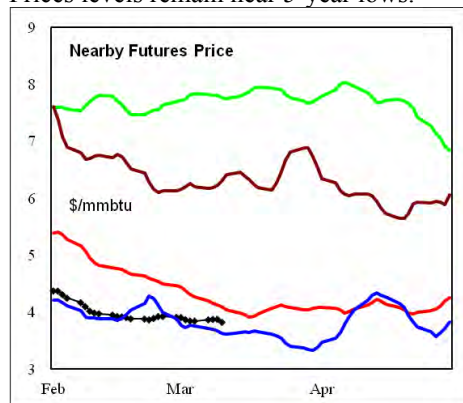
[National Weather Service 10-14 Day](#)

Heating degree days were -7% below normal for the week ended 05Mar11, and forecast to be -5% below normal for the week ending 12Mar11.

The 6-10 day NWS forecast for the week ending 19Mar11 is for much warmer than normal across nearly the entire country.

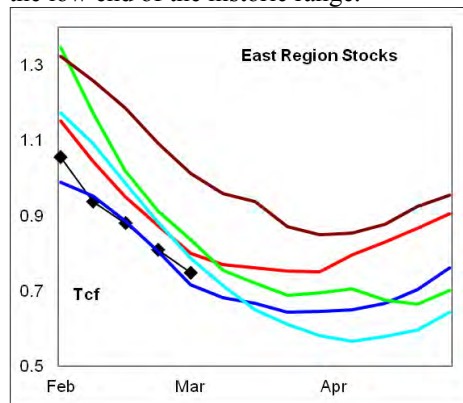
The 8-14 day NWS forecast for the week ending 23Mar11 is for much warmer than normal temperatures across the eastern 2/3rds of the country.

**Prices:** Nearby gas futures prices were unchanged for the week ending 10Mar11. Prices levels remain near 5-year lows.



The 1<sup>st</sup> - 4<sup>th</sup> month forward price curve traded sideways last week ending 10Mar11. The spread ended the week at a record low carry, pointing to expectations of abundant supply in the future.

**East Region** stocks decreased -61 Bcf last week, a draw that was less than the 5-year range. The latest 4-wk draw was less than the 5-year mid range. Stock levels were at the low end of the historic range.

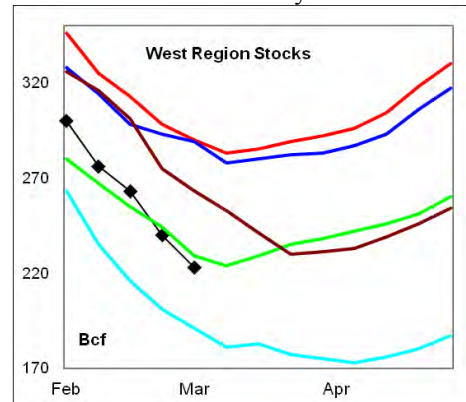


Heating degree days in the region were -7% below normal last week and are forecast to be -5% below normal for the week ending 12Mar11. Well below normal heating degree days are forecast for the next 10-days.

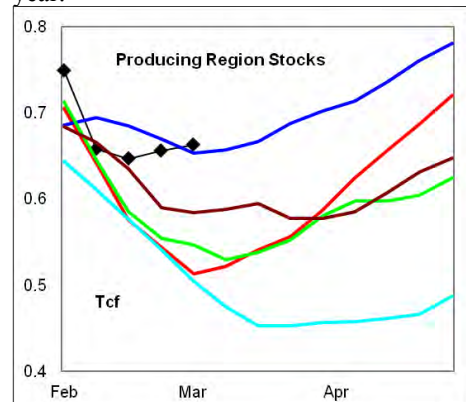
**West Region** stocks decreased -17 Bcf on

the week, a record draw for the week. Stock levels were well 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 +15% above normal last week, and forecast to be normal for the current week. Slightly below normal heating degree days are forecast for the next 10-days.



**Producing Region** stocks reported a build of +7 Bcf on the week, the 2nd consecutive weekly build, compared to draws in each of the last 5-years. The latest 4-wk stock draw was near the 5-year high. Stock levels were a record high for this time of year.



Heating degree days were -28% below normal the prior week, and estimated to be -7% below normal for the week ending 12Mar11. 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:** Spring temperatures are forecast to arrive in the next 10-days. Stock builds have begun in the key Producing Region 2-wks ahead of the historic trend. Expect prices to remain weak for the next quarter.



