



Natural Gas Winter Operations Update

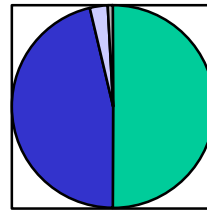
January 3, 2006

(All Natural Gas Volumes in Billions of Cubic Feet)

Projected Sales Demand* (1/1/06 through 3/31/06): **165.9**

Projected Supplies:

Flowing Interstate Gas	83.0	50.0%
Storage Withdrawals	76.9	46.4%
Local Production	4.6	2.8%
Peaking Supplies	1.4	0.8%



■ Flowing Interstate Gas
■ Storage Withdrawals
■ Local Production
■ Peaking Supplies

Total Projected Supplies: **165.9**

* Reported figures reflect consumers who are supplied directly by members of the Energy Association of Pennsylvania, and do not include customers served by third-party natural gas suppliers.

Heating Degree Days:**

Member Company Average Cumulative Actual 11-1-2005 to 1-1-2006 -	1,693
Member Company Average Cumulative Actual 11-1-2004 to 1-1-2005 -	1,542
Member Co. Average Cumulative 30 year Normal – November 1 to January 1 -	1,629

**A measure of how cold a location is over a period of time relative to a base temperature, most commonly specified as 65 degrees Fahrenheit – used in energy analysis as an indicator of heating energy requirements or use. The fact that the current total is higher than the 30 year average is an indication that temperatures are colder than normal to date. (Note that the 30-year average is used for illustrative purposes and is not necessarily considered “normal weather” for all NGDCs.)

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From Our Desk:

When Winter Comes and the Gas is Off

Each fall, Pennsylvania’s natural gas distribution companies painstakingly survey the residences which have had their service terminated. The survey enumerates the residences that may be entering the winter without heat. More importantly however, the survey gives utilities a chance to work with residents on payment arrangements that can get their service restored.

In mid-December the Public Utility Commission’s Bureau of Consumer Services released the results of the Cold Weather Survey. For the investor-owned energy utilities, there are fewer households without service this winter than last winter. In 2004, there were 9,670 utility customers without service in the areas served by investor-owned gas and electric utilities. In 2005 that number dropped by 50 households to 9,620. The actual results demonstrate that the new law to encourage collection has accomplished its purpose, and that the safety nets in place by the industry to protect the poor continue to be solidly in place.

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