



Key Price Statistics Fundamentals

Natural Gas Storage

EIA (Energy Information Administration) reported an **net withdrawal of 116 BCF** (billion cubic feet) for the week ending 2/26/2010.

Inventories are at 1,853 BCF, which is down 3.9% or 71 BCF from last year and 21 above the 5-year average or 1.2%.

www.eia.doe.gov

Rig Count

Total number of oil and natural gas rigs in the US **increased** by 28 to 1,373 for 2/26/2010.

www.bakerhughes.com

NYMEX Crude Closing Price

\$80.21 at 10:32 a.m.

Texas ERCOT MCPE Pricing

Houston- \$0.03748 per kWh

North- \$0.03752 per kWh

West- \$0.03613 per kWh

South- \$0.03745 per kWh

Reg DOWN—\$0.01282 per kWh

Reg UP—\$0.01830 per kWh

RRS—\$0.01792 per kWh

www.NrgStream.gov

MARKET SNAPSHOT:



March 4, 2010

12/24/36-Month Strip (NYMEX) Price

12-Month Strip
\$5.163 MMBtu

24-Month Strip
\$5.479 MMBtu

36-Month Strip
\$5.650 MMBtu

Natural Gas Update

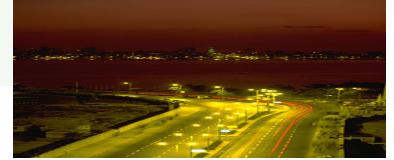
Although the report week began with a major winter storm in the Northeast, the weather has since moderated for much of the country. The resulting decrease in space-heating demand in the residential and commercial sectors was as much as 7.7 Bcf per day from Thursday, February 25, to Wednesday, March 3, according to Bentek Energy LLC. Price declines occurred throughout most of the country, although most were less than \$0.25 per MMBtu. The Henry Hub natural gas spot price decreased in 4 out of the 5 trading days this report week, closing at \$4.76 per MMBtu on Wednesday, March 3. This price was 3 percent lower than the average price on the previous Wednesday, and the lowest year-to-date price at the Henry Hub. The current Henry Hub price is 22 percent lower than the price of \$6.09 per MMBtu at the beginning of the year. A strong outlook for U.S. supplies is likely the primary factor leading to price declines over recent weeks. Domestic production, specifically supplies from unconventional gas fields such as the Marcellus Shale in the Northeast/Appalachia region and the Haynesville Shale in Louisiana, has not declined substantially despite reductions in overall rig counts compared with this time last year. According to the February edition of the EIA's Natural Gas Monthly (NGM), marketed production in December totaled 60.3 Bcf per day, a decrease of less than a percent from November and an increase of 1.5 percent compared with December 2009.