## NATURAL GAS: Graph Link and Weekly Summary

Report prepared as of: March 10, 2011

For the week ending: 4-Mar-11

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

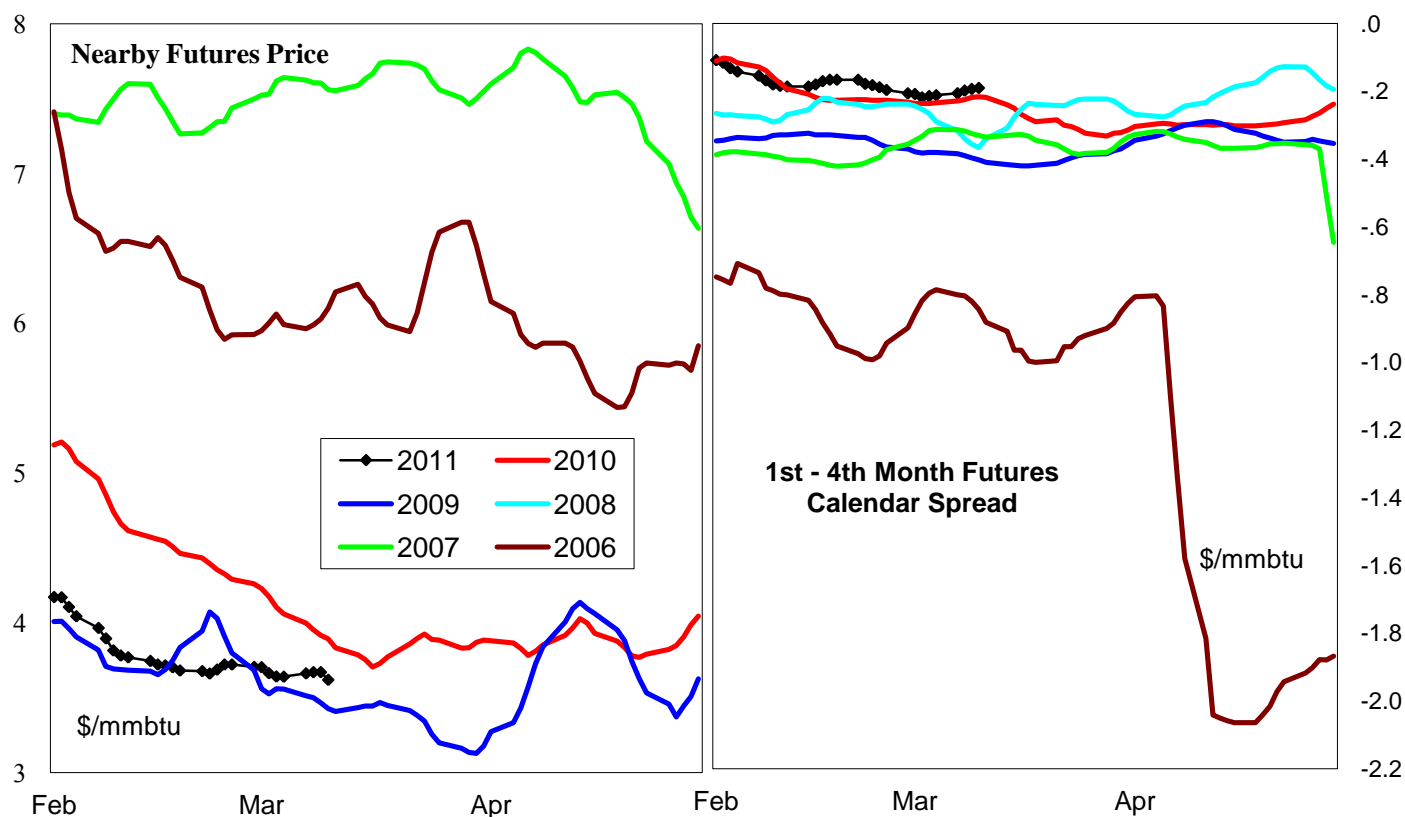
| Week ending: | 4-Mar-11      |                  |          | 26-Feb-11                  |             | 5-Mar-11             |             | 12-Mar-11            |             |
|--------------|---------------|------------------|----------|----------------------------|-------------|----------------------|-------------|----------------------|-------------|
| 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   | 1,674         | -71              | 1.9      | 50                         | 1%          | -30                  | -7%         | -9                   | -5%         |
| East         | 748           | -61              | -6.4     | 60                         | 3%          | -37                  | -7%         | -11                  | -5%         |
| West         | 223           | -17              | -23.1    | 63                         | 30%         | -37                  | 15%         | -33                  | 0%          |
| Producing    | 703           | 7                | 27.1     | 8                          | -34%        | -2                   | -28%        | 11                   | -7%         |

