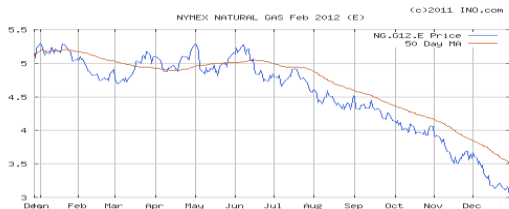


Volume 407 December 29, 2011

Market January natural gas futures expired Wednesday at \$.3084 per therm; February is now the front month. Temperatures are generally warmer than normal and winter has not had an impact on demand. Storage report this morning was a large withdrawal but we still have more gas in storage than last year and the 5 year average. Usually, rig counts rise in the winter but we have another reduction this week. Prices continue to be tempered by flat industrial demand, a sluggish economy. Gas production levels due mostly to shale drilling are still strong. Natural gas is very attractive to fix at this time to protect this winter and beyond. The North American rig count is 809 this week which is a decrease of 7 from last week.

The Crude oil price for February is higher this week at \$99.69 per barrel. Heating oil is higher at \$2.92 per gal. Unleaded gasoline futures are higher this week at \$2.67 and gasoline at the pump is around \$3.29...in Indiana. The natural gas storage report today was a withdrawal of 81 BCF; storage is **297 BCF higher** than last year and **428 BCF higher** than the 5 year average.



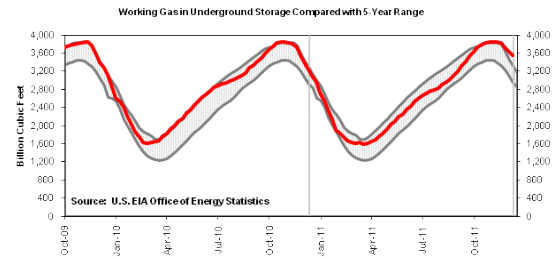
Above Graph – Feb 2012 NYMEX gas futures

Weather: Today: A mix of clouds and sun with gusty winds. High 46F. Winds WSW at 20 to 30 mph. **Tonight:** A few showers early, light rain overnight. Low 38F. WSW winds shifting to SSE at 10 to 20 mph. **Fri:** Light rain in the morning. Showers continuing in the afternoon. High 43F. Winds WSW at 20 to 30 mph. Chance of rain 70%. **Sat:** Windy with plenty of sun. Highs in the upper 40s and lows in the upper 30s. **Sun:** Windy with times of sun and clouds. Highs in the upper 30s and lows in the low 20s.

Storage Statistics: (BCF) Billion Cubic Ft

| This Week | Last Year | 5 Year Ave. |
|-----------|-----------|-------------|
| 3,548 | 3,251 | 3,120 |

The total is a decrease of 81 BCF from last week.



Above Graph - Storage levels as of 12-29-11

Comparative Fuels: Futures Prices for Feb

| | Price | Compared to Nat Gas |
|---------------------|----------------|---------------------|
| Natural Gas (therm) | \$.3023 | \$.3023 |
| Propane (gal) | \$1.42 | \$1.55 |
| Crude Oil (barrel) | \$99.69 | |
| Heating Oil (gal) | \$2.92 | \$2.10 |
| Unleaded Gas (gal) | \$2.67 | |

North American Natural Gas Rig Count:

| | |
|--------------------|-----|
| This week | 809 |
| Last week | 802 |
| Year Ago this week | 919 |

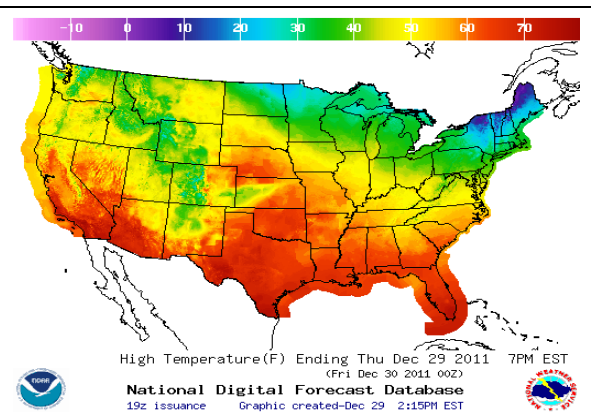
Typical Fixed Price for Winter

Feb 2012-Mar 2012 \$**.4157** per therm.

Typical Fixed Price for 1 YR

Feb 2012-Jan 2013 \$**.4380** per therm.

NGI for December 2011 \$**.3720**



High Temperature (F) Ending Thu Dec 29 2011 7PM EST
(Fri Dec 30 2011 00Z)
National Digital Forecast Database
19z issuance Graphic created-Dec 29 2:15PM EST