www.eia.doe.gov



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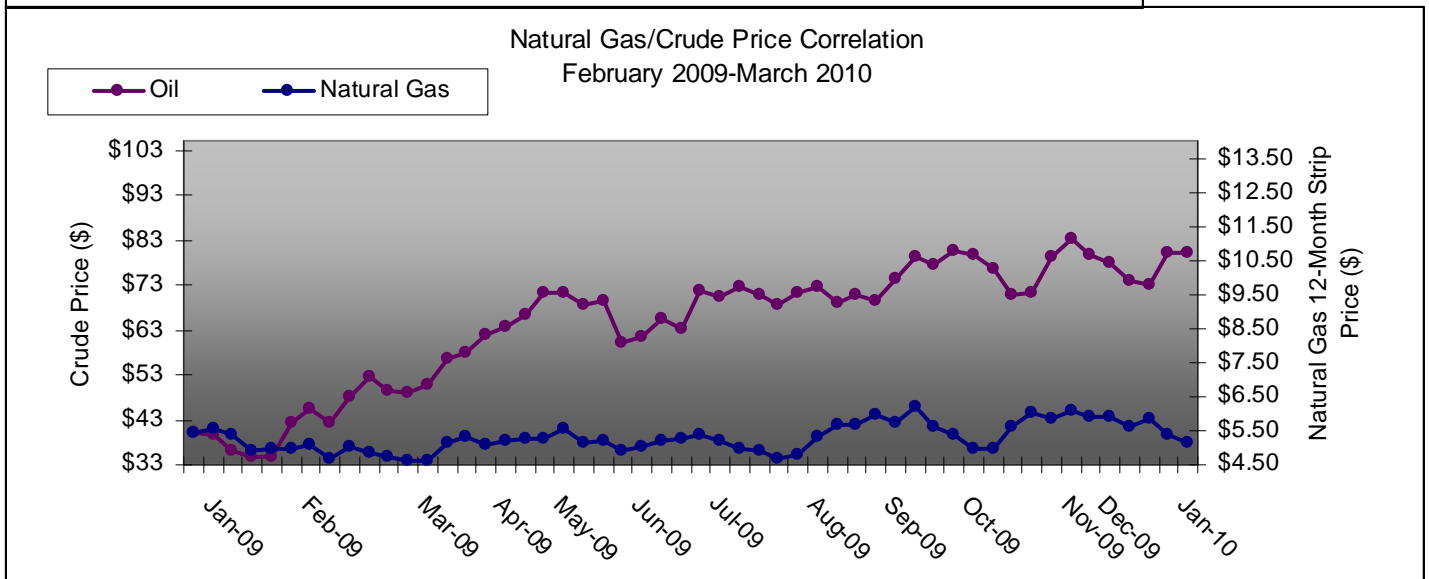
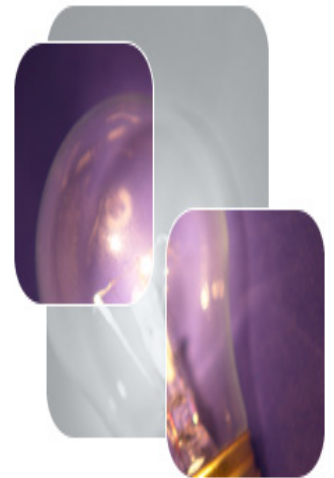
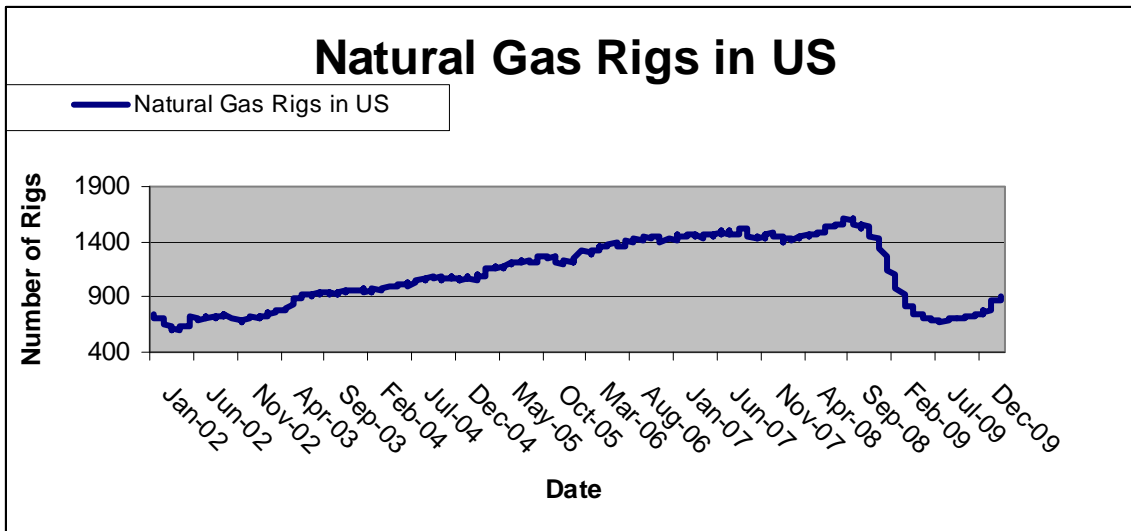
NEWS ALERTS:

Oil Closes Lower

Oil prices edged lower as the dollar rose Thursday after a worse-than-expected drop in home sales contracts and as investors awaited Friday's jobs report. Oil neared \$81 a barrel Wednesday on a weaker dollar as investors welcomed news that Greece had outlined a plan to cut its deficit. Light, sweet crude oil for April delivery fell 66 cents to settle at \$80.21 a barrel. The dollar rose against major currencies Thursday, reducing the appeal of dollar-priced commodities such as oil. Crude was also pressured by stocks, which struggled to hold gains Thursday. Oil traders view the stock market as a leading indicator of economic growth and potential energy demand. As a result, oil prices often follow the major stock indexes. The National Association of

Realtors' Pending Home Sales Index dipped 7.6% in January to 90.4 from an upwardly revised 97.8 in December. Economists were expecting a 1% rise. The Labor Department said 469,000 Americans filed for unemployment insurance last week, the lowest level since Jan. 9 and down 29,000 from the previous week. Lebow said a surplus of crude supplies, which he expects will climb even higher in the next quarter, will also prevent oil prices from rising above \$84 a barrel.

www.money.cnn.com



CURRENT WEATHER FORECAST: Stormy Friday

WEST: A storm system moves across the Intermountain West bringing rain and snow to Nevada, Utah, Idaho, western Wyoming, and western Colorado. Snow accumulations should be 2 to 6 inches across central and northern Nevada, 1 to 3 inches for the mountains of Idaho and northwest Wyoming, and 4 to 15 inches in the mountains of Utah and southwest Wyoming.

SOUTH: Snow showers continue over the southern Appalachian and Smoky Mountains this morning. The remainder of the Southeast should see a mix of clouds and sun with colder-than-average temperatures today. Warmer temperatures are expected from the Mississippi River westward with afternoon readings in the 60s to lower 70s.

MIDWEST: Another tranquil weather day is in store for the region as high pressure maintains control. Sunny to partly cloudy skies are expected for the Great Lakes, Ohio Valley and over Nebraska. Low clouds and locally dense fog will continue to plague parts of the northern Plains and in south-central Minnesota and north-central Iowa.

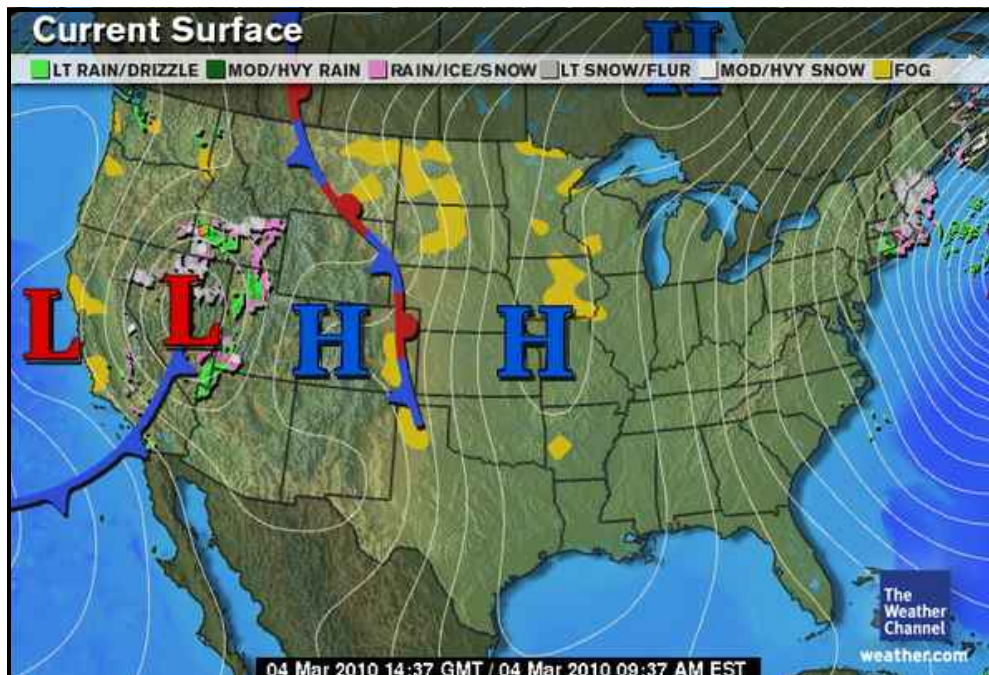
NORTHEAST: Snow circulates around a big ocean storm backing into eastern and central New England today. Accumulations up to 1 inch are possible across coastal Maine, eastern New Hampshire, eastern Massachusetts, Rhode Island, and extreme eastern Connecticut.