### Seasonal Trends in Stocks and Heating Degree Days

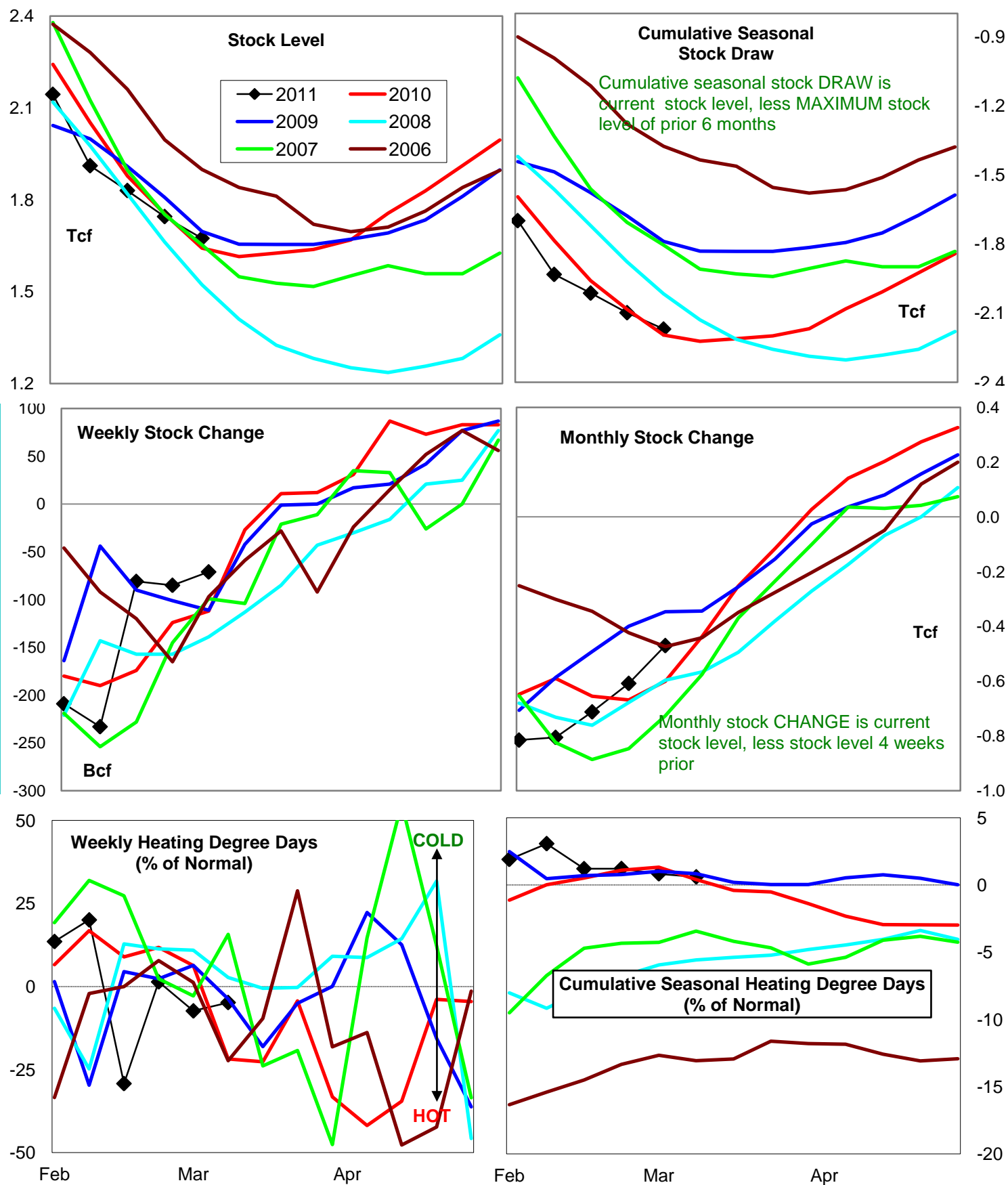
|                   | Cumulative Stock Draw |                             |              | Cumulative Heating Degree Days |                |                     |                |                     |                |
|-------------------|-----------------------|-----------------------------|--------------|--------------------------------|----------------|---------------------|----------------|---------------------|----------------|
|                   | Bcf                   | Change vs prior year<br>Bcf | %            | CHDD's vs<br>normal            | % of<br>normal | CHDD's vs<br>normal | % of<br>normal | CHDD's vs<br>normal | % of<br>normal |
| <b>U.S. Total</b> | <b>-2,169</b>         | <b>26</b>                   | <b>-1.2</b>  | <b>198</b>                     | <b>1.2</b>     | <b>168</b>          | <b>0.8</b>     | <b>159</b>          | <b>0.6</b>     |
| <b>East</b>       | <b>-1,339</b>         | <b>-38</b>                  | <b>2.8</b>   | <b>228</b>                     | <b>2.0</b>     | <b>192</b>          | <b>1.6</b>     | <b>181</b>          | <b>1.3</b>     |
| <b>West</b>       | <b>-297</b>           | <b>-61</b>                  | <b>20.5</b>  | <b>226</b>                     | <b>-3.4</b>    | <b>189</b>          | <b>-2.6</b>    | <b>156</b>          | <b>-2.5</b>    |
| <b>Producing</b>  | <b>-560</b>           | <b>105</b>                  | <b>-18.8</b> | <b>76</b>                      | <b>0.7</b>     | <b>74</b>           | <b>-0.5</b>    | <b>85</b>           | <b>-0.7</b>    |

