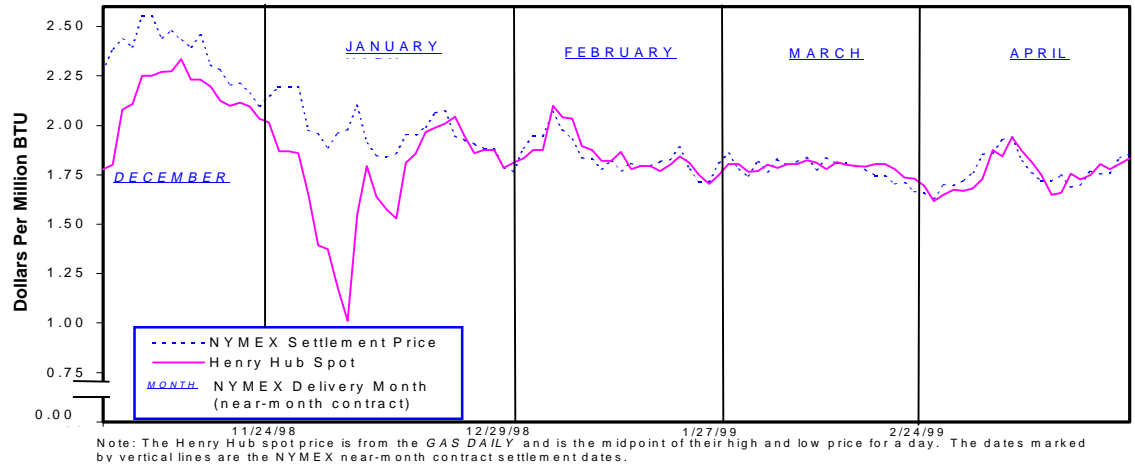


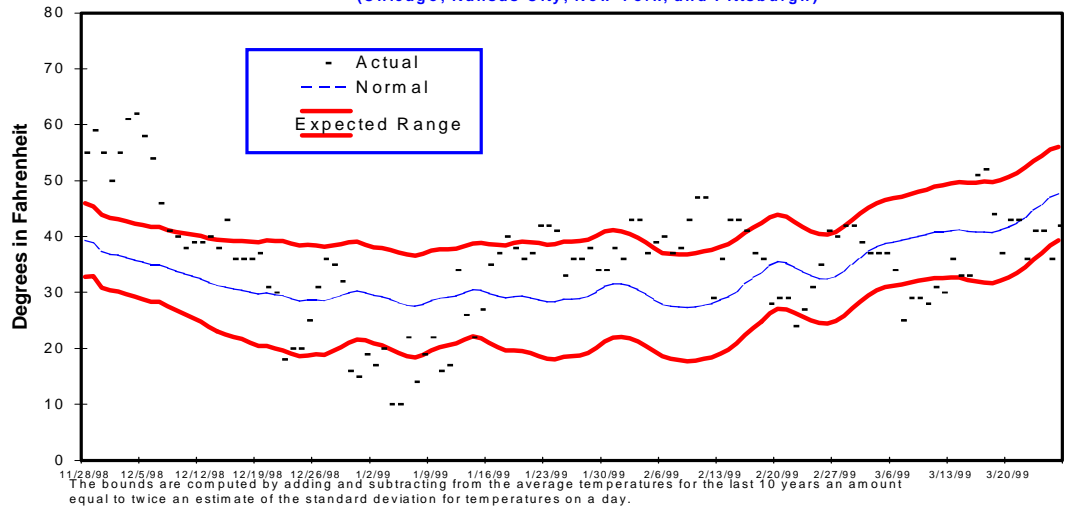
NYMEX Future Prices vs Henry Hub Spot Prices

HENRY HUB PRICE (\$ per MMBtu)		
	SPOT	FUTURES
	March	April
	Del	Del
3/22	1.74-1.76	1.769
3/23	1.79-1.82	1.754
3/24	1.76-1.80	1.759
3/25	1.78-1.83	1.835
3/26	1.82-1.85	1.854