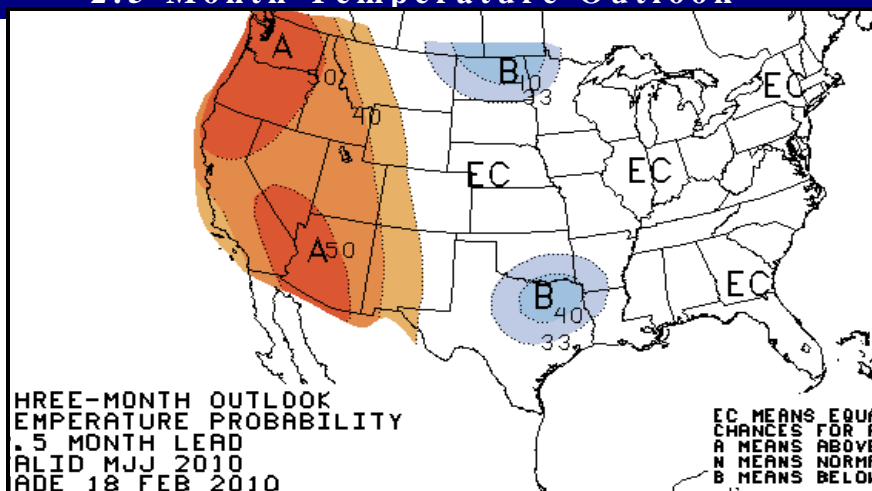
Storms Shift to the West

Low pressure moves through northern Nevada and northern Utah today and through southern Wyoming tonight. The storm produces a swath of rain and snow from southeastern Oregon through Wyoming to the north and Nevada to Colorado to the south. Snowfall across Nevada should range from 2 to 6 inches with the highest amounts falling near the Idaho border. In Idaho the mountains could pick up 1 to 4 inches of snow by tonight. Heavier snow should fall in the mountains of Utah and southern Wyoming with 6 to 15 inches possible through Friday as the storm moves through. Parts of northern Colorado could also see accumulations approach 12 inches, with 3 to 8 inches possible in central and southern sections of the state. Rainfall from this storm should be on the light side with most areas picking up under a quarter of an inch. A stronger storm moves into the Northwest and northern California later tonight and Friday bringing more rain and snow to those areas. Friday night and Saturday the storm rolls southward through California reaching Los Angeles and San Diego Saturday morning. Locally heavy rain could cause mud slides and debris flows in the recent burn areas.

www.weather.com



2.5 Month Temperature Outlook



Temperatures in the Northeast, Midwest & South will have an equal chance of above, normal or below over the next 2.5 months. Temperatures will be above normal in the Northwest over the next 2.5 months. Since temperatures in the Northeast are to be equal, the prices of natural gas should not see an increase due to weather.