### Futures Market Price Trends

| Date:                        | 10-Mar-11    | Change vs prior week, month, year |              |              |
|------------------------------|--------------|-----------------------------------|--------------|--------------|
|                              |              | 4-Mar-11                          | 10-Feb-11    | 10-Mar-10    |
| <b>1st month<br/>Futures</b> | <b>3.82</b>  | <b>0.01</b>                       | <b>-0.09</b> | <b>-0.29</b> |
| <b>% change</b>              | <b>xxxxx</b> | <b>0.3</b>                        | <b>-2.3</b>  | <b>-7.1</b>  |



# United States Natural Gas Stock and Weather Trends



Variance to prior year

Stock Level

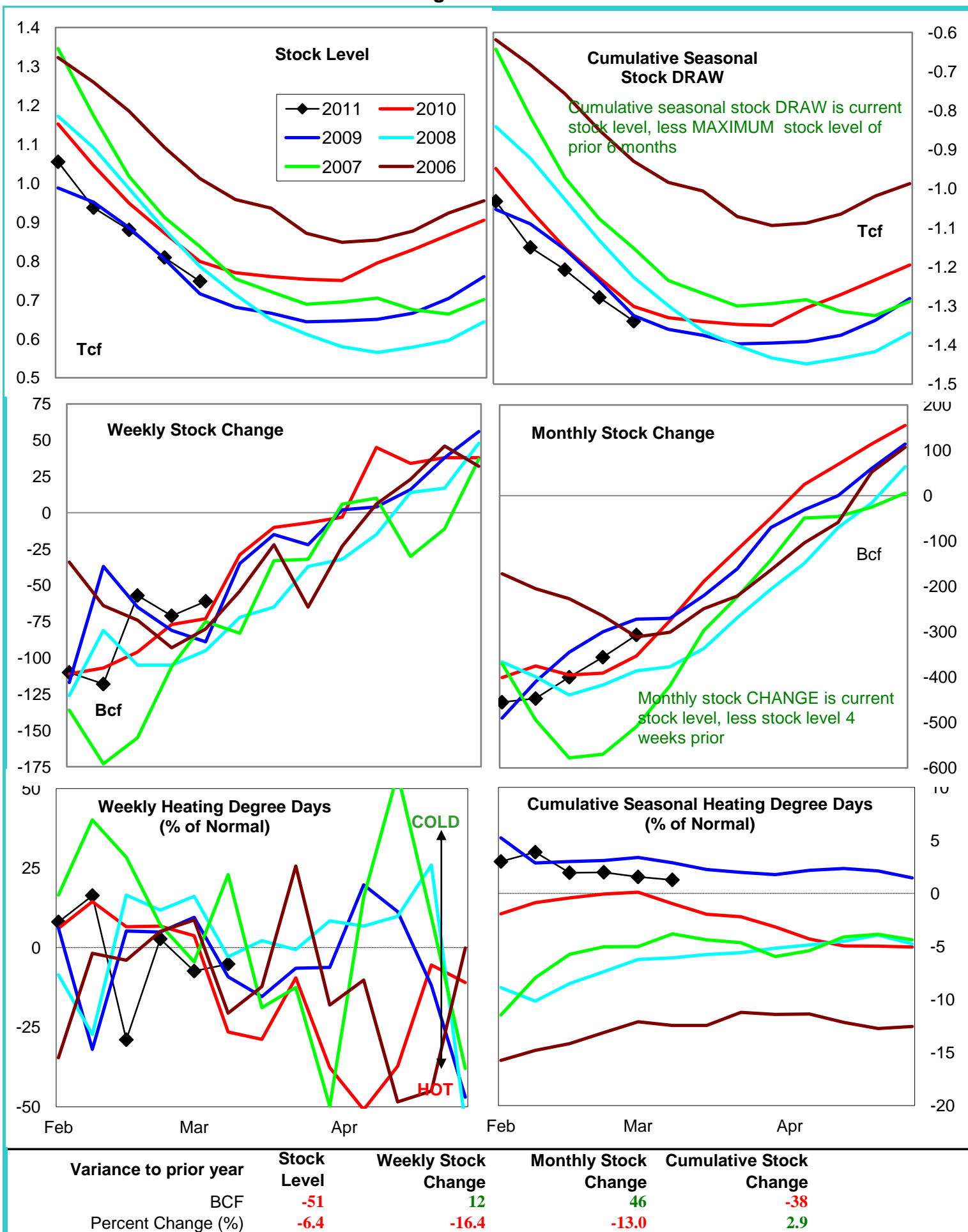
Weekly Stock Change

Monthly Stock Change

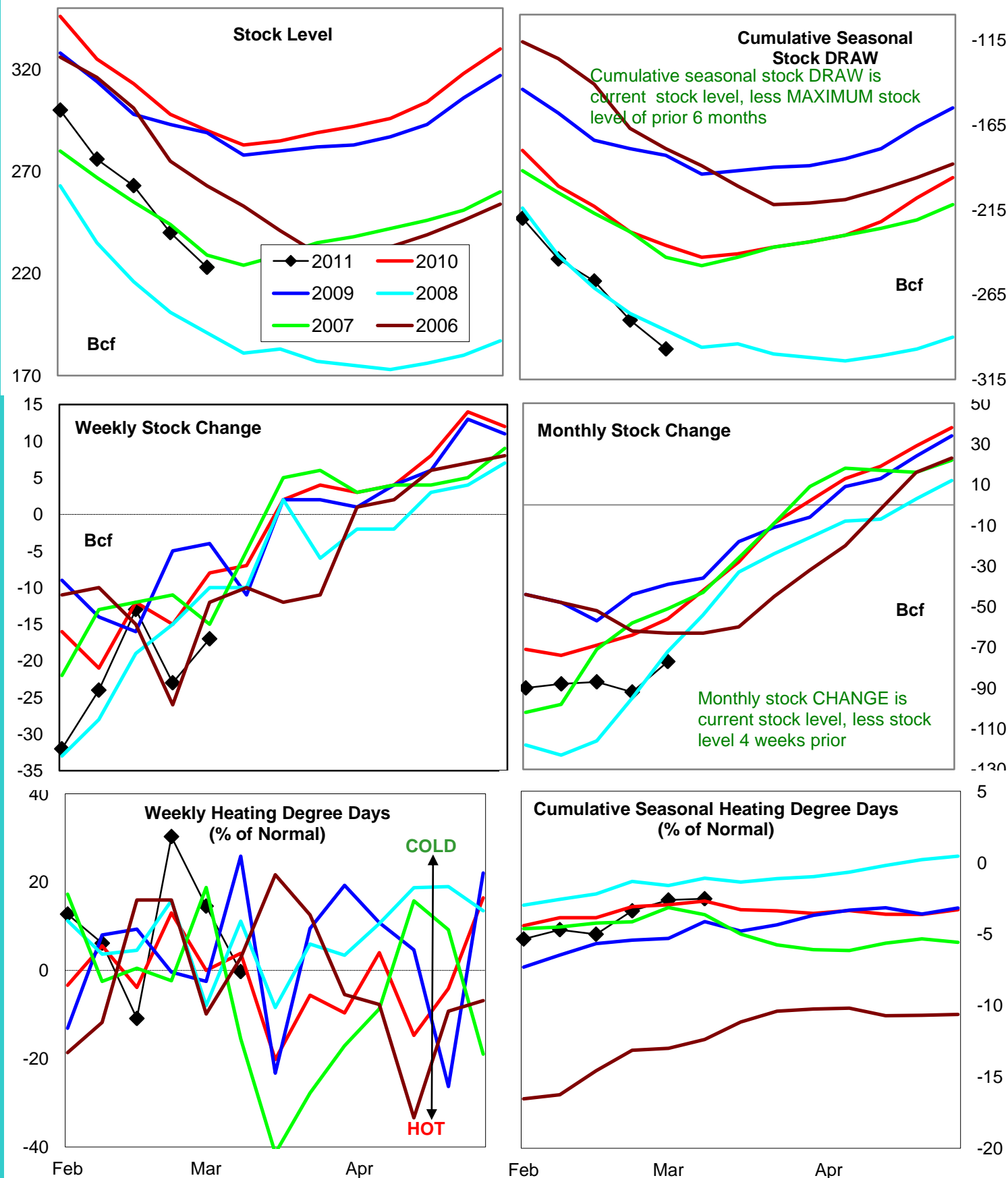
Cumulative Stock Change

BCF  
Percent Change (%)32  
1.941  
-36.6130  
-21.726  
-1.2