**Average Temperature for Four Major Gas Consuming Metro Areas
(Chicago, Kansas City, New York, and Pittsburgh)**

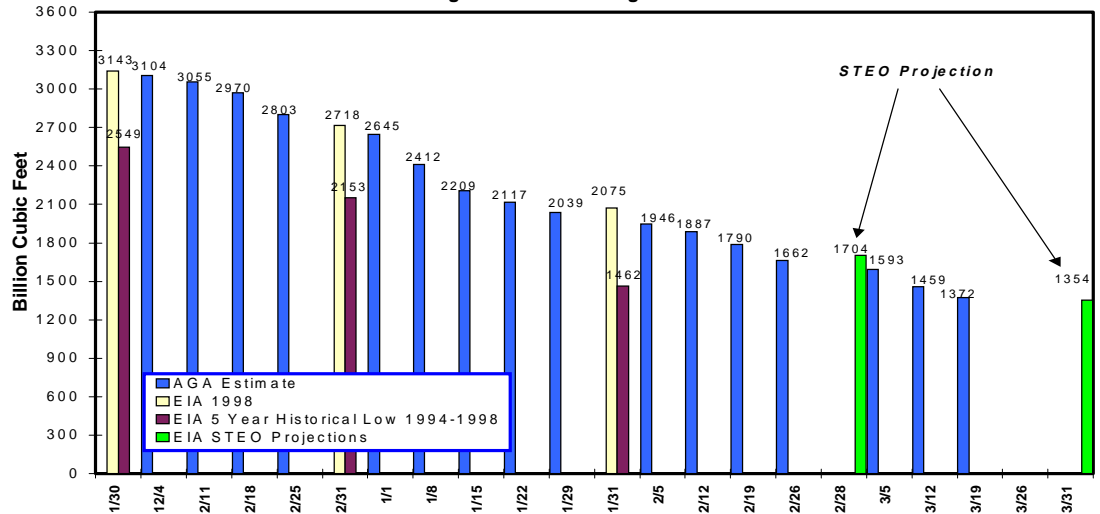
Average Temperature for Four Major Gas Consuming Areas			
	Actual	Normal	Diff
3/20	43	42	1
3/21	43	42	1
3/22	36	43	-7
3/23	41	45	-4
3/24	41	46	-5
3/25	36	47	-11
3/26	42	48	-6



Working Gas Volume as of 3/19/99		
	BCF	% Full
EAST	589	33
WEST	257	53
Prod Area	526	55
U. S.	1372	42

Source: AGA

Working Gas In Storage



The NYMEX futures price for April delivery at the Henry Hub opened Monday, March 29 (its last day of trading) at \$1.835 per MMBtu, \$0.019 less than Friday's settlement price. The calendar may say it is springtime, but the weather in the four cities monitored for this report (Chicago, Kansas City, New York, and Pittsburgh) was cool most days last week. The composite average temperatures ranged between 4 and 11 degrees below normal most days. This week's forecasts are calling for above normal temperatures in the Midwest and the Northeast. The April futures contract began the week up 7 cents per MMBtu then continued to trend up most days and ended the week at \$1.854. Spot market prices at the Henry Hub again appeared to "follow the screen" as they trended up about 10 cents reaching \$1.84 per MMBtu on Friday. Industry storage facilities reported average net withdrawals of almost 12.5 Bcf per day during the third week of March. The price of West Texas Intermediate crude oil stayed near \$15.50 per barrel through Thursday, then moved up sharply on Friday to end the week at \$16.20—roughly equivalent to \$2.80 per MMBtu.

Storage: For the week ending Friday, March 19, the American Gas Association (AGA) estimated that net storage withdrawals were 87 Bcf. According to AGA, this left 1,372 Bcf, or 42 percent of working gas capacity, still available with less than 2 weeks remaining until the end of the heating season (March 31). This is 346 Bcf more than for the same week last year (1,026 Bcf). The majority of this year's differential is in the Producing region, where inventories exceed year-ago levels by 200 Bcf. At 526 Bcf, the Producing region has 55 percent of capacity still on hand. The West Consuming region also has a sizeable surplus (85 Bcf) over last year (257 Bcf vs.172) and about 52 percent of capacity remaining in inventory. In the East Consuming region, which traditionally depends on storage resources for a large amount of its supply in winter months, the differential is only 61 Bcf. The 589 Bcf remaining in storage represents about 33 percent of working gas capacity in this region.

Spot Prices: Spot prices moved up more than 10 cents per MMBtu last week without any real change in market fundamentals except for the recent increase in petroleum prices. As in early March, natural gas prices on the spot market at the Henry Hub and at many other major market locations appeared to be highly influenced by price movements of the near-month (April) futures contract. The spot price began the week up only 2 cents but then proceeded to track the NYMEX April contract to end the week at about \$1.84 per MMBtu. Nationally, the lowest prices continue to be available in the Rockies, at \$1.56 per MMBtu, while some of the highest postings are being reported at Transco Zone #6 in New York at \$2.05 per MMBtu.

Futures Prices: The futures contract for April displayed some surprising strength last week as it gained more than \$0.15 per MMBtu to settle on Friday at \$1.854. Commenting on daily increases, some market observers have mentioned that it appears that several large players—marketers, utilities, industrials, and LDCs—find themselves short of supplies for next month and are just now getting active in the April contract. Open interest has been substantial, with more than 215,000 contracts for April delivery initiated last week.

Summary: Some cool weather continued last week in the Midwest and the East. The near-month NYMEX futures contract for April moved up most days and influenced a similar rise on many spot markets. Stocks remain almost 350 Bcf ahead of last year with most of the surplus in the Producing region (200 Bcf).