# Natural Gas East Region Stock and Weather Trends



# Natural Gas West Region Stock and Weather Trends

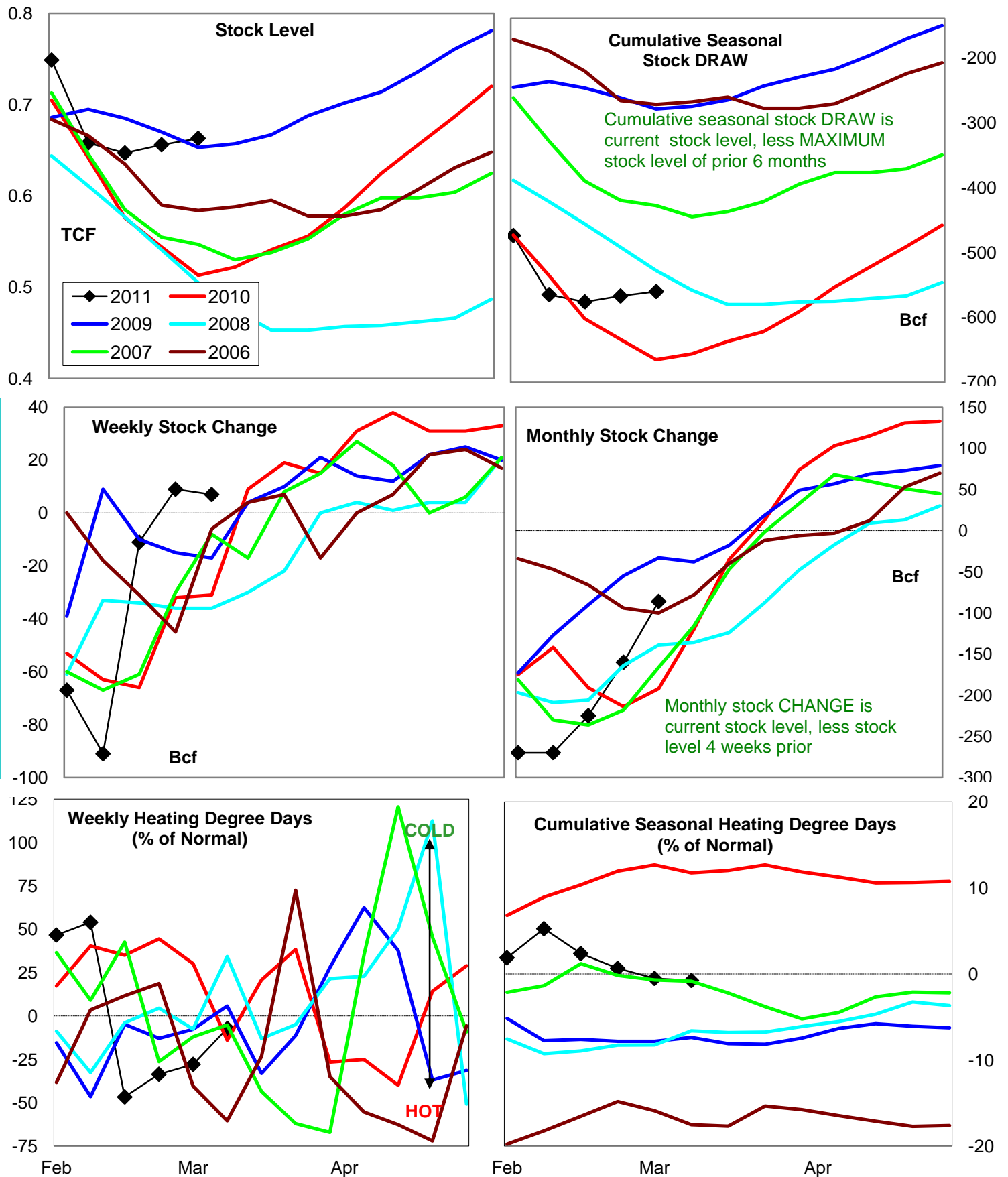


Variance to prior year

Stock  
LevelWeekly Stock  
ChangeMonthly Stock  
ChangeCumulative Stock  
ChangeBCF  
Percent Change (%)-67  
-23.1-9  
112.5-21  
37.5-61  
25.8



# Natural Gas Producing Region Stock and Weather Trends



Variance to prior year

Stock Level

Weekly Stock Change

Monthly Stock Change

Cumulative Stock Change

BCF

150

38

106

105

Percent Change (%)

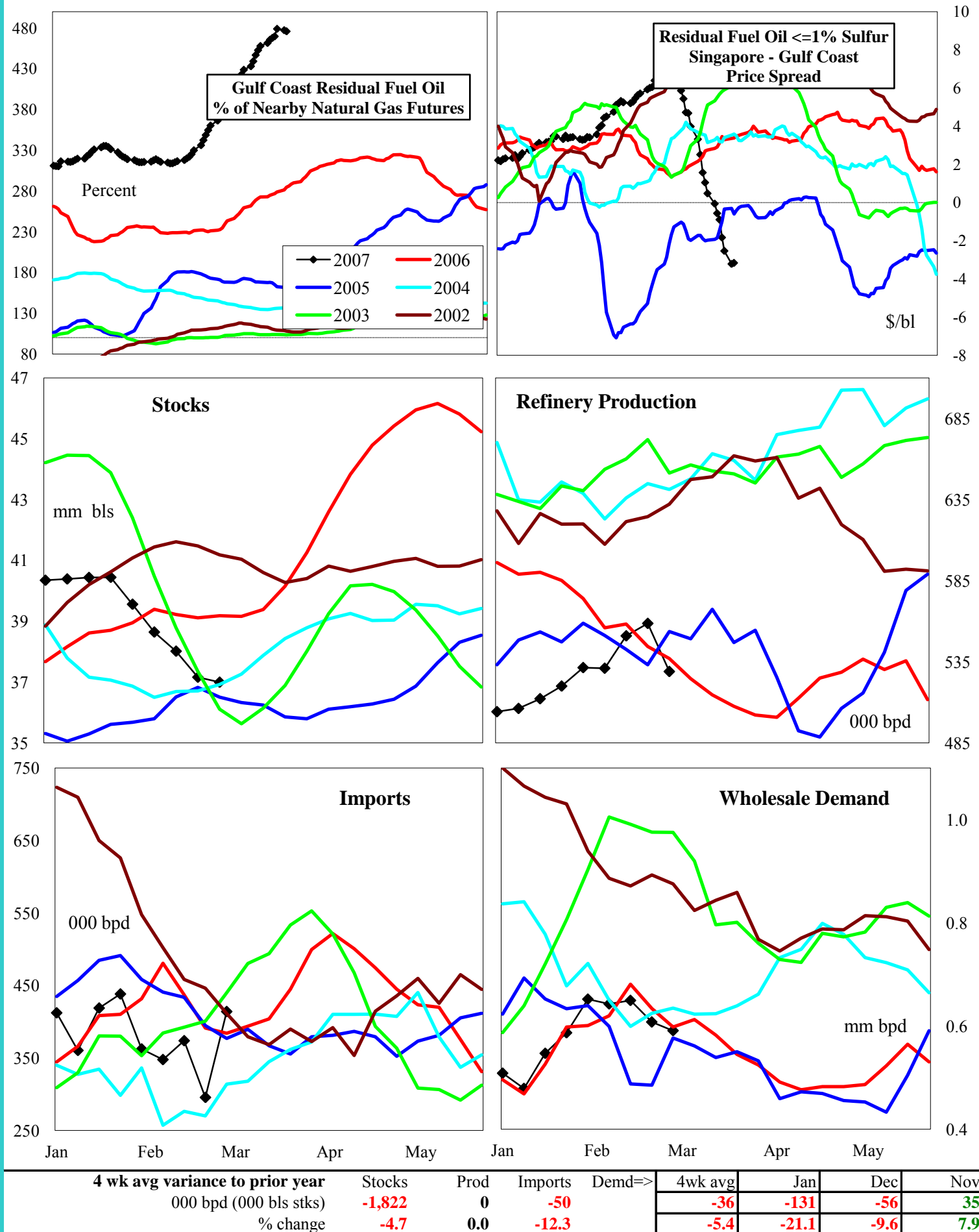
27.1

-122.6

-55.2

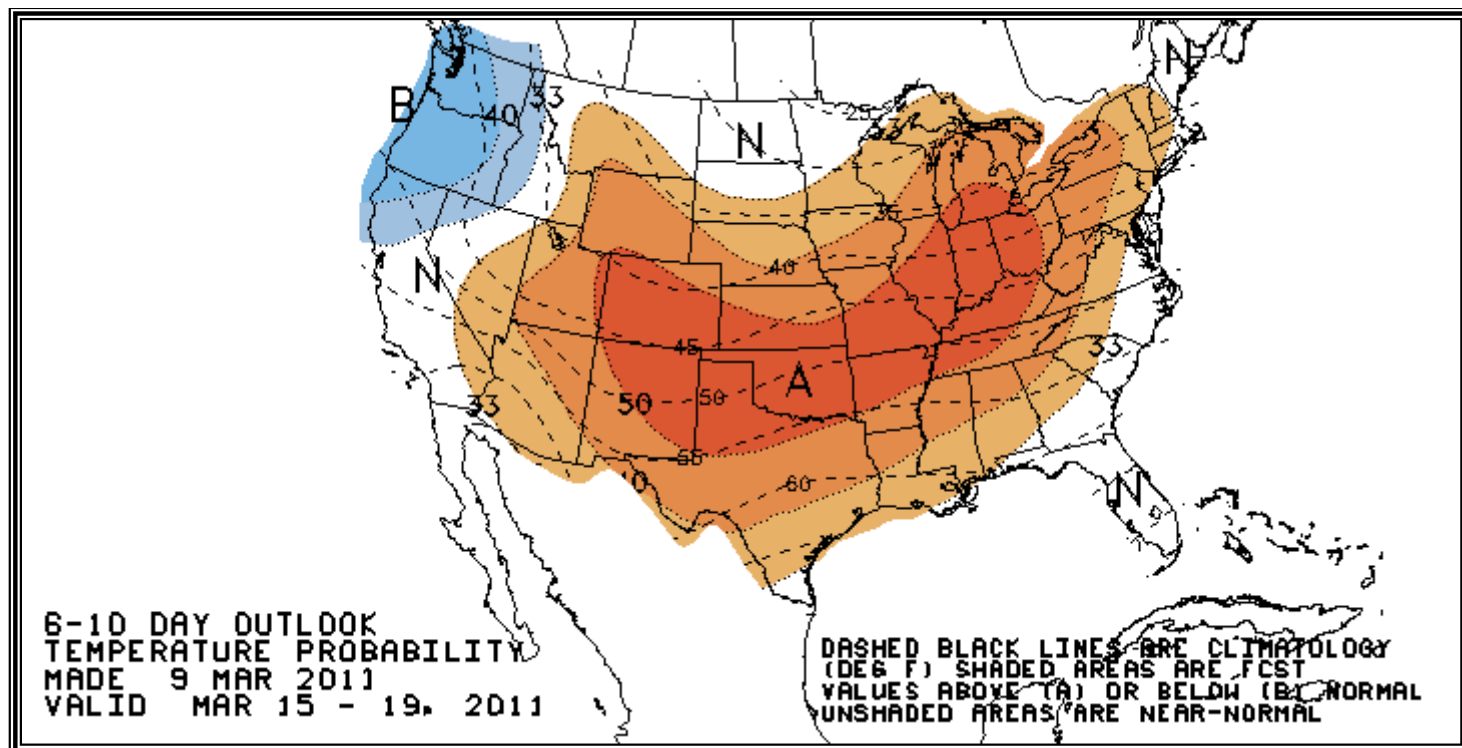
-15.8

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



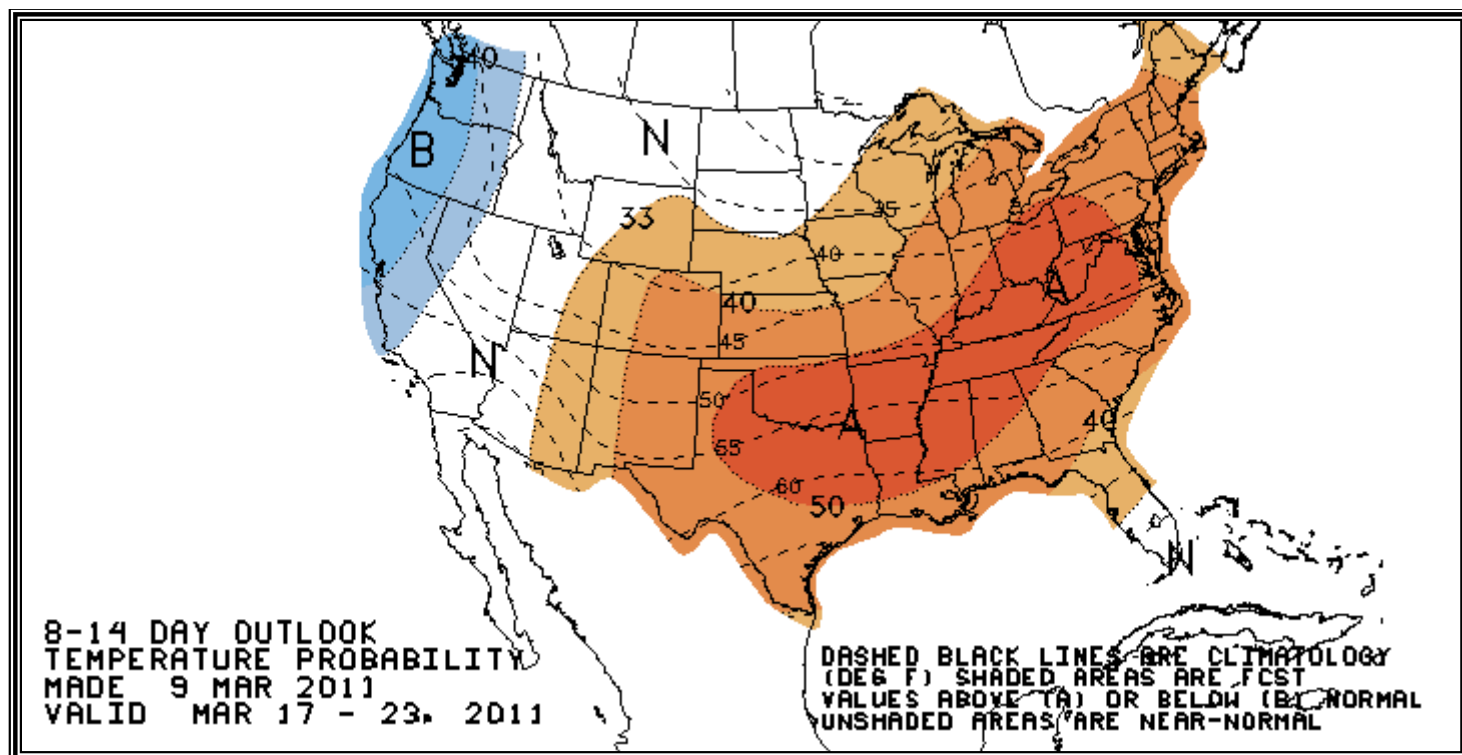
## National Weather Service Climate Prediction Center

## Degree Days 6 - 10 Day Temperature Forecast



## National Weather Service Climate Prediction Center

## Degree Days 8 - 14 Day Temperature Forecast





# American Gas Association Regions

